

Annual Report  
2022

# The real power to drive



**GHANDHARA**  
INDUSTRIES LIMITED

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## Vision / Mission / Core Value

### Our Vision

“To acquire market leadership and contribute to the society by providing high quality and environment friendly ISUZU Vehicles in Pakistan’s Market.”

### Core Value

To conduct our Business with Honesty, Integrity, and a Customer Focus. Be Professional, Reliable, Passionate and Responsive.

### Our Mission

- To assist the society in the fight against pollution hazards by introducing environment friendly vehicles.
- To maximize share of ISUZU in Pakistan.
- To be a market & customer-oriented organization.
- To provide effective and efficient after sales services to the customers.
- To enhance performance in all operating areas, ensuring growth of the company and optimum return to the stakeholders.
- To create conducive operational environment for optimum productivity, job satisfaction, career development and well-being of Employees.

# Company Profile

## Board of Directors

Mr. Ali Kuli Khan Khattak	Chairman
Mr. Ahmad Kuli Khan Khattak	CEO/Director
Mr. Muhammad Kuli Khan Khattak	Director
Mrs. Shahnaz Sajjad Ahmad	Director
Maj. (R) Muhammad Zia	Director
Mr. Sohail Hameed	Ind. Director
Mr. Shahid Kamal Khan	Ind. Director

## Audit Committee

Mr. Sohail Hameed	Chairman
Maj. (R) Muhammad Zia	Member
Mr. Shahid Kamal Khan	Member
Mr. Shah Nawaz Damji, ACA	Secretary

## Human Resource & Remuneration Committee

Mr. Shahid Kamal Khan	Chairman
Mr. Ahmad Kuli Khan Khattak	Member
Maj. (R) Muhammad Zia	Member
Mr. Sohail Hameed	Member
Mr. Shahrukh Asghar	Secretary

## Chief Financial Officer

Mr. Muhammad Aamir, FCA

## Company Secretary

Mr. Talha Ahmed Zaidi, ACA

## Auditors

M/s. ShineWing Hameed Chaudhri & Co.  
Chartered Accountants  
5th Floor, Karachi Chambers  
Hasrat Mohani Road, Karachi

## Legal Advisors

S. Abid Sherazi & Co.  
Ahmed and Qazi  
Hassan & Hassan (Advocates)

## Share Registrar

CDC Share Registrar Services Limited  
CDC House, 99-B, Block 'B',  
S.M.C.H.S. Main Sharah-e-Faisal  
Karachi-74400

## Bankers

National Bank of Pakistan  
Al-Baraka Bank (Pakistan) Ltd.  
JS Bank Ltd.  
Faysal Bank Ltd.  
The Bank of Punjab  
MCB Islamic  
Bank Alfalah Ltd.  
Bank Islami Pakistan Ltd.  
Bank Al Habib Ltd.  
Samba Bank Limited  
Habib Metropolitan Bank Limited

## Registered Office

F-3, Hub Chowki Road, S.I.T.E.  
Post Box No. 2706, Karachi - 75730

**Website:** [www.gil.com.pk](http://www.gil.com.pk)

**Email:** [info@gil.com.pk](mailto:info@gil.com.pk)





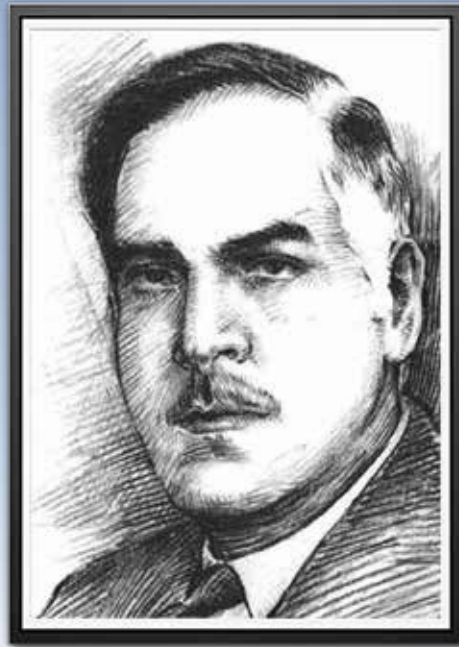
## Company Review

Ghandhara Industries Limited (GIL), is the exclusive distributor of ISUZU products in Pakistan, and is part of the Bibojee Group of Companies. At GIL, we are very proud of our performance in one of the world's most competitive truck markets in terms of loading capacity & fuel efficiency using leading edge engineering and manufacturing technologies, GIL has developed a reputation for reliability, conformability and cost efficient Trucks, Buses and Pickups.

With more than 55 years of history in Pakistan, GIL has been one of the top leading automobile companies. Our products range from pickups to heavy duty trucks and buses.

Our ISUZU truck consistently leads the way with superior specification & reliability. Our customers have come to depend upon the outstanding reliability and superb fuel economy of our trucks, which are often required to operate under very demanding conditions. GIL & ISUZU are concerned for the environment and their superior engineering capability which ensures compliance with the most stringent emissions regulations. Together with our dealership network, we are committed to provide the highest level of customer service availability.





# FOUNDER

## Chairman

### **Late General Habibullah Khan Khattak**

Lt. General (R) M. Habibullah Khan Khattak was the Founder Chairman of the Bibojee Group of Companies. Today, the Group is an industrial empire with an extensive portfolio of businesses comprising of three cotton spinning mills, a woolen mill, two automobile plants, a general insurance company, Pakistan's largest tyre manufacturing company, a construction company and two Trusts for supporting education and wildlife protection.

## Board of Directors



**Mr. Ali Kuli Khan Khattak**  
Chairman

Mr. Ali Kuli Khan Khattak was educated at Aitchison College Lahore and graduated from the Royal Military Academy Sandhurst in 1964 and holds a Masters Degree from the Quaid-e-Azam University, Islamabad. He belongs to a prominent military family of Pakistan. He retired from the Pakistan Army as its Chief of General Staff in 1998, prior to this, apart from holding various offices, he also directed the Directorate General of Military Intelligence (DGMI). During his career he was awarded “Hilal-e Imtiaz”. After retirement he joined the Family Business which includes, Tyre Manufacturing, Automobiles, Insurance, Cotton Spinning Mills, Woollen Textiles, Finance, Construction and Trading Services Companies.



**Mr. Ahmad Kuli Khan Khattak**  
CEO/Director

Mr. Ahmad Kuli Khan Khattak graduated from the Pakistan Air Force (PAF) Academy Risalpur in 1969 and served PAF for nearly 21 years. He won different medals and honors including the coveted, Sword of Honour and Sitara-e-Basalat. After a distinguished career as a Fighter Pilot, (which included a major role in the induction of F-16 Fighter Planes in the PAF) he joined the Family Business, Bibojee Group of Companies. He has also served as chairman of All Pakistan Textile Manufacturers Association (APTMA) and Pakistan Automobile Association (PAMA) which are leading associations in Pakistan.



**Mr. Muhammad Kuli Khan Khattak**

Executive Director

Mr. Muhammad Kuli Khan Khattak is an automotive management professional with a vast experience and proven management, sales, advertising, marketing and new business development skills. He is Deputy Chief Executive Officer in Ghandhara Industries Limited. Mr. Khan was educated at Aitchison College Lahore and completed his Bachelors and Masters from Bahria University. He has also completed a business development course from London School of Economics. Mr. Muhammad Kuli Khan Khattak is a certified Director from The Institute of Chartered Accountants of Pakistan (ICAP).



**Mrs. Shahnaz Sajjad Ahmad**

Director

Mrs. Shahnaz Sajjad Ahmed got Bsc degree from University of Peshawar and joined her father's family Business serving the Bibojee Group Companies since 20 years. She is presently the CEO of Bannu Woollen Mills Limited, a Bibojee group Company.



**Maj. (R) Muhammad Zia**

Director

Mr. Muhammad Zia is retired Major of Pakistan Army. He has a vast experience of Automobile Industry and currently also serving on the Board of Ghandhara Nissan Limited.



**Mr. Sohail Hameed**

Independent Director

Mr. Sohail Hameed is a Fellow Chartered Accountant of Institute of Chartered Accountants of Pakistan, with diversified experience of over 40 years (26 years in the Middle East) in various industries including oil & gas, technology, automobile, textile, FMCG and construction.



**Mr. Shahid Kamal Khan**  
Independent Director

Air Commodore (R) Shahid Kamal Khan was commissioned as a fighter pilot in the PAF in 1966. For his meritorious services, Air Cdre. Shahid was awarded both the Tamgha-e-Basalat and the Sitara-e-Basalat by the Government of Pakistan. He is a graduate of the Royal Air Force Academy, Cranwell, the University of Southern California and the Royal Air Force Staff College.

After retirement, he served as the pioneering Managing Director of Pakistan's Second National Carrier, Shaheen Air International. He is presently the CEO of EXCLAIM VENTURES, a Canadian Private Limited Company working in the Energy Sector. He is also the sole proprietor of MTEC Enterprise of Karachi, Pakistan.

# Product Lineup

## N-Series



### REWARD:

Light trucks for light work.  
NHR | NKR | NPR66 | NLR | NMR  
NPR71 | NPS71

## C-Series



### REWARD:

Pakistan's Heaviest Truck Range.  
CYZ

## F-Series



### FORWARD:

Medium trucks to suit all applications.  
FTR | FVR | FVZ | FXZ | FTS | FVW

## Buses



### BUS CHASSIS:

Comfort & Durability Together.

NPR66 | MT133 | MT134 | LV452

## D-Max



Tough Enough For Anything.

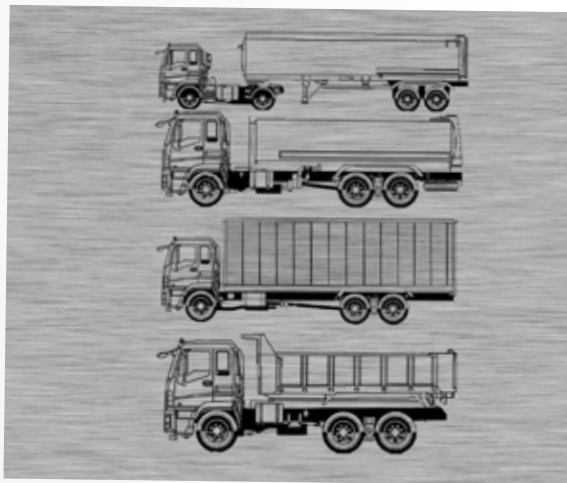
Hi-Spark 4x2 S/C DL | Hi-Spark 4x2 S/C STD

Hi-Lander 4x4 S/C | Hi-Lander 4x4 D/C

V-Cross MT 4x4 D/C (Luxury Grade)

V-Cross AT 4x4 D/C (Luxury Grade)

## Fabrication



### Specialized Vehicles:

Committed to fulfil your business needs.

Troop Carrier | Fire Tender | Dump Truck

Water Bowser | Fuel Bowser

Road Sweeper | Containers | Mobile ATM

Mobile Ambulance & Laboratory etc.

# Human Resource at GIL

GIL is devoted to creating and sustaining a high-performance culture and environment. To enable our people, we focus on developing and supporting our employees through intensive engagement, while rewarding their contributions.

We set clear, focused goals for the employees of GIL so that our operational performance can be improved and we intend to adopt the best recruitment strategies for resourcing experienced professionals and tools for training and rewarding people according to a strategy that aims to encourage healthy competition, maintain a productive organization; accelerate the development of our people, grow and strengthen our leadership capabilities, and enhance employee performance through strong engagement.

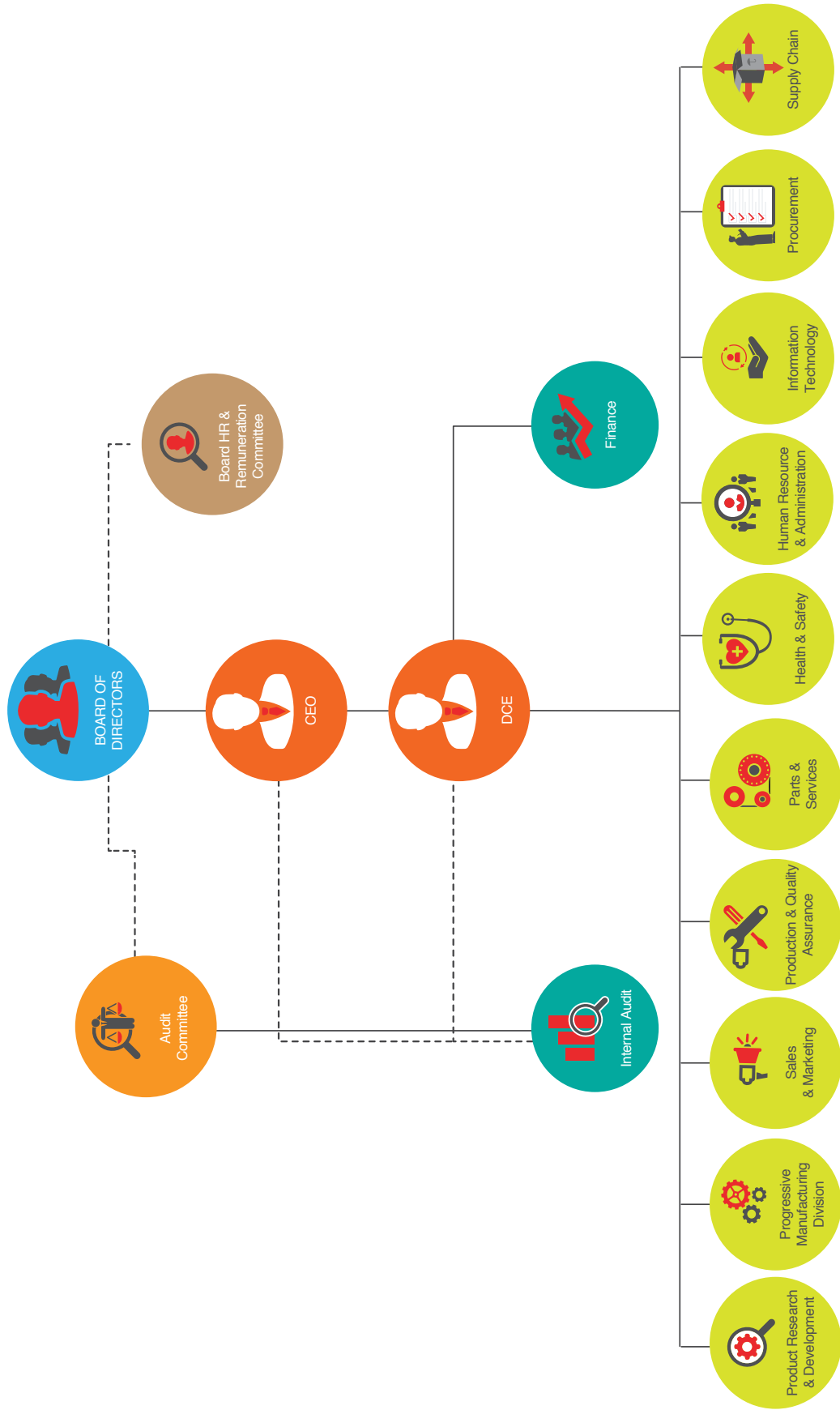
Our people are retained according to our People Strategy which is required to support our long-term business goals and deliver more sustainably.

**“Engaging the hearts, minds, and hands of talent is the most sustainable source of competitive advantage.”**

~Grey Harris

**“Great leaders don't set out to be a leader, they set out to make a difference its never about the role always about the goal.”**

# Organization Structure



# Towards a Sustainable Future

In line with our promise to improve people's living standards, GIL is actively pursuing the strategies and objectives that are aligned with the fulfillment of Sustainable Development Goals (SDGs). Our measures to contribute towards the SDGs include:



The Company is consistently making efforts to promise a sustainable future by pursuing the achievement of maximum number of goals:



7

Solar power system has already been installed in our Admin Block of the Company that cover 20% of our Admin Block energy needs. We are in phase of upgrading the same in our plant area.

**7 AFFORDABLE AND CLEAN ENERGY**



8

A proper framework is in place to ensure that same wages and benefits are provided to male and female staff doing the same level of job with similar qualifications.

**8 DECENT WORK AND ECONOMIC GROWTH**



10

Duly adhere to all fiscal policies pertaining to labor wages and compensation. The composition of employees contains different ethnic groups including minority classes. The management strictly ensure that all workers and staff are older than 18 years of age and strongly discourages child labor.

**10 REDUCED INEQUALITIES**



## Happy Independence Day – August 14, 2021



**"There are always two possible outcomes. Either we win or we lose, but what matters most is Participating."**

Ghandhara Industries Limited participated in **Whackin' Stryv'22** Cricket tournament held on February 19, 2022. It was an overwhelming experience for taking part in this event.



**According to research, One Donation can save as many as three lives. It turns out that donating blood doesn't just benefit the recipients but there are health benefits for donors too.**



**GIL successfully arranged a blood donation drive on November 19, 2021, with the collaboration of Indus Hospital and became a part in serving humanity.**



# New Year

A New Year, Renewed Hope, New Opportunities, New Adventures !





# Happy WOMEN'S DAY



ISUZU



**AQSA IMTIAZ**

I do not wish women to have power over men; but over themselves. So, Stay Smart, Stay Strong, Stay Successful



ISUZU



**MAHJABEEN ALI**

Every woman's success should be an inspiration to another. We're strongest when we cheer each other on. Therefore, Empower women, empower women.



ISUZU



**DUA AKBER**

Being a woman is itself a full circle. Within her is the power to Create, Nurture and Transform.



ISUZU



**SAIMA SHARIF**

Not just this day but everyday "Be strong, Be Bold, Be Independent, Be passionate"



ISUZU



**NAIMA KHAN**

Never let anyone define your limits. Take charge and write your own story, you are more powerful than you know.



ISUZU



**AREEBA SAFAR ALI**

There is no need of magic to transform our world. We all have this power in ourself. We should never let our fears stop us doing what we believe is right. Where there is WE, there is a magic!





*International Women Day was celebrated in Ghandhara Industries Limited on March 08, 2022 to recognize and appreciate the social, cultural and economic achievements of all Women.*

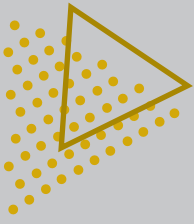


*Women's Day*



# Trainings by HR





Employee Training and Development helps employee to become better at their jobs and overcome performance gaps. Ghandhara Industries Limited emphasizes on continuous development of employees and makes efforts to strengthen work performance through approaches like training sessions and leadership mentoring. We also believe in developing our workers and so initiated the Basic Computer Course for them that will be beneficial for them in their day-to-day activities.



# CSR - Darul ul Sakoon



The Employees of Gandhara Industries Limited participated and contributed for the mentally challenged and physically disabled children of Dar-ul-Sukoon. The volunteer spirit demonstrated by employees helped in spreading the smile on the faces of these children.





## Safety Awareness Session Glimpse:



### Safety Trainings

Health, Safety & Environment (HSE) Awareness Sessions is a continuous activity for all employees and workers, in which importance of Personal safety, Process Safety, Fire Safety, First Aid, Drive Safety & environmental issues are being discussed to stay healthy & safe.

# First Aid Training



## Safety

GIL goal is to achieve zero personal injuries. Continuous and targeted work is being carried out to devise measures to prevent employees from incurring personal injuries in the workplace. In 2021-22 we had 01 Personal Injuries, 01 Damage vehicle Incident reported. Non of the incidents were serious and we see a decrease from 2020-21 when the total Incidents was 06. To improve safety measures on continual basis in each area, the Company identifies and analyzes potential risks (danger / hazards) related to work and equipment and plan to introduce " Corrective Suggestion System " near future.



## Fire Fighting Training Glimpses (Female Staff )



### Environment

The environment theme of “ Only one Earth” Our Company continuously monitors the waste generated from its activities and wherever required, Company provides clean drinking water (tested by approved and certified laboratories) to all of its employees. The Company is complying with applicable regulatory requirement and ensures its effectiveness against National Environment Quality Standard by conducting testing of Emissions, Noise, Lux etc. through renowned testing laboratories. Encouraging reuse and recycle production waste.



# Fire Fighting Training Glimpses (Mgt. Staff)



# Building The Future With Technology

Centralized data management helps organizations to manage complex business processes by providing employees easy access to real-time insight across the company. Technology is evolving rapidly. Abundant innovation and rich technology advancement helps the organizations to reduce time, effort and cost whilst reducing manual error. It encourages collaboration, increases transparency and supports in faster decision making.

Hence keeping in view, the importance of digital transformation Gandhara Industries Limited joined hand with CERM Business Solutions aiming to rebuild its advanced tasks with SAP S/4 HANA.

This implementation will assist in undertaking wide cycles, assemble administration, and ongoing operations, empowering the endeavour to accomplish expanded functional and business efficiencies through consistent figuring and examination of information.

This is another milestone that Gandhara Industries Limited is focused to achieve and had proved to stand apart as creative and vivacious organization aiming to accomplish incredible advancement in the worldwide automotive industry.





# Chairman's Review

## Dear Shareholders

I am pleased to present the 59th annual report of the Company for the year ended June 30, 2022.

During the year under consideration, our Company has made highest ever sales and the performance was in accordance with overall bullish trend prevalent in the business environment of Pakistan. Auto Industry's reported figures in Pakistan Automotive Manufacturers Association (PAMA) showed that during the year overall truck and bus market regained customer confidence and sales volume increased by 49% from 4,347 in FY 2021 to 6,498 units in FY 2022.

However, during last quarter of the year, significant contraction and decline in performance of the businesses was witnessed due to unprecedented political upheaval, deteriorating economic conditions, Rupee devaluation, record inflation, subsequent monetary tightening and curbs on imports. These factors continue to pose challenges for the economy and auto sector.

## Company's Performance

During the FY 2022, the Company continued its legacy and retained its 1st position with 46% market share in truck and bus market as reported by PAMA, the Company sold 3,016 units of trucks and buses and 473 units of D-MAX pick-up as compared to 2,020 units of trucks and buses and 316 units of D-Max pick-up last year.

Despite cited challenges, the Company, with customer trust and support, has sustained its market share and showed an increase in the bottom line with Rs. 728.5 million profit after tax. The Company will strive to provide state-of-the-art products and better-quality services to all of its valuable customers for the years to come.

## Performance and Effectiveness of the Board

The Board meets at least once every quarter to consider and approve the financial and operational results of the Company. During the financial year under review, the Board's evaluation was carried out to assess performance and effectiveness of the Board which was assessed as satisfactory. The Board further strives towards bringing in further improvements inline with the vision, mission and values of the Company.

## Future Outlook

With the blessings of Almighty, the customer base of the Company is expanding. The management is striving hard for growth in sales volumes and revenues to consolidate its market leader position in FY 2023 through its dynamic and innovative team.

## Acknowledgement

On behalf of the Board of Directors, I would like to express my gratitude to all the employees and the shareholders for their continued trust and confidence in the Company. The Board and I would also like to express thanks to Isuzu Motors Limited, Isuzu Motors Company (Thailand) Limited and Isuzu Motors International Operations (Thailand) Company Limited, Marubeni Corporation, Dealers, Customers and Vendors for their co-operation and the trust shown in our products. I would also like to record our gratitude to our bankers for their contribution and understanding shown to us and we look forward to mutual beneficial business relationships.



**Mr. Ali Kuli Khan Khattak**  
Chairman

## چیمبرین کا جائزہ

معزز حصص یافتگان!

30 جون 2022 کو ختم ہونے والے سال کے لیے کمپنی کی 59 ویں سالانہ رپورٹ پیش کرنا میرے لیے باعث مسرت ہے۔ زیر نظر سال کے دوران، ہماری کمپنی نے اب تک کی سب سے زیادہ فروخت کی ہے اور کارکردگی پاکستان کے کاروباری ماحول میں مروجہ مجموعی تیزی کے رجحان کے مطابق تھی۔ پاکستان آٹو موٹو مینوفیکچررز ایسوسی ایشن (PAMA) میں آٹو انڈسٹری کے رپورٹ کردہ اعداد و شمار سے پتہ چلتا ہے کہ سال کے دوران مجموعی طور پر ٹرک اور بس مارکیٹ نے صارفین کا اعتماد بحال کیا اور فروخت کا حجم مالی سال 2021 میں 4,347 سے 49% بڑھ کر مالی سال 2022 میں 6,498 یونٹس تک پہنچ گیا۔ تاہم، سال کی آخری سہ ماہی کے دوران، غیر معمولی سیاسی اتار چڑھاؤ، بگڑتے ہوئے معاشی حالات، روپے کی قدر میں کمی، ریکارڈ افراط زر، اس کے نتیجے میں مالیاتی سختی اور درآمدات پر پابندیوں کی وجہ سے کاروباری اداروں کی کارکردگی میں نمایاں سکڑاؤ اور کمی دیکھی گئی۔ یہ عوامل معیشت اور آٹو سیکٹر کے لیے چیلنجز کا باعث بنے ہوئے ہیں۔

### کمپنی کی کارکردگی

مالی سال 2022 کے دوران، کمپنی نے اپنی کارکردگی کو جاری رکھتے ہوئے ٹرک اور بس مارکیٹ میں 46% مارکیٹ شیئر کے ساتھ اپنی پہلی پوزیشن کو برقرار رکھا جیسا کہ PAMA نے رپورٹ کیا، کمپنی نے ٹرکوں اور بسوں کے گزشتہ سال کے ٹرکوں اور بسوں کے 2,020 یونٹس کے مقابلے میں اس سال 3,016 یونٹس اور گزشتہ سال کے ڈی میکس پک اپ کے 316 یونٹس کے مقابلے میں اس سال 473 یونٹ فروخت کیے۔ مسلسل چیلنجوں کے باوجود، خریداروں کے اعتماد اور معاونت کے ساتھ، کمپنی نے اپنے مارکیٹ شیئر کو برقرار رکھا ہے اور 728.5 ملین روپے بعد از ٹیکس خالص منافع کمایا ہے۔ کمپنی آنے والے برسوں میں اپنے تمام قابل قدر صارفین کو جدید ترین مصنوعات اور بہتر معیار کی خدمات فراہم کرنے کی کوشش جاری رکھے گی۔

### بورڈ کی کارکردگی اور افادیت

بورڈ، کمپنی کے مالی اور آپریشنل نتائج پر غور و خوض اور منظوری کے لیے ہر سہ ماہی میں کم از کم ایک بار اجلاس کا انعقاد کرتا ہے۔ زیر جائزہ مالی سال کے دوران، بورڈ کی کارکردگی اور تاثیر کا جائزہ لینے کے لیے بورڈ کی تشخیص کی گئی جسے اطمینان بخش پایا گیا۔ بورڈ کمپنی کے وژن، مشن اور اقدار کو مدنظر رکھتے ہوئے مزید بہتری لانے کی کوشش ہے۔

### مستقبل کا منظر نامہ

اللہ تعالیٰ کے فضل و کرم سے کمپنی کا کسٹمر بیس بڑھ رہا ہے۔ کمپنی اپنی متحرک جدت پسند ٹیم کے ذریعے مالی سال 2023 میں اپنی مارکیٹ لیڈر کی پوزیشن کو مستحکم کرنے کے لیے فروخت کے حجم اور آمدنی کو بڑھانے کے ٹھوس منصوبے رکھتی ہے۔

### اعتراف

بورڈ آف ڈائریکٹرز کی جانب سے، کمپنی پر مسلسل اعتماد اور اطمینان کے اظہار کے لیے میں تمام ملازمین اور حصص یافتگان کا شکریہ ادا کرنا چاہتا ہوں۔ بورڈ اور میں سوز و موٹو لمیٹڈ، سوز و موٹو کمپنی (تھائی لینڈ) لمیٹڈ اور سوز و موٹو انٹرنیشنل آپریشنز (تھائی لینڈ) کمپنی لمیٹڈ، ماروبینی کارپوریشن، ڈیلرز، کسٹمرز اور وینڈرز کے تعاون اور ہماری مصنوعات پر اعتماد پر اظہار تشکر کرنا چاہوں گا۔ میں اپنے بینکرز کی اعانت اور مفاہمت پر ان کا شکریہ ادا کرنا چاہتا ہوں اور ہم مستقبل میں بھی فائدہ مند کاروباری تعلقات کی توقعات رکھتے ہیں۔

Ali Khaliq Khan

علی قلی خان خٹک  
چیمبرین

# Directors' Report to Shareholders

The directors of your Company take pleasure in presenting the 59th annual report and audited financial statements of the Company for the year ended June 30, 2022.

## ECONOMY AND MARKET REVIEW

Pakistan's economy in FY2022 showed mixed trend, it paved improvements early on due to betterment in macro-economic environment which also triggered auto industry volumes, however overall environment became challenging due to political uncertainties which affected overall macro-economic indicators including drastic increase in raw material prices, higher costs of operations due to international pressures on fuel prices, continuous rupee devaluation, increase in interest and inflation rates thereby increasing cost of doing business.

Truck and bus market has shown remarkable progress of 49% with 6,498 units sold in FY2022. Our Company retained its market share and with extensive planning and team work will continue to approach new customers and untapped markets to consolidate and further improve its position in FY 2023.

## Principal Activities of the Company

Ghandhara Industries Limited (the Company) is incorporated in Pakistan as a Public Limited Company and is listed on the Pakistan Stock Exchange (PSX). The Company's principal activity is the assembly, progressive manufacture and marketing of ISUZU buses, trucks and pick-up trucks.

## Principal Risks and Uncertainties

The Company's key risks include risks pertaining to market competition, exchange rate, interest rates, and overall economic and political conditions which can impact the financial position of the Company.

## FINANCIAL PERFORMANCE

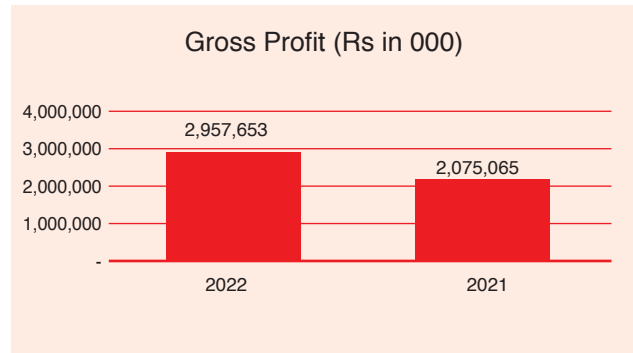
The financial results are summarized below:

	2022	2021
	(Rupees in thousand)	
Profit from operations	1,592,477	1,204,276
Finance cost	(451,578)	(466,220)
Profit before tax	1,140,899	738,056
Taxation	(412,399)	(133,843)
Profit after tax	728,500	604,213

## OPERATING RESULTS

### Gross profit

The Company gross profits decreased as percentage of sales during the year mainly due to inflationary and exchange rate pressures.

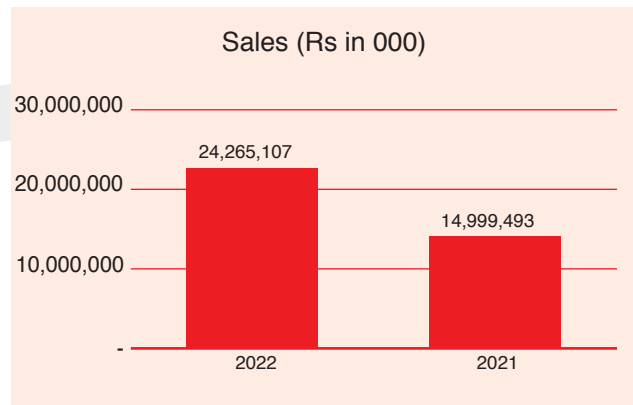


### Earnings per Share

The Basic and Diluted earnings per share after tax is Rs. 17.10 [2021: EPS Rs. 14.18].

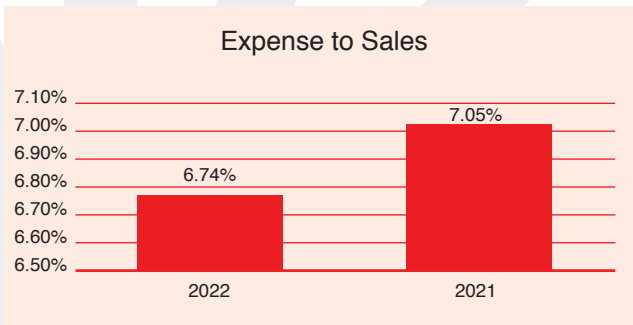
### Sales

As highlighted above due to increasing sales trend in overall truck and bus market, the Company's sales revenue increased to Rs. 24.26 billion as compared to Rs. 14.99 billion last year. Besides, your Company has sustained its market share in this segment to 46%. The Company is confident to outperform on the basis of unmatched and affordable product line-up with reliable after sales service.



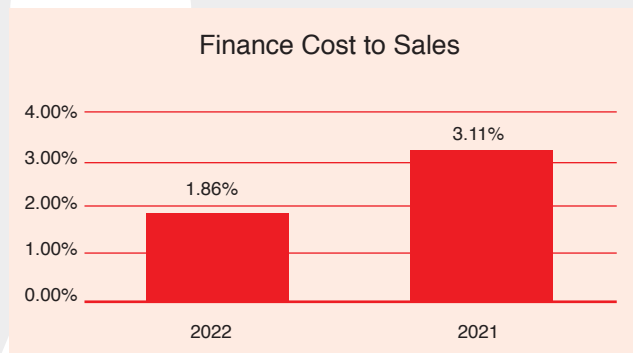
### Distribution and administrative Expenses

Distribution and Administration expenses decreased as compared to sales, however the Company is aware of the impacts of upcoming economic challenges and is ready to combat them by better planning and negotiations.



### Finance costs

Finance cost of the Company has decreased as percentage of sales despite increase in KIBOR due to efficient management of funds and better negotiations with banks. Increase in policy rate however pose a continuous risk. The management is confident to efficiently manage these costs by further optimizing borrowings.



### Holding Company

Bibojee services (Private) Limited, incorporated in Pakistan, is our holding company by way of direct ownership of 39.16% shares and certain other indirect shareholding.

### Chairman Review

Chairman's Review on market and economy is being endorsed by the Directors of the Company and has been made part of these financial statements.

### Dividend

Considering the business need for future working capital requirement and Company's ability to generate cash, the Board of Directors of the Company have decided not to pay any dividend, cash or otherwise.

### Board of Directors and its Committees

The Board of Directors of the Company as at June 30, 2022 consists of:

#### Total Number of Directors:

Male	06
Female	01

#### Composition

Independent Directors	02
Non-Executive Directors	03
Executive Directors	02

#### The names of the directors as at June 30, 2022 are as follows

- Mr. Ali Kuli Khan Khattak
- Mr. Ahmad Kuli Khan Khattak
- Mrs. Shahnaz Sajjad Ahmad
- Maj. (R) Muhammad Zia
- Mr. Muhammad Kuli Khan Khattak
- Mr. Shahid Kamal Khan
- Mr. Sohail Hameed

During the year, a casual vacancy occurred on sad demise of Mr. Raza Kuli Khan Khattak, Mr. Muhammad Kuli Khan Khattak was appointed by the Board to fill in the casual vacancy.

### Human Resource & Remuneration Committee (HR&R) committee

The committee consists of four members; consisting of non-executive directors including an independent director. The terms of reference of this Committee have been determined in accordance with guidelines provided in the Code of Corporate Governance, 2019, "the Code". The Committee meets to review and recommend all elements of the compensation, organization and employee development policies relating to the senior executives' remuneration and to approve all matters relating to the remunerations of the executive directors and members of the management committee. The committee held one meeting during 2021-2022.

### Audit Committee

The committee consists of three members including non-executive directors and head of internal audit as secretary to the committee, chairman of the committee is an independent director. The Board Audit Committee assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to share-holders, systems of internal control and risk management and the audit process. It has the autonomy to call for information from management and to consult directly with the external auditors or advisors as considered appropriate. The Chief Financial Officer regularly attends the Board Audit Committee meetings by invitation to present the accounts. After each meeting, the Chairman of the Committee reports to the Board. The terms of reference of this committee have been determined in accordance with guidelines provided in the Code.

### Board and its Committees' meetings

During the year under review six meetings of Board of Directors (BoD), four meetings of Board Audit Committee (BAC) and one meeting of the Human Resource and Remuneration (HR&R) Committee were held. All the meetings were held in Pakistan. Attendance at the Board meetings is as follows:

Name of Director	Status	Attendance		
		BOD	BAC	HR&R
Mr. Raza Kuli Khan Khattak	Deceased on March 18, 2022	3/4	-	-
Mr. Ali Kuli Khan Khattak	Re-Elected on April 10, 2021	6/6	-	-
Mr. Ahmad Kuli Khan Khattak	Re-Elected on April 10, 2021	5/6	-	1/1
Mr. Muhammad Kuli Khan Khattak	Appointed on June 6, 2022 to fill in Casual Vacancy	0/1	-	-
Maj. (R) Muhammad Zia	Re-Elected on April 10, 2021	6/6	4/4	1/1
Mr. Shahid Kamal Khan	Re-Elected on April 10, 2021	6/6	3/4	1/1
Mrs. Shahnaz Sajjad Ahmad	Re-Elected on April 10, 2021	6/6	-	-
Mr. Sohail Hameed	Re-Elected on April 10, 2021	4/6	3/4	0/1

Leave of absence was granted to the directors who could not attend the meeting.

### Performance Evaluation of Board of Directors and Committees of the Board

The evaluation of Board's role of oversight and its effectiveness is appraised by the Board itself. The main areas of focus are:

- Achieving corporate goals and objectives as defined in the Company's vision and mission statements.
- Strategy formulation and dissemination of directions to the management for sustainable planning and operation; and
- Evaluation of Board's Committees performance in relation to discharging their responsibilities as per defined terms of reference.

### Remuneration of Directors

The remuneration of the Board members is approved by the Board itself. However, in accordance with the Code of Corporate Governance, it is ensured that no Director takes part in deciding his/her own remuneration. The following are significant features of remuneration policy:

- The remuneration including incentives and other benefits of the Chief Executive Officer during the year amounts to Rs. 80 Million (2021: Rs. 85 Million).
- The remuneration of Mr. Muhammad Kuli Khan Khattak (Executive director) during the year amounts to Rs. 5.1 Million (2021: Rs. 37.84 Million).
- The Company does not pay remuneration to non-executive directors including independent directors except fee for attending the meetings.

For further details on remuneration of Directors and CEO in FY 2021-22, please refer note 41 to the Financial Statements.

### Internal Audit Function

Ghandhara Industries Limited has an independent Internal Audit Function which has designed internal controls to safeguard financial and operational reporting of the Company. The Board Audit Committee quarterly reviews the appropriateness of resources and authority of this function. The Head of Internal Audit functionally reports to the Audit Committee. The Board Audit Committee approves the audit plan, based on an annual and quarterly assessment of the operating areas.

The Internal Audit function carries out reviews on the financial, operational and compliance controls, and reports its findings functionally to the Board Audit Committee and administratively to the Chief Executive Officer.

The Board understands its responsibility towards smooth functioning of internal financial controls and continuously strives to achieve the best practices through its regular governance.

### **Internal Controls**

The Company has employed an effective system of internal controls to carry on the business of the Company in an orderly manner, safeguard its assets and secure the accuracy and reliability of its records. The Management supervision and reviews are an essential element of the system of internal controls. The Management has delegated the function of detailed examination and special review to the team of internal auditors.

The Board ensures adequacy of internal control activities either directly or through its Committees. The Board also reviews the Company's financial operations and position at regular intervals by means of interim accounts, reports, profitability reviews and other financial and statistical information. Analysis of budgetary control is in place and the Board reviews material variances with explanations and actions taken thereon on periodic basis.

