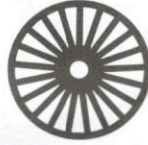


**ISUZU**



**GHANDHARA INDUSTRIES LIMITED**

*A Bibojee Group Company*

F-3, HUB CHAUKI ROAD, S.I.T.E.  
POST BOX NO. 2706  
KARACHI-75730, PAKISTAN  
PHONE : 32560083-86, 32590199  
FAX : 92-21-32560090  
92-21-32564458  
Website : www.gil.com.pk

**Confidential & Sealed**  
**Through PUCARS**

September 19, 2018

**The General Manager**  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
KARACHI.

**Subject: FINANCIAL RESULTS FOR THE YEAR ENDED JUNE 30<sup>th</sup> 2018**

Dear Sir,

We have to inform you that the Board of Directors in their meeting held on Wednesday September 19, 2018 at 2:00 PM at Karachi approved the audited accounts of the Company for the year ended June 30, 2018. The directors have recommended a final cash dividend @ Rs. 15.6 per share i.e. 156% and issue of bonus share that is one share for each one share held i.e. 100% for the year ended June 30<sup>th</sup>, 2018.

The financial results of the Company as at June 30<sup>th</sup> 2018 are attached herewith as Annexure A.

Auditors' Certificate for the free reserves retained after the issue of bonus shares have been attached as Annexure B.

The Annual General Meeting of the Company will be held at 11:30 A.M. on October 23, 2018 at Gandhara Industries Limited, F-3, Hub Chauki Road, S.I.T.E., Karachi.

The Share Transfer Books of the Company will be closed from October 16, 2018 to October 23, 2018 (both days inclusive). Transfer received at the Company's Share Registrar (i.e. M/s Hameed Majeed Associates (Private) Limited) at 4th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi at the close of business on October 15, 2018 will be treated in time for the purpose of above entitlement to the transferees.

The Annual Report of the Company will be transmitted through PUCARS at least 21 days before holding of Annual General Meeting.

Yours Sincerely

For and on behalf of Gandhara Industries Limited

  
IFTIKHAR AHMED KHAN  
COMPANY SECRETARY



# GHANDHARA INDUSTRIES LIMITED

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## Annexure A

	2018	2017
	----- Rupees in '000 -----	
Sales	16,772,383	10,740,631
Cost of sales	(13,661,379)	(8,537,668)
<b>Gross profit</b>	<b>3,111,004</b>	<b>2,202,963</b>
Distribution cost	(584,046)	(359,159)
Administrative expenses	(346,542)	(150,595)
Other expenses	(148,748)	(244,074)
Other income	154,796	22,127
<b>Profit from operations</b>	<b>2,186,464</b>	<b>1,471,262</b>
Finance cost	(222,394)	(224,637)
<b>Profit before taxation</b>	<b>1,964,070</b>	<b>1,246,625</b>
Taxation	(601,650)	(450,612)
<b>Profit after taxation</b>	<b>1,362,420</b>	<b>796,013</b>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Re-measurement of staff retirement benefit obligation	(16,676)	(1,934)
Impact of deferred tax	4,836	580
	(11,840)	(1,354)
Effect of change in tax rates on balance of revaluation of fixed assets	2,947	-
Other comprehensive loss for the year - net of tax	(8,893)	(1,354)
<b>Total comprehensive income for the year</b>	<b>1,353,527</b>	<b>794,659</b>
	----- Rupees -----	
<b>Basic and diluted earnings per share</b>	<b>63.95</b>	<b>37.36</b>



22/N-18/2018-19

Principal Office:  
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Tel: +92 42 37235084-87  
Fax: +92 42 37235083  
Email: lhr@hccpk.com  
www.hccpk.com

September 19, 2018

The Chief Executive Officer  
Gandhara Industries Limited,  
F-3, Hub Chowki Road, S.I.T.E,  
KARACHI.

Dear Sir,

### AUDITORS' CERTIFICATE ON COMPUTATION OF FREE RESERVES

We have been requested to provide you with a certificate on computation of free reserves of Gandhara Industries Limited (the Company) as required under the Companies (Issue of Capital) Rules, 1996 (the Rules).

#### Scope of certificate

The requirement of sub clause (iii) of clause 6 of the Rules are reproduced below;

*"(iii) a certificate shall be obtained by the company from the auditor certifying that, -*

- (a) the free reserves retained after the issue of bonus shares are not less than fifteen per cent of the increased paid up capital of the company; and*
- (b) all contingent liabilities have been deducted while calculating the minimum residual reserve of fifteen per cent and such certificate shall be sent to the Commission for information and the respective stock exchange on the day of decision for the public dissemination."*

#### Management responsibility

It is the responsibility of the Company's management to prepare and ensure the computation of residual free reserves in accordance with the Rules. The management's responsibility also includes maintenance of accounting records and internal controls system, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of fraud and irregularities. This certificate does not relieve the management of its responsibilities.

*Shahri*

### Auditors' responsibility

Our responsibility is to issue a certificate on computation of free reserves for the issue of bonus shares as required under the Rules in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to the procedures as mentioned below:

- Obtained computation for free reserves and checked the amounts, proposed bonus issue and other relevant information used for computation with the trial balance, financial statements and the resolution of the Board of Directors; and
- Checked that the total proposed bonus issue is within the limits prescribed under the Rules including Company's residual free reserves after the aforementioned proposed bonus issue do not include any reserve created as a result of revaluation of fixed assets or any intangible or fictitious assets such as preliminary expenses or goodwill. Further reviewed the contingent liabilities as disclosed in financial statements as at June 30, 2018 to determine the contingent loss, if any, falling within the scope of the paragraph 14 of International Accounting Standard 37 "Provisions, Contingent Liabilities and Contingent Assets" and confirm that all such liabilities have been accounted for which are deductible from the aforementioned free reserves of the Company.

### Certificate

Based upon the procedures mentioned under Auditors' responsibility paragraph, we certify that the residual free reserves in terms of meaning given to "free reserves" in the Rules, after incorporating the proposed issue of bonus shares of a face value of Rs.213,044 thousand would be higher than fifteen percent of the enhanced capital of Rs.426,088 thousand.

### Restriction on use and distribution

This certificate is being issued in the capacity of statutory auditors of the Company on the specific request of the management for the purpose of issue of bonus shares to shareholders of the Company as required under the Rules and is not to be used or distributed for any other purpose. This certificate is restricted to the fact stated herein.

Yours truly

*Shiny Hameed Chaudhri & Co.*  
SHINEWING HAMEED CHAUDHRI & CO.  
CHARTERED ACCOUNTANTS