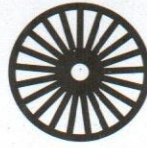


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GHANDHARA INDUSTRIES LIMITED

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

Through PUCARS

September 24, 2018

The Deputy General Manager
Companies Affairs Department
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
KARACHI.

Subject: FINANCIAL RESULTS FOR THE YEAR ENDED JUNE 30th 2018

Dear Sir,

This is with reference to our earlier letter dated September 19, 2018 regarding the captioned subject whereby Annexure B was inadvertently missed in the said attachment.

Please find attached a certificate of free reserves issued by our external auditors M/s ShineWing Hameed Chaudhri & Co. Chartered Accountants.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours Sincerely

For and on behalf of Ghandhara Industries Limited


IFTIKHAR AHMED KHAN
COMPANY SECRETARY

22/N-18/2018-19

Principal Office:
HM House,
7-Bank Square, Lahore.
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