### **Auditors**

Present auditors, Messrs. ShineWing Hameed Chaudhri & Co, Chartered Accountants have retired. Being eligible, Messrs. ShineWing Hameed Chaudhri have offered themselves for re-appointment. The Board of Directors endorses recommendation of the Audit Committee for their re-appointment as auditors of the Company for the financial year ending June 30, 2023 to the shareholders for approval.

### **Pattern of shareholding**

The pattern of shareholding as on 30th June 2022 and additional information thereabout required under Code of Corporate Governance are annexed.

### **Communication with Stakeholders**

The Company focuses on the importance of the communication with the shareholders. The annual, half yearly and quarterly reports are distributed to them within the time specified in the Companies Act, 2017. The activities of the Company are updated on its web site at [www.gil.com.pk](http://www.gil.com.pk), on timely basis.

### **Related Party Transactions**

The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties, amounts due from executives and remuneration of directors and executives are disclosed in the relevant notes to the Financial Statements. Other material transactions with related parties are disclosed in note 42 to the Financial Statements.

### **Responsibility towards environment and society**

Ghandhara Industries Limited is well aware of its responsibility towards the environment and the society and makes its utmost possible efforts towards the betterment of the society in general and for its employees specifically. Various seminars were undertaken during the year regarding health, safety and education of its employees to develop a safe and environment friendly working practices. Further, keeping in view the dynamic changes in environment and to get better utilization from sources of energy, the Company has already installed solar panels in our admin block which will also help generate clean and affordable energy for the Company.

### **Corporate Social Responsibility**

The Company considers social, environmental, and ethical matters in the context of the overall business environment. The Company is committed to work in the best interest of all the stakeholders, in particular the community in which we live and forms our customer base. Details of Corporate social responsibility have been mentioned on dedicated pages in Annual Report 2022.

### **Subsequent Events**

No material changes or commitments affecting the financial position of the Company have taken place between the end of the financial year and the date of report.

## Code of Corporate Governance

The Board is pleased to state that the management of the Company is compliant with the best practices of corporate governance. A statement of compliance is annexed on pages 70 and 71. The Board acknowledges its responsibility in respect of the corporate and financial reporting framework and thus states that:

- The financial statement prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial and Reporting Standards, as applicable in Pakistan, and Companies Act, 2017 have been followed in preparation of financial statement.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- Statement of pattern of Shareholding has been included as a part of this Annual Report.
- There has been no material departure from the best practices of the Code of Corporate Governance, as detailed in the listing regulations (Rule book of Pakistan Stock Exchange).
- The highlights of operating and financial data for the last six years are annexed.
- Information about taxes and levies is given in notes to the accounts.
- During the year, no trading in shares of the Company was carried out by Directors, CFO, Company Secretary, their spouses and minor children.
- The Company operates a defined benefit gratuity fund for its employees. The value of investments as at June 30, 2022 was Rs. 155,438,459.

## Future outlook

Despite the turbulent domestic and international political and economic conditions, the Company on the basis of its market position and potential growth in the sector, is confident about economic revival and gradual recovery in sales volumes and profitability.

## Acknowledgement

The board acknowledges the trust and confidence on the Company and its products by the shareholders, valued suppliers, customers, dealers and bankers and thank them for their co-operation and support during these unusual circumstances. The Board is pleased to record its appreciation for the continued diligence and devotion of the employees. The Board takes the opportunity to thank the Company's principals Isuzu Motors Limited, Isuzu Motors Company (Thailand) Limited and Isuzu Motors International Operations (Thailand) Company Limited and the trading house Marubeni Corporation for their continued support and assistance.

On behalf of the Board of Directors



**Mr. Ali Kuli Khan Khattak**

Chairman

Karachi

Dated: October 04, 2022

On behalf of the Board of Directors



**Mr. Ahmad Kuli Khan Khattak**

Chief Executive

☆ کمپنی نے اپنے اکاؤنٹس کی کتابیں درست انداز میں رکھی ہوئے ہیں۔

☆ کمپنی نے مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی ہے اور شماریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔

☆ ان مالیاتی گوشواروں کی تیاری میں بین الاقوامی مالیاتی اور رپورٹنگ معیارات، جیسا کہ پاکستان میں قابل اطلاق ہیں، اوکیٹیز ایکٹ، 2017 کی پیروی ہے۔

☆ انٹرنل کنٹرول کا نظام اپنی ساخت کے اعتبار سے مستحکم ہے اور اس کا موثر انداز میں اطلاق اور نگرانی کی جاتی ہے۔

☆ کمپنی کا کاروبار رواں دواں رکھنے کی صلاحیت کے بارے میں کوئی شکوک و شبہات نہیں ہیں۔

☆ شیئر ہولڈنگ کے پٹرن کا بیان اس سالانہ رپورٹ کے ایک حصے کے طور پر شامل کر لیا گیا ہے۔

☆ لسٹنگ ریگولیشنز (پاکستان اسٹاک ایکسچینج کی رول بک) میں تفصیلاً درج کاروباری نظم و ضبط کی اعلیٰ ترین روایات سے کوئی پہلو تہی نہیں کی گئی۔

☆ گزشتہ چھ سال کے آپریٹنگ اور فنانشل ڈیٹا کی جھلکیاں منسلک ہیں۔

☆ ٹیکسز اور محصولات کے بارے میں معلومات اکاؤنٹس کے نوٹس میں دی گئی ہیں۔

☆ سال کے دوران کمپنی کے ڈائریکٹرز، ایف او، کمپنی سیکریٹری، ان کی شریک حیات اور نابالغ بچوں کی طرف سے کمپنی کے شیئرز کی کوئی خرید و فروخت نہیں کی گئی۔

☆ کمپنی اپنے ملازمین کے لیے ایک متعین کردہ بینیفٹ گریجویٹ فنڈ چلاتی ہے۔ بمطابق 30 جون 2022، سرمایہ کاری کی مالیت 155,438,459 روپے تھی۔

## مستقبل کی توقعات

ہنگامہ خیز ملکی اور بین الاقوامی سیاسی اور اقتصادی حالات کے باوجود، کمپنی اپنی مارکیٹ کی پوزیشن اور اس شعبے میں ممکنہ ترقی کی بنیاد پر، معاشی بحالی اور فروخت کے حجم اور منافع میں بتدریج بحالی کے بارے میں پراعتماد ہے۔

## اعتراف

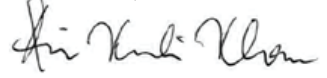
بورڈ کمپنی اور اس کی مصنوعات پر شیئر ہولڈرز، قابل قدر سپلائرز، صارفین، ڈیلرز اور بینکرز کے بھروسے اور اعتماد کا اعتراف کرتا ہے اور ان غیر معمولی حالات میں ان کے تعاون اور سرپرستی پر ان کا شکریہ ادا کرتا ہے۔ بورڈ اپنے ملازمین کی مستقبل مزاجی اور لگن کے لیے اپنا خراج تحسین ریکارڈ پر لاتے ہوئے خوشی محسوس کرتا ہے۔ بورڈ اس موقع پر کمپنی کے پرنسپلز اسوز و موٹرز لمیٹڈ، اسوز و موٹرز کمپنی (تھائی لینڈ) لمیٹڈ، اور اسوز و موٹرز انٹرنیشنل آپریشنز (تھائی لینڈ) کمپنی لمیٹڈ اور ٹریڈنگ ہاؤس ماروینی کارپوریشن سے ان کی مسلسل مدد اور معاونت پر اظہار تشکر کرتا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے



جناب احمد قلی خان خٹک  
چیف ایگزیکٹو

بورڈ آف ڈائریکٹرز کی جانب سے



جناب علی قلی خان خٹک  
چیرمین

کراچی

تاریخ: 04 اکتوبر 2022

## اسٹیک ہولڈرز کے ساتھ رابطے

کمپنی شیئر ہولڈرز کے ساتھ رابطے کی اہمیت پر توجہ مرکوز رکھتی ہے کمپنیز ایکٹ، 2017 میں متعین وقت کے اندر سالانہ، نصف سالانہ اور سہ ماہی رپورٹس ان میں تقسیم کی جاتی ہیں۔ کمپنی اپنی سرگرمیوں کی اپنی ویب سائٹ [www.gil.com.pk](http://www.gil.com.pk) پر بروقت بنیاد پر تجدید کرتی ہے۔

## متعلقہ پارٹی سے لین دین

کمپنی عمومی کاروباری طریقہ کار کے مطابق متعلقہ فریقوں سے لین دین کرتی ہے۔ متعلقہ فریقوں کی طرف واجب الادا رقم، ایگزیکٹوز سے قابل وصولی رقم اور ڈائریکٹرز اور ایگزیکٹوز کے معاوضے کا انکشاف مالیاتی اعداد و شمار کے متعلقہ نوٹ میں کیا جاتا ہے۔ متعلقہ فریقوں کے ساتھ دیگر اہم لین دین کا انکشاف مالیاتی اعداد و شمار کے نوٹ 42 میں کیا گیا ہے۔

## ماحول اور معاشرے کی بابت ذمہ داری

گندھارا انڈسٹریز لمیٹڈ ماحولیات اور معاشرے کے تئیں اپنی ذمہ داری سے بخوبی واقف ہے اور معاشرے کی بہتری کے لیے عمومی طور پر اور اپنے ملازمین کے لیے خاص طور پر اپنی پوری کوشش کرتی ہے۔ سال کے دوران کام کرنے کے محفوظ اور ماحول دوست طریقوں کو فروغ دینے کے لیے اپنے ملازمین کی صحت، حفاظت اور تعلیم کے سلسلے میں مختلف سیمینارز منعقد کیے گئے۔

مزید برآں، ماحول میں ہونے والی متحرک تبدیلیوں کو مد نظر رکھتے ہوئے اور توانائی کے ذرائع سے بہتر استفادہ کرنے کے لیے، کمپنی نے ہمارے ایڈمن بلاک میں پہلے ہی سولر پینل نصب کر دیے ہیں جو کہ کمپنی کے لیے صاف اور کفایتی توانائی پیدا کرنے میں بھی مددگار ثابت ہوں گے۔

## کاروباری سماجی ذمہ داری

کمپنی مجموعی کاروباری ماحول کے تناظر میں سماجی، ماحولیتی اور اخلاقی معاملات پر غور کرتی ہے۔ کمپنی تمام اسٹیک ہولڈرز، خاص طور پر اس کمیونٹی کے بہترین مفاد میں کام کرنے کے لیے پرعزم ہے جس میں ہم رہتے ہیں اور اپنا کسٹمر بیس تشکیل دیتے ہیں۔ کارپوریٹ سماجی ذمہ داری کی تفصیلات سالانہ رپورٹ 2022 میں مختص صفحات پر درج کی گئی ہیں۔

## بعد کے واقعات

مالی سال کے اختتام اور رپورٹ کی تاریخ کے مابین کمپنی کی مالی حیثیت متاثر کرنے والی کوئی مادی تبدیلی یا معاہدے نہیں ہوئے ہیں۔

## کارپوریٹ گورننس کا کوڈ

بورڈ یہ بیان کرتے ہوئے خوشی محسوس کرتا ہے کہ کمپنی کا انتظام کارپوریٹ گورننس کے بہترین طریق کار کے مطابق ہے۔ کمپلائنس کا بیان صفحہ 70 اور 71 پر منسلک ہے۔ کارپوریٹ اور مالیاتی رپورٹنگ کے فریم ورک کے حوالے سے بورڈ اپنی ذمہ داری تسلیم کرتا ہے اور اس کو بیان کرتا ہے کہ:

☆ کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے اس کے معاملات کی کیفیت، اس کے آپریشنز کے نتائج، کیش فلوز اور ایکویٹی میں تبدیلی کی منصفانہ عکاسی

☆ کمپنی نان ایگزیکٹو ڈائریکٹرز بشمول آزاد ڈائریکٹرز کو ماسوائے اجلاسوں میں شرکت کے لیے فیس کے، معاوضے کی ادائیگی نہیں کرتی ہے۔  
مالی سال 2021-2022 میں ڈائریکٹرز اور سی ای او کے معاوضے سے متعلق مزید تفصیلات کے لیے مالیاتی اعداد و شمار میں نوٹ 41 دیکھیں۔

## انٹرنل آڈٹ فنکشن

گندھارا انڈسٹریز لمیٹڈ کا ایک انٹرنل آڈٹ فنکشن ہے جس نے کمپنی کی مالیاتی آپریشنل رپورٹنگ کے تحفظ کے لیے اندرونی کنٹرول تیار کیے ہیں۔ بورڈ آڈٹ کمیٹی سہ ماہی بنیاد پر اس فنکشن کے وسائل اور اختیارات کی معقولیت کا جائزہ لیتی ہے۔ انٹرنل آڈٹ کا سربراہ عملاً آڈٹ کمیٹی کو رپورٹ کرتا ہے۔ بورڈ آڈٹ کمیٹی آپریٹنگ کے علاقوں کی سالانہ اور سہ ماہی تشخیص کی بنیاد پر آڈٹ پلان کی منظوری دیتی ہے۔

انٹرنل آڈٹ فنکشن میں مالیاتی، آپریشنل اور کمپلائنس کنٹرولز کا جائزہ لیا جاتا ہے اور اس کے نتائج کو عملی طور پر بورڈ آڈٹ کمیٹی اور انتظامی طور پر چیف ایگزیکٹو آفیسر کو رپورٹ کیا جاتا ہے۔

بورڈ انٹرنل فنکشنل کنٹرولز کو، موثر طریقے سے چلانے کے لیے اپنی ذمہ داری سمجھتا ہے اور اپنی مستقل گورننس کے ذریعے بہترین طریق کار پر عمل پیرا ہونے کے لیے مسلسل کوشاں ہے۔

## انٹرنل کنٹرولز

کمپنی نے کاروبار کو منظم طریقے سے آگے بڑھانے، اس کے اثاثوں کی حفاظت اور اس کے ریکارڈ کی درستگی اور واثاثوں کو محفوظ بنانے کے لیے اندرونی کنٹرول کا ایک مؤثر نظام وضع کیا ہے۔ انتظامی نگرانی اور جائزے اندرونی کنٹرول کے نظام کا ایک لازمی عنصر ہیں۔ انتظامیہ نے تفصیلی جانچ اور خصوصی جائزے لینے کا کام اندرونی آڈیٹرز کی ٹیم کو سونپ دیا ہے۔

بورڈ براہ راست یا اپنی کمیٹیوں کے ذریعے اندرونی کنٹرول کی سرگرمیوں کی موزوں مقدار کو یقینی بناتا ہے۔ بورڈ عبوری کھاتوں، رپورٹوں، منافع کے جائزوں اور دیگر مالیاتی اور شماریاتی معلومات کے ذریعے کمپنی کے مالیاتی آپریشنز اور پوزیشن کا باقاعدہ وقفوں سے جائزہ بھی لیتا ہے۔ بجٹ کے کنٹرول کا تجزیہ بھی وقت پر ہوتا ہے اور بورڈ وقتاً فوقتاً اس پر کی جانے والی وضاحتوں اور اقدامات کے ساتھ مادی تغیرات کا جائزہ لیتا ہے۔

## آڈیٹرز

موجودہ آڈیٹرز میسرز شائن ونگ حمید چوہدری اینڈ کمپنی، چارٹرزڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں۔ اہل ہونے کے ناطے شائن ونگ حمید چوہدری نے دوبارہ تقرری کے لیے خود کو پیش کیا ہے۔ بورڈ آف ڈائریکٹرز 30 جون 2023 کو ختم ہونے والے مالی سال کے لیے شیئر ہولڈرز سے منظوری کے لیے آڈٹ کمیٹی کی سفارش کی توثیق کرتا ہے۔

## شیئر ہولڈنگ کا پیٹرن

30 جون 2022 تک شیئر ہولڈنگ کا پیٹرن اور اس کے بارے میں کوڈ آف کارپوریشن گورننس کے تحت درکار اضافی معلومات کو منسلک کیا گیا ہے۔

## بورڈ اور اس کی کمیٹیوں کے اجلاس

زیر جائزہ سال کے دوران بورڈ آف ڈائریکٹرز (BoD) کے چھ، بورڈ آڈٹ کمیٹی (BAC) کے چار اور ہیومن ریسورس اینڈ ریمپو نیویشن (HR&R) کا ایک اجلاس ہوا۔ بورڈ کے اجلاسوں میں حاضری درج ذیل رہی:

ڈائریکٹر کا نام	کیفیت	BOD	BAC	حاضری	HR&R
جناب رضا قلی خان خٹک	18 مارچ 2022 کو انتقال فرما گئے	3/4	-	-	-
جناب علی قلی خان خٹک	10 اپریل 2021 کو دوبارہ انتخاب	6/6	-	-	-
جناب احمد قلی خان خٹک	10 اپریل 2021 کو دوبارہ انتخاب	5/6	-	1/1	-
جناب محمد قلی خان خٹک	6 جون 2022 کو اتفاقاً آسامی پر کرنے کیلئے دوبارہ انتخاب	0/1	-	-	-
میجر (ر) محمد ضیا	10 اپریل 2021 کو دوبارہ انتخاب	6/6	4/4	1/1	-
جناب شاہد کمال خان	10 اپریل 2021 کو دوبارہ انتخاب	6/6	3/4	1/1	-
محترمہ شہناز سجاد احمد	10 اپریل 2021 کو دوبارہ انتخاب	6/6	-	-	-
جناب سہیل حمید	10 اپریل 2021 کو دوبارہ انتخاب	6/6	3/4	0/1	-

ان ڈائریکٹرز کو رخصت مرحمت کر دی گئی جو اجلاس میں شریک نہیں ہو سکے۔

## بورڈ آف ڈائریکٹرز اور بورڈ کی کمیٹیوں کی کارکردگی کا تجزیہ

بورڈ کے کردار اور اس کی افادیت کا تجزیہ خود بورڈ ہی کی طرف سے کیا جاتا ہے۔ توجہ کے اہم شعبے درج ذیل ہیں:

- ☆ کمپنی کے وژن اور مشن اسٹیٹمنٹس میں بیان کردہ کاروباری اہداف اور مقاصد حاصل کرنا۔
- ☆ پائیدار منصوبہ بندی اور آپریشنز کے لیے حکمت عملی ترتیب دینا اور انتظامیہ کو ہدایات پہنچانا، اور
- ☆ اپنی ذمہ داریوں کو نبھانے کے حوالے سے بورڈ کی کمیٹیوں کا تشریح کردہ ڈمز آف ریفرنس کے مطابق تجزیہ۔

## ڈائریکٹرز کا معاوضہ

بورڈ ممبران کے معاوضے کی منظوری بورڈ خود ہی دیتا ہے۔ تاہم کارپوریٹ گورننس کے کوڈ کے مطابق، یہ یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے معاوضے کے فیصلے میں حصہ نہیں لے گا۔ معاوضہ پالیسی کی اہم خصوصیات درج ذیل ہیں:

☆ سال کے دوران چیف ایگزیکٹو آفیسر کے معاوضے بشمول مراعات اور دیگر فوائد کی مالیت 80 ملین روپے ہے۔ (2021: 85 ملین روپے)

☆ سال کے دوران محمد قلی خان خٹک (ایگزیکٹو ڈائریکٹر) کے معاوضہ کی مالیت 5.1 ملین روپے ہے۔ (2021: 37.84 ملین روپے)

بمطابق 30 جون 2022 ڈائریکٹرز کے نام درج ذیل ہیں:

- جناب علی قلی خان خٹک
- جناب احمد قلی خان خٹک
- محترمہ شہناز سجاد احمد
- میجر (ر) محمد ضیا
- جناب محمد قلی خان خٹک
- جناب شاہد کمال خان
- جناب سہیل حمید

سال کے دوران جناب رضا قلی خان خٹک کے رضائے الہی سے انتقال کرنے کی وجہ سے خالی ہونے والی اتفاقاً آسامی کو پُر کرنے کیلئے بورڈ کی جانب سے جناب محمد قلی خان خٹک کی تعیناتی عمل میں آئی۔

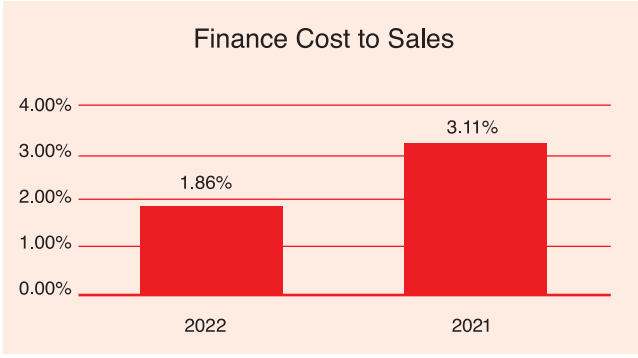
### ہیومن ریسورس اینڈ ریمو نیویشن کمیٹی (HR&R)

یہ کمیٹی ایک آزاد ڈائریکٹر سمیت چار نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ اس کی ٹرمز آف ریفرنس کا تعین کوڈ آف کارپوریٹ گورننس، 2019، ”کوڈ“ میں فراہم کردہ رہنما خطوط کے مطابق کیا گیا ہے۔ کمیٹی سینئر ایگزیکٹوز کے معاوضے، تنظیم اور ملازمت کی ترقی سے متعلق پالیسیوں کے تمام عناصر کا جائزہ لینے اور سفارش کرنے اور ایگزیکٹو ڈائریکٹرز سے متعلق تمام امور کی منظوری کے لیے اجلاس کرتی ہے۔ 2021-2022 کے دوران میں کمیٹی کا ایک اجلاس ہوا۔

### آڈٹ کمیٹی

یہ کمیٹی تین اراکین پر مشتمل ہے جس میں نان ایگزیکٹو ڈائریکٹرز اور انٹرنل آڈٹ کے سربراہ بطور سیکریٹری شامل ہوتے ہیں، کمیٹی کا چیئر مین ایک آزاد ڈائریکٹر ہوتا ہے۔ بورڈ آڈٹ کمیٹی، بورڈ کو اپنی نگرانی کی ذمہ داریوں، بنیادی طور پر مالیاتی اور غیر مالیاتی معلومات کا جائزہ لینے اور شیئر ہولڈرز کو ان کی رپورٹنگ کرنے، انٹرنل کنٹرول اور رسک منجمنٹ کے نظام اور آڈٹ کے عمل کی نگرانی میں معاونت فراہم کرتی ہے۔ اسے انتظامیہ سے معلومات طلب کرنے اور جیسا مناسب سمجھے، ایکسٹرنل آڈیٹرز یا مشیروں کے ساتھ براہ راست مشاورت کی خود مختاری حاصل ہے۔ چیف فنانشل آفیسر حسابات پیش کرنے کے لیے بذریعہ دعوت باقاعدگی سے بورڈ آڈٹ کمیٹی کے اجلاسوں میں شریک ہوتے ہیں۔ ہر اجلاس کے بعد کمیٹی کے چیئر مین بورڈ کو رپورٹ پیش کرتے ہیں۔ اس کمیٹی کی ٹرمز آف ریفرنس ضابطہ اخلاق میں فراہم کردہ خطوط کے مطابق طے کی گئی ہیں۔

## مالیاتی لاگت



فنانڈز کے موثر انتظام اور بینکوں کے ساتھ بہتر گفت و شنید کی وجہ سے KIBOR میں اضافے کے باوجود کمپنی کی مالیاتی لاگت فروخت کے فیصد کے طور پر کم ہوئی ہے۔ تاہم پالیسی کی شرح میں اضافہ ایک مسلسل خطرہ ہے۔ انتظامیہ قرضوں کے استعمال کو مزید بہتر بنا کر ان اخراجات کو مؤثر طریقے سے منظم کرنے کے لیے پراعتماد ہے۔

## ہولڈنگ کمپنی

پاکستان میں قائم شدہ بیو جی سرورسز (پرائیویٹ) لمیٹڈ، 39.16 فیصد شیئرز کی براہ راست ملکیت اور کچھ دیگر بالواسطہ شیئرز ہولڈنگ کے ذریعے ہماری ہولڈنگ کمپنی ہے۔

## چیئر مین کا جائزہ

مارکیٹ اور معیشت پر چیئر مین کے جائزے کی کمپنی کے ڈائریکٹرز کی طرف سے توثیق کی جا رہی ہے اور اسے ان مالیاتی اعداد و شمار کا حصہ بنایا گیا ہے۔

## ڈیویڈنڈ

کمپنی کی مالی حیثیت کو مد نظر رکھتے ہوئے کمپنی کے ڈائریکٹرز نے نقد رقم یا کسی دوسری صورت میں کسی ڈیویڈنڈ کی ادائیگی نہ کرنے کا فیصلہ کیا ہے۔

## بورڈ ڈائریکٹرز اور اس کی کمیٹیاں

30 جون 2022 تک کمپنی کا بورڈ آف ڈائریکٹرز درج ذیل پر مشتمل ہے:

ڈائریکٹرز کی مجموعی تعداد	
06	مرد
01	خواتین

## ساخت

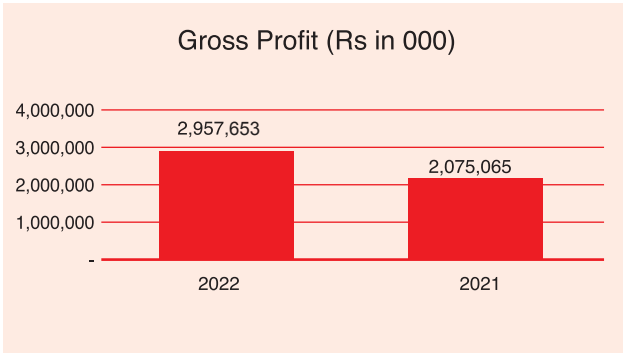
02	آزاد ڈائریکٹرز
04	نان ایگزیکٹیو ڈائریکٹرز
02	ایگزیکٹیو ڈائریکٹرز

## مجموعی منافع

## آپریٹنگ نتائج

### مجموعی منافع

سال کے دوران کمپنی کے مجموعی منافع میں سال کے دوران فروخت کے فیصد کے طور پر کمی واقع ہوئی ہے، جس کی بنیادی وجہ افراط زر اور شرح مبادلہ کا دباؤ ہے۔



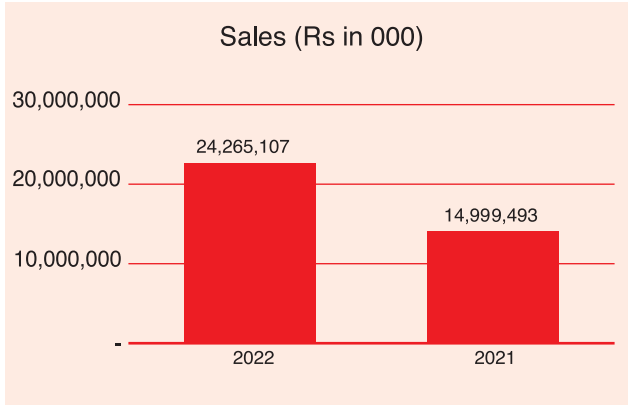
## فی شیئر آمدنی

بعد از ٹیکس بنیادی اور تحلیل شدہ آمدنی 17.10 روپے ہے [2021: فی شیئر آمدنی 14.18]۔

## فروخت پر اخراجات

## فروخت

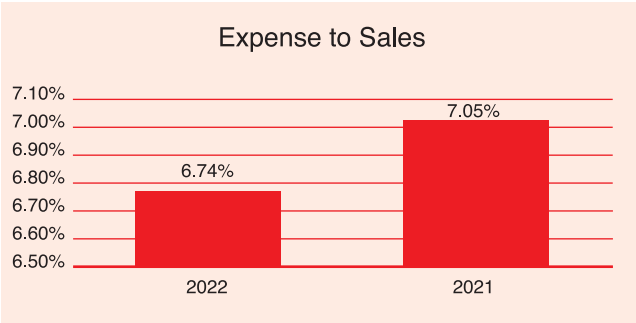
جیسا کہ اوپر روشنی ڈالی گئی ہے، مارکیٹ کے سازگار حالات اور مجموعی طور پر ٹرک اور بس مارکیٹ میں فروخت کے رجحان میں اضافے کی وجہ سے، کمپنی کی فروخت کی آمدنی پچھلے سال میں 14.99 بلین روپے کے مقابلے میں بڑھ کر 24.26 بلین روپے تک پہنچ گئی۔ اس کے علاوہ، آپ کی کمپنی نے اس شعبے میں اپنا مارکیٹ شیئر 46 فیصد پر برقرار رکھا ہے۔ کمپنی اپنی قابل اعتماد فروخت سروس کے ساتھ بے مثال اور باکفایت پروڈکٹ لائن اپ کی بنیاد پر سب سے بہتر کارکردگی کا مظاہرہ کرنے کے لیے پُر اعتماد ہے۔



## فروخت اور مالیاتی لاگت کا موازنہ

## تقسیم اور انتظامی اخراجات

فروخت کے مقابلے میں تقسیم اور انتظامی اخراجات میں کمی آئی ہے، تاہم کمپنی آنے والے معاشی چیلنجز کے اثرات سے آگاہ ہے اور بہتر منصوبہ بندی اور مذاکرات کے ذریعے ان کا مقابلہ کرنے کے لیے تیار ہے۔



# ڈائریکٹرز کی شیئر ہولڈرز کو رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2022 کو ختم ہونے والے سال کے لیے کمپنی 59 ویں سالانہ رپورٹ اور آڈٹ شدہ مالیاتی اعداد و شمار پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

## معیشت اور مارکیٹ کا جائزہ

مالی سال 2022 میں پاکستان کی معیشت نے طے جلے رجحان کا مظاہرہ کیا، میکرو اکنامک ماحول میں بہتری کی وجہ سے اس نے ابتدائی طور پر بہتری دکھائی، جس نے آٹو انڈسٹری کے حجم کو بھی متحرک کیا، تاہم غیر یقینی سیاسی صورتحال کی وجہ سے مجموعی طور پر ماحول چیلنجنگ بن گیا جس نے مجموعی میکرو اکنامک اشاریوں کو متاثر کیا بشمول خام مال کی قیمتوں میں اضافہ، ایندھن کی قیمتوں پر بین الاقوامی دباؤ کی وجہ سے آپریشن کے بڑھتے ہوئے اخراجات، روپے کی مسلسل قدر میں کمی، سود میں اضافہ اور افراط زر کی شرح کے، جن کی وجہ سے کاروبار کرنے کی لاگت میں اضافہ ہوتا ہے۔

ٹرک اور بس مارکیٹ نے مالی سال 2022 میں 6,498 یونٹس فروخت ہونے کے ساتھ 49% اضافہ کی نمایاں پیشرفت دکھائی ہے۔ ہماری کمپنی نے اپنا مارکیٹ شیئر برقرار رکھا اور وسیع منصوبہ بندی اور ٹیم ورک کے ساتھ مالی سال 2023 میں اپنی پوزیشن کو مستحکم کرنے اور مزید بہتری لانے کیلئے نئے صارفین اور نئی مارکیٹوں تک رسائی جاری رکھے گی۔

## کمپنی کی اہم سرگرمیاں

گندھارا انڈسٹریز لمیٹڈ (کمپنی) پاکستان میں بطور پبلک لمیٹڈ قائم اور پاکستان اسٹاک ایکسچینج (PSX) میں مندرج ہے۔ ISUZU بسوں، ٹرکوں اور پک اپ ٹرکوں کی اسمبلی، پروگریسیو مینوفیکچرنگ اور مارکیٹنگ کمپنی کی اہم سرگرمی ہے۔

## اہم خطرات اور غیر یقینی صورت حال

کمپنی کے اہم خطرات مارکیٹ میں مسابقت، زر روپے کی قدر میں کمی، شرح سود، مجموعی معاشی اور سیاسی صورتحال شامل ہیں جو کمپنی کی مالی حیثیت متاثر کر سکتے ہیں۔

## مالیاتی کارکردگی

مالی نتائج کا خلاصہ درج ذیل ہے:

2022	2021	
ہزار روپوں میں		
1,592,477	1,204,276	آپریشنز سے منافع
(451,578)	(466,220)	مالیاتی لاگت
1,140,899	738,056	قبل از ٹیکس منافع
(412,399)	(133,843)	ٹیکس
728,500	604,213	بعد از ٹیکس منافع

# Ghandhara Industries Limited

## Notice of 59th Annual General Meeting

Notice is hereby given that the 59th Annual General Meeting of the shareholders of GHANDHARA INDUSTRIES LIMITED will be held on Friday, October 28th, 2022 at 11:30 A.M at F-3, Hub Chauki Road, S.I.T.E., Karachi to transact the following business:

### Ordinary Business

- 1) To receive, consider and adopt the annual audited financial statements of the Company for the year ended June 30, 2022, together with Chairman's Review, Directors' and Auditors' report thereon.
- 2) To appoint Auditors for the year ending June 30, 2023 and to fix their remuneration. The retiring auditors, Messers ShineWing Hameed Chaudhri & Co. Chartered Accountants, being eligible, have offered themselves for re-appointment for the year ending June 30, 2023.
- 3) Any other business with the permission of the Chair.

### Special Business

- 1) To consider to pass the following ordinary resolutions:
  - a) "RESOLVED that the transactions carried out in normal course of business with related parties during the year ended June 30, 2022 be and are hereby ratified and approved."
  - b) "RESOLVED that the Chief Executive of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with associated companies/related parties during the ensuing year ending June 30, 2023 and in this connection the Chief Executive be and is hereby also authorized to take any and all necessary actions and sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company."
- 2) To consider to pass the following resolutions as Special Resolution with or without modification:

"RESOLVED THAT (i) pursuant to Section 208 of the Companies Act , 2017, the approval of the members of the Company be and is hereby accorded to the Board of Directors to appoint Dr. Shaheen Kuli Khan Khattak with a designation of "Executive Director Public Relations" at a gross salary of Rs. 600,000/- per month, in addition to other usual expenses such as utilities and other perquisites, with effect from July 01, 2022 shared by the following Associated Companies on pro rata basis w.e.f July 01,2022 at the end of each and every quarter of the financial year :

1. Janana De Malucho Textile Mills Ltd.
2. Bannu Woollen Mills Ltd.
3. Ghandhara Nissan Ltd.
4. Ghandhara Industries Ltd.
5. The Universal Insurance Company Ltd.
6. Rahman Cotton Mills Limited

In view of the provisions of section 208 of the Act, the proposal is placed before the Annual General Meeting for approval as a Special Resolution.

It is therefore, RESOLVED THAT

"(i) the consent of the members be and is hereby granted to approve the Special Resolution for sharing the salary to be paid to Dr. Shaheen Kuli Khan Khattak (Director Public Relations) with the following Associated Companies on pro rata basis w.e.f July 01, 2022 at the end of each and every quarter of the financial year :

- i. Janana De Malucho Textile Mills Ltd.
- ii. Bannu Woollen Mills Ltd.

- iii. Ghandhara Nissan Ltd.
- iv. Ghandhara Industries Ltd.
- v. The Universal Insurance Company Ltd.
- vi. Rahman Cotton Mills Ltd.

It is also RESOLVED THAT

- (ii) the Principal Officer and the Company Secretary be and are hereby authorized to complete all the necessary legal and corporate formalities pertaining to this resolution.

It is further RESOLVED THAT

- (iii) All acts, deeds, and things done by the Authorized Officers pursuant to the above Resolutions for and on behalf of and in the name of the Company shall be binding acts, deeds and things done by the Company.
  - (iv) The Principal Officer and the Company Secretary, be and are also hereby jointly or severally authorized to take any further modifications/amendments/corrections at a later stage if pointed out by Securities & Exchange Commission of Pakistan (SECP) and to take such other steps, execute such other documents and make necessary corporate and other filings as may be necessary or expedient for the purpose of giving effect to the above resolutions and all other matters incidental or ancillary thereto.”
- 3) To consider to pass the following resolutions as Special Resolution with or without modification:

“Resolved that in accordance with provisions of Companies Act, 2017 together with approval of the Board to purchase of a floor in project “Sky Garden” of Business Vision (Pvt.) Limited situated at Plot no. 108 C.F., 1-5, old Clifton Quarters, Karachi is hereby ratified and approved”

**By Order of the Board**



**Talha Ahmed Zaidi**  
Company Secretary

**Karachi**  
**October 7, 2022**

A statement of material facts under section 134(3) of the Companies Act, 2017 pertaining to the Special Business is annexed to this notice of the meeting.

**NOTES:**

**1. Participation through video conferencing facility**

The Company, in order to facilitate shareholders for their convenience and to minimize physical interaction keeping in view quorum requirements, has made arrangements to ensure that shareholders may participate through video conferencing facility.

The shareholders who have already updated their valid e-mail IDs with the Company or its Share Registrar and are interested to attend AGM online may send below information along with valid copy of both sides of CNIC with the subject “Registration for Ghandhara Industries Limited AGM” at shareholders@gil.com.pk. Such information should be sent from their duly registered valid e-mail ID for the registration purposes latest by October 20, 2022.

Name	CNIC Number	Folio / CDC Account no.	Cell no.	Email Address

Members whose requests are received by the aforesaid date, detailed procedure will be shared with them for joining the onlinemeeting.

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address [shareholders@gil.com.pk](mailto:shareholders@gil.com.pk).

Members are therefore, encouraged to attend the AGM through video link or by consolidating their attendance through proxies.

## **2. Closure of Share Transfer Books**

The Share Transfer Books of the Company will remain closed for the period from October 22, 2022 to October 28, 2022 (both days inclusive) for the purpose of Annual General Meeting. Transfers received in order at our Share Registrar M/s. CDC Share Registrar Services Limited. CDC House no. 99-B, Block B, S.M.C.H.S Main Shahrah-e-Faisal, Karachi at the close of business on October 21, 2022 shall be treated in time for the purpose of Annual General Meeting. No transfer will be accepted for registration during this period.

## **3. Participation in General Meeting**

A member of the Company entitled to attend and vote at this meeting, may appoint another person as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

CDC shareholders entitled to attend and vote at the meeting must bring his/her Participant ID and Account/Sub-Account number along with original CNIC or original passport to authenticate his/her identity. In case of corporate entity, resolution of Board of Directors/Power of Attorney with specimen signature of the nominee along with his/her recent photograph shall be produced (unless it has been provided earlier) at the time of the meeting.

## **4. For appointing the proxy**

CDC shareholders shall submit the proxy form as per above requirements together with attested copy of CNIC or Passport of the beneficial owner and proxy. In case of corporate entity, the Board of Directors' resolution/power of attorney, along with the specimen signature of the nominee, shall be submitted along with the proxy form to the Company.

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 original Passport at the time of meeting.

## **5. Change in Address and CNIC**

Members are requested to notify/submit the following Information / documents, in case of book entry securities in CDS to their respective participants and in case of physical shares to the registrar of the Company by quoting their folio numbers and name of the Company at the above-mentioned address, if not earlier notified/submitted:

- Change in their address, if any
- Members, who have not yet submitted attested photocopy of their valid CNIC are requested to submit the same along with folio numbers at earliest, directly to the Company's Share Registrar M/s. CDC Share Registrar Services Limited. CDC House no. 99-B, Block B, S.M.C.H.S Main Shahrah-e-Faisal, Karachi

Further, Pursuant to the directives of the SECP, the dividend of shareholders whose CNIC/SNIC or NTN (in case of corporate entities), are not available with the Share Registrar could be withheld. Shareholders are therefore, requested to submit a copy of their valid CNIC (if not already provided) to the Company's Share Registrar.

## **6. Request for Video Conferencing Facility**

If the Company receives consent from the members holding at least 10% shareholding residing in a city, to participate in the meeting through video-link at least seven (07) days prior to date of the meeting, the Company will arrange facility of video-link in that city subject to availability of such facility in that city.

To avail this facility please provide the following information to our Share Registrar M/s. CDC Share Registrar Services Limited. CDC House no. 99-B, Block B, S.M.C.H.S Main Shahrah-e-Faisal, Karachi.

