

GHANDHARA INDUSTRIES LIMITED

Source: "BUSINESS RECORDER" Dated: October 10, 2008



GHANDHARA INDUSTRIES LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 45th Annual General Meeting of the Shareholders of Gandhara Industries Limited will be held on Friday, 31st October 2008 at 3:00 P.M., at F-3 Gandhara Industries Limited, Hub Chauki Road, S.I.T.E., Karachi, to transact the following business:

ORDINARY BUSINESS

- To confirm the minutes of the Annual General Meeting held on 31st October 2007.
- To receive, consider and approve the Audited Accounts of the Company for the year ended 30th June 2008 together with Directors' and Auditors' Report thereon.
- To appoint Auditors for the year ending 30th June 2009 and fix their remuneration. The retiring Auditors, M/s. Hameed Chaudhri & Co., Chartered Accountants being eligible offer themselves for reappointment.

SPECIAL BUSINESS

To discuss and approve the matter regarding investment in the equity of The General Tyre & Rubber Co. of Pakistan Ltd. and if thought fit to pass the following special resolution with or without modification.

*Resolved that the Company is hereby authorized to invest an amount upto Rs.100 million in the shares of an associated undertaking namely The General Tyre & Rubber Co. of Pakistan Ltd. in compliance with Section 208 of the Companies Ordinance, 1984.

Further Resolved that any Director or the Company Secretary singly or jointly be and is/are hereby authorized to take all such steps as may be necessary or incidental to complete the legal formalities in this behalf."

- To transact any other business with the permission of the chair.

By Order of the Board
IFTIKHAR AHMED KHAN
(COMPANY SECRETARY)

Karachi: 10th October 2008

Statements under Section 160(1)(b) of the Companies Ordinance, 1984 pertaining to special business are attached to this notice.

NOTES:

- The Share Transfer Books of the Company will be closed from 22nd October 2008 to 31st October 2008 (both days inclusive).
- A member entitled to attend and vote at the Annual General Meeting is entitled to cast his/her vote by proxy. Proxies must be deposited at the Company's Registered Office at F-3 Gandhara Industries Limited, Hub Chauki Road, S.I.T.E., Karachi not later than 48 hours before the time for holding the meeting.
- Individual beneficial owners of CDC entitled to attend and vote at this meeting must bring their participant ID and account/sub-account numbers along with original CNIC or passport to verify his/her identity. In case of Corporate entity, resolution of the Board of Director/Power of Attorney with specimen signature of the nominees shall be produced (unless submitted earlier) at the time of meeting.
- For appointing proxies, the individual beneficial owners of CDC shall submit the proxy form as per above requirement alongwith participant ID and account / sub-account number together with attested copy of their CNIC or passport. The proxy form shall be witnessed by two witnesses with their names, addresses and CNIC numbers. The proxy shall produce his/her original CNIC or passport at the time of meeting. In case of Corporate entity, resolution of the Board of Directors/Power of Attorney with specimen signature of the proxy shall be produced at the time of meeting (unless submitted earlier) alongwith the proxy-form.
- Members are requested to notify any change in their address, immediately to our Share Registrar's Office – M/s. Hameed Majeed Associates (Pvt.) Ltd., 5th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi.

Statement of Material Facts U/S-160(1)(b) of the Companies Ordinance 1984

Gandhara Industries Limited (GIL) being an associated company of the General Tyre & Rubber Company of Pakistan Limited (GTR) intends to invest in the shares of GTR.

The investment in GTR will ensure constant and timely supply of Tyres for our Commercial Vehicles. The investee Company is engaged in the manufacture of Tyres for Passenger Cars and Heavy Commercial Vehicles in Pakistan. This is a Joint Venture with world renowned Continental Tyre AG of Germany. The Company has great potential to cater for the growing requirements of the market.

GTR has recently made investment in expansion/BMR which has improved quality and increased the production capacity of the GTR plant. The investee Company will produce larger volume of tyres and generate increased revenue which will be passed on to the stakeholders including GIL.

The material facts relating to this investment are as follows:-

- Name of the investee Company : General Tyre & Rubber Co. of Pakistan Ltd.
- Nature, amount and extent of Investment : Equity investment to the extent of Rs.100 million
- Average market Price during last six months : Rs. 25.67
- Breakup value on the basis of last published financials : Rs. 20.45
- Price at which shares will be purchased : At negotiated price
- Earning per share during last 3 years : 2008 : (Rs. 0.28), 2007 : Rs. 1.05, 2006 : Rs. 2.12
- Payout to shareholders during the last six years. : 2007 : 20%, 2006 : 17.5%, 2005 : -, 2004 : -
: 2003 : 20%, 2002 : 50% & 250% (Bonus issue)
- Source of Funds : Company Operation
- Period for which investment will be made : As long as the Company derives financial & other benefit from the operations of investee Company.
- Purpose of investment : To ensure continuity of the supply of Tyres of required specification as detailed above and just in time delivery, thus saving substantial amount of foreign exchange and local funds to the Company. We also expect fair return on investment from the year 2010.
- Benefits of Investment to the Company : Presently the management of GTR is vested in three major groups i.e. Bibojee Services (Pvt.) Ltd., Continental A.G., Pak Kuwait Investment Co. Ltd., Bibojee and Continental have a close link with the business of the Company, Bibojee being holding Company of two public companies in the Automobile Sector, and Continental being the technology supplier of GTR, the proposed investment will help the management in taking timely and effective decisions for improved performance of the Company, eventually passing on higher yield to the shareholders of the investee Company.
- Interest of Directors or relatives in Investee company. : The sponsor Directors are also sponsors of the investee Company.