"I/We, \_\_\_\_\_ of \_\_\_\_\_, being a member of Ghandhara Industries Limited, holder of \_\_\_\_\_ ordinary share(s) as per Registered Folio No. \_\_\_\_\_ hereby opt for video conference facility at \_\_\_\_\_."

Signature of member

## 7. Availability of Audited Financial Statement on Company's Website

The audited financial statements of the Company for the year ended June 30, 2022 have been made available on the Company's website [www.gil.com.pk](http://www.gil.com.pk), at least 21 days before the date of Annual General Meeting.

## 8. Annual Report through Email / CD/ DVD

This is to inform that SECP in accordance with SRO 470(I)/2016 dated 31 May 2016, through which SECP has allowed companies to circulate the annual audited accounts to its members through CD/DVD/ USB instead of transmitting the hard copies at their registered addresses, subject to consent of shareholders and compliance with certain other conditions, the Company has obtained shareholders' approval in its Annual General Meeting held on October 31, 2016. Accordingly, Annual Report of the Company for the year ended June 30, 2022 is dispatched to the shareholders through CD. However, if a shareholder requests for a hard copy of Annual Accounts, the same shall be provided free of cost within seven days of receipt of such request.

Further, SECP through its Notification No. SRO. 787(1)/2014, dated September 08, 2014 and under section 223(6) of the Companies Act, 2017 has allowed companies to circulate Annual Audited Financial Statements along with Notice of Annual General Meeting through email instead of sending the same through post, to those members who desire to avail this facility. The members who desire to opt to receive aforesaid statements and notice of Annual General Meeting through e-mail are requested to provide their details on "Electronic Communication Consent Form" (available on the Company's website), to the Company's Share Registrar, CDC Share Registrar Services Limited. Further, it is responsibility of the member to timely update the Shares Registrar of any change in the registered e-mail address.

In compliance with above requirements, soft copy of the Annual Report 2022 is being emailed to those members who have opted to receive communication through email.

## 9. Payment of Cash Dividend Electronically (Mandatory Requirement)

In accordance with the provisions of section 242 of the Companies Act, 2017 and Companies (Distribution of Dividend) Regulations, 2017, it is mandatory for a listed company to pay cash dividend to its shareholder only through electronic mode directly into the bank account designated by the entitled shareholder. Shareholders who have not yet submitted their banking details for dividends already declared by the Company are requested to fill in "Electronic Credit Mandate Form" as reproduced below and also available on Company's website and send it duly signed along with a copy of valid CNIC/NTN to their respective CDC participant / CDC Investor account services (in case of shareholding in Book Entry Form) or to the Company's Share Registrar M/s. CDC Share Registrar Services Limited. (in case of shareholding in Physical Form) .

a) Shareholder's Details	
Name of the Shareholder (s)	
Folio # /CDSAaccount No.(s)	
CNIC NO. (Copy attached)	
Mobile/Landline no.	
b) Shareholder's Bank Details	
Title of Bank Account	
International Bank Account Number (IBAN)	
Bank's Name	
Branch's name and address	

It is stated that the above-mentioned information is correct and in case of any change herein I/we will immediately intimate the Share Registrar accordingly.

## 10. Unclaimed Shares and Dividend

Pursuant to Section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company, which remain unclaimed or unpaid for a period of three years from the date it become due payable shall vest with the Federal Government after compliance of procedures prescribed under the Company Act, 2017. Shareholders are hereby informed that a list of all unclaimed dividend has been added on the Company's website: <https://gil.com.pk/page-Unclaimed-dividend-and-shares>. Any member affected by this notice is advised to write to

or call at the office of the Company's share registrar M/s. CDC Share Registrar Services Limited. CDC House no. 99-B, Block B, S.M.C.H.S Main Shahrah-e-Faisal, Karachi during normal working hours.

#### **11. Postal Ballot**

Pursuant to the Companies (Postal Ballot) Regulations, 2018, for any agenda item subject to the requirements of Section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right to vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.

#### **12. Deposit of Physical Shares in to CDC Account**

As per Section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the date of the promulgation of the Companies Act 2017.

Pursuant to the SECP letter no. CSD/ED/Misc./2016-639-640 dated March 26, 2021, the Company is following up with all shareholders holding shares in physical form with the request to convert their shares in Book-Entry Form in order to comply with the provisions of the Companies Act, 2017. Shareholders may contact the Company's Share Registrar to understand the process and benefits of conversion of shares held in physical form into Book-Entry Form.

#### **STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017**

The following statement sets out the material facts pertaining to the special Business to be transacted at the Annual General Meeting of the Company to be held on October 28th, 2022.

#### **Agenda Item # 1(a) of the Special Business – Transactions carried out with associated companies during the year ended June 30, 2022 to be passed as an Ordinary Resolution.**

The transactions carried out in normal course of business with associated companies (Related parties) were being approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to clause 15 of the Listed Companies Corporate Governance Regulations, 2019.

During the Board meeting it was pointed out by the Directors that as the majority of Company Directors were interested in this/these transaction(s) due to their common directorship and holding of shares in the associated companies, the quorum of directors could not be formed for approval of this/these transaction(s) which has/have to be approved by the shareholders in the General Meeting.

In view of the above, the transactions conducted during the financial year ended June 30, 2022 with associated companies as shown in note no. 42 to the Audited Financial Statements for year ended June 30, 2022 are being placed before the shareholders for their consideration and approval/ratification.

The Directors are interested in the resolution to the extent of their common directorships and their shareholding in the associated companies.

#### **Agenda Item No. 1(b) of the Special Business - Authorization to the Chief Executive for the transactions carried out and to be carried out with associated companies during the ensuing year ending June 30, 2023 to be passed as an Ordinary Resolution**

The Company shall be conducting transactions with its related parties during the year ending June 30, 2023 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship in the associated companies.

In order to comply with the provisions of clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019, the shareholders may authorize the Chief Executive to approve transactions carried out and to be carried out in normal course of business with associated companies/related parties during the ensuing year ending June 30, 2023.

The Directors are interested in the resolution to the extent of their common directorships and their shareholding in the associated companies.

**Agenda Item No. 2 of Special Business to be passed as Special Resolution:**

Keeping in view the strategic communication from Associated Companies to the public and in order to develop and implement the Associated Companies public relations strategies, in accordance with the Company's approved Related Party Transactions Policy, The Board of Directors in its meeting held on October 04, 2022 upon recommendation of Audit Committee of the Company, have recommended to appoint Dr. Shaheen Kuli Khan Khattak as Director Public Relations w.e.f July 01, 2022 and her services will be continued till further decision by the Board. She has suitable qualification, experience and communication skills.

In order to reduce the overhead expense of the Associated Companies, these expenses shall be charged and reimbursed by the following Associated Companies on a pro rata basis by each Associated Company at the end of each & every quarter of the financial year:-

1. Janana De Malucho Textile Mills Ltd.
2. Bannu Woollen Mills Ltd.
3. Ghandhara Nissan Ltd.
4. Ghandhara Industries Ltd.
5. The Universal Insurance Company Ltd.
6. Rahman Cotton Mills Ltd.

The following Directors are interested in the resolution to the extent of their common directorships and their shareholding in the Associated Companies:

1. Mr. Ali Kuli Khan Khattak
2. Mr. Ahmad Kuli Khan Khattak
3. Mrs. Shahnaz Sajjad Ahmad
4. Mr. Muhammad Kuli Khan Khattak

Approval of the members is, therefore sought in order to comply with the requirements of Section 208 of the Companies Act, 2017.

**Agenda Item No. 3 of the Special Business – To purchase a floor in Project Sky Garden to be passed as Special Resolution**

In accordance with provisions of Companies Act, 2017, the Company wish to purchase an office floor in Project "Sky Garden" of Business Vision (Pvt.) Limited situated at Plot no. 108 C.F., 1-5, old Clifton Quarters, Karachi.

Size of the office is 11,166 sq. ft. having total price of Rs. 450 million. The payment of Rs. 125 million have already been made to Business Vision (Pvt.) Limited, however remaining payment would be made in installments as per defined payment plan ending on September 30, 2025. The project is expected to be completed by March 31, 2026

The following Directors are interested in the resolution to the extent of their common directorships and their shareholding in the Associated Company.

1. Mr. Ali Kuli Khan Khattak
2. Mr. Ahmad Kuli Khan Khattak

Further below directors are interested in resolution to the extent of their relation with above mentioned directors.

1. Mrs. Shahnaz Sajjad Ahmad
2. Mr. Muhammad Kuli Khan Khattak

Based on above, the matter is being presented before general meeting for approval by shareholders as special resolution.

ڈائریکٹرز کی اس قرارداد میں دلچسپی ملحقہ کمپنیوں میں ان کی مشترکہ ڈائریکٹر شپ اور ان کی حصص داری تک محدود ہے۔

### خصوصی امور کا ایجنڈا آئٹم نمبر 2 خصوصی قرارداد کے طور پر منظور کیا جائے گا:

ملحقہ کمپنیوں کی جانب سے عوام تک اسٹریٹجک کمیونیکیشن کو مد نظر رکھتے ہوئے اور کمپنی کی منظور شدہ ملحقہ کمپنیوں کی ٹرانزیکشنز پالیسی کے مطابق ملحقہ کمپنیوں کے تعلقات عامہ کی حکمت عملیوں کو تیار کرنے اور لاگو کرنے کیلئے بورڈ آف ڈائریکٹرز نے 14 اکتوبر 2022 کو منعقدہ اپنے اجلاس میں کمپنی کی آڈٹ کمیٹی کی سفارش پر ڈاکٹر شاہین قلی خان خٹک کو یکم جولائی 2022 سے مؤثر ہونے والے ڈائریکٹر پبلک ریلیشنز مقرر کرنے کی سفارش کی ہے اور بورڈ کے اگلے فیصلے تک ان کی خدمات جاری رکھی جائیں گی۔ اس کے پاس مناسب قابلیت، تجربہ اور کمیونیکیشن کی مہارت ہے۔

ملحقہ کمپنیوں کے اوور ہیڈ اخراجات کو کم کرنے کے لیے، مالی سال کی ہر سہ ماہی اور سب سہ ماہیوں کے اختتام پر ان اخراجات کو درج ذیل ملحقہ کمپنیوں کے ذریعے ہر ملحقہ کمپنی کی طرف سے تناسب کی بنیاد پر وصول کیا جائے گا اور ادائیگی کی جائے گی:-

1- جانا ناڈی ماچو ٹیکسٹائل ملز لمیٹڈ

2- بنوں وولن ملز لمیٹڈ

3- گندھارا انسان لمیٹڈ

4- گندھارا انڈسٹریز لمیٹڈ

5- یونیورسل انشورنس کمپنی لمیٹڈ

6- رحمان کاٹن ملز لمیٹڈ

درج ذیل ڈائریکٹرز کی اس قرارداد میں دلچسپی ملحقہ کمپنیوں میں ان کی مشترکہ ڈائریکٹر شپ اور ان کی حصص داری تک محدود ہے۔

1- جناب علی قلی خان خٹک

2- جناب احمد قلی خان خٹک

3- مسز شہناز سجاد احمد

4- جناب محمد قلی خان خٹک

لہذا کمپنیز ایکٹ، 2017 کے سیکشن 208 کے تقاضوں کی تعمیل کرنے کیلئے اراکین کی منظوری طلب کی جاتی ہے۔

### خصوصی امور کا ایجنڈا آئٹم نمبر 3- پروجیکٹ اسکائی گارڈن میں ایک منزل کی خریداری جسے خصوصی قرارداد کے طور پر پاس کیا جائے گا۔

کمپنیز ایکٹ، 2017 کی دفعات کے مطابق، کمپنی پلاٹ نمبر 5-1، 108.C.F.، اللہ کلغٹن کوارٹرز، کراچی۔ پروجیکٹ برنس ویشن (پرائیویٹ) لمیٹڈ کے پروجیکٹ "اسکائی گارڈن" میں آفس فلور خریدنا چاہتی ہے۔

دفتر کا سائز 11,166 مربع فٹ ہے جس کی کل قیمت 450 ملین روپے ہے۔ برنس ویشن (پرائیویٹ) لمیٹڈ کو پہلے ہی 125 ملین کی رقم ادا کی جا چکی ہے، تاہم بقیہ ادائیگی 30 ستمبر 2025 کو ختم ہونے والے طے شدہ ادائیگی کے منصوبے کے مطابق قسطوں میں کی جائے گی۔ پروجیکٹ کے 31 مارچ 2026 تک مکمل ہونے کی امید ہے۔

درج ذیل ڈائریکٹرز کی اس قرارداد میں دلچسپی ملحقہ کمپنیوں میں ان کی مشترکہ ڈائریکٹر شپ اور ان کی حصص داری تک محدود ہے۔

1- جناب علی قلی خان خٹک

2- جناب احمد قلی خان خٹک

مزید درج ذیل ڈائریکٹرز مذکورہ ڈائریکٹرز کے ساتھ اپنے تعلق کی حد تک اس قرارداد میں دلچسپی رکھتے ہیں۔

1- مسز شہناز سجاد احمد

2- جناب محمد قلی خان خٹک

مندرجہ بالا کی بنیاد پر، معاملہ کو خصوصی قرارداد کے طور پر اجلاس عام میں حصص یافتگان کے سامنے ان کی منظوری کیلئے پیش کیا جا رہا ہے۔

## 10۔ غیر دعویٰ شدہ حصص اور غیر ادا شدہ کیش ڈیویڈنڈ

کمپنیز آرڈیننس 2017 کی شق 244 کے تحت کمپنی کوئی بھی جاری کردہ حصص یا اعلان کردہ کیش ڈیویڈنڈ جو قابل ادا ہونے کی تاریخ سے تین سال کی مدت کے اندر غیر دعویٰ شدہ ہوں یا انہیں ادا نہیں کیا گیا ہو تو کمپنی ایکٹ 2017 کے تحت مقررہ طریقہ کار کی تعمیل کے بعد وفاقی حکومت کے پاس جمع کروائے جائیں گے۔

حصص یافتگان کو بذریعہ ہذا مطلع کیا جاتا ہے کہ کمپنی کی ویب سائٹ <https://gil.com.pk/page-Unclaimed-dividend-and-share> پر تمام غیر دعویٰ شدہ ڈیویڈنڈز کی فہرست شامل کر دی گئی ہے۔ اس نوٹس سے متاثر ہونے والے کسی بھی ممبر کو مشورہ دیا جاتا ہے کہ وہ معمول کے اوقات کار کے دوران کمپنی کے شیئر رجسٹرار میسرز سی ڈی سی شیئر رجسٹرار سرور لمیٹڈ، سی ڈی سی ہاؤس نمبر B-99، بلاک B، ایس۔ ایم۔ سی۔ ایچ۔ ایس، مین شاہراہ فیصل، کراچی کو لکھیں یا کال کریں۔

## 11۔ پوسٹل بیلٹ

کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 کی بیرونی میں کمپنیز ایکٹ 2017 کی شق 143 اور 144 کے تقاضوں سے مشروط کسی ایجنڈا آئٹم کیلئے ممبران کو مذکورہ بالا ضوابط کے تقاضوں اور طریقہ کار کے مطابق پوسٹل بیلٹ کے ذریعے یعنی بذریعہ ڈاک یا کسی الیکٹرانک طریقے سے ووٹ کے ذریعے اپنا حق رائے دہی استعمال کرنے کی اجازت ہوگی۔

## 12۔ دستاویزی حصص سی ڈی سی اکاؤنٹ میں جمع کروانا

کمپنیز ایکٹ 2017 کی شق 72 کے مطابق ہر موجودہ لسٹڈ کمپنی کیلئے ضروری ہے کہ کمیشن کے بیان کردہ طریقہ کار اس کی بیان کردہ تاریخ سے دستاویزی حصص کو بک انٹری کی شکل میں لائے، جس کی اس ایکٹ کے نفاذ یعنی 30 مئی 2017 کے آغاز سے چار سال سے زائد نہیں ہوگی۔

ای سی سی پی لیٹر نمبر CSD/ED/Misc./2016-639-640 مورخہ 26 مارچ 2021 کی بیرونی میں کمپنی دستاویزی شکل میں حصص رکھنے والے تمام حصص یافتگان سے درخواست کے ساتھ بیرونی کر رہی ہے کہ کمپنیز ایکٹ 2017 کی شقوں کی تعمیل میں اپنے دستاویزی حصص یافتگان کو بک انٹری کی شکل میں لائیں۔ حصص یافتگان اپنی تحویل میں موجود دستاویزی حصص کو بک انٹری کی شکل میں لانے کا طریقہ کار اور حصص کی تبدیلی کے فوائد کو سمجھنے کیلئے کمپنی کے شیئر رجسٹرار سے رابطہ کریں۔

## کمپنیز ایکٹ 2017 کی شق (3) 134 کے تحت بیان

28 اکتوبر 2022 کو منعقدہ کمپنی کے سالانہ اجلاس عام میں سرانجام دی گئی خصوصی کارروائی کے اہم حقائق پر مشتمل بیان درج ذیل ہے:

**خصوصی کارروائی کا ایجنڈا آئٹم نمبر (a) 1-30 جون 2022 کو ختم ہونے والے سال کے دوران ملحقہ کمپنیوں کے ساتھ کیے گئے سودوں کی منظوری کیلئے درج ذیل عمومی قرارداد منظور کی جائے گی:**

لسٹڈ کمپنی کارپوریٹ گورننس ریگولیشنز 2019 کی شق 15 کے تحت ملحقہ کمپنیوں (متعلقہ پارٹیوں) کے ساتھ عمومی کاروباری طریقے کے مطابق کیے گئے سودے آڈٹ کمیٹی کی سفارش پر بورڈ کی جانب سے سہ ماہی بنیادوں پر منظور کیے جارہے تھے۔

بورڈ اجلاس کے دوران ڈائریکٹرز کی جانب سے نشاندہی کی گئی کہ کمپنی کے ڈائریکٹرز کی ایک بڑی تعداد کا مفاد ان کی مشترکہ ڈائریکٹرشپ اور ملحقہ کمپنیوں میں حصص داری کی وجہ سے ان سودوں سے وابستہ ہے، لہذا ان سودوں کی منظوری کیلئے ڈائریکٹرز کی مطلوبہ تعداد دستیاب نہ ہونے کی وجہ سے اجلاس عام میں حصص یافتگان کی جانب سے ان سودوں کی منظوری لینی ہوگی۔ مذکورہ بالا صورت حال کے پیش نظر 30 جون 2022 کو ختم ہونے والے سال کے آڈٹ شدہ گوشواروں میں نوٹ نمبر 42 میں ظاہر کیا گیا ہے، انہیں غور و خوض اور منظوری کیلئے حصص یافتگان کے روبرو پیش کیا جائے گا۔

ڈائریکٹرز کی اس قرارداد میں دلچسپی ملحقہ کمپنیوں میں ان کی مشترکہ ڈائریکٹرشپ اور ان کی حصص داری تک محدود ہے۔

**خصوصی کارروائی کا ایجنڈا آئٹم نمبر (b) 1- ملحقہ کمپنیوں کے ساتھ کیے گئے سودوں اور جو سودے 30 جون 2023 کو ختم ہونے والے سال کے دوران کیے جائیں گے، ان کیلئے چیف ایگزیکٹو کو مجاز بنانے کیلئے ایک عمومی قرارداد منظور کی جائے گی۔**

30 جون 2022 کو ختم ہونے والے سال کے دوران کمپنی اپنی ملحقہ کمپنیوں کے ساتھ سودے غیر جانب دار کے ساتھ ”ملحقہ پارٹیوں کے سودے“ کے سلسلے میں منظور شدہ کے مطابق عمومی طریقہ کار کے مطابق سرانجام دی گئی۔ ڈائریکٹرز کی ایک بڑی تعداد ملحقہ کمپنیوں میں اپنی مشترکہ ڈائریکٹرشپ کی وجہ سے ان سودوں میں مفادات رکھتی ہے۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی شق 15 کی ذیلی شقوں کی تعمیل میں حصص یافتگان ملحقہ کمپنیوں (متعلقہ پارٹیوں) کے ساتھ عمومی طریقہ کار کے مطابق کیے گئے سودوں اور جو سودے 30 جون 2023 کو ختم ہونے والے سال کے دوران کیے جائیں گے، ان کی منظوری کیلئے چیف ایگزیکٹو کو مجاز بنائیں گے۔

## 7- آڈٹ شدہ مالیاتی گوشواروں کی کمپنی کی ویب سائٹ پر دستیابی

30 جون 2022 کو ختم ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ گوشوارے سالانہ اجلاس عام کی تاریخ سے کم از کم اکیس (21) دن پہلے کمپنی کی ویب سائٹ [www.gil.com.pk](http://www.gil.com.pk) پر دستیاب ہوں گے۔

## 8- سالانہ رپورٹ بذریعہ ڈی/ڈی وی ڈی

اطلاع دی جاتی ہے کہ SECP کے SRO 470(1)/2016 مورخہ 31 مئی 2016 کے تحت SCEP نے کمپنیوں کو اپنے ممبران کو سالانہ مالیاتی گوشوارے دستاویزی شکل میں بھجوانے کے بجائے ان کے رجسٹرڈ چٹوں پر بذریعہ ڈی/ڈی وی ڈی ایوایس بھی ارسال کرنے کی اجازت عطا کر دی تھی جو حصص یافتگان کی رضامندی اور کچھ دیگر شرائط کی تعمیل سے مشروط تھی۔ کمپنی نے سالانہ اجلاس عام منعقدہ مورخہ 31 اکتوبر 2016 میں حصص یافتگان سے اس کی منظوری حاصل کر لی تھی۔ اسی کے مطابق 30 جون 2022 کو ختم ہونے والے سال کیلئے کمپنی کی سالانہ رپورٹ حصص یافتگان کو بذریعہ ڈی بھیج دی گئی ہے۔ تاہم اگر کوئی حصص یافتہ سالانہ حسابات کی دستاویزی نقل کی تقاضا کرتا ہے تو ایسی درخواست کی وصولی سات (7) کے اندر سے بلا معاوضہ فراہم کی جائے گی۔

مزید برآں، ایس ای سی پی نے اپنے نوٹیفیکیشن نمبر SRO 787(1)/2014 مورخہ 8 ستمبر 2014 کے ذریعے کمپنیوں کو اپنے سالانہ آڈٹ شدہ مالیاتی گوشوارے ایسے ممبران کو سالانہ اجلاس عام کی اطلاع کے ہمراہ ڈاک کے بجائے ای میل کے ذریعے بھیجنے کی اجازت دے دی جو یہ سہولت حاصل کرنا چاہتے ہوں۔ ایسے ممبران جو مذکورہ بالا گوشوارے اور سالانہ اجلاس عام کی اطلاع ای میل کے ذریعے حاصل کرنے کے خواہش مند ہیں ان سے درخواست کی جاتی ہے کہ وہ اپنی تفصیلات کمپنی کے شیئر رجسٹرار، ڈی سی شیئر رجسٹرار اور سرولیمینڈ کو الیکٹرانک کمیونیکیشن کنسنٹ فارم، کمپنی کی ویب سائٹ پر دستیاب پر فراہم کریں۔ مزید برآں، میمبر کی ذمہ داری ہے کہ وہ رجسٹرڈ ای میل ایڈریس میں کسی بھی تبدیلی کے بارے میں شیئر رجسٹرار کو بروقت اپ ڈیٹ کرے۔ مندرجہ بالا تقاضوں کی تعمیل میں، سالانہ رپورٹ 2022 کی سوفٹ کاپی ان اراکین کو ای میل کی جارہی ہے جنہوں نے ای میل کے ذریعے کمیونیکیشن حاصل کرنے کا انتخاب کیا ہے۔

## 9- نقد کیش ڈیویڈنڈ کی الیکٹرانک ذرائع سے ادائیگی (لازمی تقاضا)

کمپنیز ایکٹ 2017 کی شق 242 اور کمپنیز (ڈسٹری بیوشن آف ڈیویڈنڈ) ریگولیشنز 2017 کی شقوں کے تحت کمپنی کیلئے لازم ہے کہ وہ اپنے حصص یافتہ کو اس کے مقرر کردہ اکاؤنٹ میں صرف الیکٹرانک ذریعے سے براہ راست کیش ڈیویڈنڈ بھیجے۔ ایسے حصص یافتگان سے، جنہوں نے ابھی تک کمپنی کی طرف سے پہلے ہی اعلان کردہ ڈیویڈنڈ کیلئے اپنی بینکاری کی تفصیلات جمع نہیں کروائیں، درخواست ہے کہ ذیل میں درج ”الیکٹرانک کریڈٹ مینڈیٹ فارم“ پر کریں جو کمپنی کی ویب سائٹ پر بھی دستیاب ہے اور براہ کرم اس پر باضابطہ دستخط کر کے اپنے کارآمد کمپیوٹرائزڈ قومی شناختی کارڈ/این ٹی این کی نقل کے ساتھ اپنے متعلقہ ڈی سی شریک کار/اسی ڈی سی انویسٹرا کاؤنٹ سرورسز (اگر حصص داری بک انٹری کی شکل میں ہو) کو بھجوادیں یا (دستاویزی حصص کی صورت میں) کمپنی کے شیئر رجسٹرار میسرز ڈی سی شیئر رجسٹرار سرولیمینڈ، سی ڈی سی ہاؤس نمبر B-99، بلاک B، ایس۔ ایم۔ سی۔ ایچ۔ ایس، مین شاہراہ فیصل، کراچی کو ارسال کریں۔

(a) حصص یافتہ (یا یافتگان) کی تفصیلات	
حصص یافتہ (یا یافتگان) کا نام	
فولیو نمبر/CDS اکاؤنٹ نمبر (ز)	
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر (نقل منسلک ہے)	
موبائل/لینڈ لائن نمبر	
(b) حصص یافتہ کے بینک کی تفصیلات	
بینک اکاؤنٹ کا نام	
انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN)	
بینک کا نام	
برانچ کا نام اور پتہ	

مذکورہ بالا معلومات درست ہیں اور ان میں کوئی تبدیلی ہو تو میں انوری طور پر شیئر رجسٹرار کو مطلع کروں گا کریں گے۔

## 2- حصص کی منتقلی کے کھاتوں کی بندش

(ii) سالانہ اجلاس عام کیلئے کمپنی کے حصص منتقلی کی کتابیں 22 اکتوبر سے 28 اکتوبر 2022 تک (بشمول دونوں ایام) بند رہیں گی۔ سالانہ اجلاس عام میں حاضری کے مقصد کیلئے، ہمارے شیئرز رجسٹرار میسرز سی ڈی سی شیئرز رجسٹرار سرورسز لمیٹڈ، سی ڈی ہاؤس، نمبر B-99، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی، کو 21 اکتوبر 2022 کو کاروباری دن کے اختتام تک موصول ہونے والی منتقلیوں کی درخواست حاضری کیلئے بروقت سمجھی جائے گی۔ اس مدت کے دوران کوئی منتقلی رجسٹریشن کیلئے قبول نہیں کی جائے گی۔

## 3- اجلاس عام میں شرکت کیلئے

اس اجلاس میں شرکت اور ووٹ دینے کا/کی اہل کوئی کمپنی ممبر کسی دوسرے فرد کو اپنی جگہ اجلاس میں شریک ہونے اور ووٹ دینے کیلئے نمائندہ مقرر کر سکتا /سکتی ہے۔ نمائندگی ناموں کے مؤثر ہونے کیلئے ضروری ہے کہ وہ اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرار ڈاٹ آفس میں موصول ہو چکے ہوں۔

اجلاس میں شرکت اور ووٹ دینے کے حقدار CDC حصص یافتگان کیلئے ضروری ہے کہ اپنی شناخت کی تصدیق کیلئے اپنے اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ کے ہمراہ اپنی شناختی آئی ڈی اور اکاؤنٹ /سب اکاؤنٹ نمبر بھی لازمی ساتھ لائیں۔ کاروباری ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد /مختار نامہ کے ہمراہ نامزد فرد کے حالیہ فوٹو گراف اور دستخط کے نمونے اجلاس کے وقت پیش کرنے ہوں گے (ماسوائے اس کے کہ پہلے ہی فراہم کیے جا چکے ہوں)۔

## 4- نمائندے کی تقرری کیلئے

CDC حصص یافتگان درج بالا تقاضے کے مطابق مستفید مالک اور نمائندے کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقل کے ہمراہ نمائندگی نامے کی نقل جمع کروائیں گے۔ کاروباری ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد /مختار نامہ کے ہمراہ نامزد فرد کے دستخط کے نمونے نمائندگی نامے کے ہمراہ کمپنی کے پاس جمع کروانے ہوں گے۔ نمائندگی نامہ دو گواہوں کی طرف سے ان کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبروں کے ساتھ گواہی کا حامل ہونا چاہئے۔ نمائندہ اجلاس کے موقع پر اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرے گا۔

## 5- پتے میں تبدیلی اور کمپیوٹرائزڈ شناختی کارڈ

ممبران سے درخواست کی جاتی ہے کہ درج ذیل معلومات، CDS میں بک انٹری سیکورٹیز کی صورت میں اپنے متعلقہ شرکاء کے پاس اور دستاویزی حصص کی صورت میں اپنے فوئیو نمبرز اور اپنی کمپنی کے نام سے حوالے کے ساتھ درج بالا پتے پر کمپنی کے رجسٹرار کو مطلع کریں اس کے پاس جمع کروادیں، اگر پہلے ہی اطلاع نہ دی جا چکی ہو /جمع نہ کروائی ہو۔

• پتے میں تبدیلی، اگر کوئی ہو

• ایسے ممبران، جنہوں نے ابھی تک اپنے کارڈ کمپیوٹرائزڈ قومی شناختی کارڈ کی نقول فراہم نہیں کی ہیں، ان سے درخواست ہے کہ انہیں اپنے فوئیو نمبرز کے ہمراہ جلد از جلد براہ راست کمپنی کے شیئرز رجسٹرار میسرز سی ڈی سی شیئرز رجسٹرار سرورسز لمیٹڈ، سی ڈی ہاؤس، نمبر B-99، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی کے پاس جمع کروادیں۔

مزید برآں، ایس ای سی پی کی ہدایات کے مطابق، جن حصص یافتگان کا سی این آئی سی /ایس این آئی سی یا این ٹی این (کارپوریٹ ادارہ کی صورت میں) شیئرز رجسٹرار کے پاس دستیاب نہیں ہیں، ان کا ڈیویڈنڈ روکا جاسکتا ہے۔ اس لیے حصص یافتگان سے درخواست کی جاتی ہے کہ وہ اپنے درست کمپیوٹرائزڈ شناختی کارڈ کی ایک کاپی (اگر پہلے سے فراہم نہیں کی گئی ہو) کمپنی کے شیئرز رجسٹرار کو جمع کروائیں۔

## 6- ویڈیو کانفرنس کی سہولت کیلئے درخواست

کمپنی کم از کم 10 فیصد حصص رکھنے والے ممبران کی طرف سے، جو کسی شہر میں مقیم ہوں، اجلاس کے انعقاد سے کم از کم سات (7) دن پہلے ویڈیو لنک کے ذریعے اجلاس میں شرکت کی درخواست موصول ہو تو کمپنی اس شہر میں ایسی سہولت کی دستیابی کی شرط پر ویڈیو لنک کی سہولت کا بندوبست کرے گی۔

اس سہولت سے استفادہ کرنے کیلئے درج ذیل معلومات ہمارے شیئرز رجسٹرار میسرز سی ڈی سی شیئرز رجسٹرار سرورسز لمیٹڈ، سی ڈی ہاؤس نمبر B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی کو فراہم کریں۔

میں /ہم، \_\_\_\_\_ برائے \_\_\_\_\_ رجسٹرار ڈیویو نمبر \_\_\_\_\_ کے مطابق \_\_\_\_\_ عام حصص

کے مالک گندھارا انٹرسٹریٹ لمیٹڈ کے ایک ممبر کی حیثیت سے بذریعہ بلاک /مقام \_\_\_\_\_ ویڈیو کانفرنس کی سہولت سے استفادہ کرنا چاہتا /چاہتی ہوں۔

دستخط ممبر

iv۔ گندھارا انڈسٹریز لمیٹڈ

v۔ یونیورسل انشورنس کمپنی لمیٹڈ

vi۔ رحمان کاشن ملز لمیٹڈ

یہ بھی قرار پایا ہے کہ (ii) پرنسپل آفیسر اور کمپنی سکرٹری اس قرارداد سے متعلق تمام ضروری قانونی اور کارپوریٹ رسی کارروائیوں کو مکمل کرنے کے مجاز ہوں گے۔ مزید یہ بھی قرار پایا ہے کہ (iii) درج بالا قراردادوں کے تناظر میں مجاز افسران کے ذریعے کئے گئے تمام اقدامات، اعمال، سودے بازیاں کمپنی کے نام پر یا کمپنی کی ایما پر ہونے والے اقدامات، اعمال، سودے بازیاں تصور کی جائیں گی۔

(iv) پرنسپل آفیسر اور کمپنی سکرٹری، مشترکہ یا انفرادی طور کسی بھی قسم کی ترمیم/رد و بدل/تصحیح کرنے کے مجاز ہوں گے اور اگر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی طرف سے نشاندہی کی جائے تو ایسے اقدامات یا دیگر دستاویزات پر عمل درآمد کریں اور ضروری کارپوریٹ اور دیگر فائلنگ کریں جو کہ مذکورہ قراردادوں اور اس سے متعلقہ دیگر تمام معاملات کو عملی جامہ پہنانے کے مقصد کے لیے ضروری یا مناسب ہو۔“

3) ترمیم کے ساتھ یا اس کے بغیر درج ذیل قراردادوں کو خصوصی قرارداد کے طور پر منظور کرنے پر غور کرنا:

”قرارداد پایا ہے کمپنیز ایکٹ، 2017 کی دفعات کے مطابق پلاٹ نمبر -108 C.F، 5-1، اولڈ کلفٹن کوارٹرز، کراچی پر واقع برنس ویشن (پرائیویٹ) لمیٹڈ کے پروجیکٹ "اسکائی گارڈن" میں ایک منزل کی خریداری کے لیے بورڈ کی منظوری کے ساتھ توثیق اور منظوری دی جاتی ہے۔“

بحکم بورڈ  
طلحہ احمد زیدی  
(کمپنی سکرٹری)

کراچی: 107 اکتوبر 2022

کمپنیز ایکٹ 2017 کے سیکشن 134(3) کے مطابق اسٹیٹمنٹ آف میٹیریل فیکٹ درج بالا بیان کردہ خصوصی کاروبار سے متعلق ہے، میننگ کے اس نوٹس کے ساتھ منسلک ہے۔

**نوٹس:**

**1۔ ذاتی موجودگی یا ویڈیو کانفرنسنگ کی سہولت کے ذریعے شرکت:**

کمپنی نے حصص یافتگان کو سہولت فراہم کرنے اور کورم کی ضروریات کو مد نظر رکھتے ہوئے جسمانی تعامل کو کم کرنے کے لیے انتظامات کیے ہیں تاکہ حصص یافتگان ویڈیو کانفرنسنگ کی سہولت کے ذریعے شرکت کر سکیں۔

وہ حصص یافتگان جنہوں نے پہلے ہی کمپنی یا اس کے شیئر رجسٹرار کے ساتھ اپنی درست ای میل آئی ڈی کی تجدید کروالی ہے اور وہ اجلاس میں آن لائن شرکت کرنے میں دلچسپی رکھتے ہیں وہ ذیل میں معلومات بھیج سکتے ہیں اور CNIC کے دونوں اطراف کی درست کاپی کے ساتھ ”رجسٹریشن برائے گندھارا انڈسٹریز لمیٹڈ کا سالانہ اجلاس عام“ کے عنوان سے shareholders@gil.com.pk پر بھیج سکتے ہیں۔ رجسٹریشن کے مقاصد کیلئے ایسی معلومات 20 اکتوبر 2022 تک ان کی باضابطہ رجسٹرڈ درست ای میل آئی ڈی سے ارسال کی جائیں۔

نام	سی این آئی سی نمبر	فیلو/سی ڈی سی اکاؤنٹ نمبر	موبائل فون نمبر	ای میل ایڈریس

جن اراکین کی درخواستیں مذکورہ تاریخ تک موصول ہو جائیں گی، ان کے ساتھ آن لائن میننگ میں شامل ہونے کا تفصیلی طریقہ کار شیئر کیا جائے گا۔ حصص یافتگان ای میل ایڈریس shareholders@gil.com.pk پر سالانہ اجلاس عام کے ایجنڈا آنکھ کے لیے اپنے تبصرے اور سوالات بھی فراہم کر سکتے ہیں۔ لہذا اراکین کو ویڈیو لنک کے ذریعے یا پراکسی کے ذریعے اپنی حاضری کو مستحکم کرنے کیلئے سالانہ اجلاس عام میں شرکت کی ترغیب دی جاتی ہے۔

## گندھارا انڈسٹریز لمیٹڈ 59 ویں سالانہ اجلاس عام کی اطلاع

بذریعہ ہذا مطلع کیا جاتا ہے کہ گندھارا انڈسٹریز لمیٹڈ کے شیئرز ہولڈرز کا انٹھواں (59th) سالانہ اجلاس عام (AGM)، بروز جمعہ 28 اکتوبر 2022ء، کو صبح 11:30 بجے، ایف۔3، حب چوکی روڈ، سائٹ، کراچی میں درج ذیل امور کی انجام دہی کیلئے منعقد کیا جائے گا۔ اجلاس کے دوران مندرجہ ذیل امور انجام دیے جائیں گے۔

### عمومی امور

1-30 جون 2022 کو مکمل ہونے والے سال کیلئے کمپنی کے سالانہ آڈٹ شدہ مالی گوشوارے مع ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری۔  
2-30 جون 2023 کو مکمل ہونے والے سال کیلئے آڈیٹرز کی تقرری اور ان کے معاوضے کا تعین۔ سبکدوش ہونے والے آڈیٹرز میسرز شائن ونگ حمید چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کی ناطے خود کو دوبارہ تقرری کیلئے پیش کیا ہے۔

3- چیئر مین کی اجازت سے دیگر امور کی انجام دہی۔

### خصوصی امور

1- درج ذیل عمومی قراردادوں کی منظوری پر غور و خوض۔

(الف) 30 جون 2022 کو ختم ہونے والے سال کے دوران متعلقہ پارٹیوں کے ساتھ عمومی طریقہ کار کے مطابق کیے گئے سودوں کی متفقہ طور پر توثیق کی جاتی اور منظوری دی جاتی ہے۔  
(ب) ”قرار پایا ہے کہ چیف ایگزیکٹو کو بذریعہ ہذا بنا یا جاتا ہے کہ وہ 30 جون 2023 کو ختم ہونے والے سال کے دوران تمام لین اور ملحقہ کمپنیوں / متعلقہ فریقوں کے ساتھ معمول کے طریقہ کار کے تحت کیے جانے والے کاروبار کی منظوری دے۔ اس سلسلے میں چیف ایگزیکٹو کو بذریعہ ہذا بھی اختیار دیا جاتا ہے کہ اس ضمن میں جس طرح کی ضرورت ہو کمپنی کی جانب سے کوئی بھی اور تمام ضروری اقدامات کرے اور اس حوالے سے جہاں درکار ہو تمام دستاویزات / اقرارناموں پر دستخط / عمل درآمد کرے۔“  
(2) ترمیم یا ترمیم کے بغیر درج ذیل قراردادوں پر بطور خصوصی قراردادوں کو پاس کرنے کیلئے غور و خوض کرنا  
”قرار پایا ہے کہ (i) کمپنیز ایکٹ 2017 کے سیکشن 208 کے مطابق، کمپنی کے ممبران کی منظوری اور بذریعہ ہذا بورڈ آف ڈائریکٹرز ڈاکٹر شاہین قلی خان خٹک کو ایگزیکٹو ڈائریکٹر پبلک ریلیشنز کے طور پر مقرر کرنے کی اجازت دی جاتی ہے جن کی مجموعی تنخواہ 600,000 روپے ماہانہ بشمول دیگر معمول کے اخراجات جیسے کہ یونیٹلٹی اور دیگر مراعات پر مشتمل ہوگی، جسے یکم جولائی 2022 سے درج ذیل ملحقہ کمپنیوں کے ذریعہ مالی سال کی ہر سہ ماہی کے اختتام پر تناسب کی بنیاد پر اشتراک کیا گیا ہے۔

i- بنوں وولن ملز لمیٹڈ

ii- جانا نا ڈی مالو چوٹیکسٹائل ملز لمیٹڈ

iii- گندھارا انسان لمیٹڈ

iv- گندھارا انڈسٹریز لمیٹڈ

v- پونیورسل انشورنس کمپنی لمیٹڈ

vi- رحمان کاشن ملز لمیٹڈ

ایکٹ کی دفعہ 208 کی دفعات کے پیش نظر، تجویز کو خصوصی قرارداد کے طور پر منظوری کے لیے سالانہ عام اجلاس کے سامنے رکھا گیا ہے۔

لہذا، قرار پایا ہے کہ (i) ڈاکٹر شاہین قلی خان خٹک (ڈائریکٹر پبلک ریلیشنز) کو درج ذیل ملحقہ کمپنیوں کے ساتھ یکم جولائی 2022 سے مؤثر مالی سال کی ہر سہ ماہی کے اختتام پر تناسب کی بنیاد پر ادائیگی کی جانے والی تنخواہ کو تقسیم کرنے کیلئے خصوصی قرارداد کی منظوری کے لیے اراکین کی رضامندی اس کے ذریعے دی جاتی ہے۔

i- بنوں وولن ملز لمیٹڈ

ii- جانا نا ڈی مالو چوٹیکسٹائل ملز لمیٹڈ

iii- گندھارا انسان لمیٹڈ

# Key Operating & Financial Data

## 6 Years at a Glance

		2022	2021	2020	2019	2018	2017
<b>Financial Performance-Profitability</b>							
Gross profit margin	%	12.19	13.83	5.88	11.51	18.55	20.51
EBITDA margin to sales	%	7.56	9.43	1.08	7.42	13.33	14.04
Pre tax margin/(loss)	%	4.70	4.92	(8.59)	1.00	11.71	11.61
Net profit margin/(loss)	%	3.00	4.03	(10.88)	0.43	8.12	7.41
Return on equity-before tax	%	17.86	13.01	(19.95)	2.99	41.58	33.78
Return on equity-after tax	%	11.40	10.65	(25.28)	1.29	28.84	21.57
<b>Operating Performance / Liquidity</b>							
Total assets turnover	Times	1.38	1.01	0.62	0.87	1.39	1.25
Fixed assets turnover	Times	5.57	3.47	2.65	5.02	6.81	5.31
Debtors turnover	Times	21.70	24.60	32.43	151.49	57.77	28.83
Debtors turnover	Days	16.82	14.84	11.25	2.41	6.32	12.66
Inventory turnover	Times	3.10	1.85	1.24	1.43	2.56	3.16
Inventory turnover	Days	117.59	197.38	294.53	255.74	142.51	115.49
Creditors turnover	Times	23.50	24.19	22.88	24.15	32.11	29.45
Creditors turnover	Days	15.53	15.09	15.95	15.11	11.37	12.39
Operating cycle	Days	118.87	197.13	289.83	243.04	137.46	115.76
Current ratio		1.19	1.14	1.04	1.16	1.32	1.33
Quick / acid test ratio		0.53	0.43	0.49	0.23	0.36	0.55
<b>Capital Structure Analyses</b>							
Breakup value / share	Rs	149.95	133.19	119.10	109.10	110.87	86.61
Earning / (Loss) per share (pre tax)	Rs	26.78	17.32	(23.76)	3.26	46.10	29.26
Earning / (Loss) per share (after tax)	Rs	17.10	14.18	(30.11)	1.41	31.98	18.68
<b>Summary of Balance Sheet</b>							
Rupees '000							
Share capital		426,088	426,088	426,088	426,088	213,044	213,044
Reserves		2,234,694	1,509,076	897,105	2,172,735	2,651,071	1,612,010
Shareholder's fund / equity		6,388,890	5,674,951	5,074,659	4,648,384	4,724,129	3,690,168
Deferred liabilities		45,634	27,326	21,425	19,759	80,181	45,615
Property, plant & equipment		4,359,828	4,321,244	4,453,947	2,770,727	2,463,605	2,021,453
Long term assets		27,386	27,932	27,095	26,987	17,242	16,824
Net current assets / Working capital		2,127,627	1,309,414	606,303	1,759,388	2,278,947	1,612,645

# Summary of Financial Position

	2022	2021	2020	2019	2018	2017
<b>Summary of Profit &amp; Loss</b>						
	Rupees '000					
Net sales	<b>24,265,107</b>	14,999,493	11,788,254	13,909,913	16,772,383	10,740,631
Gross profit	<b>2,957,653</b>	2,075,065	692,764	1,601,592	3,111,004	2,202,963
Operating profit/(loss)	<b>1,592,477</b>	1,204,276	(41,491)	889,989	2,186,464	1,471,262
Profit / (Loss) before tax	<b>1,140,899</b>	738,056	(1,012,276)	138,970	1,964,070	1,246,625
Profit / (Loss) after tax	<b>728,500</b>	604,213	(1,282,883)	59,948	1,362,420	796,013
EBITDA	<b>1,835,571</b>	1,414,989	127,472	1,031,647	2,235,433	1,471,268
<b>Summary of Cash Flows</b>						
	Rupees '000					
Net cash flow from operating activities	<b>(1,384,139)</b>	3,919,646	(275,102)	(2,138,425)	(2,372,485)	(68,215)
Net cash flow from investing activities	<b>(78,969)</b>	31,966	(71,734)	(211,639)	(471,631)	(111,916)
Net cash flow from financing activities	<b>(132,623)</b>	104,311	(34,481)	(311,519)	(303,223)	(198,826)
Changes in cash & cash equivalents	<b>(1,595,731)</b>	4,055,923	(381,317)	(2,661,583)	(3,147,339)	(378,957)
Cash & cash equivalents	<b>(3,717,298)</b>	(2,121,567)	(6,177,490)	(5,796,173)	(3,134,590)	12,749

# Vertical Analysis

Balance Sheet	2022		2021		2020		2019		2018		2017	
	Rs. in 000'	%	Rs. in 000'	%	Rs. in 000'	%	Rs. in 000'	%	Rs. in 000'	%	Rs. in 000'	%
<b>Assets</b>												
<b>Non-Current Assets</b>												
Property, plant & equipment	4,359,828	24.72	4,321,244	28.99	4,453,947	23.53	2,770,727	17.40	2,463,605	20.47	2,021,453	23.52
Intangible assets	2,593	0.01	3,082	0.02	136	0.00	260	0.00	384	0.00	462	0.01
Investment properties	-	-	87,926	0.59	88,169	0.47	88,413	0.56	88,657	0.74	88,901	1.03
Long term Investment	1,400	0.01	1,400	0.01	1,400	0.01	1,400	0.01	1,400	0.01	1,400	0.02
Long term loans	202	0.00	1,317	0.01	1,957	0.01	3,639	0.02	4,305	0.04	2,736	0.03
Long term deposits	25,784	0.15	25,215	0.17	23,738	0.13	21,948	0.14	11,537	0.10	12,688	0.15
Deferred taxation	6,901	0.04	96,249	0.65	2,473	0.01	87,158	0.55	845	0.01	21,134	0.25
	4,396,708	25	4,536,433	30	4,571,820	24	2,973,545	19	2,570,733	21	2,148,774	25
<b>Current Assets</b>												
Stores and spares parts	13,304	0.08	20,887	0.14	22,469	0.12	8,328	0.05	10,281	0.09	2,560	0.03
Stock-in-trade	7,297,387	41.38	6,431,131	43.15	7,547,063	39.87	10,359,425	65.06	6,888,220	57.24	3,779,300	43.97
Trade debts	1,655,208	9.39	580,945	3.90	638,588	3.37	88,406	0.56	95,230	0.79	485,472	5.65
Loans and advances	405,156	2.30	247,205	1.66	150,547	0.80	133,759	0.84	168,661	1.40	143,340	1.67
Trade deposits and prepayments	1,654,691	9.38	829,339	5.56	4,260,928	22.51	542,834	3.41	721,213	5.99	707,242	8.23
Other receivables	25,974	0.15	4,244	0.03	9,263	0.05	6,981	0.04	741	0.01	2,683	0.03
Accrued mark up	8,028	0.05	241	0.00	-	-	-	-	-	-	-	-
Sales tax refundable/adjustable and taxation - payment less provision	1,495,215	8.48	1,522,652	10.22	1,387,870	7.33	1,308,983	8.22	1,081,869	8.99	520,298	6.05
Cash and bank balances	682,250	3.87	731,461	4.91	340,906	1.80	500,441	3.14	497,261	4.13	805,135	9.37
	13,237,213	75	10,368,105	70	14,357,634	76	12,949,157	81	9,463,476	79	6,446,030	75
	17,633,921	100.00	14,904,538	100.00	18,929,454	100.00	15,922,702	100.00	12,034,209	100.00	8,594,804	100.00
<b>Equity And Liabilities</b>												
<b>Share Capital And Reserves</b>												
Share capital	426,088	2.42	426,088	2.86	426,088	2.25	426,088	2.68	213,044	1.77	213,044	2.48
Unappropriated profit / (accumulated loss)	2,234,694	12.67	1,509,076	10.12	897,105	4.74	2,172,735	13.65	2,651,071	22.03	1,612,010	18.76
Surplus on revaluation of fixed assets	3,728,108	21.14	3,739,787	25.09	3,751,466	19.82	2,049,561	12.87	1,860,014	15.46	1,865,114	21.70
	6,388,890	36	5,674,951	38	5,074,659	27	4,648,384	29	4,724,129	39	3,690,168	43
<b>Non-Current Liabilities</b>												
Lease Liabilities	68,060	0.39	71,460	0.48	66,237	0.35	51,745	0.32	34,526	0.29	19,563	0.23
Long term borrowings	-	-	51,900	0.35	-	-	-	-	-	-	-	-
Compensated absences	21,751	0.12	18,954	0.13	15,802	0.08	13,045	0.08	10,844	0.09	6,073	0.07
Deferred Income - Govt grant	-	-	1,256	0.01	-	-	-	-	-	-	-	-
Deferred liabilities	45,634	0.26	27,326	0.18	21,425	0.11	19,759	0.12	80,181	0.67	45,615	0.53
Deferred taxation	-	-	-	-	-	-	-	-	-	-	-	-
	135,445	1	170,896	1	103,464	1	84,549	1	125,551	1	71,251	1
<b>Current Liabilities</b>												
Trade and other payables	6,385,804	36.21	5,873,696	39.41	6,872,811	36.31	4,582,157	28.78	3,427,060	28.48	3,960,103	46.08
Unpaid dividends	78,959	0.45	78,959	0.53	78,959	0.42	78,959	0.50	44,271	0.37	24,604	0.29
Unclaimed dividends	21,380	0.12	21,609	0.14	21,973	0.12	22,151	0.14	24,814	0.21	14,092	0.16
Current maturity of lease liabilities	36,602	0.21	31,455	0.21	29,410	0.16	13,435	0.08	8,224	0.07	17,916	0.21
Current maturity of long term borrowing	49,211	0.28	90,977	0.61	-	-	-	-	-	-	-	-
Current portion of deferred income - government grant	1,255	0.01	7,264	0.05	-	-	-	-	-	-	-	-
Accrued mark up	136,827	0.78	101,703	0.68	229,782	1.21	196,453	1.23	48,309	0.40	24,284	0.28
Short term borrowings	4,399,548	24.95	2,853,028	19.14	6,518,396	34.44	6,296,614	39.54	3,631,851	30.18	792,386	9.22
	11,109,586	63	9,058,691	61	13,751,331	73	11,189,769	70	7,184,529	60	4,833,385	56
	17,633,921	100.00	14,904,538	100.00	18,929,454	100.00	15,922,702	100.00	12,034,209	100.00	8,594,804	100.00
<b>Profit &amp; Loss</b>												
Net sales	24,265,107	100.00	14,999,493	100.00	11,788,254	100.00	13,909,913	100.00	16,772,383	100.00	10,740,631	100.00
Cost of sales	(21,307,454)	(142.05)	(12,924,428)	(86.17)	(11,095,490)	(94.12)	(12,308,321)	(88.49)	(13,661,379)	(81.45)	(8,537,668)	(79.49)
Gross profit	2,957,653	19.72	2,075,065	13.83	692,764	4.98	1,601,592	11.51	3,111,004	18.55	2,202,963	20.51
												1.96
Distribution expenses	(964,822)	(6.43)	(570,225)	(3.80)	(493,750)	(4.19)	(534,954)	(3.85)	(584,046)	(3.48)	(359,159)	(3.34)
Administrative expenses	(352,446)	(2.35)	(353,932)	(2.36)	(272,309)	(2.31)	(267,664)	(1.92)	(346,542)	(2.07)	(150,595)	(1.40)
Other operating expenses	(317,905)	(2.12)	(134,490)	(0.90)	(22,852)	(0.19)	(26,368)	(0.19)	(148,748)	(0.89)	(244,074)	(2.27)
Other operating income	269,997	1.80	187,858	1.25	54,656	0.46	117,383	0.84	154,796	0.92	22,127	0.21
Profit / (loss) from operations	1,592,477	10.62	1,204,276	8.03	(41,491)	(0.35)	889,989	6.40	2,186,464	13.04	1,471,262	14
Finance cost	(451,578)	(3.01)	(466,220)	(3.11)	(970,785)	(8.24)	(751,019)	(5.40)	(222,394)	(1.33)	(224,637)	(2.09)
Profit / (loss) before taxation	1,140,899	7.61	738,056	4.92	(1,012,276)	(8.59)	138,970	1.00	1,964,070	11.71	1,246,625	11.61
Taxation	(412,399)	(2.75)	(133,843)	(0.89)	(270,607)	(2.30)	(79,022)	(0.57)	(601,650)	(3.59)	(450,612)	(4.20)
Profit / (loss) after taxation	728,500	4.86	604,213	4.03	(1,282,883)	(10.88)	59,948	0.43	1,362,420	8.12	796,013	7.41

# Horizontal Analysis

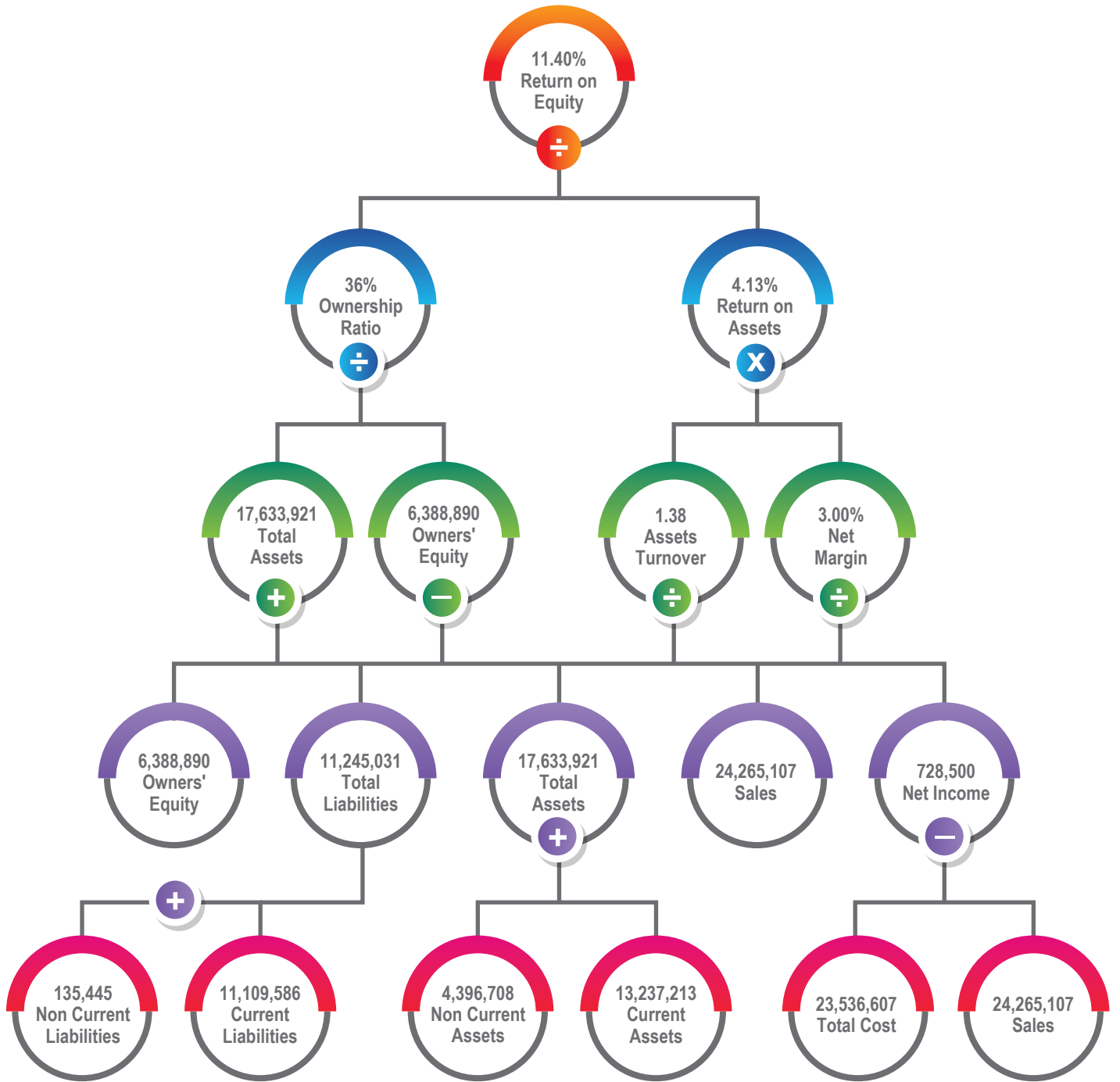
## Balance Sheet

	2022	22 Vs 21	2021	21 Vs 20	2020	20 Vs 19	2019	19 Vs 18	2018	18 Vs 17	2017
	Rs. in 000'	%	Rs. in 000'	%	Rs. in 000'	%	Rs. in 000'	%	Rs. in 000'	%	Rs. in 000'
<b>Assets</b>											
<b>Non-Current Assets</b>											
Property, plant & equipment	4,359,828	0.89	4,321,244	(2.98)	4,453,947	60.75	2,770,727	12.47	2,463,605	21.87	2,021,453
Intangible assets	2,593	(15.87)	3,082	2,166.18	136	(47.69)	260	(32.29)	384	(16.88)	462
Investment properties	-	(100.00)	87,926	(0.28)	88,169	(0.28)	88,413	(0.28)	88,657	(0.27)	88,901
Long term Investment	1,400	-	1,400	-	1,400	-	1,400	-	1,400	-	1,400
Long term loans	202	(84.66)	1,317	(32.70)	1,957	(46.22)	3,639	(15.47)	4,305	57.35	2,736
Long term deposits	25,784	2.26	25,215	6.22	23,738	8.16	21,948	90.24	11,537	(9.07)	12,688
Deferred taxation	6,901	(92.83)	96,249	3,791.99	2,473	(97.16)	87,158	10,214.56	845	(96.00)	21,134
	4,396,708	(3.08)	4,536,433	(0.77)	4,571,820	53.75	2,973,545	15.67	2,570,733	19.64	2,148,774
<b>Current Assets</b>											
Stores and spares parts	13,304	(36.30)	20,887	(7.04)	22,469	169.80	8,328	(19.00)	10,281	301.60	2,560
Stock-in-trade	7,297,387	13.47	6,431,131	(14.79)	7,547,063	(27.15)	10,359,425	50.39	6,888,220	82.26	3,779,300
Trade debts	1,655,208	184.92	580,945	(9.03)	638,588	622.34	88,406	(7.17)	95,230	(80.38)	485,472
Loans and advances	405,156	63.89	247,205	64.20	150,547	12.55	133,759	(20.69)	168,661	17.66	143,340
Trade deposits and prepayments	1,654,691	99.52	829,339	(80.54)	4,260,928	684.94	542,834	(24.73)	721,213	1.98	707,242
Other receivables	25,974	512.02	4,244	(54.18)	9,263	32.69	6,981	842.11	741	(72.38)	2,683
Accrued mark up	8,028	-	241	-	-	-	-	-	-	-	-
Sales tax refundable/adjustable and taxation - payment less provision	1,495,215	(1.80)	1,522,652	9.71	1,387,870	6.03	1,308,983	20.99	1,081,869	107.93	520,298
Cash and bank balances	682,250	(6.73)	731,461	114.56	340,906	(31.88)	500,441	0.64	497,261	(38.24)	805,135
	13,237,213	27.67	10,368,105	(27.79)	14,357,634	10.88	12,949,157	36.83	9,463,476	46.81	6,446,030
	17,633,921	18.31	14,904,538	(21.26)	18,929,454	18.88	15,922,702	32.31	12,034,209	40.02	8,594,804
<b>Equity And Liabilities</b>											
<b>Share Capital And Reserves</b>											
Share capital	426,088	-	426,088	-	426,088	-	426,088	100.00	213,044	-	213,044
Unappropriated profit / (accumulated loss)	2,234,694	48.08	1,509,076	68.22	897,105	(58.71)	2,172,735	(18.04)	2,651,071	64.46	1,612,010
Surplus on revaluation of fixed assets	3,728,108	(0.31)	3,739,787	(0.31)	3,751,466	83.04	2,049,561	10.19	1,860,014	(0.27)	1,865,114
	6,388,890	12.58	5,674,951	11.83	5,074,659	9.17	4,648,384	(1.60)	4,724,129	28.02	3,690,168
<b>Non-Current Liabilities</b>											
Lease Liabilities	68,060	(4.76)	71,460	7.89	66,237	28.01	51,745	49.87	34,526	76.49	19,563
Long term borrowings	-	-	51,900	-	-	-	-	-	-	-	-
Compensated absences	21,751	14.76	18,954	19.95	15,802	21.13	13,045	20.30	10,844	78.56	6,073
Deferred Income - Govt grant	-	-	1,256	-	-	-	-	-	-	-	-
Deferred liabilities	45,634	67.00	27,326	27.54	21,425	8.43	19,759	(75.36)	80,181	75.78	45,615
Deferred taxation	-	-	-	-	-	-	-	-	-	-	-
	135,445	(20.74)	170,896	65.17	103,464	22.37	84,549	(32.66)	125,551	76.21	71,251
<b>Current Liabilities</b>											
Trade and other payables	6,385,804	8.72	5,873,696	(14.54)	6,872,811	49.99	4,582,157	33.71	3,427,060	(13.46)	3,960,103
Unpaid dividends	78,959	-	78,959	-	78,959	-	78,959	78.35	44,271	79.93	24,604
Unclaimed dividends	21,380	(1.06)	21,609	(1.66)	21,973	(0.80)	22,151	(10.73)	24,814	76.09	14,092
Current maturity of lease liabilities	36,602	16.36	31,455	6.95	29,410	118.91	13,435	63.36	8,224	(54.10)	17,916
Current maturity of long term borrowing	49,211	-	90,977	-	-	-	-	-	-	-	-
Current portion of deferred income - government grant	1,255	-	7,264	-	-	-	-	-	-	-	-
Accrued mark up	136,827	34.54	101,703	(55.74)	229,782	16.97	196,453	306.66	48,309	98.93	24,284
Short term borrowings	4,399,548	54.21	2,853,028	(56.23)	6,518,396	3.52	6,296,614	73.37	3,631,851	358.34	792,386
	11,109,586	22.64	9,058,691	(34.12)	13,751,331	22.89	11,189,769	55.75	7,184,529	48.64	4,833,385
	17,633,921	18.31	14,904,538	(21.26)	18,929,454	18.88	15,922,702	32.31	12,034,209	40.02	8,594,804

## Profit & Loss

	2022	22 Vs 21	2021	21 Vs 20	2020	20 Vs 19	2019	19 Vs 18	2018	18 Vs 17	2017
	Rs. in 000'	%	Rs. in 000'	%	Rs. in 000'	%	Rs. in 000'	%	Rs. in 000'	%	Rs. in 000'
Net sales	24,265,107	61.77	14,999,493	27.24	11,788,254	(15.25)	13,909,913	(17.07)	16,772,383	56.16	10,740,631
Cost of sales	(21,307,454)	64.86	(12,924,428)	16.48	(11,095,490)	(9.85)	(12,308,321)	(9.90)	(13,661,379)	60.01	(8,537,668)
Gross profit	2,957,653	42.53	2,075,065	199.53	692,764	(56.75)	1,601,592	(48.52)	3,111,004	41.22	2,202,963
Distribution expenses	(964,822)	69	(570,225)	15	(493,750)	(8)	(534,954)	(8)	(584,046)	63	(359,159)
Administrative expenses	(352,446)	(0)	(353,932)	30	(272,309)	2	(267,664)	(23)	(346,542)	130	(150,595)
Other operating expenses	(317,905)	136	(134,490)	489	(22,852)	(13)	(26,368)	(82)	(148,748)	(39)	(244,074)
Other operating income	269,997	44	187,858	244	54,656	(53)	117,383	(24)	154,796	600	22,127
Profit / (loss) from operations	1,592,477	32	1,204,276	(3,002)	(41,491)	(105)	889,989	(59)	2,186,464	49	1,471,262
Finance cost	(451,578)	(3)	(466,220)	(52)	(970,785)	29	(751,019)	238	(222,394)	(1)	(224,637)
Profit / (loss) before taxation	1,140,899	55	738,056	(173)	(1,012,276)	(828)	138,970	(93)	1,964,070	58	1,246,625
Taxation	(412,399)	208.12	(133,843)	(50.54)	(270,607)	242.45	(79,022)	(86.87)	(601,650)	33.52	(450,612)
Profit / (loss) after taxation	728,500	21	604,213	(147)	(1,282,883)	(2,240)	59,948	(95.60)	1,362,420	71.16	796,013

# Dupont Analysis



\* Amount are in Rupees '000

## Pattern of Shareholding

As at June 30, 2022

Number of Shareholders	Shareholding		Number of Shares Held	Percentage
	From	To		
3723	1	100	121,527	0.29%
1930	101	500	588,524	1.38%
876	501	1000	745,683	1.75%
1111	1001	5000	2,608,826	6.12%
203	5001	10000	1,497,359	3.51%
51	10001	15000	654,935	1.54%
40	15001	20000	704,221	1.65%
18	20001	25000	426,760	1.00%
8	25001	30000	228,100	0.54%
10	30001	35000	322,746	0.76%
6	35001	40000	229,700	0.54%
5	40001	45000	215,916	0.51%
9	45001	50000	437,954	1.03%
3	50001	55000	162,300	0.38%
4	55001	60000	232,700	0.55%
2	60001	65000	127,400	0.30%
1	70001	75000	72,000	0.17%
4	95001	100000	393,800	0.92%
2	105001	110000	211,632	0.50%
1	120001	125000	123,000	0.29%
1	145001	150000	149,700	0.35%
1	200001	205000	201,400	0.47%
1	230001	235000	234,554	0.55%
1	235001	240000	236,000	0.55%
1	350001	355000	353,500	0.83%
1	865001	870000	866,100	2.03%
1	2365001	2370000	2,368,296	5.56%
1	3275001	3280000	3,277,852	7.69%
1	4515001	4520000	4,516,484	10.60%
1	8125001	8130000	8,129,565	19.08%
1	12170001	12175000	12,170,310	28.56%
<b>8,018</b>			<b>42,608,844</b>	

\* Note: The slabs representing nil holding have been omitted.

## Categories of Shareholders

As at June 30, 2022

SR #	Categories of Shareholders	No. of Shareholders	Shares Held	Percentage
<b>1.</b>	<b>Directors, Chief Executive Officer and their spouse(s) and minor children</b>			
	Mr. Ali Kuli Khan Khattak (Chairman)	1	18	0.00
	Mr. Ahmad Kuli Khan Khattak (Chief Executive)	1	24,000	0.06
	Mrs. Shahnaz Sajjad Ahmad (Director)	2	49,174	0.12
	Major ( Retd. ) Muhammad Zia (Director)	1	200	0.00
	Mr. Shahid Kamal Khan (Independent Director)	1	16	0.00
	Mr. Sohail Hameed (Independent Director)	1	2	0.00
	Mr. Muhammad Kuli Khan Khattak (Director)	1	7	0.00
<b>2.</b>	<b>Associated Companies, undertakings and related parties</b>			
	Ghandhara Nissan Limited.	2	8,132,336	19.09
	Bibojee Services (Pvt) Limited	2	16,686,794	39.16
	Bibojee Investments (Pvt) Limited	1	42,816	0.10
	The Ghandhara Tyre & Rubber Co.	1	201,400	0.47
	The Universal Insurance Company Limited	1	2,368,296	5.56
<b>3.</b>	<b>NIT &amp; ICP</b>			
	Investment Corporation of Pak.	1	7,428	0.02
	CDC - Trustee National Investment (Unit) Trust	1	234,554	0.55
<b>4.</b>	<b>Banks Development Financial Institutions, Non Banking Financial Financial Institutions.</b>	14	8,076	0.02
<b>5.</b>	<b>Insurance Companies</b>	7	22,600	0.05
<b>6.</b>	<b>Modarabas and Mutual Funds</b>	14	3,580,852	8.40
<b>7.</b>	<b>General Public</b>			
	a. Local	7,758	9,954,452	23.36
	b. Foreign	132	109,412	0.26
<b>8.</b>	<b>Foreign Companies</b>	-	-	-
	Others	76	1,186,411	2.78
	<b>Totals</b>	<b>8,018</b>	<b>42,608,844</b>	<b>100.00</b>
	<b>Share holders holding 10% or more</b>		<b>Shares Held</b>	<b>Percentage</b>
	Ghandhara Nissan Limited		8,132,336	19.09
	Bibojee Services (Pvt) Limited		16,686,794	39.16

# Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

For the Year Ended June 30, 2022

This statement is being presented to comply with the Listed Companies (Code of Corporate Governance) Regulations, 2019. The Company has applied the principles contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019 in the following manner:

1. The total number of directors are seven as per the following:

Male: 6	Female: 1
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2. The composition of Board is as follows:

Independent Directors	Mr. Shahid Kamal Khan Mr. Sohail Hameed
Other Non-executive Director	Mr. Ali Kuli Khan Khattak Mrs. Shahnaz Sajjad Ahmad Maj. (R) Muhammad Zia
Executive Director	Mr. Ahmad Kuli Khan Khattak Mr. Muhammad Kuli Khan Khattak

Fraction (0.33) related to the requirement for number of independent directors is less than 0.5 and therefore, has not rounded up as one.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Board of Directors have either obtained certificate of Directors' Training Program or are exempted from the requirements of Directors' Training Program as per Listed Companies Code of Corporate Governance Regulations 2019.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. CFO and CEO duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

Audit Committee	Mr. Sohail Hameed – Chairman Maj. (R) Muhammad Zia - Member Mr. Shahid Kamal Khan - Member Mr. Shahnawaz Damji - Secretary
HR and Remuneration Committee	Mr. Shahid Kamal Khan – Chairman Mr. Ahmad Kuli Khan Khattak - Member Maj. (R) Muhammad Zia - Member Mr. Sohail Hameed - Member Mr. Shahrukh Asghar - Secretary

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

Audit Committee	Four quarterly meetings during FY ended 2022
HR and Remuneration Committee	One meeting during FY ended 2022

15. The Board has set up an effective internal audit function which comprises of professionals who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.



Mr. Ali Kuli Khan Khattak  
Chairman

October 4, 2022

## ***Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019***

We have reviewed the enclosed Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Ghandhara Industries Limited (the Company) for the year ended June 30, 2022, in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2022.

*Shinewing Hameed Chaudhri & Co.*

**SHINEWING HAMEED CHAUDHRI & CO.**

CHARTERED ACCOUNTANTS  
KARACHI.

UDIN: CR202210105jdgNwSOKT  
Dated: October 5, 2022

# **Report on the Audit of the Financial Statements**

## **Opinion**

We have audited the annexed financial statements of Ghandhara Industries Limited (the Company), which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

## **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key Audit Matters:

## **S.No. Key Audit Matter**

## **How the matters was addressed in our audit**

### **1. Revenue recognition**

Refer notes 4.14 and note 30 to the financial statements. The Company is engaged in the assembly, progressive manufacturing and sale of Isuzu trucks, buses and pick ups. The Company recognized revenue from the sale aggregating to Rs.24,265,107 thousand for the year ended June 30, 2022. We identified recognition of revenue as a key audit matter as it includes large number of revenue transactions involving a large number of customers spread in various geographical locations. Further, revenue is one of the key performance indicator of the Company.

Our audit procedures in respect of this area included:

- Obtained an understanding of the Company's processes and related internal controls for revenue recognition and on a sample basis, tested the operating effectiveness of those controls;
- Assessed the appropriateness of the Company's revenue accounting policies and their compliance with applicable financial reporting standard;
- Compared a sample of revenue transactions recorded during the year with sales orders, applicable sale value, sales invoices, receipt vouchers, delivery orders and other relevant underlying documents;
- Performed cut-off procedures on near year end sales to ensure revenue has been recorded in the correct period; and
- Verified that sales prices are approved by appropriate authority; and
- Verified, on a test basis, discounts and commission with supporting documentation.

### **2. Stock-in-trade**

Refer note 4.7 and 12 to the financial statements, the Company has stock-in-trade aggregating Rs.7,297,387 thousand (2021: Rs.6,431,131 thousand) comprising raw materials, finished goods including trading goods and work in process. We identified this area as a key audit matter because stock-in-trade constitutes 41.38% of the total assets of the Company as at June 30, 2022 and determining an appropriate valuation as a result of net realizable value (NRV) involves management judgement and estimation.

Our audit procedures in respect of this area included:

- Observed / attended physical inventory count procedures and compared physical count results with valuations sheets on a sample basis;
- Compared on a sample basis specific purchases and directly attributable cost with underlying supporting documents;
- On a sample basis, obtained supporting documents relating to stock in transit for assessing its valuation;
- Compared the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards; and
- We also considered the adequacy of the related disclosures and assessed these are in accordance with the applicable financial reporting standards and the Companies Act, 2017 (XIX of 2017).

## **Information Other than the Financial Statements and Auditors' Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- . Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- . Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- . Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- . Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we

conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Raheel Ahmed.

*Shinewing Hameed Chaudhri & co.*

### **SHINEWING HAMEED CHAUDHRI & CO.**

CHARTERED ACCOUNTANTS  
KARACHI;  
UDIN : AR2022101055FNvuTmfk  
Dated: October 5, 2022

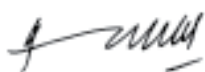
# **Financial Statements**

For the year ended June 30, 2022

# Statement of Financial Position

AS AT JUNE 30, 2022

	Note	2022	2021
(Rupees in thousand)			
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	5	4,359,828	4,321,244
Intangible assets	6	2,593	3,082
Investment property	7	-	87,926
Long term investment	8	1,400	1,400
Long term loans	9	202	1,317
Long term deposits	10	25,784	25,215
Deferred taxation - net	11	6,901	96,249
		4,396,708	4,536,433
<b>Current assets</b>			
Stores		13,304	20,887
Stock-in-trade	12	7,297,387	6,431,131
Trade debts	13	1,655,208	580,945
Loans and advances	14	405,156	247,205
Trade deposits and prepayments	15	1,654,691	829,339
Other receivables	16	25,974	4,244
Accrued mark-up		8,028	241
Sales tax refundable / adjustable		234,760	268,831
Taxation - net		1,260,455	1,253,821
Cash and bank balances	17	682,250	731,461
		13,237,213	10,368,105
<b>Total assets</b>		<b>17,633,921</b>	<b>14,904,538</b>



**Ahmad Kuli Khan Khattak**  
Chief Executive



**Shahid Kamal Khan**  
Director



**Muhammad Aamir**  
Chief Financial Officer

# Statement of Financial Position

AS AT JUNE 30, 2022

	Note	2022	2021
		(Rupees in thousand)	
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital	18	426,088	426,088
<b>Revenue reserves</b>			
Unappropriated profit		2,234,694	1,509,076
<b>Capital reserve</b>			
Surplus on revaluation of fixed assets	19	3,728,108	3,739,787
<b>Total equity</b>		<b>6,388,890</b>	<b>5,674,951</b>
<b>Non current liabilities</b>			
Lease liabilities	20	68,060	71,460
Long term borrowings	21	-	51,900
Deferred income - government grant	22	-	1,256
Compensated absences	23	21,751	18,954
Deferred liabilities	24	45,634	27,326
		135,445	170,896
<b>Current liabilities</b>			
Trade and other payables	25	6,385,804	5,873,696
Unpaid dividends	26	78,959	78,959
Unclaimed dividends		21,380	21,609
Accrued mark-up / interest	27	136,827	101,703
Short term borrowings	28	4,399,548	2,853,028
Current maturity of lease liabilities	20	36,602	31,455
Current portion of long term borrowings	21	49,211	90,977
Current portion of deferred income - government grant	22	1,255	7,264
		11,109,586	9,058,691
<b>Total liabilities</b>		<b>11,245,031</b>	<b>9,229,587</b>
<b>Contingencies and commitments</b>			
	29		
<b>Total equity and liabilities</b>		<b>17,633,921</b>	<b>14,904,538</b>

The annexed notes from 1 to 50 form an integral part of these financial statements.



**Ahmad Kuli Khan Khattak**  
Chief Executive



**Shahid Kamal Khan**  
Director



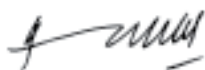
**Muhammad Aamir**  
Chief Financial Officer

# Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
(Rupees in thousand)			
Sales - net	30	24,265,107	14,999,493
Cost of sales	31	(21,307,454)	(12,924,428)
<b>Gross profit</b>		<b>2,957,653</b>	<b>2,075,065</b>
Distribution cost	32	(964,822)	(570,225)
Administrative expenses	33	(352,446)	(353,932)
Other expenses	34	(317,905)	(134,490)
Other income	35	269,997	187,858
<b>Profit from operations</b>		<b>1,592,477</b>	<b>1,204,276</b>
Finance cost	36	(451,578)	(466,220)
<b>Profit before taxation</b>		<b>1,140,899</b>	<b>738,056</b>
Taxation	37	(412,399)	(133,843)
<b>Profit after taxation</b>		<b>728,500</b>	<b>604,213</b>
<b>Other comprehensive loss</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement of staff retirement benefit obligation		(20,509)	(5,522)
Impact of deferred tax		5,948	1,601
Other comprehensive loss for the year - net of tax		(14,561)	(3,921)
<b>Total comprehensive income for the year</b>		<b>713,939</b>	<b>600,292</b>
(Rupees)			
<b>Basic and diluted earnings per share</b>	38	<b>17.10</b>	<b>14.18</b>

The annexed notes from 1 to 50 form an integral part of these financial statements.



**Ahmad Kuli Khan Khattak**  
Chief Executive



**Shahid Kamal Khan**  
Director



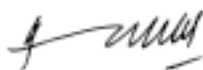
**Muhammad Aamir**  
Chief Financial Officer

# Statement of Changes in Equity

FOR THE YEAR ENDED JUNE 30, 2022

	Share capital	Revenue Reserve - Unappropriated profit	Capital Reserve - Surplus on revaluation of fixed assets	Total
	(Rupees in thousand)			
<b>Balance as at July 1, 2020</b>	426,088	897,105	3,751,466	5,074,659
<b>Transaction with owners, recognised directly in equity</b>				
<b>Total comprehensive income for the year ended June 30, 2021</b>				
Profit for the year	-	604,213	-	604,213
Other comprehensive loss	-	(3,921)	-	(3,921)
	-	600,292	-	600,292
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	11,679	(11,679)	-
<b>Balance as at June 30, 2021</b>	426,088	1,509,076	3,739,787	5,674,951
<b>Transaction with owners, recognised directly in equity</b>				
<b>Total comprehensive income for the year ended June 30, 2022</b>				
Profit for the year	-	728,500	-	728,500
Other comprehensive loss	-	(14,561)	-	(14,561)
	-	713,939	-	713,939
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	11,679	(11,679)	-
<b>Balance as at June 30, 2022</b>	426,088	2,234,694	3,728,108	6,388,890

The annexed notes from 1 to 50 form an integral part of these financial statements.



**Ahmad Kuli Khan Khattak**  
Chief Executive



**Shahid Kamal Khan**  
Director



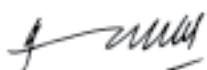
**Muhammad Aamir**  
Chief Financial Officer

# Statement of Cash Flows

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		(Rupees in thousand)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) / generated from operations	39	(629,608)	4,780,222
Gratuity paid		(26,033)	(20,192)
Compensated absences paid		(1,002)	(997)
Finance cost paid		(404,305)	(584,278)
Income tax paid - net		(323,737)	(254,272)
Long term loans - net		1,115	640
Long term deposits - net		(569)	(1,477)
<b>Net cash (used in) / generated from operating activities</b>		<b>(1,384,139)</b>	<b>3,919,646</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(181,072)	(49,205)
Purchase of intangible asset		(300)	(3,661)
Sale proceeds from disposal of operating fixed assets		21,058	23,885
Interest received		81,345	60,947
<b>Net cash (used in) / generated from investing activities</b>		<b>(78,969)</b>	<b>31,966</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term borrowings - obtained		-	201,863
Long term borrowings - repaid		(100,931)	(50,466)
Lease rentals paid		(31,463)	(46,722)
Dividend paid		(229)	(364)
<b>Net cash (used in) / generated from financing activities</b>		<b>(132,623)</b>	<b>104,311</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(1,595,731)</b>	<b>4,055,923</b>
Cash and cash equivalents at beginning of the year		(2,121,567)	(6,177,490)
<b>Cash and cash equivalents at end of the year</b>	40	<b>(3,717,298)</b>	<b>(2,121,567)</b>

The annexed notes from 1 to 50 form an integral part of these financial statements.



**Ahmad Kuli Khan Khattak**  
Chief Executive



**Shahid Kamal Khan**  
Director



**Muhammad Aamir**  
Chief Financial Officer

# Notes to the Financial Statements

FOR THE YEAR ENDED JUNE 30, 2022

## 1. CORPORATE INFORMATION

Ghandhara Industries Limited (the Company) was incorporated on February 23, 1963. The Company's shares are quoted on Pakistan Stock Exchange Limited. The principal activity is the assembly, progressive manufacturing and sale of Isuzu trucks, buses and pick ups. The registered office of the Company is situated at F-3, Hub Chowki Road, S.I.T.E, Karachi. The manufacturing facilities of the Company are located at S.I.T.E., Karachi with regional offices at Lahore, Multan, Rawalpindi and Peshawar.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provision of and directives issued under the Companies Act, 2017.

Where provision of and directives issued under the Companies Act, 2017 differ from the IFRS, the provision of and directives issued under the Companies Act, 2017 have been followed.

### 2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional currency of the Company and figures are rounded off to the nearest thousand of Rupees unless otherwise specified.

### 2.3 New and amended standards and interpretations

#### 2.3.1 Standards and amendments to approved accounting standards effective in current year

New and amended standards mandatory for the first time for the financial year beginning July 1, 2021:

- (a) Amendments to IFRS 16 'Leases' is applicable on accounting periods beginning on or after June 1, 2020 and April 1, 2021. Under IFRS 16, rent concessions often met the definition of a lease modification, unless they were envisaged in the original lease agreement. The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the covid-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to covid-19-related rent concessions that reduce lease payments due on or before June 30, 2021. The Board has extended the practical expedient by 12 months – i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022. This optional exemption gives timely relief to lessees and enables them to continue providing information about their leases that is useful to investors. The amendment does not affect lessors.

The other new standards, amendments to published accounting and reporting standards and interpretations that are mandatory in Pakistan for the financial year beginning on July 1, 2021 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

### 2.3.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Company

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 1, 2021 and have not been early adopted by the Company:

- (a) Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' are applicable for accounting periods beginning on or after January 1, 2022. Under IAS 37, a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits. The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. The amendment is not expected to have material impact on the Company's financial statements.
- (b) Annual improvements 2018 are applicable for annual periods beginning on or after January 1, 2022. These amendments include changes from 2018-2020 cycle of annual improvements project that mainly affect following standards:
  - (i) Amendment to IFRS 1 'First-time Adoption of International Financial Reporting Standards', simplifies the application of IFRS 1 for a subsidiary that becomes a first-time adopter of IFRS later than its parent – i.e. if a subsidiary adopts IFRS later than its parent and applies, then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to IFRS.
  - (ii) Amendment to IFRS 9 'Financial Instruments', clarifies that – for the purpose of performing the '10 per cent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
  - (iii) Amendment to IFRS 16 'Leases' Illustrative Example 13, removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
  - (iv) Amendment to IAS 41 'Agriculture', removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 'Fair Value Measurement'.
- (c) Amendment to IAS 16 'Property, Plant and Equipment' is applicable on accounting periods beginning on or after January 1, 2022. The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. The amendments apply retrospectively, but only to items of PPE made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.
- (d) Amendment to IAS 1 'Presentation of Financial Statements' is applicable on accounting periods beginning on or after January 1, 2023. Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendment requires that a right to defer settlement must have substance and exist at the end of the reporting period.
- (e) Amendment to IAS 1, 'Presentation of Financial Statements' is applicable on accounting periods beginning on or after January 1, 2023. The amendment includes requiring companies to disclose

their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

- (f) Amendments to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' are applicable on accounting periods beginning on or after January 1, 2023. The International Accounting Standards Board (the Board) has issued amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 'Financial Instruments'; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.
- (g) Amendments to IAS 12, 'Income taxes' will be applicable on accounting periods beginning on or after January 1, 2023. The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

There are number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Company and, therefore, have not been presented here.

### **3. BASIS OF MEASUREMENT**

- 3.1** These financial statements have been prepared under the historical cost convention, except for certain classes of property, plant and equipment which have been included at revalued amounts and staff retirement benefit which has been recognised at present value as determined by the Actuary.
- 3.2** The preparation of financial statements in conformity with approved accounting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgement was exercised in application of accounting policies are as follows:

- (i) Estimate of residual values and useful lives of depreciable and intangible assets (note 4.1 and 4.3)
- (ii) Lease term and discount rate for calculation of lease liabilities (note 4.2)
- (iii) Provision for taxation (note 4.10)
- (iv) Provision for staff benefits (note 4.12)
- (v) Provisions (note 4.20)

## 4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 4.1 Property, plant and equipment

Leasehold land is stated at revalued amount and buildings on leasehold land are stated at revalued amount less accumulated depreciation and impairment loss (if any). Other classes of operating fixed assets are stated at cost less accumulated depreciation and impairment loss (if any). Capital work-in-progress is stated at cost less impairment loss (if any). All expenditure connected to the specific assets incurred during the installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when the assets are available for use.

Plant and machinery were revalued in the year 1995 by independent valuers, and were presented at their revalued amount. The Company subsequently adopted the cost model for plant and machinery, and the revalued amounts were treated as deemed costs. The surplus on revaluation of these assets, however, were recognised in accordance with section 235 of the repealed Companies Ordinance, 1984 applicable at that time.

Subsequent costs are included in the asset's carrying amounts or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All repairs and maintenances are charged to the profit or loss as and when incurred.

Depreciation on all operating fixed assets is charged using the straight line method in accordance with the rates specified in note 5.1 to these financial statements and after taking into account their residual values. The depreciation method, residual values and useful lives of items of property, plant and equipment are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change is accounted for as a change in accounting estimate by changing depreciation charge for the current and future periods.

Depreciation on additions is charged from the month in which the assets become available for use, while on disposals depreciation is charged up to the month of disposal.

Gains or losses on disposal or retirement of fixed assets are determined as the difference between the sale proceeds and the carrying amounts of the assets and are included in the profit or loss.

Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. Any surplus on revaluation of fixed assets is recognised in other comprehensive income and presented as a separate component of equity as "Surplus on revaluation of fixed assets", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of fixed assets is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on fixed assets relating to a previous revaluation of that asset. Each year, the incremental depreciation charged on the revalued assets (net of deferred taxation) is reclassified from surplus on revaluation of fixed assets to unappropriated profit. The revaluation reserve is not available for distribution to the Company's shareholders.

The Company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and

the resulting impairment loss is taken to profit or loss except for impairment loss on revalued assets, which is adjusted against related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders.

The Company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is taken to profit and loss account except for impairment loss on revalued assets, which is adjusted against related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

#### **4.2 Right of use assets and related liabilities**

The Company generally leases regional offices and related properties. At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

Leases are recognised as right of use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company.

The lease liabilities are initially measured at the present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. At initial recognition, liabilities were discounted using the Company's incremental borrowing rate. Lease payment includes fixed payments with annual increments. The lease liabilities are subsequently measured at amortised cost using the effective interest rate.

Right of use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right of use assets are depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The carrying amount of the right of use asset is reduced by impairment losses, if any. At transition, the Company recognised right of use assets equal to the present value of lease payments.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less.

#### **4.3 Intangible assets - computer software**

Computer software licenses acquired by the Company are stated at cost less accumulated amortization. Cost represents the cost incurred to acquire the software licenses and bringing them to use. The cost of computer software is amortized over the estimated useful life i.e. 5 years using straight-line method.

Costs associated with maintaining computer software are charged to profit or loss as and when incurred.

#### **4.4 Investments**

##### **4.4.1 Investment property**

Property held for capital appreciation and rental yield, which is not in use of the Company is classified as investment property. Investment property comprise of leasehold land and buildings.

Investment property are carried at cost or valuation (i.e. deemed cost) less accumulated amortization / depreciation and impairment, if any.

Investment property were revalued in 1996 by independent valuers and showed at revalued amounts. The Company subsequently adopted cost model for investments property and the revalued amounts were treated as deemed costs. The surplus on revaluation of these assets, however was recognised in accordance with section 235 of the repealed Companies Ordinance, 1984.

Leasehold land and buildings are amortized / depreciated on straight line method at the rates stated in note 7.

Maintenance and normal repairs are charged to profit or loss as and when incurred. Major renewals and repairs are capitalised.

##### **4.4.2 Long term investment**

Investment in Subsidiary Company is carried at cost less impairment, if any.

#### **4.5 Long term deposits**

These are stated at cost which represents the fair value of the consideration given.

#### **4.6 Stores**

These are valued at cost determined on a first-in-first-out basis. Items in transit are stated at invoice value plus other charges thereon accumulated upto the reporting date.

Provision for obsolete and slow moving stores is determined based on management's estimate regarding their future usability.

#### **4.7 Stock-in-trade**

Stock-in-trade is valued at the lower of cost and net realizable value except for goods in transit which are stated at invoice values plus other charges thereon accumulated upto the reporting date. Cost in relation to raw materials, components and trading stock (except for parts and accessories included in trading stock which are valued on average basis) is arrived at principally on first-in-first-out basis. Cost of work in process and finished stocks including components include direct wages and applicable manufacturing overheads.

Net realizable value represents the estimated selling price in the ordinary course of business less cost necessarily to be incurred in order to make the sale.

#### **4.8 Trade debts and other receivables**

Trade debts and other receivables are classified as financial assets at amortised cost according to IFRS 9.

Trade and other debts are carried at original invoice amount being the fair value. Provision is made against debts considered doubtful of recovery whereas debts considered irrecoverable are written off. The Company uses simplified approach for measuring the expected credit losses for all trade and other receivables including contract assets based on lifetime expected credit losses. The Company has estimated the credit losses using a provision matrix where trade receivables are grouped based on different customer attributes along with historical, current and forward looking assumptions. Debts considered irrecoverable are written off.

#### **4.9 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at amortised cost. For the purposes of cash flow statement, cash and cash equivalents comprise of cash in hand, cash with banks and short term borrowings under mark-up arrangements.

#### **4.10 Taxation**

The tax expense for the year comprises of current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

##### **Current**

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in the previous years arising from assessments framed during the year for such years.

##### **Deferred**

The Company accounts for deferred taxation using the balance sheet liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax liability is recognised for taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the profit or loss, except in the case of items credited or charged to other comprehensive income / equity in which case it is included in other comprehensive income / equity.

#### **4.11 Finance lease / Assets subject to finance lease**

Leases that transfer substantially all the risk and rewards incidental to ownership of an asset are classified as finance leases. Assets on finance lease are capitalised at the commencement of the lease term at the lower of the fair value of leased assets and the present value of minimum lease payments, each determined at the inception of the lease. Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the finance balance outstanding. The finance cost is charged to statement of profit or loss and is included under finance cost.

## **4.12 Retirement benefit obligations**

### **4.12.1 Defined benefit plan**

The Company operates a funded gratuity scheme. The scheme defines the amounts of benefits that an employee will receive on or after retirement subject to a minimum qualifying period of service under the scheme. The amount of retirement benefit is usually dependent on one or more factors such as age, years of service and salary.

The liability recognised in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less fair value of plan assets. Contributions under the schemes are made on the basis of actuarial valuation. The valuation of scheme is carried out annually by an independent expert, using the “Projected Unit Credit Method” with the latest valuation being carried out as on June 30, 2022.

The amount arising as a result of re-measurements are recognised in the statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which they occur. Past service cost, if any, are recognised immediately in profit and loss account.

### **4.12.2 Compensated absences**

Employees’ entitlements to annual leaves are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees upto the reporting date.

## **4.13 Trade and other payables**

Trade and other payables are measured at cost which is the fair value of consideration to be paid in future for goods and services received, whether or not billed to the Company.

### **Warranty**

The Company recognises the estimated liability to repair or replace products still under warranty at the reporting date. Provision for warranty is calculated by taking average of preceding three years sales.

## **4.14 Revenue recognition**

The Company recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those good and services. The Company recognises revenue in accordance with that core principle by applying the following steps:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when the entity satisfies a performance obligation

Revenue from sale of goods is recognized when the Company satisfies a performance obligation (at a point of time) by transferring promised goods to customer being when the goods are invoiced and delivered to customers. Revenue is measured at the fair value of consideration received or receivable, and represents amount receivable for goods supplied and sales tax.

Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable.

#### **4.15 Borrowings and their cost**

Borrowings are recorded at the proceeds received. Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of that asset.

#### **4.16 Government grants**

Government grants are recognized where there is a reasonable assurance that the grant will be received and the Company will comply with all conditions of the grant. Government grants relating to costs are deferred and recognized in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

#### **4.17 Foreign currency translation**

Transactions in foreign currencies are translated into reporting currency at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into reporting currency equivalents using year-end foreign exchange rates. Non-monetary assets and liabilities are translated using the exchange rate that existed when the values were determined. Exchange differences on foreign currency translations are taken to the statement of profit or loss.

#### **4.18 Financial assets and liabilities**

Financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument and derecognised when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is included in the profit or loss for the year. All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortised cost or cost as the case may be. The particular measurement methods adopted are disclosed in individual policy statement associated with each item.

#### **4.19 Off-setting of financial assets and liabilities**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

#### 4.20 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### 4.21 Dividend and appropriation to reserves

Dividend and other appropriations to reserves are recognised in the period in which they are approved.

#### 4.22 Impairment loss

The carrying amounts of the Company's assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of provisions for impairment losses. If any indications exist, the recoverable amounts of such assets are estimated and impairment losses or reversals of impairment losses are recognised in the profit or loss. Reversal of impairment loss is restricted to the original cost of the asset.

#### 4.23 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss after taxation attributable to ordinary shareholders of the Company by weighted average numbers of ordinary shares outstanding during the year.

#### 4.24 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment.

### 5. PROPERTY, PLANT AND EQUIPMENT

	Note	2022	2021
(Rupees in thousand)			
Operating fixed assets	5.1	4,077,413	4,164,612
Capital work-in-progress	5.9	202,224	64,082
Right of use assets	5.10	80,191	92,550
		<u>4,359,828</u>	<u>4,321,244</u>

## 5.1 Operating fixed assets

### At July 1, 2020

Revaluation / cost  
Accumulated depreciation

### Net book value Year ended June 30, 2021

Opening net book value  
Additions  
Disposals

- cost  
- accumulated depreciation

Transfer from right of use asset

- cost  
- accumulated depreciation

Transfer to right of use asset

- cost  
- accumulated depreciation

Depreciation charge

### Closing net book value At June 30, 2021

Revaluation / cost  
Accumulated depreciation

### Net book value Year ended June 30, 2022

Opening net book value  
Additions

Write offs  
- cost  
- accumulated depreciation

Disposals

- cost  
- accumulated depreciation

Transfer to right of use asset

- cost  
- accumulated depreciation

Depreciation charge

### Closing net book value At June 30, 2022

Revaluation / cost  
Accumulated depreciation

### Net book value

### Annual rates of depreciation

	OWNED								Total	
	Leasehold land	Buildings on leasehold land	Plant and machinery	Permanent tools	Furniture and fixture	Motor vehicles / trucks	Office machines & equipment	Computers		Jigs and special tools
	(Rupees in '000)									
At July 1, 2020	3,407,400	577,135	194,425	26,279	12,890	193,106	30,386	25,369	353,203	4,820,193
Revaluation / cost	-	62,545	58,438	7,377	4,480	119,694	15,737	15,751	216,942	500,964
Accumulated depreciation										
Net book value	3,407,400	514,590	135,987	18,902	8,410	73,412	14,649	9,618	136,261	4,319,229
Year ended June 30, 2021										
Opening net book value	3,407,400	514,590	135,987	18,902	8,410	73,412	14,649	9,618	136,261	4,319,229
Additions	-	5,357	18,879	8,264	424	6,026	723	6,273	1,028	46,974
Disposals										
- cost	-	-	-	-	-	30,429	-	2,672	-	33,101
- accumulated depreciation	-	-	-	-	-	(14,436)	-	(2,543)	-	(16,979)
Transfer from right of use asset										
- cost	-	-	-	-	-	15,993	-	129	-	16,122
- accumulated depreciation	-	-	-	-	-	(35,359)	-	-	-	(35,359)
Transfer to right of use asset										
- cost	-	-	-	-	-	(35,297)	-	-	-	(35,297)
- accumulated depreciation	-	-	-	-	-	62	-	-	-	62
Depreciation charge										
Closing net book value	3,407,400	493,356	134,939	23,468	7,969	36,795	12,760	11,952	35,973	4,164,612
At June 30, 2021										
Revaluation / cost	3,407,400	582,492	213,304	34,543	13,314	198,182	31,109	28,970	354,231	4,863,545
Accumulated depreciation	-	89,136	78,365	11,075	5,345	161,387	18,349	17,018	318,258	698,993
Net book value	3,407,400	493,356	134,939	23,468	7,969	36,795	12,760	11,952	35,973	4,164,612
Year ended June 30, 2022										
Opening net book value	3,407,400	493,356	134,939	23,468	7,969	36,795	12,760	11,952	35,973	4,164,612
Additions	-	-	2,022	3,328	318	32,471	3,686	3,814	-	45,639
Write offs										
- cost	-	-	-	-	-	-	-	-	-	-
- accumulated depreciation	-	-	-	-	-	-	-	-	-	-
Disposals										
- cost	-	-	-	-	-	39,329	-	201	-	39,530
- accumulated depreciation	-	-	-	-	-	(30,266)	-	(94)	-	(30,360)
Transfer to right of use asset										
- cost	-	-	-	-	-	9,063	-	107	-	9,170
- accumulated depreciation	-	-	-	-	-	(2,955)	-	-	-	(2,955)
Depreciation charge										
Closing net book value	3,407,400	466,720	116,247	20,640	3,227	38,027	11,553	7,935	5,664	4,077,413
At June 30, 2022										
Revaluation / cost	3,407,400	582,492	215,326	37,871	13,632	188,369	34,795	32,583	354,231	4,866,699
Accumulated depreciation	-	115,772	99,079	17,231	10,405	150,342	23,242	24,648	348,567	789,286
Net book value	3,407,400	466,720	116,247	20,640	3,227	38,027	11,553	7,935	5,664	4,077,413
Annual rates of depreciation	-	5%	10%	12.5%-20%	6.25%-20%	20%	12.5%-20%	20%-33%	33%	

5.2 Depreciation charge has been allocated as follows:	Note	2022	2021
		(Rupees in thousand)	
Cost of goods manufactured	31.1	87,639	154,071
Distribution cost	32	7,101	7,706
Administrative expenses	33	26,219	18,019
		<u>120,959</u>	<u>179,796</u>

5.3 During the current year, the board of directors of the Company in their meeting held on April 27, 2022 decided to change the depreciation rates of following class of depreciable assets based on the the advise & internal survey conducted by the management. Keeping in consideration the assessed useful life of these depreciable assets, the depreciation rates have been increased as follows:

Assets category	Depreciation rates %	
	Revised	Previous
Permanent tools	20%	12.5%
Office machines & equipments	20%	12.5%
Computers	33%	20%
Furnitures & fixtures	20%	6.3%

The change in accounting estimates has been accounted for prospectively in accordance with the requirements of International Accounting Standard 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors' by adjusting the depreciation charges for current period. The change in accounting estimates has resulted in increase in depreciation charge for the period by Rs.11.173 million with corresponding decrease in carrying value of operating fixed assets and decrease in current year's profit before taxation by the same amount.

5.4 Leasehold land and buildings on leasehold land of the Company had previously been revalued in June 2010, June 2013, June 2016 and June 2019. Those revaluation exercises resulted in net surplus of Rs.437.28 million, Rs.259.448 million, Rs.218.20 million and Rs.200.904 million respectively. Leasehold land and buildings on leasehold land of the Company were again revalued in June 2020 by Harvester Services (Private) Limited (Approved valuers of Pakistan Banks' Association) on the basis of present market value and depreciated market value (level 2 of fair value hierarchy). Different levels of fair value have been defined in IFRS 13 and are mentioned in note 44.4.

The latest revaluation was exercised as at June 30, 2020 which resulted in a net surplus of Rs.1,751.09 million. At the time of latest revaluation, forced sale value of this land was Rs.3,137.59 million. Out of the revaluation surplus resulting from all the revaluations carried-out to date, an amount of Rs.3,871.235 million (2021: Rs.3,918.584 million) remains un-depreciated as at June 30, 2022.

5.5 Leasehold land of the Company is located at S.I.T.E. Karachi with an area of 18.93 acres.

5.6 Had the operating fixed assets been recognised under the cost model, the carrying amount of building on leasehold land would have been Rs.170.646 million (2021: Rs.180.833 million).

5.7 Operating fixed assets include certain plant and machinery, permanent tools and jigs & special tools with cost aggregating Rs.406.443 million (2021: Rs.406.443 million) and net book value of Rs.34.906 million (2021: Rs.71.453 million) which are held by Ghandhara Nissan Limited - a related party as these fixed assets are used for assembling of the Company's products.

## 5.8 The details of operating fixed assets disposed off during the year are as follows:

Particulars of assets	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Transferred to lease	Net gain on disposal	Mode of disposal	Particulars of buyers
(Rupees in 000')									
<b>Item having book value more than Rs. 500,000 each</b>									
Vehicles	3,296	989	2,307	6,500	4,193	(4,193)	-	Sale and lease back	Orix Modaraba
	3,297	1,209	2,088	5,400	3,312	(3,312)	-	Sale and lease back	Orix Modaraba
	3,296	1,209	2,087	5,000	2,913	(2,913)	-	Sale and lease back	Orix Modaraba
	3,202	1,654	1,548	4,800	3,252	(3,252)	-	Sale and lease back	Orix Modaraba
	2,047	1,399	648	1,437	789	-	789	Company policy	Muhammad Mudassir Butt (Key management Personnel)
	15,138	6,460	8,678	23,137	14,459	(13,670)	789		
<b>Item having book value less than Rs. 500,000 each</b>	24,392	23,901	491	11,590	11,099	-	11,099	Various	Various
June 30, 2022	39,530	30,361	9,169	34,727	25,558	(13,670)	11,888		
June 30, 2021	33,101	16,979	16,122	23,413	7,291	(296)	6,995		

## 5.9 Capital work in progress

	Note	2022	2021
(Rupees in thousand)			
Advances made for:			
- Buildings on leasehold land	5.9.1	127,807	2,807
- Plant and machinery		50,275	51,239
- Furniture and fixture		-	383
- Vehicles	5.9.2	9,345	8,003
- Computer software		14,797	1,650
		<u>202,224</u>	<u>64,082</u>

**5.9.1** Include Rs.125 million advance paid to Business Vision (Private) Limited - a related party against reservation of floor in project name SKY GARDEN located at office building at plot no.108, C.F, 1-5, Old Clifton Quarters, Karachi.

**5.9.2** Include Rs.Nil (2021: Rs.2.54 million) paid to Ghandhara Nissan Limited - a related party against purchase of vehicle.

## 5.10 Right of use assets

	Note	2022	2021
(Rupees in thousand)			
Net book value at beginning of the year		92,550	78,540
Transfer from operating fixed assets costing Rs.2.955 million		2,709	-
Addition / transfer from owned - net		18,352	43,969
Depreciation charged during the year	5.11	(33,420)	(29,959)
Net book value at end of the year		<u>80,191</u>	<u>92,550</u>

**5.11** Depreciation expense relating to right of use asset - properties of Rs.3.123 million (2021: Rs.2.216 million) has been charged in 'Cost of sales', Rs.18.186 million (2021: Rs.14.498 million) in 'Distribution cost' and Rs.12.111 million (2021: Rs.13.245 million) in 'Administrative expenses'.



- 7.1 Amortization / depreciation charge for the year has been grouped under administrative expenses (note 33).
- 7.2 This investment property is occupied by Squatters. Based on the advise of legal advisor, the Board of Directors of the Company has decided to write off this investment property.

**8. LONG TERM INVESTMENT - at cost**

	Note	2022	2021
		(Rupees in thousand)	
<b>Subsidiary Company - Unquoted</b>			
Marghzar Industries (Private) Limited 140,000 (2021: 140,000) fully paid ordinary shares of Rs.10 each. Equity held: 70% (2021: 70%)		1,400	1,400

**9. LONG TERM LOANS - Secured, considered good**

Loans due from:			
Employees	9.1	515	2,685
Less: amounts recoverable within one year and grouped under current assets		313	1,368
		202	1,317

- 9.1 Interest free loans have been provided to employees under their terms of employment. These are repayable in monthly instalments over a period of one to five years. These are secured against their respective vested retirement benefit.

- 9.2 Maximum aggregate amount of loans due from key management personnel at the end of any month during the year was Nil (2021: Rs.0.08 million).

**10. LONG TERM DEPOSITS - Considered good**

	2022	2021
	(Rupees in thousand)	
Deposits held with / for:		
- Leasing companies	15,295	11,663
- Utilities and rental agreements	7,387	9,937
- Others	3,102	3,615
	25,784	25,215

**11. DEFERRED TAXATION - Net**

This is composed of following:		
- accelerated tax depreciation allowance	22,335	6,707
- surplus on revaluation of fixed assets	(81,277)	(86,047)
- liabilities against assets subject to finance lease	7,097	3,006
- gain on sale and lease back of fixed assets	209	375
- provision for gratuity	13,024	7,550
- provision for workers profit participation fund	19,977	16,680
- provision for doubtful balances	16,446	30,558
- provision for warranty	7,403	6,020
- unabsorbed tax depreciation	-	109,713
- others	1,687	1,687
	6,901	96,249

**12. STOCK-IN-TRADE**

	2022	2021
	(Rupees in thousand)	
Raw materials and components		
- In hand	3,942,268	2,946,064
- In transit	762,284	618,970
	4,704,552	3,565,034
Work-in-process	92,472	117,672
Finished goods including components	1,729,423	1,942,860
Trading stocks	770,940	805,565
	7,297,387	6,431,131

**12.1** Stock-in-trade includes stock of Rs.3,781.61 million (2021: Rs.3,512.51 million) held with third parties out of which stock of Rs.3,384.38 million (2021: Rs.3,121.77 million) is held with Ghandhara Nissan Limited (an Associated Company) for assembly.

**13. TRADE DEBTS - Unsecured**

Note

	2022	2021
	(Rupees in thousand)	
<b>Considered good</b>		
Ghandhara Nissan Limited - a related party	1,575	-
Government and semi - government agencies	727,052	147,903
Others	926,581	431,904
	1,655,208	579,807
<b>Consider doubtful - others</b>	33,887	71,792
	1,689,095	651,599
Less: provision for expected credit losses	13.3 33,887	70,654
	1,655,208	580,945

**13.1** The ageing of trade debts at reporting date is as follows:

	2022	2021	2022	2021
			(Rupees in thousand)	
	Associated Company		Others	
Upto 30 days	-	-	1,374,007	161,824
31 - 180 days	120	-	48,895	95,439
Over 180 days	1,455	-	264,618	394,336
	1,575	-	1,687,520	651,599

**13.2** The maximum aggregate amount of trade receivable from related parties at the end of any month during the year was Rs.1.575 million (2021: Nil).

**13.3 Provision for expected credit loss**

	2022	2021
	(Rupees in thousand)	
Balance at beginning of the year	70,654	7,950
Provision made during the year	157,315	62,704
Balances written off during the year	(194,082)	-
Balance at end of the year	33,887	70,654

**14. LOANS AND ADVANCES - Unsecured**

Note

	2022	2021
	(Rupees in thousand)	
<b>Considered good</b>		
Current portion of long term loans to employees	9 313	1,368
Advances due from:		
- employees	14.1 5,332	3,091
- suppliers, contractors and others	399,511	242,746
	404,843	245,837
<b>Considered doubtful</b>		
Advance to suppliers	6,302	3,965
Less: provision for doubtful advances	6,302	3,965
	-	-
	405,156	247,205

14.1 Advances are given to employees to meet business expenses and are settled when expenses are incurred.

## 15. TRADE DEPOSITS AND PREPAYMENTS

	Note	2022	2021
(Rupees in thousand)			
Tender deposits		111,579	193,602
Less: provision for expected credit losses		13,959	27,052
		97,620	166,550
Margins against bank guarantees	15.1	1,240,871	662,420
Less: provision for doubtful margin deposit		330	330
		1,240,541	662,090
Margin against letters of credit		314,430	209
Prepayments		2,100	490
		1,654,691	829,339

15.1 Includes TDR of Rs.1,038.10 million (2021: Rs.Nil) placed in various banks against the bank guarantees. Term deposit receipt (TDR) has maturity of 30 to 180 days (2021: 30 days) from date of acquisition. This TDR carries mark-up at rate of 13.75% per annum(2021: 4.65% per annum).

## 16. OTHER RECEIVABLES - Unsecured

This amount is receivable from Isuzu Motors Limited, Japan on account of commission / claims.

## 17. CASH AND BANK BALANCES

	Note	2022	2021
(Rupees in thousand)			
Cash in hand		1,233	1,894
Cash with banks on / as:			
- current accounts		241,633	369,329
- saving accounts	17.1	441,575	308,429
- term deposit receipt		-	54,000
- foreign currency accounts	17.2	42	42
		683,250	731,800
Less: provision for a doubtful bank account	17.3	2,233	2,233
		682,250	731,461

17.1 Saving accounts carry mark-up ranging from 3.40% to 7.6% (2021: 3.25% to 3.56%) per annum.

17.2 Foreign currency accounts include Japanese Yen (JPY) 31,559 equivalent to Rs.0.029 million and US Dollars 126 equivalent to Rs.0.013 million (2021: JPY 31,559 equivalent to Rs.0.029 million and US Dollars 126 equivalent to Rs.0.013 million).

17.3 This represents provision made against balances held with Indus Bank Limited under liquidation.

## 18. SHARE CAPITAL

### 18.1 Authorized capital

2022	2021
(No. of shares)	
100,000,000	100,000,000

Ordinary shares of Rs.10 each

2022	2021
(Rupees in thousand)	
1,000,000	1,000,000

## 18.2 Issued, subscribed and paid-up capital

2022	2021		2022	2021
(No. of shares)			(Rupees in thousand)	
17,650,862	17,650,862	Ordinary shares of Rs.10 each fully paid in cash	176,509	176,509
358,206	358,206	Ordinary shares of Rs.10 each issued for consideration other than cash	3,582	3,582
24,599,776	24,599,776	Ordinary shares of Rs.10 each issued as fully paid bonus shares	245,997	245,997
<u>42,608,844</u>	<u>42,608,844</u>		<u>426,088</u>	<u>426,088</u>

18.3 At June 30, 2022 and June 30, 2021 Bibojee Services (Private) Limited, the ultimate Holding Company, held 16,686,794 (2021: 16,686,794) ordinary shares of Rs.10 each.

18.4 Ordinary shares held by related parties other than the ultimate Holding Company as at June 30,

	2022	2021
	(Number of shares)	
Gandhara Nissan Limited	8,132,336	8,132,336
Universal Insurance Company Limited	2,368,296	2,368,296
The Gandhara Tyre and Rubber Company of Pakistan Limited	201,400	201,400
Bibojee Investments (Private) Limited	42,816	42,816
	<u>10,744,848</u>	<u>10,744,848</u>

18.5 The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All shares rank equally with regard to Company's residual assets.

## 19. SURPLUS ON REVALUATION OF FIXED ASSETS

Note

	2022	2021
	(Rupees in thousand)	
Balance at the beginning of the year	3,825,834	3,842,283
Less: transferred to unappropriated profit on account of incremental depreciation for the year	16,449	16,449
	<u>3,809,385</u>	<u>3,825,834</u>
Less: related deferred tax of:		
- opening balance	86,047	90,817
- incremental depreciation for the year	(4,770)	(4,770)
- closing balance	81,277	86,047
Balance at end of the year	<u>3,728,108</u>	<u>3,739,787</u>

## 20. LEASE LIABILITIES

Balance at beginning of the year	102,915	95,647
Additions / net transfers during the year	34,749	43,969
Interest accrued	12,149	10,021
Repaid / adjusted during the year	(45,151)	(46,722)
	<u>104,662</u>	<u>102,915</u>
Current portion grouped under current liabilities	(36,602)	(31,455)
Balance at end of the year	<u>68,060</u>	<u>71,460</u>

20.1

**20.1** The Company has acquired motor vehicles under finance lease arrangements from leasing companies and a modaraba. The arrangements are secured by title of leased assets in the name of the lessor. Rentals are payable in monthly instalments. Repair and insurance cost are borne by the Company. The rates of financial charges applied, during the year, ranged from 9.02% to 18.36% per annum (2021: 8.86% to 15.25% per annum). At the end of the lease term, the ownership of the assets shall be transferred to the Company against the security deposits paid. These includes of Rs.11.300 million (2021:Rs.20.652 million) lease rentals for show room having estimated lease term of 4 years. These are discounted using incremental borrowing rate (16.32%) of the Company.

The amount of future minimum lease payments together with the present value of the minimum lease payments and the periods during which they fall due are as follows:

	2022			2021		
	Minimum lease payments	Finance cost allocated to future period	Present value of minimum lease payments	Minimum lease payments	Finance cost allocated to future period	Present value of minimum lease payments
	(Rupees in thousand)					
Not later than one year	47,153	10,551	36,602	40,035	8,580	31,455
Later than one year but not later than five years	78,673	10,613	68,060	79,342	7,882	71,460
<b>Total minimum lease payments</b>	<b>125,826</b>	<b>21,164</b>	<b>104,662</b>	<b>119,377</b>	<b>16,462</b>	<b>102,915</b>

## 21. LONG TERM BORROWINGS

	Note	2022	2021
		(Rupees in thousand)	
Loan under refinance scheme for payment of wages and salaries	21.1	50,466	151,397
Adjustment pertaining to fair value of loan at below market interest rate	21.2	(1,255)	(8,520)
		49,211	142,877
Current maturity		(49,211)	(90,977)
		-	51,900

### 21.1 Movement in long term loan at face value

Balance at beginning of the year	151,397	-
Loan obtained during the year	-	201,863
Loan re-paid during the year	(100,931)	(50,466)
	<b>50,466</b>	<b>151,397</b>

**21.1.1** This represents long term loan amounting Rs.201.863 million received from The Bank Of Punjab under 'Refinance Scheme for payment of Wages and Salaries to the Workers and Employees of Business Concerns' (the Scheme) introduced by State Bank of Pakistan. The facility is secured against first exclusive hypothecation charge over specific plant & machinery of the Company with 25% margin limited to Rs.269.151 million. Mark-up is chargeable at 1.0% per annum and to be paid at the end of each quarter. The principal is repayable in eight quarterly instalments starting from March 2021. The Company during the year repaid Rs.100.93 million.

## 21.2 Adjustment pertaining to fair value of loan at below market interest rate

	2022	2021
	(Rupees in thousand)	
Difference of fair value of loan and loan received	17,222	17,222
Less: amortization of loan	15,967	8,702
	<u>1,255</u>	<u>8,520</u>

## 22. DEFERRED INCOME - GOVERNMENT GRANT

Balance at beginning of the year	8,520	-
Grant recognized on loan at below market interest rate	-	17,222
Released to statement of profit or loss	(7,265)	(8,702)
	<u>1,255</u>	<u>8,520</u>
Current portion	<u>(1,255)</u>	<u>(7,264)</u>
	<u>-</u>	<u>1,256</u>

22.1 The Company recognized government grant on below market interest loan received - (note 21.1) in accordance with IAS - 20 'Accounting for government grants and disclosure of government assistance'.

## 23. COMPENSATED ABSENCES

	Note	2022	2021
		(Rupees in thousand)	
Balance at beginning of the year		18,954	15,802
Provision for the year		3,799	4,149
		<u>22,753</u>	<u>19,951</u>
Encashed during the year		(1,002)	(997)
Balance at end of the year	23.1	<u>21,751</u>	<u>18,954</u>

23.1 Includes liability in respect of key management personnel aggregating to Rs.7.546 million (2021: Rs.6.84 million).

## 24. DEFERRED LIABILITIES

	Note	2022	2021
		(Rupees in thousand)	
Gain on sale and lease back of fixed assets	24.1	722	1,293
Staff retirement benefit - gratuity	24.2.4	44,912	26,033
		<u>45,634</u>	<u>27,326</u>

### 24.1 Gain on sale and lease back of fixed assets

Balance at beginning of the year	1,293	1,233
Add: vehicle sale and lease back during the year	-	768
Less: amortization for the year	571	708
Balance at end of the year	<u>722</u>	<u>1,293</u>

24.1.1 The Company entered into sale and leaseback transaction during the preceding years which resulted in finance leases. The excess of sale proceeds over the net book value of motor vehicle under sale and leaseback arrangement has been recognised as deferred income and amortized over the period of the lease term.

### 24.2 Staff retirement benefit - gratuity

24.2.1 As stated in note 4.12.1, the Company operates an approved funded gratuity scheme for its staff.

**24.2.2** Plan assets held in trust are governed by local regulations which mainly includes Trust Act, 1882, the Companies Act, 2017, Income Tax Rules, 2002 and Rules under the Trust deed of the Plan. Responsibility for governance of the Plan, including investment decisions and contributions schedules lies with the Board of Trustees. The Company appoints the trustees.

**24.2.3** The latest actuarial valuations of the Scheme as at June 30, 2022 was carried out by an independent expert, using the 'Projected Unit Credit Method'. Details of the Scheme as per the actuarial valuation are as follows:

**24.2.4 Statement of financial position - reconciliation**

	2022	2021
	(Rupees in thousand)	
Present value of defined benefit obligation	204,526	156,346
Fair value of plan assets	(159,614)	(130,313)
	44,912	26,033

**24.2.5 Movement in the present value of defined benefit obligation**

Balance at beginning of the year	156,346	127,076
Current service cost	23,101	19,653
Interest cost	15,150	10,592
Re-measurements	19,627	3,952
Benefits paid	(9,698)	(4,927)
Balance at end of the year	204,526	156,346

**24.2.6 Movement in the fair value of plan assets**

Balance at beginning of the year	130,313	106,884
Contributions	26,033	20,192
Benefits paid	(9,698)	(4,927)
Interest income	13,848	9,734
Re-measurements	(882)	(1,570)
Balance at end of the year	159,614	130,313

**24.2.7 Expense recognised in statement of profit or loss**

Current service cost	23,101	19,653
Interest cost - net	1,302	858
	24,403	20,511

**24.2.8 Re-measurement recognised in other comprehensive income**

Re-measurement loss on plan assets	882	1,570
Experience adjustments	19,627	3,952
	20,509	5,522

**24.2.9 Plan assets comprise of:**

Term deposit receipts including accrued mark-up	155,439	125,289
Cash and cash equivalent	4,175	5,024
	159,614	130,313

#### 24.2.10 Actuarial assumptions used

	2022	2021
	(% per annum)	
Discount rate	13.25	10.00
Expected rate of increase in future salaries	12.25	9.00
Mortality rates (for death in service)	SLIC 2001-2005	SLIC 2001-2005

#### 24.2.11 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in principal assumptions is:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	(Rupees in thousand)		
Discount rate	1.00%	187,006	223,686
Increase in future salaries	1.00%	223,681	187,004

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the project unit credit method at the end of reporting period) has been applied as when calculating the gratuity liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

**24.2.12** Based on actuary's advice, the expected charge for the year ending June 30, 2023 amounts to Rs.34.728 million.

**24.2.13** The weighted average duration of the scheme is 11 years.

#### 24.2.14 Historical information

	2022	2021	2020	2019	2018
	(Rupees in thousand)				
Present value of defined benefit obligation	204,526	156,346	127,076	98,571	79,626
Experience adjustment	19,627	3,952	(273)	506	16,676

#### 24.2.15 Expected maturity analysis of undiscounted retirement benefit plan:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	(Rupees in thousand)				
At June 30, 2022	10,258	25,905	40,631	305,272	382,066

**25. TRADE AND OTHER PAYABLES**

	Note	2022	2021
(Rupees in thousand)			
Creditors		1,197,421	615,922
Accrued liabilities		164,658	171,157
Contract liabilities - advances from customers	25.1	4,276,422	4,476,854
Advance against sale of investment in immovable property		-	5,000
Royalty payable		73,079	46,720
Retention money		-	20
Withholding tax		13,574	27,928
Provision for additional custom duty and others		398,723	391,607
Provision for warranty		25,526	20,759
Due to related parties	25.2	142,197	38,581
Due to the Subsidiary Company		2,705	2,596
Workers' Profit Participation Fund	25.3	42,800	39,779
Workers' welfare fund	25.4	26,085	17,738
Others		22,614	19,035
		<u>6,385,804</u>	<u>5,873,696</u>

**25.1** These represent advances from customers against sale of vehicle and carry no mark-up. Revenue aggregating Rs.4,044.61 million (2021: Rs.4,877.05 million) has been recognised for preceding year contract liabilities - advance from customers.

**25.2 Due to related parties**

	Note	2022	2021
(Rupees in thousand)			
Ghandhara Nissan Limited		98,678	19,324
The Ghandhara Tyre & Rubber Company of Pakistan Limited		34,648	12,519
Rahman Cotton Mills Limited		2,700	900
Gammon Pakistan Limited		333	-
Waqf-e-Kuli Khan		5,818	5,818
Ghandhara DF (Private) Limited		20	20
		<u>142,197</u>	<u>38,581</u>

**25.3 Workers' profit participation fund**

Balance at beginning of the year		39,779	-
Add: allocation for the year	34	61,420	39,779
Add: interest on funds utilised in the Company's business		1,285	-
		<u>102,484</u>	<u>39,779</u>
Less: payments made during the year		59,684	-
Balance at end of the year		<u>42,800</u>	<u>39,779</u>

**25.4 Workers' welfare fund**

Balance at beginning of the year		17,738	-
Charge for the year	34	26,085	17,738
Less: paid during the year		17,738	-
Balance at end of the year		<u>26,085</u>	<u>17,738</u>

**26.** Cash dividend and issuance of bonus shares to M/s. Essar Asset Management (Private) Limited has been withheld in view of the restraining order dated November 16, 2018 passed by the Hon'ble High Court of Sindh in Suit No. 2149 of 2018.

**27. ACCRUED MARK-UP / INTEREST**

Note

Mark-up / interest accrued on:

- short term borrowings - secured
- long term loans - unsecured

	2022	2021
	(Rupees in thousand)	
	132,124	95,781
	4,703	5,922
	136,827	101,703

**28. SHORT TERM BORROWINGS - Secured**

Finance against imported merchandise	28.1	449,257	244,523
Istisna	28.2	1,238,924	570,000
Murabaha	28.2	1,776,502	602,155
Running finance / Musharakah	28.4	934,865	1,236,350
Short term loan		-	200,000
		4,399,548	2,853,028

**28.1** The Company has arranged facilities aggregating Rs.8,625 million (2021: Rs.8,625 million) for opening of letters of credit from banks. These facilities are secured against cash margin and consignment of import documents in bank's favour. Finance against import merchandise (FIM) aggregating Rs.3,450 million (2021: Rs.4,150 million) are also available as sub-limit of abovementioned facilities. FIM is secured against pledge of goods. Mark-up on FIM is payable on quarterly basis at rate ranging from Matching KIBOR plus 1.00% per annum to 1.50% (2021: at rate ranging from Matching KIBOR plus 0.5% to 1.50% per annum). Profit on import Murabaha is payable on 180 days basis at the rate ranging from Relevant KIBOR plus 0.75% to 1.25% per annum (2021: at the rate ranging from 3 months KIBOR plus 0.70% to 1.20% per annum). These facilities are maturing on various dates latest by March 31, 2023.

**28.2** The Istisna facility of Rs. 2,350 million (2021: Rs.1,650 million) with a tenor of 180 days (2021: 180 days) and murabaha facility of Rs.3,150 million (2021: Rs. 1,750 million) are available from Banks. Profit on both facilities ranges from KIBOR (matching) plus 0.95% to 2.25% (2021: KIBOR (matching) plus 0.7% to 1.5%) and is payable along with the repayment of principal. These facilities are secured against first pari passu hypothecation charge on current assets of Rs. 4,667 million (2021: Rs. 4,200 million). The facilities shall be available latest by September 30, 2022.

**28.3** The Company has foreign / inland bills discounting facility of Rs.Nil (2021: Rs.150 million). The facility was secured against lien over accepted bills under LCs. The facility had a maximum tenor of 180 days on roll over basis.

**28.4** The Company has facilities for short-term running finance amounting Rs.1,940 million (2021: Rs.1,965 million) from banks. Mark-up is based on rates ranging from 1 month KIBOR plus 0.75% to 1 months KIBOR plus 1.25% per annum (2021: 1 month KIBOR plus 0.75% to 1 month KIBOR plus 1.25% per annum) payable on quarterly basis. The facilities is primarily secured against first pari passu charge by way of hypothecation over stocks and book debts aggregating Rs.2,200 million (2021: Rs.1,467 million). These facility is collateralized against equitable mortgage over land and buildings for an amount of Rs.300 million (2021: Rs.300 million). The facility has one year validity on roll over basis and is due for renewal on March 31, 2023.

**28.5** Represents short term loan from a commercial bank on April 15, 2021. The loan carries mark-up at the rate 3 month KIBOR plus 0.75% per annum and repayable in one year.

**28.6** The facility for bank guarantees of Rs.12,484 million including sublimit of Rs.586 million of running finance (2021: Rs.10,108 million including sublimit of Rs.1,536 million of running finance) is also available from banks. These facilities are secured against cash margin and equitable mortgage over immovable assets of the Company to an extent of Rs.5,544 million (2021: Rs.4,354 million). The facilities shall be available latest by March 31, 2023.

## 29. CONTINGENCIES AND COMMITMENTS

### 29.1 Contingencies

(i) Suit against the Company by the supplier for the recovery of Rs.25.87 million as compensation for breach of agreement. The suit is being defended by the Company on a number of legal grounds. The suit is at present in evidence stage and the Company has plausible defence.

(ii) The Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Unit, Karachi, passed an order dated December 29, 2020 and created a demand of Rs.7.229 million, including default surcharge and penalty on account of inadmissible input tax claim adjusted against reduced rate as per section 8(1)(j) of the Sales Tax Act, 1990. The Company filed an appeal dated January 12, 2021 under section 45-B of the Sales Tax Act, 1990 with the Commissioner Inland Revenue Appeals -I, Karachi and submitted legal grounds on the input tax claimed. The Commissioner Appeals annulled the order of DCIR and related demand. Being aggrieved by the decision, department has approached Appellant Tribunal Inland Revenue, Karachi, which is pending for hearing. No provision has been made in these financial statements as the management believes that it will have a favourable decision.

### 29.2 Commitments

Bank guarantees  
Letters of credit

2022	2021
(Rupees in thousand)	
7,523,249	7,921,344
1,960,841	4,113,813

29.3 Commitments outstanding for capital expenditure other than through letters of credit as at June 30, 2022 aggregated to Rs. 325 million (2021: Rs. Nil).

## 30. SALES - Net

### Manufactured goods

Gross sales  
- local  
- export

Less: sales tax

### Trading goods

Gross sales - local  
Less: sales tax

Note

2022	2021
(Rupees in thousand)	
28,054,966	17,116,213
15,843	1,583
28,070,809	17,117,796
4,231,512	2,513,951
23,839,297	14,603,845
509,343	471,228
83,533	75,580
425,810	395,648
24,265,107	14,999,493

## 31. COST OF SALES

### Manufactured goods

Stocks at beginning of year  
Cost of goods manufactured

Stocks at end of year

### Trading goods

Stocks at beginning of year  
Purchases

Stocks at end of year

31.1

12

12

1,942,860	2,100,456
20,776,089	12,488,548
22,718,949	14,589,004
(1,729,423)	(1,942,860)
20,989,526	12,646,144
805,565	763,063
283,303	320,786
1,088,868	1,083,849
(770,940)	(805,565)
317,928	278,284
21,307,454	12,924,428

**31.1 Cost of goods manufactured**

	Note	2022	2021
(Rupees in thousand)			
Raw materials and components consumed	31.2	19,286,084	11,356,243
Stores consumed		109,728	22,202
Salaries, wages and other benefits	31.3	337,200	280,312
Fuel and power		29,189	26,983
Rent, rates and taxes		11,762	5,547
Insurance		14,475	14,736
Research and development		503	1,993
Repair and maintenance		19,025	25,716
Travelling and entertainment		2,006	4,831
Vehicle running and maintenance		745	1,758
Printing, stationery and office supplies		324	246
Communication		526	413
Royalty expense	31.4	90,736	30,229
Warranty obligation		4,768	20,759
Outside assembly charges		722,675	490,510
Depreciation on operating fixed asset	5.2	87,639	154,071
Depreciation on right of use assets	5.11	3,123	2,216
Freight and handling		30,381	47,901
Other expenses		-	3,116
		<u>20,750,889</u>	<u>12,489,782</u>
Work-in-process adjustment		25,200	(1,234)
		<u>20,776,089</u>	<u>12,488,548</u>

**31.2 Raw materials and components consumed**

Stocks at beginning of year	3,565,034	4,567,106
Add : purchases including duties, taxes and other charges	20,425,602	10,354,171
	<u>23,990,636</u>	<u>14,921,277</u>
Stocks at end of year	(4,704,552)	(3,565,034)
	<u>19,286,084</u>	<u>11,356,243</u>

**31.3** Salaries, wages and other benefits include Rs.7.40 million (2021: Rs.5.50 million) in respect of staff retirement benefits.

**31.4** Royalty charged in these financial statement pertains to Isuzu Motors Limited, Japan having registered office at 6-26-1 Minami-Oi, Shinagawa-ku, Tokyo 140-8722 Japan and Isuzu Motor Co. (Thailand) Limited having registered office at 38 Kor., Moo 9, Poochaosamingprai Rd., Samrong-Tai, Phrapradaeng, Samutprakan 10130, Thailand.

### 32. DISTRIBUTION COST

	Note	2022	2021
(Rupees in thousand)			
Salaries and benefits	32.1	156,378	121,891
Commission		572,371	200,197
Rent, rates and taxes		21,528	19,378
Insurance		1,586	1,117
Repair and maintenance		4,751	3,112
Utilities		79	642
Travelling and entertainment		4,047	7,243
Vehicle running and maintenance		2,894	1,941
Printing, stationery and office supplies		1,756	849
Communication		3,274	2,182
After sale services		33,610	33,707
Advertisement		20,497	31,054
Legal and professional charges		138	79
Late delivery charges		64,327	83,748
Depreciation on operating fixed asset	5.2	7,101	7,706
Depreciation on right of use assets	5.11	18,186	14,498
Freight forwarding and handling		51,871	30,099
Other expenses		428	10,782
		<u>964,822</u>	<u>570,225</u>

32.1 Salaries and benefits include Rs.9.02 million (2021: Rs.6.96 million) in respect of staff retirement benefits.

### 33. ADMINISTRATIVE EXPENSES

	Note	2022	2021
(Rupees in thousand)			
Salaries and benefits	33.1	233,070	231,076
Staff training and ancillary cost		48	3,523
Rent, rates and taxes		1,263	2,173
Insurance		18,055	17,764
Repair and maintenance		5,620	11,561
Utilities		2,136	1,168
Travelling and entertainment		4,530	9,229
Vehicle running and maintenance		6,460	7,680
Printing, stationery and office supplies		11,536	10,524
Communication		3,147	2,728
Legal and professional charges		6,917	6,900
Fee and subscriptions		3,706	3,159
Depreciation on operating fixed asset	5.2	26,219	18,019
Depreciation on right of use assets	5.11	12,111	13,245
Amortization of intangible assets	6.1	789	715
Amortization / depreciation of investment property	7.1	122	243
Security expenses		13,861	13,773
Other expenses		2,856	452
		<u>352,446</u>	<u>353,932</u>

33.1 Salaries and benefits include Rs.12.513 million (2021: Rs.12.19 million) in respect of staff retirement benefits.

### 34. OTHER EXPENSES

	Note	2022	2021
(Rupees in thousand)			
Auditors' remuneration			
- audit fee		1,000	1,000
- certifications and funds audit fee		662	405
- out of pocket expenses		50	35
		1,712	1,440
Workers' profits participation fund	25.3	61,420	39,779
Workers' welfare fund	25.4	26,085	17,738
Donation and charities	34.1	540	10,300
Exchange loss - net		528	723
Provision for doubtful debts, deposits and advance	13.3, 14 & 15	146,559	64,510
Retention money written back		(20)	-
Investment property written off		82,804	-
Creditors balances written-back		(1,723)	-
		<u>317,905</u>	<u>134,490</u>

**34.1** Include donation amounting Rs.0.300 million made to Dar-ul-Sakoon Pakistan, Rs.0.240 million to Khidmat-e-Khalq welfare organisation (2021: Rs.4.63 million made to SOS Children Village Pakistan and Rs.5.144 million paid to HED Azad Kashmir). None of the directors or their spouses had any interest in the donees.

### 35. OTHER INCOME

	Note	2022	2021
(Rupees in thousand)			
<b>Income from financial assets</b>			
Profit on saving accounts and term deposit receipt		89,132	61,188
Income from other than financial assets			
Gain on sale of operating fixed assets	5.8	11,888	6,995
Commission		10,037	3,983
Scrap sales - net of sales tax		150,445	107,839
Amortization of gain on sale and lease back of fixed assets	24.1	571	708
Rental income		7,924	7,145
		<u>269,997</u>	<u>187,858</u>

### 36. FINANCE COST

Mark-up / interest on:			
- long term borrowings		1,140	1,408
- lease finances		12,149	10,021
- finance against imported merchandise		162,729	148,551
- istisna / running finances / murabaha		201,853	259,555
- loan from Subsidiary Company		394	380
- workers' profit participation fund	25.3	1,285	-
Bank charges and others		72,028	46,305
		<u>451,578</u>	<u>466,220</u>

### 37. TAXATION

	Note	2022	2021
(Rupees in thousand)			
Current tax			
- for the year	37.1	333,649	255,264
- for prior year		(16,546)	(29,246)
		317,103	226,018
Deferred tax - origination and reversal of temporary differences		95,296	(92,175)
		412,399	133,843

37.1 No numeric tax rate reconciliation for the year is given in the financial statements, as provision made during the current year primarily represents minimum tax due under section 113 of the Income Tax Ordinance, 2001 (the Ordinance) and tax deducted under section 148 and 233 of the Ordinance.

### 38. BASIC AND DILUTED EARNINGS PER SHARE

	2022	2021
(Rupees in thousand)		
Profit after taxation	728,500	604,213
(Number of shares)		
Weighted average ordinary shares outstanding during the year	42,608,844	42,608,844
(Rupees)		
Earnings per share	17.10	14.18

38.1 A diluted earnings per share has not been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

### 39. CASH (USED IN) / GENERATED FROM OPERATIONS

	Note	2022	2021
(Rupees in thousand)			
Profit before taxation		1,140,899	738,056
<b>Adjustment for non cash charges and other items:</b>			
Depreciation / amortization on:			
- operating fixed assets		120,959	179,796
- right of use assets		33,420	29,959
- intangible assets		789	715
- investment property		87,926	243
Provision for compensated absences		3,799	4,149
Gain on sale of operating fixed assets		(11,888)	(6,995)
Amortization of gain on sale and lease back of fixed asset		(571)	(708)
Exchange loss - net		528	723
Finance cost		451,578	466,220
Profit on saving accounts and term deposit receipt		(89,132)	(61,188)
Provision for doubtful debts, deposits and advance		146,559	64,510
Provision for gratuity		24,403	20,511
Balances written-off		(1,723)	-
		1,909,269	1,435,991
Working capital changes - net	39.1	(2,538,877)	3,344,231
		(629,608)	4,780,222

**39.1 Working capital changes**

Note

	2022	2021
	(Rupees in thousand)	
Decrease / (increase) in current assets:		
Stores	7,583	1,582
Stock-in-trade	(866,256)	1,115,932
Trade debts	(1,220,822)	(6,867)
Loans and advances	(157,951)	(96,658)
Trade deposits and prepayments	(825,352)	3,431,589
Other receivables	(22,258)	4,296
Sales tax refundable / adjustable	34,071	(106,528)
	(3,050,985)	4,343,346
Increase / (decrease) in trade and other payables	512,108	(999,115)
	(2,538,877)	3,344,231

**40. CASH AND CASH EQUIVALENTS**

Cash and bank balances	17	682,250	731,461
Short term borrowings	28	(4,399,548)	(2,853,028)
		(3,717,298)	(2,121,567)

**41. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

	Chief executive		Director		Executives	
	2022	2021	2022	2021	2022	2021
	Note 41.3					
	(Rupees in thousand)					
Managerial remuneration and allowances	60,000	60,000	2,240	25,005	173,492	111,883
Bonus	15,000	20,000	2,688	10,750	48,694	51,216
Retirement benefit	5,000	5,000	224	2,084	16,831	10,499
Others including bonus	-	-	-	-	1,077	6,018
	80,000	85,000	5,152	37,839	240,094	179,616
Number of persons	1	1	1	1	67	46

**41.1** Certain employees are provided with free use of car maintained by the Company in accordance with their terms of employment.

**41.2** Aggregate amount charged in the financial statements for meeting fee to Directors was Rs.4.9 million (2021: Rs.6.1 million).

**41.3** Represents remuneration of a Director from the date of appointment i.e. June 06, 2022.

**42. TRANSACTIONS WITH RELATED PARTIES**

Related parties of the Company comprise of the Ultimate Holding Company, the Subsidiary Company, Associated Companies / undertaking, technological suppliers, directors and executives. The Company in the normal course of business carries out transactions with various related parties at agreed terms and conditions. Amounts due from and to related parties, amounts due from executives and remuneration of directors and executives are disclosed in the relevant notes. Other material transactions with related parties are given below:

Name of related party and nature of relationship	Nature of transactions	2022	2021
		(Rupees in thousand)	
<b>(i) Subsidiary Company</b>			
Marghzar Industries (Private) Limited	Financial charges	394	380
	Reimbursement of expenses	285	310
<b>(ii) Associated Companies / Undertaking</b>			
The Ghandhara Tyre and Rubber Company of Pakistan Limited (Common Directorship)	Purchase of tyres	321,098	148,958
	Sale of parts	-	-
Ghandhara Nissan Limited (Common Directorship)	Assembly charges	847,987	588,843
	Purchase of vehicle	-	2,540
	Sales of parts	204	621
	Rental income	3,962	3,572
	Fabrication charges	750	-
Rehman Cotton Mills Limited (Common Directorship)	Re-imburement of expenses	108	638
	Sales of fork lifter	5,800	-
Gammon Pakistan Limited (Common Directorship)	Re-imburement of expenses	1,800	1,800
	Rent paid	3,028	3,000
Ghandhara DF (Private) Limited (Common Directorship)	Purchase of parts	-	4
	Rental income	3,962	3,573
Janana De Malucho Textile Mills Limited (Common Directorship)	Re-imburement of expenses	2,605	2,235
Business vision (Private) Limited (Common Directorship)	Advance made for property	125,000	-
<b>(iii) Other related parties</b>			
Gratuity fund Key management personnel	Contribution paid	26,033	20,192
	Remuneration, bonus and other benefits	204,075	213,783
	Sale of pick up truck	-	1,316

#### 43. PRODUCTION CAPACITY

The production capacity of the plant cannot be determined as this depends upon the mix of assembly of trucks, buses and fabrication of commercial bodies.

The Company has outsourced the assembly of trucks, buses and pick ups to Ghandhara Nissan Limited (an Associated Company) therefore figures for the actual production for the current year have not been given.

## 44. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

### 44.1 Financial assets and liabilities by category and their respective maturities

	Interest / mark-up bearing			Non interest / mark-up bearing			Total
	Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	Sub-total	
(Rupees in thousand)							
<b>Financial assets as per balance sheet</b>							
<b>Investments - at cost</b>							
Long term investment	-	-	-	-	1,400	1,400	1,400
<b>Amortised cost</b>							
Loans and advances	-	-	-	313	202	515	515
Deposits	1,046,128	-	1,046,128	614,491	25,784	640,275	1,686,403
Trade debts	-	-	-	1,655,208	-	1,655,208	1,655,208
Other receivables	-	-	-	25,974	-	25,974	25,974
Cash and bank balances	441,575	-	441,575	240,675	-	240,675	682,250
<b>June 30, 2022</b>	<b>1,487,703</b>	<b>-</b>	<b>1,487,703</b>	<b>2,536,661</b>	<b>27,386</b>	<b>2,564,047</b>	<b>4,051,750</b>
June 30, 2021	308,429	-	308,429	1,838,438	27,932	1,866,370	2,174,799
<b>Financial liabilities as per balance sheet</b>							
<b>At amortised cost</b>							
Long term loan	49,211	-	49,211	-	-	-	49,211
Trade and other payables	-	-	-	2,069,723	-	2,069,723	2,069,723
Accrued mark-up / interest	-	-	-	136,827	-	136,827	136,827
Short term borrowings	4,399,548	-	4,399,548	-	-	-	4,399,548
Liabilities against assets subject to finance lease	36,602	68,060	104,662	-	-	-	104,662
<b>June 30, 2022</b>	<b>4,485,361</b>	<b>68,060</b>	<b>4,553,421</b>	<b>2,206,550</b>	<b>-</b>	<b>2,206,550</b>	<b>6,759,971</b>
June 30, 2021	2,884,483	71,460	2,955,943	1,538,856	51,900	1,590,756	4,546,699
<b>On Balance Sheet Gap</b>							
<b>June 30, 2022</b>	<b>(2,997,658)</b>	<b>(68,060)</b>	<b>(3,065,718)</b>	<b>330,111</b>	<b>27,386</b>	<b>357,497</b>	<b>(2,708,221)</b>
June 30, 2021	(2,576,054)	(71,460)	(2,647,514)	299,582	(23,968)	275,614	(2,371,900)
<b>Off Balance Sheet</b>							
Letters of credit							1,960,841
Letters of guarantee							7,523,249
						<b>June 30, 2022</b>	<b>9,484,090</b>
						June 30, 2021	12,035,157

The effective interest / mark-up rates for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

### 44.2 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign exchange risk and interest / mark-up rate risk). The Company's overall risk management program focuses on having cost effective funding as well as manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

### **(a) Credit risk**

Credit risk represents the accounting loss that would be recognised if counterparties fails to perform as contracted. Credit risk mainly arises from loans & advances, deposits, trade debts, other receivables and bank balances. The financial assets exposed to credit risk aggregated to Rs.4,049.117 million (2021: Rs.2,237.81 million).

The Company believes that it is not materially exposed to credit risk as; (i) trade debts mainly represent receivables from government, semi-government agencies and dealers, (ii) deposits mainly include margin against letters of credit and bank guarantees held with banks having good credit ratings and (iii) balances placed with banks having good credit ratings assigned by credit rating agencies.

The Company attempts to control credit risk by monitoring credit exposure, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

### **(b) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and bank balances and availability of funding through an adequate amount of committed credit facilities. The Company aims to maintain flexibility in funding by keeping committed credit lines open.

The maturity profile of the Company's liabilities based on maturities is disclosed in note 44.1 of these financial statements.

### **(c) Market risk**

#### **Foreign exchange risk**

Foreign exchange risk arises mainly when receivables and payables exist due to transactions based on currencies other than Pak Rupee. At June 30, 2022, payables and receivables exposed to foreign exchange risk are Rs.72.68 million (2021: Rs.46.72 million) and Nil (2021: Nil) respectively. The liability and receivable are denominated in Japanese Yen / US Dollars.

At June 30, 2022, if Pak Rupee had weakened / strengthened by 9% (2021:9%) against Japanese Yen and US Dollars with all other variables held constant, profit before tax for the year would have been lower / higher by Rs.6.54 million and Nil (2021: Rs.4.2 million and Nil), mainly as a result of foreign exchange loss / gain on translation of Japanese Yen and dollars denominated financial assets and liabilities.

The sensitivity of foreign exchange rate looks at the outstanding foreign exchange balances of the Company as at the reporting date. The volatility percentage for movement in foreign exchange rates has been used due to the fact that historically (5 years) rate has moved on average basis by the mentioned percentage per annum.

### **Interest / mark-up rate risk**

Interest / mark-up rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. At June 30, 2022, the Company's interest bearing financial liabilities of Rs.4,553.42 million (2021: Rs.3,098.82 million) represent the short term borrowings at floating rate to manage the working capital requirements of the Company and obligation under assets subject to finance lease. These liabilities are re-priced at a maximum period of six months. The effective mark-up rates for financial assets and liabilities are mentioned in respective notes to the financial statements.

Had the interest rates varied by 100 basis points with all other variables held constant, (loss) / profit before tax for the year would have been approximately higher / lower by Rs.45.53 million (2021: Rs.30.98 million).

The sensitivity of 100 basis points movement in the interest rates has been used as historically (five years) floating interest rates have moved by an average of 100 basis per annum.

### **44.3 Price risk**

The Company is not exposed to any price risk as it does not hold any investments exposed to price risk.

### **44.4 Fair values of financial assets and liabilities**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

The estimated fair value of all financial assets and liabilities is considered not significantly different from book values as the items are either short - term in nature or periodically repriced.

International Financial Reporting Standard 13, 'Financial Instruments : Disclosure' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

Currently there are no financial assets or financial liabilities which are measured at their fair value in the statement of financial position.

#### 45. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders and / or issue new shares. There was no change to the Company's approach to capital management during the year. The Company monitors capital on the basis of gearing ratio calculated as follows:

	2022	2021
	(Rupees in thousand)	
Total borrowings	4,553,421	3,098,820
Cash and bank balances	(682,250)	(731,461)
Net debt	3,871,171	2,367,359
Total Equity	6,388,890	5,674,951
Total Capital	10,260,061	8,042,310
Gearing ratio	38%	29%

#### 46. OPERATING SEGMENTS

These financial statements have been prepared on the basis of a single reportable segment.

- All non-current assets of the Company at June 30, 2022 are located in Pakistan.
- Export sales are made to Republic of Mauritius & The Common Wealth of Australia. Result of the Company's revenue from external customers in Pakistan is Rs.24,249.264 million (2021: Rs.14,997.91 million) and total revenue from external customers from other countries is Rs.15.843 million (2021: Rs.1.583 million).
- Sale to one party aggregating Rs.6,174.155 million account for 25.40% of net sales.

#### 47. NUMBER OF EMPLOYEES

The number of employees (including contractual employee) at June 30, 2022 were 657 (2021: 681) and average number of employees during the year were 654 (2021: 665).

#### 48. SHAHRIAH SCREENING DISCLOSURE

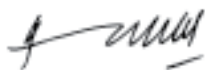
	2022		2021	
	Convent- -ional	Shariah Compliant	Convent- -ional	Shariah Compliant
	(Rupees in thousand)			
Bank balances	1,651,774	69,576	338,095	393,705
Accrued mark-up	34,756	94,043	76,898	24,805
Long term loans	49,211	-	142,877	-
Short term borrowings	1,229,536	3,170,012	1,680,873	1,172,155
Revenue	-	24,265,107	-	14,999,493
Other income				
a) Profit on saving accounts and term deposit receipts	85,181	3,951	57,551	3,637
b) Others	-	180,865	-	126,670
Mark-up / interest expense	178,309	201,241	219,740	200,175

#### 49. CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation the effect of which is not material.

#### 50. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on October 04, 2022 by the Board of Directors of the Company.



**Ahmad Kuli Khan Khattak**  
Chief Executive



**Shahid Kamal Khan**  
Director



**Muhammad Aamir**  
Chief Financial Officer

# **Directors' Report on Consolidated Financial Statements**

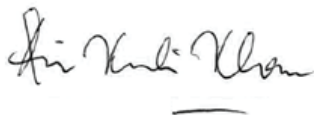
The Directors are pleased to present their report together with consolidated financial statements of Ghandhara Industries Limited and its subsidiary Marghazar Industries (Pvt.) Limited for the year ended June 30, 2022.

The Company has annexed consolidated financial statements along with its standalone financial statements in accordance with the requirements of the International Financial Reporting Standard – 10 (Consolidated Financial Statements).

There is no running business in Marghazar Industries Limited apart from interest income drawn from Ghandhara Industries Limited (the Holding Company).

For detailed report on the financial statements, the Director Report on the audited financial statements of Ghandhara Industries Limited can be referred.

On behalf of the Board of Directors



**Mr. Ali Kuli Khan Khattak**  
Chairman

On behalf of the Board of Directors



**Mr. Ahmad Kuli Khan Khattak**  
Chief Executive

Karachi

Dated: October 04, 2022

## اجتماعی مالیاتی گوشواروں پر ڈائریکٹرز رپورٹ

ڈائریکٹرز 30 جون 2022 کو ختم ہونے والے سال کے لیے گندھارا انڈسٹریز لمیٹڈ اور اس کے ماتحت ادارے مرغزار انڈسٹریز (پرائیویٹ) لمیٹڈ کے مشترکہ مالی گوشواروں کے ساتھ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

کمپنی نے انٹرنیشنل فنانشل اسٹینڈرڈ 10 (کنسالڈیٹڈ فنانشل اسٹیٹمنٹس) کے تقاضوں کے مطابق اپنے اسٹینڈالون مالیاتی گوشواروں کے ساتھ اجتماعی مالیاتی گوشواروں کو ضم کیا ہے۔

گندھارا انڈسٹریز لمیٹڈ (ہولڈنگ کمپنی) سے حاصل کردہ سود کی آمدنی کے علاوہ مرغزار انڈسٹریز لمیٹڈ میں کوئی کاروبار جاری نہیں ہے۔

مالیاتی گوشواروں پر تفصیلی رپورٹ کے لیے، گندھارا انڈسٹریز لمیٹڈ کے آڈٹ شدہ مالیاتی گوشواروں پر ڈائریکٹرز رپورٹ سے رجوع کیا جاسکتا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے



احمد قلی خان خٹک  
چیف ایگزیکٹو

بورڈ آف ڈائریکٹرز کی جانب سے



علی قلی خان خٹک  
چیئر مین

کراچی

تاریخ: 04 اکتوبر 2022

# ***Independent Auditors' Report on the Consolidated Financial Statements***

To the members of Ghandhara Industries Limited

## **Opinion**

We have audited the annexed consolidated financial statements of Ghandhara Industries Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2022, and the consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give true and fair view of the consolidated financial position of the Group as at June 30, 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

## **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Key Audit Matter(s)**

Key audit matter(s) are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matter(s) were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matter(s).

Following is the Key Audit Matter:

## **S.No. Key Audit Matter**

## **How the matters was addressed in our audit**

### **1. Revenue recognition**

Refer notes 4.14 and note 29 to the financial statements. The Group is engaged in the assembly, progressive manufacturing and sale of Isuzu trucks, buses and pick ups. The Group has recognized revenue from the sale aggregating to Rs.24,265,107 thousand for the year ended June 30, 2022. We identified recognition of revenue as a key audit matter as it includes large number of revenue transactions involving a large number of customers spread in various geographical locations. Further, revenue is one of the key performance indicator of the Group.

Our audit procedures in respect of this area included:

- Obtained an understanding of the Group's processes and related internal controls for revenue recognition and on a sample basis, tested the operating effectiveness of those controls;
- "Assessed the appropriateness of the Group's revenue accounting policies and their compliance with applicable financial reporting standard;"
- Compared a sample of revenue transactions recorded during the year with sales orders, applicable sale value, sales invoices, receipt vouchers, delivery orders and other relevant underlying documents;
- Performed cut-off procedures on near year end sales to ensure revenue has been recorded in the correct period; and
- Verified that sales prices are approved by appropriate authority; and
- Verified, on a test basis, discounts and commission with supporting documentation.

### **2. Stock-in-trade**

Refer note 4.7 and 11 to the financial statements, the Group has stock-in-trade aggregating Rs.7,297,387 thousand (2021: Rs.6,431,131 thousand) comprising raw materials, finished goods including trading goods and work in process. We identified this area as a key audit matter because stock-in-trade constitutes 41.39% of the total assets of the Group as at June 30, 2022 and determining an appropriate valuation as a result of net realizable value (NRV) involves management judgement and estimation.

Our audit procedures in respect of this area included:

- Observed / attended physical inventory count procedures and compared physical count results with valuations sheets on a sample basis;
- Compared on a sample basis specific purchases and directly attributable cost with underlying supporting documents;
- On a sample basis, obtained supporting documents relating to stock in transit for assessing its valuation;
- Compared the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards; and
- We also considered the adequacy of the related disclosures and assessed these are in accordance with the applicable financial reporting standards and the Companies Act, 2017 (XIX of 2017).

## **Information Other than the Consolidated Financial Statements and Auditors' Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Board of Directors for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the Consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Group's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Raheel Ahmed.

*Shinewing Hameed Chaudhri & co.*

**SHINEWING HAMEED CHAUDHRI & CO.**

CHARTERED ACCOUNTANTS  
KARACHI;  
UDIN : AR202210105hWIQmX3sA  
Dated: October 5, 2022

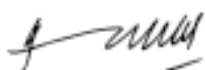
# **Consolidated Financial Statements**

For the year ended June 30, 2022

# Consolidated Statement of Financial Position

AS AT JUNE 30, 2022

	Note	2022	2021
(Rupees in thousand)			
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	5	4,359,828	4,321,244
Intangible assets	6	2,593	3,082
Investment property	7	-	87,926
Long term loans	8	202	1,317
Long term deposits	9	25,784	25,215
Deferred taxation - net	10	6,901	96,249
		<u>4,395,308</u>	<u>4,535,033</u>
<b>Current assets</b>			
Stores		13,304	20,887
Stock-in-trade	11	7,297,387	6,431,131
Trade debts	12	1,655,208	580,945
Loans and advances	13	405,156	247,205
Trade deposits and prepayments	14	1,654,691	829,339
Other receivables	15	25,974	4,244
Accrued mark-up		8,028	241
Sales tax refundable / adjustable		234,760	268,831
Taxation - net		1,260,432	1,253,790
Cash and bank balances	16	682,250	731,461
		<u>13,237,190</u>	<u>10,368,074</u>
<b>Total assets</b>		<u><u>17,632,498</u></u>	<u><u>14,903,107</u></u>



**Ahmad Kuli Khan Khattak**  
Chief Executive



**Shahid Kamal Khan**  
Director



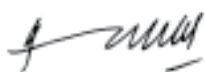
**Muhammad Aamir**  
Chief Financial Officer

# Consolidated Statement of Financial Position

AS AT JUNE 30, 2022

	Note	2022	2021
(Rupees in thousand)			
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital	17	426,088	426,088
<b>Revenue reserves</b>			
Unappropriated profit		2,235,871	1,510,167
<b>Capital reserve</b>			
Surplus on revaluation of fixed assets	18	3,728,108	3,739,787
Equity Attributable to shareholders of the holding company		6,390,067	5,676,042
<b>Non - controlling interest</b>			
		6	5
<b>Total equity</b>		<b>6,390,073</b>	<b>5,676,047</b>
<b>Non current liabilities</b>			
Lease liabilities	19	68,060	71,460
Long term borrowings	20	-	51,900
Deferred income - government grant	21	-	1,256
Compensated absences	22	21,751	18,954
Deferred liabilities	23	45,634	27,326
		135,445	170,896
<b>Current liabilities</b>			
Trade and other payables	24	6,383,198	5,871,169
Unpaid dividends	25	78,959	78,959
Unclaimed dividends		21,380	21,609
Accrued mark-up / interest	26	136,827	101,703
Short term borrowings	27	4,399,548	2,853,028
Current maturity of lease liabilities	19	36,602	31,455
Current portion of long term borrowings	20	49,211	90,977
Current portion of deferred income - government grant	21	1,255	7,264
		11,106,980	9,056,164
<b>Total liabilities</b>		<b>11,242,425</b>	<b>9,227,060</b>
<b>Contingencies and commitments</b>			
	28		
<b>Total equity and liabilities</b>		<b>17,632,498</b>	<b>14,903,107</b>

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.



**Ahmad Kuli Khan Khattak**  
Chief Executive



**Shahid Kamal Khan**  
Director



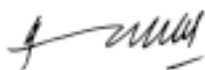
**Muhammad Aamir**  
Chief Financial Officer

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
(Rupees in thousand)			
Sales - net	29	24,265,107	14,999,493
Cost of sales	30	(21,307,454)	(12,924,428)
<b>Gross profit</b>		<b>2,957,653</b>	<b>2,075,065</b>
Distribution cost	31	(964,822)	(570,225)
Administrative expenses	32	(352,719)	(354,177)
Other expenses	33	(317,905)	(134,490)
Other income	34	269,997	187,858
<b>Profit from operations</b>		<b>1,592,204</b>	<b>1,204,031</b>
Finance cost	35	(451,184)	(465,840)
<b>Profit before taxation</b>		<b>1,141,020</b>	<b>738,191</b>
Taxation	36	(412,434)	(133,891)
<b>Profit after taxation</b>		<b>728,586</b>	<b>604,300</b>
<b>Other comprehensive loss</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement of staff retirement benefit obligation		(20,509)	(5,522)
Impact of deferred tax		5,948	1,601
Other comprehensive loss for the year - net of tax		(14,561)	(3,921)
<b>Total comprehensive income for the year</b>		<b>714,025</b>	<b>600,379</b>
(Rupees)			
<b>Basic and diluted earnings per share</b>	37	<b>17.10</b>	<b>14.18</b>

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.



**Ahmad Kuli Khan Khattak**  
Chief Executive



**Shahid Kamal Khan**  
Director



**Muhammad Aamir**  
Chief Financial Officer

# Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED JUNE 30, 2022

	Share capital	Revenue Reserve - Unappropriated profit	Capital Reserve - Surplus on revaluation of fixed assets	Total	Non - controlling interest
(Rupees in thousand)					
<b>Balance as at July 1, 2020</b>	426,088	898,109	3,751,466	5,075,663	5
<b>Transaction with owners, recognised directly in equity</b>					
<b>Total comprehensive income for the year ended June 30, 2021</b>					
Profit for the year	-	604,300	-	604,300	-
Other comprehensive loss	-	(3,921)	-	(3,921)	-
	-	600,379	-	600,379	-
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	11,679	(11,679)	-	-
<b>Balance as at June 30, 2021</b>	426,088	1,510,167	3,739,787	5,676,042	5
<b>Transaction with owners, recognised directly in equity</b>					
<b>Total comprehensive income for the year ended June 30, 2022</b>					
Profit for the year	-	728,586	-	728,586	1
Other comprehensive loss	-	(14,561)	-	(14,561)	-
	-	714,025	-	714,025	1
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	11,679	(11,679)	-	-
<b>Balance as at June 30, 2022</b>	426,088	2,235,871	3,728,108	6,390,067	6

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.



**Ahmad Kuli Khan Khattak**  
Chief Executive



**Shahid Kamal Khan**  
Director



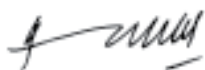
**Muhammad Aamir**  
Chief Financial Officer

# Consolidated Statement of Cash Flows

FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		(Rupees in thousand)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) / generated from operations	38	(629,960)	4,779,877
Gratuity paid		(26,033)	(20,192)
Compensated absences paid		(1,002)	(997)
Finance cost paid		(403,911)	(583,898)
Income tax paid - net		(323,779)	(254,307)
Long term loans - net		1,115	640
Long term deposits - net		(569)	(1,477)
<b>Net cash (used in) / generated from operating activities</b>		<b>(1,384,139)</b>	<b>3,919,646</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(181,072)	(49,205)
Purchase of intangible asset		(300)	(3,661)
Sale proceeds from disposal of operating fixed assets		21,058	23,885
Interest received		81,345	60,947
<b>Net cash (used in) / generated from investing activities</b>		<b>(78,969)</b>	<b>31,966</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term borrowings - obtained		-	201,863
Long term borrowings - repaid		(100,931)	(50,466)
Lease rentals paid		(31,463)	(46,722)
Dividend paid		(229)	(364)
<b>Net cash (used in) / generated from financing activities</b>		<b>(132,623)</b>	<b>104,311</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(1,595,731)</b>	<b>4,055,923</b>
Cash and cash equivalents at beginning of the year		(2,121,567)	(6,177,490)
<b>Cash and cash equivalents at end of the year</b>	39	<b>(3,717,298)</b>	<b>(2,121,567)</b>

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.



**Ahmad Kuli Khan Khattak**  
Chief Executive



**Shahid Kamal Khan**  
Director



**Muhammad Aamir**  
Chief Financial Officer

# **Notes to the Consolidated Financial Statements**

FOR THE YEAR ENDED JUNE 30, 2022

## **1. THE GROUP AND ITS OPERATIONS**

**1.1** The Group consists of Ghandhara Industries Limited (the Holding Company) Marghazar Industries (Private) Limited (the Subsidiary Company).

### **1.2 Ghandhara Industries Limited**

Ghandhara Industries Limited (the Holding Company) was incorporated on February 23, 1963. The Company's shares are quoted on Pakistan Stock Exchange Limited. The principal activity is the assembly, progressive manufacturing and sale of Isuzu trucks, buses and pick ups. The registered office of the Company is at F-3, Hub Chowki Road, S.I.T.E, Karachi. The manufacturing facilities of the Company are located at S.I.T.E., Karachi with branches at Lahore, Multan, Rawalpindi and Peshawar.

### **1.3 Marghazar Industries (Private) Limited**

Marghazar Industries (Private) Limited (the Subsidiary Company) was incorporated as a private limited company on March 7, 1969. The registered office of the Company is located at Gardee Trust Building, Napier Road, Lahore. Ghandhara Industries Limited holds 140,000 ordinary shares representing 99.79% of the total capital.

## **2. BASIS OF PREPARATION**

### **2.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provision of and directives issued under the Companies Act, 2017.

Where provision of and directives issued under the Companies Act, 2017 differ from the IFRS, the provision of and directives issued under the Companies Act, 2017 have been followed.

### **2.2 Functional and presentation currency**

These financial statements are presented in Pakistan Rupees which is the functional currency of the Group and figures are rounded off to the nearest thousand of Rupees unless otherwise specified.

### **2.3 New and amended standards and interpretations**

#### **2.3.1 Standards and amendments to approved accounting standards effective in current year**

New and amended standards mandatory for the first time for the financial year beginning July 1, 2021:

- (a) Amendments to IFRS 16 'Leases' is applicable on accounting periods beginning on or after June 1, 2020 and April 1, 2021. Under IFRS 16, rent concessions often met the definition of a lease modification, unless they were envisaged in the original lease agreement. The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions

occurring as a direct consequence of the covid-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to covid-19-related rent concessions that reduce lease payments due on or before June 30, 2021. The Board has extended the practical expedient by 12 months – i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022. This optional exemption gives timely relief to lessees and enables them to continue providing information about their leases that is useful to investors. The amendment does not affect lessors.

The other new standards, amendments to published accounting and reporting standards and interpretations that are mandatory in Pakistan for the financial year beginning on July 1, 2021 are considered not to be relevant or to have any significant effect on the Group's financial reporting and operations.

### **2.3.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Group**

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 1, 2021 and have not been early adopted by the Group:

- (a) Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' are applicable for accounting periods beginning on or after January 1, 2022. Under IAS 37, a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits. The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. The amendment is not expected to have material impact on the Group's financial statements.
- (b) Annual improvements 2018 are applicable for annual periods beginning on or after January 1, 2022. These amendments include changes from 2018-2020 cycle of annual improvements project that mainly affect following standards:
  - (i) Amendment to IFRS 1 'First-time Adoption of International Financial Reporting Standards', simplifies the application of IFRS 1 for a subsidiary that becomes a first-time adopter of IFRS later than its parent – i.e. if a subsidiary adopts IFRS later than its parent and applies, then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to IFRS.
  - (ii) Amendment to IFRS 9 'Financial Instruments', clarifies that – for the purpose of performing the '10 per cent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
  - (iii) Amendment to IFRS 16 'Leases' Illustrative Example 13, removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
  - (iv) Amendment to IAS 41 'Agriculture', removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 'Fair Value Measurement'.

- (c) Amendment to IAS 16 'Property, Plant and Equipment' is applicable on accounting periods beginning on or after January 1, 2022. The amendments prohibit a Group from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Group is preparing the asset for its intended use. Instead, a Group will recognise such sales proceeds and related cost in profit or loss. The amendments apply retrospectively, but only to items of PPE made available for use on or after the beginning of the earliest period presented in the financial statements in which the Group first applies the amendments.
- (d) Amendment to IAS 1 'Presentation of Financial Statements' is applicable on accounting periods beginning on or after January 1, 2023. Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendment requires that a right to defer settlement must have substance and exist at the end of the reporting period.
- (e) Amendment to IAS 1, 'Presentation of Financial Statements' is applicable on accounting periods beginning on or after January 1, 2023. The amendment includes requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a Group's financial statements.
- (f) Amendments to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' are applicable on accounting periods beginning on or after January 1, 2023. The International Accounting Standards Board (the Board) has issued amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 'Financial Instruments'; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.
- (g) Amendments to IAS 12, 'Income taxes' will be applicable on accounting periods beginning on or after January 1, 2023. The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

There are number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Group and, therefore, have not been presented here.

### **3. BASIS OF MEASUREMENT**

- 3.1** These Consolidated financial statements have been prepared under the historical cost convention, except for certain classes of property, plant and equipment which have been included at revalued amounts and staff retirement benefit which has been recognised at present value as determined by the Actuary.

**3.2** The preparation of consolidated financial statements in conformity with approved accounting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The areas where various assumptions and estimates are significant to the Group's financial statements or where judgement was exercised in application of accounting policies are as follows:

- (i) Estimate of residual values and useful lives of depreciable and intangible assets (note 4.1 and 4.3)
- (ii) Lease term and discount rate for calculation of lease liabilities (note 4.2)
- (iii) Provision for taxation (note 4.10)
- (iv) Provision for staff benefits (note 4.12)
- (v) Provisions (note 4.20)

#### **4. SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **4.1 Property, plant and equipment**

Leasehold land is stated at revalued amount and buildings on leasehold land are stated at revalued amount less accumulated depreciation and impairment loss (if any). Other classes of operating fixed assets are stated at cost less accumulated depreciation and impairment loss (if any). Capital work-in-progress is stated at cost less impairment loss (if any). All expenditure connected to the specific assets incurred during the installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when the assets are available for use.

Plant and machinery were revalued in the year 1995 by independent valuers, and were presented at their revalued amount. The Holding Company subsequently adopted the cost model for plant and machinery, and the revalued amounts were treated as deemed costs. The surplus on revaluation of these assets, however, were recognised in accordance with section 235 of the repealed Companies Ordinance, 1984 applicable at that time.

Subsequent costs are included in the asset's carrying amounts or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All repairs and maintenances are charged to the profit or loss as and when incurred.

Depreciation on all operating fixed assets is charged using the straight line method in accordance with the rates specified in note 5.1 to these financial statements and after taking into account their residual values. The depreciation method, residual values and useful lives of items of property, plant and equipment are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change is accounted for as a change in accounting estimate by changing depreciation charge for the current and future periods.

Depreciation on additions is charged from the month in which the assets become available for use, while on disposals depreciation is charged upto the month of disposal.

Gains or losses on disposal or retirement of fixed assets are determined as the difference between the sale proceeds and the carrying amounts of the assets and are included in the profit or loss.

Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. Any surplus on revaluation of fixed assets is recognised in other comprehensive income and presented as a separate component of equity as “Surplus on revaluation of fixed assets”, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of fixed assets is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on fixed assets relating to a previous revaluation of that asset. Each year, the incremental depreciation charged on the revalued assets (net of deferred taxation) is reclassified from surplus on revaluation of fixed assets to unappropriated profit. The revaluation reserve is not available for distribution to the Group’s shareholders.

The Company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is taken to profit or loss except for impairment loss on revalued assets, which is adjusted against related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset. The revaluation reserve is not available for distribution to the Holding Company’s shareholders.

The Group assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is taken to profit and loss account except for impairment loss on revalued assets, which is adjusted against related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

#### **4.2 Right of use assets and related liabilities**

The Group generally leases regional offices and related properties. At the inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The extension and termination options are incorporated in determination of lease term only when the Group is reasonably certain to exercise these options.

Leases are recognised as right of use assets and corresponding liabilities at the date at which the leased assets are available for use by the Group.

The lease liabilities are initially measured at the present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. At initial recognition, liabilities were discounted using the Group’s incremental borrowing rate. Lease payment includes fixed payments with annual increments. The lease liabilities are subsequently measured at amortised cost using the effective interest rate.

Right of use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right of use assets are depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The carrying amount of the right of use asset is reduced by impairment losses, if any. At transition, the Group recognised right of use assets equal to the present value of lease payments.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less.

### **4.3 Intangible assets - computer software**

Computer software licenses acquired by the Group are stated at cost less accumulated amortization. Cost represents the cost incurred to acquire the software licenses and bringing them to use. The cost of computer software is amortized over the estimated useful life i.e. 5 years using straight-line method.

Costs associated with maintaining computer software are charged to profit or loss as and when incurred.

### **4.4 Investments**

#### **4.4.1 Investment property**

Property held for capital appreciation and rental yield, which is not in use of the Group is classified as investment property. Investment property comprise of leasehold land and buildings.

Investment property are carried at cost or valuation (i.e. deemed cost) less accumulated amortization / depreciation and impairment, if any.

Investment property were revalued in 1996 by independent valuers and showed at revalued amounts. The Holding Company subsequently adopted cost model for investments property and the revalued amounts were treated as deemed costs. The surplus on revaluation of these assets, however was recognised in accordance with section 235 of the repealed Companies Ordinance, 1984.

Leasehold land and buildings are amortized / depreciated on straight line method at the rates stated in note 7.

Maintenance and normal repairs are charged to profit or loss as and when incurred. Major renewals and repairs are capitalised.

### **4.5 Long term deposits**

These are stated at cost which represents the fair value of the consideration given.

### **4.6 Stores**

These are valued at cost determined on a first-in-first-out basis. Items in transit are stated at invoice value plus other charges thereon accumulated upto the reporting date.

Provision for obsolete and slow moving stores is determined based on management's estimate regarding their future usability.

#### **4.7 Stock-in-trade**

Stock-in-trade is valued at the lower of cost and net realizable value except for goods in transit which are stated at invoice values plus other charges thereon accumulated upto the reporting date. Cost in relation to raw materials, components and trading stock (except for parts and accessories included in trading stock which are valued on average basis) is arrived at principally on first-in-first-out basis. Cost of work in process and finished stocks including components include direct wages and applicable manufacturing overheads.

Net realizable value represents the estimated selling price in the ordinary course of business less cost necessarily to be incurred in order to make the sale.

#### **4.8 Trade debts and other receivables**

Trade debts and other receivables are classified as financial assets at amortised cost according to IFRS 9.

Trade and other debts are carried at original invoice amount being the fair value. Provision is made against debts considered doubtful of recovery whereas debts considered irrecoverable are written off. The Group uses simplified approach for measuring the expected credit losses for all trade and other receivables including contract assets based on lifetime expected credit losses. The Group has estimated the credit losses using a provision matrix where trade receivables are grouped based on different customer attributes along with historical, current and forward looking assumptions. Debts considered irrecoverable are written off.

#### **4.9 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at amortised cost. For the purposes of cash flow statement, cash and cash equivalents comprise of cash in hand, cash with banks and short term borrowings under mark-up arrangements.

#### **4.10 Taxation**

The tax expense for the year comprises of current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

##### **Current**

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in the previous years arising from assessments framed during the year for such years.

##### **Deferred**

The Group accounts for deferred taxation using the balance sheet liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax liability is recognised for taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the profit or loss, except in the case of items credited or charged to other comprehensive income / equity in which case it is included in other comprehensive income / equity.

#### **4.11 Finance lease / Assets subject to finance lease**

Leases that transfer substantially all the risk and rewards incidental to ownership of an asset are classified as finance leases. Assets on finance lease are capitalised at the commencement of the lease term at the lower of the fair value of leased assets and the present value of minimum lease payments, each determined at the inception of the lease. Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the finance balance outstanding. The finance cost is charged to statement of profit or loss and is included under finance cost.

#### **4.12 Retirement benefit obligations**

##### **4.12.1 Defined benefit plan**

The Holding Company operates a funded gratuity scheme. The scheme defines the amounts of benefits that an employee will receive on or after retirement subject to a minimum qualifying period of service under the scheme. The amount of retirement benefit is usually dependent on one or more factors such as age, years of service and salary.

The liability recognised in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less fair value of plan assets. Contributions under the schemes are made on the basis of actuarial valuation. The valuation of scheme is carried out annually by an independent expert, using the “Projected Unit Credit Method” with the latest valuation being carried out as on June 30, 2022.

The amount arising as a result of re-measurements are recognised in the statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which they occur. Past service cost, if any, are recognised immediately in profit and loss account.

##### **4.12.2 Compensated absences**

Employees’ entitlements to annual leaves are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees upto the reporting date.

#### **4.13 Trade and other payables**

Trade and other payables are measured at cost which is the fair value of consideration to be paid in future for goods and services received, whether or not billed to the Group.

##### **Warranty**

The Group recognises the estimated liability to repair or replace products still under warranty at the reporting date. Provision for warranty is calculated by taking average of preceding three years sales.

#### **4.14 Revenue recognition**

The Group recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those good and services. The Group recognises revenue in accordance with that core principle by applying the following steps:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when the entity satisfies a performance obligation

Revenue from sale of goods is recognized when the Group satisfies a performance obligation (at a point of time) by transferring promised goods to customer being when the goods are invoiced and delivered to customers. Revenue is measured at the fair value of consideration received or receivable, and represents amount receivable for goods supplied and sales tax.

Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable.

#### **4.15 Borrowings and their cost**

Borrowings are recorded at the proceeds received. Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of that asset.

#### **4.16 Government grants**

Government grants are recognized where there is a reasonable assurance that the grant will be received and the Group will comply with all conditions of the grant. Government grants relating to costs are deferred and recognized in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

#### **4.17 Foreign currency translation**

Transactions in foreign currencies are translated into reporting currency at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into reporting currency equivalents using year-end foreign exchange rates. Non-monetary assets and liabilities are translated using the exchange rate that existed when the values were determined. Exchange differences on foreign currency translations are taken to the statement of profit or loss.

#### **4.18 Financial assets and liabilities**

Financial assets and financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument and derecognised when the Group loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition

of financial assets and financial liabilities is included in the profit or loss for the year. All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortised cost or cost as the case may be. The particular measurement methods adopted are disclosed in individual policy statement associated with each item.

#### 4.19 Off-setting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counter party.

#### 4.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### 4.21 Dividend and appropriation to reserves

Dividend and other appropriations to reserves are recognised in the period in which they are approved.

#### 4.22 Impairment loss

The carrying amounts of the Group's assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of provisions for impairment losses. If any indications exist, the recoverable amounts of such assets are estimated and impairment losses or reversals of impairment losses are recognised in the profit or loss. Reversal of impairment loss is restricted to the original cost of the asset.

#### 4.23 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss after taxation attributable to ordinary shareholders of the Group by weighted average numbers of ordinary shares outstanding during the year.

#### 4.24 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments. On the basis of its internal reporting structure, the Group considers itself to be a single reportable segment.

### 5. PROPERTY, PLANT AND EQUIPMENT

	Note	2022	2021
(Rupees in thousand)			
Operating fixed assets	5.1	4,077,413	4,164,612
Capital work-in-progress	5.9	202,224	64,082
Right of use assets	5.10	80,191	92,550
		<u>4,359,828</u>	<u>4,321,244</u>

## 5.1 Operating fixed assets

	OWNED										Total
	Leasehold land	Buildings on leasehold land	Plant and machinery	Permanent tools	Furniture and fixture	Motor vehicles / trucks	Office machines & equipment	Computers	Jigs and special tools		
<b>At July 1, 2020</b>	3,407,400	577,135	194,425	26,279	12,890	193,106	30,386	25,369	353,203	4,820,193	
Revaluation / cost	-	62,545	58,438	7,377	4,480	119,694	15,737	15,751	216,942	500,964	
Accumulated depreciation											
<b>Net book value</b>	3,407,400	514,590	135,987	18,902	8,410	73,412	14,649	9,618	136,261	4,319,229	
<b>Year ended June 30, 2021</b>	3,407,400	514,590	135,987	18,902	8,410	73,412	14,649	9,618	136,261	4,319,229	
Opening net book value	-	5,357	18,879	8,264	424	6,026	723	6,273	1,028	46,974	
Additions	-	-	-	-	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	-	-	-	-	
- cost	-	-	-	-	-	30,429	-	2,672	-	33,101	
- accumulated depreciation	-	-	-	-	-	(14,436)	-	(2,543)	-	(16,979)	
Transfer from right of use asset	-	-	-	-	-	15,993	-	129	-	16,122	
- cost	-	-	-	-	-	35,359	-	-	-	35,359	
- accumulated depreciation	-	-	-	-	-	(35,297)	-	-	-	(35,297)	
Transfer to right of use asset	-	-	-	-	-	62	-	-	-	62	
- cost	-	-	-	-	-	5,880	-	-	-	5,880	
- accumulated depreciation	-	-	-	-	-	(145)	-	-	-	(145)	
Depreciation charge	-	26,591	19,927	3,698	865	20,977	2,612	3,810	101,316	179,796	
<b>Closing net book value</b>	3,407,400	493,356	134,939	23,468	7,969	36,795	12,760	11,952	35,973	4,164,612	
<b>At June 30, 2021</b>	3,407,400	493,356	134,939	23,468	7,969	36,795	12,760	11,952	35,973	4,164,612	
Revaluation / cost	-	582,492	213,304	34,543	13,314	199,182	31,109	28,970	354,231	4,863,545	
Accumulated depreciation	-	89,136	78,365	11,075	5,345	161,387	18,349	17,018	318,258	698,933	
<b>Net book value</b>	3,407,400	493,356	134,939	23,468	7,969	36,795	12,760	11,952	35,973	4,164,612	
<b>Year ended June 30, 2022</b>	3,407,400	493,356	134,939	23,468	7,969	36,795	12,760	11,952	35,973	4,164,612	
Opening net book value	-	-	2,022	3,328	318	32,471	3,686	3,814	-	45,639	
Additions	-	-	-	-	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	-	-	-	-	
- cost	-	-	-	-	-	39,329	-	201	-	39,530	
- accumulated depreciation	-	-	-	-	-	(30,266)	-	(94)	-	(30,360)	
Transfer to right of use asset	-	-	-	-	-	9,063	-	107	-	9,170	
- cost	-	-	-	-	-	2,955	-	-	-	2,955	
- accumulated depreciation	-	-	-	-	-	(246)	-	-	-	(246)	
Depreciation charge	-	26,636	20,714	6,156	5,060	19,467	4,893	7,724	30,309	120,959	
<b>Closing net book value</b>	3,407,400	466,720	116,247	20,640	3,227	38,027	11,553	7,935	5,664	4,077,413	
<b>At June 30, 2022</b>	3,407,400	466,720	116,247	20,640	3,227	38,027	11,553	7,935	5,664	4,077,413	
Revaluation / cost	-	582,492	215,326	37,871	13,632	188,369	34,795	32,583	354,231	4,866,699	
Accumulated depreciation	-	115,772	99,079	17,231	10,405	150,342	23,242	24,648	348,567	789,286	
<b>Net book value</b>	3,407,400	466,720	116,247	20,640	3,227	38,027	11,553	7,935	5,664	4,077,413	
<b>Annual rates of depreciation</b>	-	5%	10%	12.5%-20%	6.25%-20%	20%	12.5%-20%	20%-33%	33%		

5.2 Depreciation charge has been allocated as follows:	Note	2022	2021
		(Rupees in thousand)	
Cost of goods manufactured	30.1	87,639	154,071
Distribution cost	31	7,101	7,706
Administrative expenses	32	26,219	18,019
		<u>120,959</u>	<u>179,796</u>

5.3 During the current year, the board of directors of the Holding Company in their meeting held on April 27, 2022 decided to change the depreciation rates of following class of depreciable assets based on the advise & internal survey conducted by the management. Keeping in consideration the assessed useful life of these depreciable assets, the depreciation rates have been increased as follows:

Assets category	Depreciation rates %	
	Revised	Previous
Permanent tools	20%	12.5%
Office machines & equipment	20%	12.5%
Computers	33%	20%
Furniture & fixtures	20%	6.3%

The change in accounting estimates has been accounted for prospectively in accordance with the requirements of International Accounting Standard 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors' by adjusting the depreciation charges for current period. The change in accounting estimates has resulted in increase in depreciation charge for the period by Rs.11.173 million with corresponding decrease in carrying value of operating fixed assets and decrease in current year's profit before taxation by the same amount.

5.4 Leasehold land and buildings on leasehold land of the Holding Company had previously been revalued in June 2010, June 2013, June 2016 and June 2019. Those revaluation exercises resulted in net surplus of Rs.437.28 million, Rs.259.448 million, Rs.218.20 million and Rs.200.904 million respectively. Leasehold land and buildings on leasehold land of the Holding Company were again revalued in June 2020 by Harvester Services (Private) Limited (Approved valuers of Pakistan Banks' Association) on the basis of present market value and depreciated market value (level 2 of fair value hierarchy). Different levels of fair value have been defined in IFRS 13 and are mentioned in note 43.4.

The latest revaluation was exercised as at June 30, 2020 which resulted in a net surplus of Rs.1,751.09 million. At the time of latest revaluation, forced sale value of this land was Rs.3,137.59 million. Out of the revaluation surplus resulting from all the revaluations carried-out to date, an amount of Rs.3,871.235 million (2021: Rs.3,918.584 million) remains un-depreciated as at June 30, 2022.

5.5 Leasehold land of the Holding Company is located at S.I.T.E. Karachi with an area of 18.93 acres.

5.6 Had the operating fixed assets been recognised under the cost model, the carrying amount of building on leasehold land would have been Rs.170.646 million (2021: Rs.180.833 million).

5.7 Operating fixed assets include certain plant and machinery, permanent tools and jigs & special tools with cost aggregating Rs.406.443 million (2021: Rs.406.443 million) and net book value of Rs.34.906 million (2021: Rs.71.453 million) which are held by Ghandhara Nissan Limited - a related party as these fixed assets are used for assembling of the Holding Company's products.

## 5.8 The details of operating fixed assets disposed off during the year are as follows:

Particulars of assets	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Transferred to lease	Net gain on disposal	Mode of disposal	Particulars of buyers
(Rupees in 000')									
<b>Item having book value more than Rs. 500,000 each</b>									
Vehicles									
	3,296	989	2,307	6,500	4,193	(4,193)	-	Sale and lease back	Orix Modaraba
	3,297	1,209	2,088	5,400	3,312	(3,312)	-	Sale and lease back	Orix Modaraba
	3,296	1,209	2,087	5,000	2,913	(2,913)	-	Sale and lease back	Orix Modaraba
	3,202	1,654	1,548	4,800	3,252	(3,252)	-	Sale and lease back	Orix Modaraba
	2,047	1,399	648	1,437	789	-	789	Company policy	Muhammad Mudassir Butt (Key management Personnel)
	15,138	6,460	8,678	23,137	14,459	(13,670)	789		
<b>Item having book value less than Rs. 500,000 each</b>									
	24,392	23,901	491	11,590	11,099	-	11,099	Various	Various
June 30, 2022	39,530	30,361	9,169	34,727	25,558	(13,670)	11,888		
June 30, 2021	33,101	16,979	16,122	23,413	7,291	(296)	6,995		

## 5.9 Capital work in progress

	Note	2022	2021
(Rupees in thousand)			
Advances made for:			
- Buildings on leasehold land	5.9.1	127,807	2,807
- Plant and machinery		50,275	51,239
- Furniture and fixture		-	383
- Vehicles	5.9.2	9,345	8,003
- Computer software		14,797	1,650
		202,224	64,082

**5.9.1** Include Rs.125 million advance paid to Business Vision (Private) Limited - a related party against reservation of floor in project name SKY GARDEN located at office building at plot no.108, C.F, 1-5, Old Clifton Quarters, Karachi.

**5.9.2** Include Nil (2021: Rs.2.54 million) paid to Ghandhara Nissan Limited - a related party against purchase of vehicle.

## 5.10 Right of use assets

	Note	2022	2021
(Rupees in thousand)			
Net book value at beginning of the year		92,550	78,540
Transfer from operating fixed assets costing Rs.2.955 million		2,709	-
Addition / transfer from owned - net		18,352	43,969
Depreciation charged during the year	5.11	(33,420)	(29,959)
Net book value at end of the year		80,191	92,550

**5.11** Depreciation expense relating to right of use asset - properties of Rs.3.123 million (2021: Rs.2.216 million) has been charged in 'Cost of sales', Rs.18.186 million (2021: Rs.14.498 million) in 'Distribution cost' and Rs.12.111 million (2021: Rs.13.245 million) in 'Administrative expenses'.

## 6. INTANGIBLE ASSETS

These represent computer software licenses.

### Cost

At beginning of the year  
Addition during the year  
At June 30,

Accumulated amortization  
At beginning of the year  
Add: charge for the year  
At June 30,

### Net book value

### Annual rate of amortization

Note	2022	2021
	(Rupees in thousand)	
	5,791	2,130
	300	3,661
	6,091	5,791
	2,709	1,994
6.1	789	715
	3,498	2,709
	2,593	3,082
	20%	20%

6.1 Amortization charge for the year has been grouped under administrative expenses (note 32).

## 7. INVESTMENT PROPERTY

	Note	Leasehold land	Buildings on leasehold land	Total
		(Rupees in thousand)		
<b>At July 1, 2020</b>				
Cost		97,392	416	97,808
Accumulated amortization / depreciation		9,231	408	9,639
<b>Net book value</b>		88,161	8	88,169
<b>Year ended June 30, 2021</b>				
Opening net book value		88,161	8	88,169
Amortization / depreciation charge		243	-	243
<b>Closing net book value</b>		87,918	8	87,926
<b>At June 30, 2021</b>				
Cost		97,392	416	97,808
Accumulated amortization / depreciation		9,474	408	9,882
<b>Net book value</b>		87,918	8	87,926
<b>Year ended June 30, 2022</b>				
Opening net book value		87,918	8	87,926
Amortization / depreciation charge		122	-	122
Impairment Loss	7.2	87,796	8	87,804
<b>Closing net book value</b>		-	-	-
<b>At June 30, 2022</b>				
Cost		97,392	416	97,808
Accumulated amortization / depreciation		9,596	408	10,004
Accumulated impairment		87,796	8	87,804
<b>Net book value</b>		-	-	-
Amortization / depreciation rate - per annum		0.25%	2.5%	

- 7.1 Amortization / depreciation charge for the year has been grouped under administrative expenses (note 32).
- 7.2 This investment property is occupied by Squatters. Based on the advise of legal advisor, the Board of Directors of the Holding Company has decided to write off this investment property.

**8. LONG TERM LOANS - Secured, considered good**

	Note	2022	2021
(Rupees in thousand)			
Loans due from:			
Employees	8.1	515	2,685
Less: amounts recoverable within one year and grouped under current assets		313	1,368
		<u>202</u>	<u>1,317</u>

8.1 Interest free loans have been provided to employees under their terms of employment. These are repayable in monthly instalments over a period of one to five years. These are secured against their respective vested retirement benefit.

8.2 Maximum aggregate amount of loans due from key management personnel at the end of any month during the year was Nil (2021: Rs.0.08 million).

**9. LONG TERM DEPOSITS - Considered good**

	2022	2021
(Rupees in thousand)		
Deposits held with / for:		
- Leasing companies	15,295	11,663
- Utilities and rental agreements	7,387	9,937
- Others	3,102	3,615
	<u>25,784</u>	<u>25,215</u>

**10. DEFERRED TAXATION - Net**

This is composed of following:

- accelerated tax depreciation allowance	22,335	6,707
- surplus on revaluation of fixed assets	(81,277)	(86,047)
- liabilities against assets subject to finance lease	7,097	3,006
- gain on sale and lease back of fixed assets	209	375
- provision for gratuity	13,024	7,550
- provision for workers profit participation fund	19,977	16,680
- provision for doubtful balances	16,446	30,558
- provision for warranty	7,403	6,020
- unabsorbed tax depreciation	-	109,713
- others	1,687	1,687
	<u>6,901</u>	<u>96,249</u>

**11. STOCK-IN-TRADE**

Raw materials and components

- In hand	3,942,268	2,946,064
- In transit	762,284	618,970
	<u>4,704,552</u>	<u>3,565,034</u>

Work-in-process

Finished goods including components	92,472	117,672
Trading stocks	1,729,423	1,942,860
	<u>770,940</u>	<u>805,565</u>
	<u>7,297,387</u>	<u>6,431,131</u>

11.1 Stock-in-trade includes stock of Rs.3,781.61 million (2021: Rs.3,512.51 million) held with third parties out of which stock of Rs.3,384.38 million (2021: Rs.3,121.77 million) is held with Ghandhara Nissan Limited (an Associated Company) for assembly.

**12. TRADE DEBTS - Unsecured**

		2022	2021
		(Rupees in thousand)	
<b>Considered good</b>			
Ghandhara Nissan Limited - a related party		1,575	-
Government and semi - government agencies		727,052	147,903
Others		926,581	431,904
		1,655,208	579,807
<b>Consider doubtful - others</b>		33,887	71,792
		1,689,095	651,599
Less: provision for expected credit losses	12.3	33,887	70,654
		1,655,208	580,945

12.1 The ageing of trade debts at reporting date is as follows:

	2022	2021	2022	2021
	Associated Company		Others	
(Rupees in thousand)				
Upto 30 days	-	-	1,374,007	161,824
31 - 180 days	120	-	48,895	95,439
Over 180 days	1,455	-	264,618	394,336
	1,575	-	1,687,520	651,599

12.2 The maximum aggregate amount of trade receivable from related parties at the end of any month during the year was Rs.1.575 million (2021: Nil).

**12.3 Provision for expected credit loss**

		2022	2021
		(Rupees in thousand)	
Balance at beginning of the year		70,654	7,950
Provision made during the year		157,315	62,704
Balances written off during the year		(194,082)	-
Balance at end of the year		33,887	70,654

**13. LOANS AND ADVANCES - Unsecured**

		2022	2021
		(Rupees in thousand)	
<b>Considered good</b>			
Current portion of long term loans to employees	Note 8	313	1,368
Advances due from:			
- employees	13.1	5,332	3,091
- suppliers, contractors and others		399,511	242,746
		404,843	245,837
<b>Considered doubtful</b>			
Advance to suppliers		6,302	3,965
Less: provision for doubtful advances		6,302	3,965
		-	-
		405,156	247,205

**13.1** Advances are given to employees to meet business expenses and are settled when expenses are incurred.

**14. TRADE DEPOSITS AND PREPAYMENTS**

Note	2022	2021
	(Rupees in thousand)	
Tender deposits	111,579	193,602
Less: provision for expected credit losses	13,959	27,052
	97,620	166,550
Margins against bank guarantees	1,240,871	662,420
Less: provision for doubtful margin deposit	330	330
	1,240,541	662,090
Margin against letters of credit	314,430	209
Prepayments	2,100	490
	1,654,691	829,339

**14.1** Includes TDR of Rs.1,038.10 million (2021: Nil) placed in various banks against the bank guarantees. Term deposit receipt (TDR) has maturity of 30 to 180 days (2021: 30 days) from date of acquisition. This TDR carries mark-up at rate of 13.75% per annum (2021: 4.65% per annum).

**15. OTHER RECEIVABLES - Unsecured**

This amount is receivable from Isuzu Motors Limited, Japan on account of commission / claims.

**16. CASH AND BANK BALANCES**

Note	2022	2021
	(Rupees in thousand)	
Cash in hand	1,233	1,894
Cash with banks on / as:		
- current accounts	241,633	369,329
- saving accounts	441,575	308,429
- term deposit receipt	-	54,000
- foreign currency accounts	42	42
	683,250	731,800
Less: provision for a doubtful bank account	2,233	2,233
	682,250	731,461

**16.1** Saving accounts carry mark-up ranging from 3.40% to 7.6% (2021: 3.25% to 3.56%) per annum.

**16.2** Foreign currency accounts include Japanese Yen (JPY) 31,559 equivalent to Rs.0.029 million and US Dollars 126 equivalent to Rs.0.013 million (2021: JPY 31,559 equivalent to Rs.0.029 million and US Dollars 126 equivalent to Rs.0.013 million).

**16.3** This represents provision made against balances held with Indus Bank Limited under liquidation.

**17. SHARE CAPITAL**

**17.1 Authorized capital**

2022	2021
(No. of shares)	
100,000,000	100,000,000

Ordinary shares of Rs.10 each

2022	2021
(Rupees in thousand)	
1,000,000	1,000,000

## 17.2 Issued, subscribed and paid-up capital

2022	2021		2022	2021
(No. of shares)			(Rupees in thousand)	
17,650,862	17,650,862	Ordinary shares of Rs.10 each fully paid in cash	176,509	176,509
358,206	358,206	Ordinary shares of Rs.10 each issued for consideration other than cash	3,582	3,582
24,599,776	24,599,776	Ordinary shares of Rs.10 each issued as fully paid bonus shares	245,997	245,997
<u>42,608,844</u>	<u>42,608,844</u>		<u>426,088</u>	<u>426,088</u>

17.3 At June 30, 2022 and June 30, 2021 Bibojee Services (Private) Limited, the ultimate Holding Company, held 16,686,794 (2021: 16,686,794) ordinary shares of Rs.10 each.

17.4 Ordinary shares held by related parties other than the ultimate Holding Company as at June 30,

	2022	2021
	(Number of shares)	
Gandhara Nissan Limited	8,132,336	8,132,336
Universal Insurance Company Limited	2,368,296	2,368,296
Gandhara Tyre and Rubber Company Limited	201,400	201,400
Bibojee Investments (Private) Limited	42,816	42,816
	<u>10,744,848</u>	<u>10,744,848</u>

17.5 The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Holding Company. All shares rank equally with regard to Holding Company's residual assets.

## 18. SURPLUS ON REVALUATION OF FIXED ASSETS

Note

	2022	2021
	(Rupees in thousand)	
Balance at the beginning of the year	3,825,834	3,842,283
Less: transferred to unappropriated profit on account of incremental depreciation for the year	16,449	16,449
	<u>3,809,385</u>	<u>3,825,834</u>
Less: related deferred tax of:		
- opening balance	86,047	90,817
- incremental depreciation for the year	(4,770)	(4,770)
- closing balance	81,277	86,047
Balance at end of the year	<u>3,728,108</u>	<u>3,739,787</u>

## 19. LEASE LIABILITIES

Balance at beginning of the year		102,915	95,647
Additions / net transfers during the year		34,749	43,969
Interest accrued		12,149	10,021
Repaid / adjusted during the year		(45,151)	(46,722)
	19.1	<u>104,662</u>	<u>102,915</u>
Current portion grouped under current liabilities		(36,602)	(31,455)
Balance at end of the year		<u>68,060</u>	<u>71,460</u>

- 19.1** The Holding Company has acquired motor vehicles under finance lease arrangements from leasing companies and a modaraba. The arrangements are secured by title of leased assets in the name of the lessor. Rentals are payable in monthly instalments. Repair and insurance cost are borne by the Holding Company. The rates of financial charges applied, during the year, ranged from 9.02% to 18.36% per annum (2021: 8.86% to 15.25% per annum). At the end of the lease term, the ownership of the assets shall be transferred to the Holding Company against the security deposits paid. These includes of Rs.11.300 million (2021: Rs.20.652 million) lease rentals for show room having estimated lease term of 4 years. These are discounted using incremental borrowing rate (16.32%) of the Company.

The amount of future minimum lease payments together with the present value of the minimum lease payments and the periods during which they fall due are as follows:

	2022			2021		
	Minimum lease payments	Finance cost allocated to future period	Present value of minimum lease payments	Minimum lease payments	Finance cost allocated to future period	Present value of minimum lease payments
	(Rupees in thousand)					
Not later than one year	47,153	10,551	36,602	40,035	8,580	31,455
Later than one year but not later than five years	78,673	10,613	68,060	79,342	7,882	71,460
<b>Total minimum lease payments</b>	<b>125,826</b>	<b>21,164</b>	<b>104,662</b>	<b>119,377</b>	<b>16,462</b>	<b>102,915</b>

## 20. LONG TERM BORROWINGS

	Note	2022	2021
		(Rupees in thousand)	
Loan under refinance scheme for payment of wages and salaries	20.1	50,466	151,397
Adjustment pertaining to fair value of loan at below market interest rate	20.2	(1,255)	(8,520)
		49,211	142,877
Current maturity		(49,211)	(90,977)
		-	51,900

### 20.1 Movement in long term loan at face value

Balance at beginning of the year	151,397	-
Loan obtained during the year	-	201,863
Loan re-paid during the year	(100,931)	(50,466)
	<b>50,466</b>	<b>151,397</b>

- 20.1.1** This represents long term loan amounting Rs.201.863 million received from The Bank of Punjab under 'Refinance Scheme for payment of Wages and Salaries to the Workers and Employees of Business Concerns' (the Scheme) introduced by State Bank of Pakistan. The facility is secured against first exclusive hypothecation charge over specific plant & machinery of the Holding Company with 25% margin limited to Rs.269.151 million. Mark-up is chargeable at 1.0% per annum and to be paid at the end of each quarter. The principal is repayable in eight quarterly instalments starting from March 2021. The Holding Company during the year repaid Rs.100.93 million.

## 20.2 Adjustment pertaining to fair value of loan at below market interest rate

	2022	2021
	(Rupees in thousand)	
Difference of fair value of loan and loan received	17,222	17,222
Less: amortization of loan	15,967	8,702
	<u>1,255</u>	<u>8,520</u>

## 21. DEFERRED INCOME - GOVERNMENT GRANT

Balance at beginning of the year	8,520	-
Grant recognized on loan at below market interest rate	-	17,222
Released to statement of profit or loss	(7,265)	(8,702)
	<u>1,255</u>	<u>8,520</u>
Current portion	<u>(1,255)</u>	<u>(7,264)</u>
	<u>-</u>	<u>1,256</u>

21.1 The Group recognized government grant on below market interest loan received - (note 20.1.1) in accordance with IAS - 20 'Accounting for government grants and disclosure of government assistance'.

## 22. COMPENSATED ABSENCES

	Note	2022	2021
		(Rupees in thousand)	
Balance at beginning of the year		18,954	15,802
Provision for the year		3,799	4,149
		<u>22,753</u>	<u>19,951</u>
Encashed during the year		(1,002)	(997)
Balance at end of the year	22.1	<u>21,751</u>	<u>18,954</u>

22.1 Includes liability in respect of key management personnel aggregating to Rs.7.546 million (2021: Rs.6.84 million).

## 23. DEFERRED LIABILITIES

	Note	2022	2021
		(Rupees in thousand)	
Gain on sale and lease back of fixed assets	23.1	722	1,293
Staff retirement benefit - gratuity	23.2.4	44,912	26,033
		<u>45,634</u>	<u>27,326</u>

### 23.1 Gain on sale and lease back of fixed assets

Balance at beginning of the year	1,293	1,233
Add: vehicle sale and lease back during the year	-	768
Less: amortization for the year	571	708
Balance at end of the year	<u>722</u>	<u>1,293</u>

23.1.1 The Holding Company entered into sale and leaseback transaction during the preceding years which resulted in finance leases. The excess of sale proceeds over the net book value of motor vehicle under sale and leaseback arrangement has been recognised as deferred income and amortized over the period of the lease term.

### 23.2 Staff retirement benefit - gratuity

23.2.1 As stated in note 4.12.1, the Holding Company operates an approved funded gratuity scheme for its staff.

23.2.2 Plan assets held in trust are governed by local regulations which mainly includes Trust Act, 1882, the Companies Act, 2017, Income Tax Rules, 2002 and Rules under the Trust deed of the Plan. Responsibility for governance of the Plan, including investment decisions and contributions schedules lies with the Board of Trustees. The Holding Company appoints the trustees.

23.2.3 The latest actuarial valuations of the Scheme as at June 30, 2022 was carried out by an independent expert, using the 'Projected Unit Credit Method'. Details of the Scheme as per the actuarial valuation are as follows:

**23.2.4 Statement of financial position - reconciliation**

	2022	2021
(Rupees in thousand)		
Present value of defined benefit obligation	204,526	156,346
Fair value of plan assets	(159,614)	(130,313)
	44,912	26,033

**23.2.5 Movement in the present value of defined benefit obligation**

Balance at beginning of the year	156,346	127,076
Current service cost	23,101	19,653
Interest cost	15,150	10,592
Re-measurements	19,627	3,952
Benefits paid	(9,698)	(4,927)
Balance at end of the year	204,526	156,346

**23.2.6 Movement in the fair value of plan assets**

Balance at beginning of the year	130,313	106,884
Contributions	26,033	20,192
Benefits paid	(9,698)	(4,927)
Interest income	13,848	9,734
Re-measurements	(882)	(1,570)
Balance at end of the year	159,614	130,313

**23.2.7 Expense recognised in statement of profit or loss**

Current service cost	23,101	19,653
Interest cost - net	1,302	858
	24,403	20,511

**23.2.8 Re-measurement recognised in other comprehensive income**

Re-measurement loss on plan assets	882	1,570
Experience adjustments	19,627	3,952
	20,509	5,522

**23.2.9 Plan assets comprise of:**

Term deposit receipts including accrued mark-up	155,439	125,289
Cash and cash equivalent	4,175	5,024
	159,614	130,313

### 23.2.10 Actuarial assumptions used

	2022	2021
	( % per annum)	
Discount rate	13.25	10.00
Expected rate of increase in future salaries	12.25	9.00
Mortality rates (for death in service)	SLIC 2001-2005	SLIC 2001-2005

### 23.2.11 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in principal assumptions is:

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
(Rupees in thousand)			
Discount rate	1.00%	187,006	223,686
Increase in future salaries	1.00%	223,681	187,004

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the project unit credit method at the end of reporting period) has been applied as when calculating the gratuity liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

**23.2.12** Based on actuary's advice, the expected charge for the year ending June 30, 2023 amounts to Rs.34.728 million.

**23.2.13** The weighted average duration of the scheme is 11 years.

### 23.2.14 Historical information

	2022	2021	2020	2019	2018
(Rupees in thousand)					
Present value of defined benefit obligation	204,526	156,346	127,076	98,571	79,626
Experience adjustment	19,627	3,952	(273)	506	16,676

### 23.2.15 Expected maturity analysis of undiscounted retirement benefit plan:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
(Rupees in thousand)					
At June 30, 2022	10,258	25,905	40,631	305,272	382,066

**24. TRADE AND OTHER PAYABLES**

	Note	2022	2021
(Rupees in thousand)			
Creditors		1,197,421	615,922
Accrued liabilities		164,757	171,226
Contract liabilities - advances from customers	24.1	4,276,422	4,476,854
Advance against sale of investment in immovable property		-	5,000
Royalty payable		73,079	46,720
Retention money		-	20
Withholding tax		13,574	27,928
Provision for additional custom duty and others		398,723	391,607
Provision for warranty		25,526	20,759
Due to related parties	24.2	142,197	38,581
Workers' Profit Participation Fund	24.3	42,800	39,779
Workers' welfare fund	24.4	26,085	17,738
Others		22,614	19,035
		<u>6,383,198</u>	<u>5,871,169</u>

**24.1** These represent advances from customers against sale of vehicle and carry no mark-up. Revenue aggregating Rs.4,044.61 million (2021: Rs.4,877.05 million) has been recognised for preceding year contract liabilities - advance from customers.

**24.2 Due to related parties**

	Note	2022	2021
(Rupees in thousand)			
Ghandhara Nissan Limited		98,678	19,324
The Ghandhara Tyre & Rubber Company Limited		34,648	12,519
Rahman Cotton Mills Limited		2,700	900
Gammon Pakistan Limited		333	-
Waqf-e-Kuli Khan		5,818	5,818
Ghandhara DF (Private) Limited		20	20
		<u>142,197</u>	<u>38,581</u>

**24.3 Workers' profit participation fund**

Balance at beginning of the year		39,779	-
Add: allocation for the year	33	61,420	39,779
Add: interest on funds utilised in the Group's business		1,285	-
		<u>102,484</u>	<u>39,779</u>
Less: payments made during the year		59,684	-
Balance at end of the year		<u>42,800</u>	<u>39,779</u>

**24.4 Workers' welfare fund**

Balance at beginning of the year		17,738	-
Charge for the year	33	26,085	17,738
Less: paid during the year		17,738	-
Balance at end of the year		<u>26,085</u>	<u>17,738</u>

**25.** Cash dividend and issuance of bonus shares to M/s. Essar Asset Management (Private) Limited has been withheld in view of the restraining order dated November 16, 2018 passed by the Hon'ble High Court of Sindh in Suit No. 2149 of 2018.

**26. ACCRUED MARK-UP / INTEREST**

Note

Mark-up / interest accrued on:

- short term borrowings - secured
- long term loans - unsecured

	2022	2021
	(Rupees in thousand)	
	132,124	95,781
	4,703	5,922
	136,827	101,703

**27. SHORT TERM BORROWINGS - Secured**

Finance against imported merchandise	27.1	449,257	244,523
Istisna	27.2	1,238,924	570,000
Murabaha	27.2	1,776,502	602,155
Running finance / Musharakah	27.4	934,865	1,236,350
Short term loan		-	200,000
		4,399,548	2,853,028

**27.1** The Holding Company has arranged facilities aggregating Rs.8,625 million (2021: Rs.8,625 million) for opening of letters of credit from banks. These facilities are secured against cash margin and consignment of import documents in bank's favour. Finance against import merchandise (FIM) aggregating Rs.3,450 million (2021: Rs.4,150 million) are also available as sub-limit of abovementioned facilities. FIM is secured against pledge of goods. Mark-up on FIM is payable on quarterly basis at rate ranging from Matching KIBOR plus 1.00% per annum to 1.50% (2021: at rate ranging from Matching KIBOR plus 0.5% to 1.50% per annum). Profit on import Murabaha is payable on 180 days basis at the rate ranging from Relevant KIBOR plus 0.75% to 1.25% per annum (2021: at the rate ranging from 3 months KIBOR plus 0.70% to 1.20% per annum). These facilities are maturing on various dates latest by March 31, 2023.

**27.2** The Istisna facility of Rs. 2,350 million (2021: Rs.1,650 million) with a tenor of 180 days (2021: 180 days) and murabaha facility of Rs.3,150 million (2021: Rs. 1,750 million) are available from Banks. Profit on both facilities ranges from KIBOR (matching) plus 0.95% to 2.25% (2021: KIBOR (matching) plus 0.7% to 1.5%) and is payable along with the repayment of principal. These facilities are secured against first pari passu hypothecation charge on current assets of Rs. 4,667 million (2021: Rs. 4,200 million). The facilities shall be available latest by September 30, 2022.

**27.3** The Holding Company has foreign / inland bills discounting facility of Nil (2021: Rs.150 million). The facility was secured against lien over accepted bills under LCs. The facility had a maximum tenor of 180 days on roll over basis.

**27.4** The Holding Company has facilities for short-term running finance amounting Rs.1,940 million (2021: Rs.1,965 million) from banks. Mark-up is based on rates ranging from 1 month KIBOR plus 0.75% to 1 months KIBOR plus 1.25% per annum (2021: 1 month KIBOR plus 0.75% to 1 month KIBOR plus 1.25% per annum) payable on quarterly basis. The facilities is primarily secured against first pari passu charge by way of hypothecation over stocks and book debts aggregating Rs.2,200 million (2021: Rs.1,467 million). These facility is collateralized against equitable mortgage over land and buildings for an amount of Rs.300 million (2021: Rs.300 million). The facility has one year validity on roll over basis and is due for renewal on March 31, 2023.

**27.5** Represents short term loan from a commercial bank on April 15, 2021. The loan carries mark-up at the rate 3 month KIBOR plus 0.75% per annum and repayable in one year.

**27.6** The facility for bank guarantees of Rs.12,484 million including sublimit of Rs.586 million of running finance (2021: Rs.10,108 million including sublimit of Rs.1,536 million of running finance) is also available from banks. These facilities are secured against cash margin and equitable mortgage over immovable assets of the Holding Company to an extent of Rs.5,544 million (2021: Rs.4,354 million). The facilities shall be available latest by March 31, 2023.

## 28. CONTINGENCIES AND COMMITMENTS

### 28.1 Contingencies

(i) Suit against the Holding Company by the supplier for the recovery of Rs.25.87 million as compensation for breach of agreement. The suit is being defended by the Holding Company on a number of legal grounds. The suit is at present in evidence stage and the Holding Company has plausible defence.

(ii) The Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Unit, Karachi, passed an order dated December 29, 2020 and created a demand of Rs.7.229 million, including default surcharge and penalty on account of inadmissible input tax claim adjusted against reduced rate as per section 8(1)(j) of the Sales Tax Act, 1990. The Holding Company filed an appeal dated January 12, 2021 under section 45-B of the Sales Tax Act, 1990 with the Commissioner Inland Revenue Appeals -I, Karachi and submitted legal grounds on the input tax claimed. The Commissioner Appeals annulled the order of DCIR and related demand. Being aggrieved by the decision, department has approached Appellant Tribunal Inland Revenue, Karachi, which is pending for hearing. No provision has been made in these financial statements as the management believes that it will have a favourable decision.

### 28.2 Commitments

	2022	2021
	(Rupees in thousand)	
Bank guarantees	7,523,249	7,921,344
Letters of credit	1,960,841	4,113,813

28.3 Commitments outstanding for capital expenditure other than through letters of credit as at June 30, 2022 aggregated to Rs. 325 million (2021: Rs. Nil).

## 29. SALES - Net

Note

### Manufactured goods

	2022	2021
	(Rupees in thousand)	
Gross sales		
- local	28,054,966	17,116,213
- export	15,843	1,583
	28,070,809	17,117,796
Less: sales tax	4,231,512	2,513,951
	23,839,297	14,603,845

### Trading goods

Gross sales - local	509,343	471,228
Less: sales tax	83,533	75,580
	425,810	395,648
	24,265,107	14,999,493

## 30. COST OF SALES

### Manufactured goods

Stocks at beginning of year		1,942,860	2,100,456
Cost of goods manufactured	30.1	20,776,089	12,488,548
		22,718,949	14,589,004
Stocks at end of year	11	(1,729,423)	(1,942,860)
		20,989,526	12,646,144

### Trading goods

Stocks at beginning of year		805,565	763,063
Purchases		283,303	320,786
		1,088,868	1,083,849
Stocks at end of year	11	(770,940)	(805,565)
		317,928	278,284
		21,307,454	12,924,428

**30.1 Cost of goods manufactured**

	Note	2022	2021
(Rupees in thousand)			
Raw materials and components consumed	30.2	19,286,084	11,356,243
Stores consumed		109,728	22,202
Salaries, wages and other benefits	30.3	337,200	280,312
Fuel and power		29,189	26,983
Rent, rates and taxes		11,762	5,547
Insurance		14,475	14,736
Research and development		503	1,993
Repair and maintenance		19,025	25,716
Travelling and entertainment		2,006	4,831
Vehicle running and maintenance		745	1,758
Printing, stationery and office supplies		324	246
Communication		526	413
Royalty expense	30.4	90,736	30,229
Warranty obligation		4,768	20,759
Outside assembly charges		722,675	490,510
Depreciation on operating fixed asset	5.2	87,639	154,071
Depreciation on right of use assets	5.11	3,123	2,216
Freight and handling		30,381	47,901
Other expenses		-	3,116
		<u>20,750,889</u>	<u>12,489,782</u>
Work-in-process adjustment		25,200	(1,234)
		<u>20,776,089</u>	<u>12,488,548</u>

**30.2 Raw materials and components consumed**

Stocks at beginning of year	3,565,034	4,567,106
Add : purchases including duties, taxes and other charges	20,425,602	10,354,171
	<u>23,990,636</u>	<u>14,921,277</u>
Stocks at end of year	(4,704,552)	(3,565,034)
	<u>19,286,084</u>	<u>11,356,243</u>

**30.3** Salaries, wages and other benefits include Rs.7.40 million (2021: Rs.5.50 million) in respect of staff retirement benefits.

**30.4** Royalty charged in these financial statement pertains to Isuzu Motors Limited, Japan having registered office at 6-26-1 Minami-Oi, Shinagawa-ku, Tokyo 140-8722 Japan and Isuzu Motor Co. (Thailand) Limited having registered office at 38 Kor., Moo 9, Poochaosamingprai Rd., Samrong-Tai, Phrapradaeng, Samutprakan 10130, Thailand.

**31. DISTRIBUTION COST**

	Note	2022	2021
(Rupees in thousand)			
Salaries and benefits	31.1	156,378	121,891
Commission		572,371	200,197
Rent, rates and taxes		21,528	19,378
Insurance		1,586	1,117
Repair and maintenance		4,751	3,112
Utilities		79	642
Travelling and entertainment		4,047	7,243
Vehicle running and maintenance		2,894	1,941
Printing, stationery and office supplies		1,756	849
Communication		3,274	2,182
After sale services		33,610	33,707
Advertisement		20,497	31,054
Legal and professional charges		138	79
Late delivery charges		64,327	83,748
Depreciation on operating fixed asset	5.2	7,101	7,706
Depreciation on right of use assets	5.11	18,186	14,498
Freight forwarding and handling		51,871	30,099
Other expenses		428	10,782
		<u>964,822</u>	<u>570,225</u>

**31.1** Salaries and benefits include Rs.9.02 million (2021: Rs.6.96 million) in respect of staff retirement benefits.

**32. ADMINISTRATIVE EXPENSES**

	Note	2022	2021
(Rupees in thousand)			
Salaries and benefits	32.1	233,343	231,317
Staff training and ancillary cost		48	3,523
Rent, rates and taxes		1,263	2,173
Insurance		18,055	17,764
Repair and maintenance		5,620	11,561
Utilities		2,136	1,168
Travelling and entertainment		4,530	9,229
Vehicle running and maintenance		6,460	7,680
Printing, stationery and office supplies		11,536	10,524
Communication		3,147	2,728
Legal and professional charges		6,917	6,902
Fee and subscriptions		3,706	3,159
Depreciation on operating fixed asset	5.2	26,219	18,019
Depreciation on right of use assets	5.11	12,111	13,245
Amortization of intangible assets	6.1	789	715
Amortization / depreciation of investment property	7.1	122	243
Security expenses		13,861	13,773
Other expenses		2,856	454
		<u>352,719</u>	<u>354,177</u>

**32.1** Salaries and benefits include Rs.12.513 million (2021: Rs.12.19 million) in respect of staff retirement benefits.

### 33. OTHER EXPENSES

	Note	2022	2021
(Rupees in thousand)			
Auditors' remuneration			
- audit fee		1,000	1,000
- certifications and funds audit fee		662	405
- out of pocket expenses		50	35
		1,712	1,440
Workers' profits participation fund	24.3	61,420	39,779
Workers' welfare fund	24.4	26,085	17,738
Donation and charities	33.1	540	10,300
Exchange loss - net		528	723
Provision for doubtful debts, deposits and advance	12.3, 13 & 14	146,559	64,510
Retention money written back		(20)	
Investment property written off		82,804	-
Creditors balances written-back		(1,723)	-
		<u>317,905</u>	<u>134,490</u>

- 33.1** Include donation amounting Rs.0.300 million made to Dar-ul-Sakoon Pakistan, Rs.0.240 million to Khidmat-e-Khalq welfare organisation (2021: Rs.4.63 million made to SOS Children Village Pakistan and Rs.5.144 million paid to HED Azad Kashmir). None of the directors or their spouses had any interest in the donees.

### 34. OTHER INCOME

	Note	2022	2021
(Rupees in thousand)			
<b>Income from financial assets</b>			
Profit on saving accounts and term deposit receipt		89,132	61,188
<b>Income from other than financial assets</b>			
Gain on sale of operating fixed assets	5.8	11,888	6,995
Commission		10,037	3,983
Scrap sales - net of sales tax		150,445	107,839
Amortization of gain on sale and lease back of fixed assets	23.1	571	708
Rental income		7,924	7,145
		<u>269,997</u>	<u>187,858</u>

### 35. FINANCE COST

Mark-up / interest on:			
- long term borrowings		1,140	1,408
- lease finances		12,149	10,021
- finance against imported merchandise		162,729	148,551
- istisna / running finances / murabaha		201,853	259,555
- workers' profit participation fund	24.3	1,285	-
Bank charges and others		72,028	46,305
		<u>451,184</u>	<u>465,840</u>

**36. TAXATION**

	Note	2022	2021
(Rupees in thousand)			
Current tax			
- for the year	36.1	333,684	255,303
- for prior year		(16,546)	(29,237)
		317,138	226,066
Deferred tax - origination and reversal of temporary differences		95,296	(92,175)
		412,434	133,891

**36.1** No numeric tax rate reconciliation for the year is given in the financial statements, as provision made during the current year primarily represents minimum tax due under section 113 of the Income Tax Ordinance, 2001 (the Ordinance) and tax deducted under section 148 and 233 of the Ordinance.

**37. BASIC AND DILUTED EARNINGS PER SHARE**

	2022	2021
(Rupees in thousand)		
Profit after taxation	728,586	604,300
Weighted average ordinary shares outstanding during the year	42,608,844	42,608,844
	(Number of shares)	
	(Rupees)	
Earnings per share	17.10	14.18

**37.1** A diluted earnings per share has not been presented as the Group has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

**38. CASH (USED IN) / GENERATED FROM OPERATIONS**

	Note	2022	2021
(Rupees in thousand)			
Profit before taxation		1,141,020	738,191
Adjustment for non cash charges and other items:			
Depreciation / amortization on:			
- operating fixed assets		120,959	179,796
- right of use assets		33,420	29,959
- intangible assets		789	715
- investment property		87,926	243
Provision for compensated absences		3,799	4,149
Gain on sale of operating fixed assets		(11,888)	(6,995)
Amortization of gain on sale and lease back of fixed asset		(571)	(708)
Exchange loss - net		528	723
Finance cost		451,184	465,840
Profit on saving accounts and term deposit receipt		(89,132)	(61,188)
Provision for doubtful debts, deposits and advance		146,559	64,510
Provision for gratuity		24,403	20,511
Balances written-back		(1,723)	-
		1,908,996	1,435,746
Working capital changes - net	38.1	(2,538,956)	3,344,131
		(629,960)	4,779,877

**38.1 Working capital changes**

Note

	2022	2021
	(Rupees in thousand)	
Decrease / (increase) in current assets:		
Stores	7,583	1,582
Stock-in-trade	(866,256)	1,115,932
Trade debts	(1,220,822)	(6,867)
Loans and advances	(157,951)	(96,658)
Trade deposits and prepayments	(825,352)	3,431,589
Other receivables	(22,258)	4,296
Sales tax refundable / adjustable	34,071	(106,528)
	(3,050,985)	4,343,346
Increase / (decrease) in trade and other payables	512,029	(999,215)
	(2,538,956)	3,344,131

**39. CASH AND CASH EQUIVALENTS**

Cash and bank balances	16	682,250	731,461
Short term borrowings	27	(4,399,548)	(2,853,028)
		(3,717,298)	(2,121,567)

**40. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

	Chief executive		Director		Executives	
	2022	2021	2022	2021	2022	2021
	Note 40.3					
	(Rupees in thousand)					
Managerial remuneration and allowances	60,000	60,000	2,240	25,005	173,492	111,883
Bonus	15,000	20,000	2,688	10,750	48,694	51,216
Retirement benefit	5,000	5,000	224	2,084	16,831	10,499
Others including bonus	-	-	-	-	1,077	6,018
	80,000	85,000	5,152	37,839	240,094	179,616
Number of persons	1	1	1	1	67	46

**40.1** Certain employees are provided with free use of car maintained by the Holding Company in accordance with their terms of employment.

**40.2** Aggregate amount charged in the financial statements for meeting fee to Directors was Rs.4.9 million (2021: Rs.6.1 million).

**40.3** Represents remuneration of a Director from the date of appointment i.e. June 06, 2022.

**41. TRANSACTIONS WITH RELATED PARTIES**

Related parties of the Group comprise of the Ultimate Holding Company, Associated Companies / undertaking, technological suppliers, directors and executives. The Group in the normal course of business carries out transactions with various related parties at agreed terms and conditions. Amounts due from and to related parties, amounts due from executives and remuneration of directors and executives are disclosed in the relevant notes. Other material transactions with related parties are given below:

Name of related party and nature of relationship	Nature of transactions	2022	2021
		(Rupees in thousand)	
<b>(i) Associated Companies / Undertaking</b>			
The Ghandhara Tyre and Rubber Company Limited (Common Directorship)	Purchase of tyres	321,098	148,958
Ghandhara Nissan Limited (Common Directorship)	Assembly charges	847,987	588,843
	Purchase of vehicle	-	2,540
	Sales of parts	204	621
	Rental income	3,962	3,572
	Fabrication charges	750	-
	Re-imburement of expenses	108	638
Rehman Cotton Mills Limited (Common Directorship)	Sales of fork lifter	5,800	-
	Re-imburement of expenses	1,800	1,800
Gammon Pakistan Limited (Common Directorship)	Rent paid	3,028	3,000
Ghandhara DF (Private) Limited (Common Directorship)	Purchase of parts	-	4
	Rental income	3,962	3,573
Janana De Malucho Textile Mills Limited (Common Directorship)	Re-imburement of expenses	2,605	2,235
Business vision (Private) Limited (Common Directorship)	Advance made for property	125,000	-
<b>(ii) Other related parties</b>			
Gratuity fund Key management personnel	Contribution paid	26,033	20,192
	Remuneration, bonus and other benefits	204,075	213,783
	Sale of pick up truck	-	1,316

## 42. PRODUCTION CAPACITY

The production capacity of the plant cannot be determined as this depends upon the mix of assembly of trucks, buses and fabrication of commercial bodies.

The Holding Company has outsourced the assembly of trucks, buses and pick ups to Ghandhara Nissan Limited (an Associated Company) therefore figures for the actual production for the current year have not been given.

## 43. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

### 43.1 Financial assets and liabilities by category and their respective maturities

	Interest / mark-up bearing			Non interest / mark-up bearing			Total
	Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	Sub-total	
(Rupees in thousand)							
<b>Financial assets as per balance sheet</b>							
<b>Investments - at cost</b>							
<b>Amortised cost</b>							
Loans and advances	-	-	-	313	202	515	515
Deposits	1,046,128	-	1,046,128	614,491	25,784	640,275	1,686,403
Trade debts	-	-	-	1,655,208	-	1,655,208	1,655,208
Other receivables	-	-	-	25,974	-	25,974	25,974
Cash and bank balances	441,575	-	441,575	240,675	-	240,675	682,250
<b>June 30, 2022</b>	<b>1,487,703</b>	<b>-</b>	<b>1,487,703</b>	<b>2,536,661</b>	<b>25,986</b>	<b>2,562,647</b>	<b>4,050,350</b>
June 30, 2021	308,429	-	308,429	1,838,438	26,532	1,864,970	2,173,399
<b>Financial liabilities as per balance sheet</b>							
<b>At amortised cost</b>							
Long term loan	49,211	-	49,211	-	-	-	49,211
Trade and other payables	-	-	-	2,067,117	-	2,067,117	2,067,117
Accrued mark-up / interest	-	-	-	136,827	-	136,827	136,827
Short term borrowings	4,399,548	-	4,399,548	-	-	-	4,399,548
Liabilities against assets subject to finance lease	36,602	68,060	104,662	-	-	-	104,662
<b>June 30, 2022</b>	<b>4,485,361</b>	<b>68,060</b>	<b>4,553,421</b>	<b>2,203,944</b>	<b>-</b>	<b>2,203,944</b>	<b>6,757,365</b>
June 30, 2021	2,884,483	71,460	2,955,943	1,576,108	51,900	1,628,008	4,583,951
<b>On Balance Sheet Gap</b>							
<b>June 30, 2022</b>	<b>(2,997,658)</b>	<b>(68,060)</b>	<b>(3,065,718)</b>	<b>332,717</b>	<b>25,986</b>	<b>358,703</b>	<b>(2,707,015)</b>
June 30, 2021	(2,576,054)	(71,460)	(2,647,514)	262,330	(25,368)	236,962	(2,410,552)
<b>Off Balance Sheet</b>							
Letters of credit							1,960,841
Letters of guarantee							7,523,249
						<b>June 30, 2022</b>	<b>9,484,090</b>
						June 30, 2021	12,035,157

The effective interest / mark-up rates for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

## **43.2 Financial risk factors**

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign exchange risk and interest / mark-up rate risk). The Group's overall risk management program focuses on having cost effective funding as well as manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

### **(a) Credit risk**

Credit risk represents the accounting loss that would be recognised if counterparties fails to perform as contracted. Credit risk mainly arises from loans & advances, deposits, trade debts, other receivables and bank balances. The financial assets exposed to credit risk aggregated to Rs.4,049.117 million (2021: Rs.2,237.81 million).

The Group believes that it is not materially exposed to credit risk as; (i) trade debts mainly represent receivables from government, semi-government agencies and dealers, (ii) deposits mainly include margin against letters of credit and bank guarantees held with banks having good credit ratings and (iii) balances placed with banks having good credit ratings assigned by credit rating agencies.

The Group attempts to control credit risk by monitoring credit exposure, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

### **(b) Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligation as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and bank balances and availability of funding through an adequate amount of committed credit facilities. The Group aims to maintain flexibility in funding by keeping committed credit lines open.

The maturity profile of the Group's liabilities based on maturities is disclosed in note 43.1 of these financial statements.

### **(c) Market risk**

#### **Foreign exchange risk**

Foreign exchange risk arises mainly when receivables and payables exist due to transactions based on currencies other than Pak Rupee. At June 30, 2022, payables and receivables exposed to foreign exchange risk are Rs.72.68 million (2021: Rs.46.72 million) and Nil (2021: Nil) respectively. The liability and receivable are denominated in Japanese Yen / US Dollars.

At June 30, 2022, if Pak Rupee had weakened / strengthened by 9% (2021:9%) against Japanese Yen and US Dollars with all other variables held constant, profit before tax for the year would have been lower / higher by Rs.6.54 million and Nil (2021: Rs.4.2 million and Nil), mainly as a result of foreign exchange loss / gain on translation of Japanese Yen and dollars denominated financial assets and liabilities.

The sensitivity of foreign exchange rate looks at the outstanding foreign exchange balances of the Group as at the reporting date. The volatility percentage for movement in foreign exchange rates has been used due to the fact that historically (5 years) rate has moved on average basis by the mentioned percentage per annum.

### **Interest / mark-up rate risk**

Interest / mark-up rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. At June 30, 2022, the Group's interest bearing financial liabilities of Rs.4,553.42 million (2021: Rs.3,098.82 million) represent the short term borrowings at floating rate to manage the working capital requirements of the Group and obligation under assets subject to finance lease. These liabilities are re-priced at a maximum period of six months. The effective mark-up rates for financial assets and liabilities are mentioned in respective notes to the financial statements.

Had the interest rates varied by 100 basis points with all other variables held constant, (loss) / profit before tax for the year would have been approximately higher / lower by Rs.45.53 million (2021: Rs.30.98 million).

The sensitivity of 100 basis points movement in the interest rates has been used as historically (five years) floating interest rates have moved by an average of 100 basis per annum.

### **43.3 Price risk**

The Group is not exposed to any price risk as it does not hold any investments exposed to price risk.

### **43.4 Fair values of financial assets and liabilities**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Group is going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

The estimated fair value of all financial assets and liabilities is considered not significantly different from book values as the items are either short - term in nature or periodically repriced.

International Financial Reporting Standard 13, 'Financial Instruments : Disclosure' requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

Currently there are no financial assets or financial liabilities which are measured at their fair value in the statement of financial position.

## **44. CAPITAL RISK MANAGEMENT**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure,

the Group may adjust the amount of dividends paid to shareholders and / or issue new shares. There was no change to the Group's approach to capital management during the year. The Group monitors capital on the basis of gearing ratio calculated as follows:

	2022	2021
	(Rupees in thousand)	
Total borrowings	4,553,421	3,098,820
Cash and bank balances	(682,250)	(731,461)
Net debt	3,871,171	2,367,359
Total Equity	6,390,073	5,676,042
Total Capital	10,261,244	8,043,401
Gearing ratio	38%	29%

#### 45. OPERATING SEGMENTS

These consolidated financial statements have been prepared on the basis of a single reportable segment.

(a) All non-current assets of the Group at June 30, 2022 are located in Pakistan.

(b) Export sales are made to Republic of Mauritius & The Common Wealth of Australia. Result of the Group's revenue from external customers in Pakistan is Rs.24,249.264 million (2021: Rs.14,997.91 million) and total revenue from external customers from other countries is Rs.15.843 million (2021: Rs.1.583 million).

(c) Sale to one party aggregating Rs.6,174.155 million account for 25.40% of net sales.

#### 46. NUMBER OF EMPLOYEES

The number of employees (including contractual employee) at June 30, 2022 were 660 (2021: 681) and average number of employees during the year were 654 (2021: 665).

#### 47. SHAHRIAH SCREENING DISCLOSURE

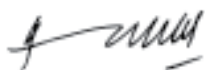
	2022		2021	
	Convent- ional	Shariah Compliant	Convent- ional	Shariah Compliant
	(Rupees in thousand)			
Bank balances	1,651,774	69,576	338,095	393,705
Accrued mark-up	34,756	94,043	76,898	24,805
Long term loans	49,211	-	142,877	-
Short term borrowings	1,229,536	3,170,012	1,680,873	1,172,155
Revenue	-	24,265,107	-	14,999,493
Other income				
a) Profit on saving accounts and term deposit receipts	85,181	3,951	57,551	3,637
b) Others	-	180,865	-	126,670
Mark-up / interest expense	177,915	201,241	219,740	200,175

#### 48. CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation the effect of which is not material.

#### 49. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on October 4, 2022 by the Board of Directors of the Holding Company.



**Ahmad Kuli Khan Khattak**  
Chief Executive



**Shahid Kamal Khan**  
Director



**Muhammad Aamir**  
Chief Financial Officer

# ***Electronic Dividend Mandate Form***

In accordance with the provisions of section 242 of the Companies Act, 2017, dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders.

Shareholders are requested to send the attached Form duly filled and signed, along with attested copy of their CNIC to the Company's Share Registrar, **M/s. CDC Share Registrar Services Limited. CDC House no. 99-B, Block B, S.M.C.H.S Main Shahrah-e-Faisal, Karachi.** CDC shareholders are requested to submit their Dividend Mandate Form and attested copy of CNIC directly to their broker (participant)/CDC.

I hereby communicate to receive my future dividends directly in my Bank account as detailed below:

Name of shareholder :-----  
Folio Number/CDC Account No. : -----of Ghandhara Industires Limited  
Contact number of shareholder :-----  
Title of Account :-----  
IBAN (\*) :-----  
Name of Bank :-----  
Bank branch :-----  
Mailing Address of Branch :-----  
CNIC No. (attach attested copy) :-----  
NTN (in case of corporate entity) :-----

It is stated that the above particulars given by me are correct and to the best of my knowledge; I shall keep the Company informed in case of any changes in the said particulars in future.

\_\_\_\_\_  
Shareholder's Signature

\_\_\_\_\_  
Date

## NOTES:

- \* Please provide complete IBAN (International Bank Account Number), after checking with your concerned Bank branch to enable electronic credit directly into your bank account.

# Proxy Form

I/We \_\_\_\_\_  
being a Shareholder of Ghandhara Industries Limited and holding \_\_\_\_\_ Ordinary Shares as per  
Register Folio No \_\_\_\_\_ or CDC Participant's I.D. No. \_\_\_\_\_ A/c No. \_\_\_\_\_ hereby appoint  
Mr / Mrs \_\_\_\_\_ of \_\_\_\_\_ or failing him/her  
Mr / Mrs \_\_\_\_\_ of \_\_\_\_\_ as my/our Proxy in  
my/our absence to attend and vote for me/us and on my/our behalf at the 59<sup>th</sup> Annual General Meeting of the  
Company to be held on Friday , 28th October, 2022 at 11:30 A.M. and any adjournment thereof.

Affix Revenue Stamp(s) of Rupees five  
Executant's Signature on Revenue Stamp(s)  
(Signature should agree with the Specimen Signature registered with the Company).

Executant's Computerized National identity Card Number (CNIC or Passport Number)

_____ First Witness Signature	_____ Second Witness Signature
_____ Name in Block letters and Address	_____ Name in Block letters and Address
_____ Computerized National Identity Card Number or Passport Number of Witness	_____ Computerized National Identity Card Number or Passport Number of Witness

\_\_\_\_\_  
Proxy's Signature

\_\_\_\_\_  
Proxy's Signature

\_\_\_\_\_  
Proxy's CNIC Number or Passport Number

\_\_\_\_\_  
Proxy's CNIC Number or Passport Number

## NOTES:

1. A shareholder entitled to attend and vote at the Annual General Meeting of the Company may appoint any person as his/her proxy to attend and vote instead of him/her. The proxy shall have the right to attend, speak and vote in place of the shareholder appointing him/her at the meeting.
2. The instrument appointing a proxy should be signed by the Shareholder or by his/her Attorney, duly authorized in writing and person appointed proxy. In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted along with proxy form to the company.
3. The Proxy Form duly completed, must be deposited at the Company's Registered Office at F-3, Hub Chauki Road S.I.T.E, Karachi not less than 48 hours before the time of holding the meeting.
4. Shareholders whose holdings are in the Central Depository System (CDS) and their proxies both, should attach with this form, attested copies of their Computerized National Identity Card or (attested copies of first four pages of their passport). To facilitate identification at the AGM, the proxy should bring his/her original Computerized National Identity Card or passport. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.

# پراکسی فارم

میں / ہم \_\_\_\_\_  
ساکن \_\_\_\_\_  
بحیثیت ممبر (ز) گندھارا انڈسٹریز لمیٹڈ اور حق ملکیت رکھتے ہوئے  
عمومی شیئرز جس کا اندراج رجسٹر فوئیو نمبر \_\_\_\_\_ اور سینٹرل ڈپازٹری کمپنی اکاؤنٹ نمبر \_\_\_\_\_ کو اپنی جانب سے  
نامزد کرتا ہوں \_\_\_\_\_  
ساکن \_\_\_\_\_  
اور ان کے ناجائز پر مسمیٰ / مسماۃ \_\_\_\_\_  
ساکن \_\_\_\_\_ بطور پراکسی مقرر کرنا / کرتے ہیں تاکہ وہ میری / ہماری طرف سے کمپنی کے 59 ویں سالانہ عام اجلاس، مقام رجسٹرڈ آفس بتاریخ 28 اکتوبر 2022 بوقت 11:30 A.M بجے منعقد ہو رہا ہے، اس میں یا اس کے کسی ملٹوی شدہ اجلاس میں شرکت کرے اور ووٹ ڈالے۔

5 روپے کے ریونیو ٹکٹ لگائیں  
ریونیو ٹکٹ پر تکمیل کنندہ کے دستخط  
(یہ دستخط کمپنی میں رجسٹر شدہ دستخط جیسے ہونے چاہئیں)

تکمیل کنندہ کا کمپیوٹر انزڈ قومی شناختی کارڈ نمبر یا پاسپورٹ نمبر

پہلے گواہ کے دستخط	دوسرے گواہ کے دستخط
نام اور پتہ	نام اور پتہ
گواہ کا کمپیوٹر انزڈ قومی شناختی کارڈ نمبر یا پاسپورٹ نمبر	گواہ کا کمپیوٹر انزڈ قومی شناختی کارڈ نمبر یا پاسپورٹ نمبر

نمائندہ کے دستخط

نمائندہ کے دستخط

نمائندہ کا کمپیوٹر انزڈ قومی شناختی کارڈ نمبر یا پاسپورٹ نمبر

نمائندہ کا کمپیوٹر انزڈ قومی شناختی کارڈ نمبر یا پاسپورٹ نمبر

نوٹس:








1. کمپنی کی سالانہ جنرل میٹنگ میں شرکت کرنے اور ووٹ دینے کا اہل کسی بھی فرد کو اپنا نائب نامزد کر سکتا ہے تاکہ وہ اس کی غیر موجودگی میں شرکت کرے اور ووٹ ڈالے۔ نائب کو اختیار حاصل ہے کہ وہ شیئرز ہولڈر کے بدلے میٹنگ میں شرکت کرے، بولے اور ووٹ دے۔
2. نائب کی نامزدگی کی درخواست پر شیئرز ہولڈر یا اس مرد / عورت کے اٹارنی کے دستخط ہونے چاہئیں جس پر اس فرد نمائندہ نامزد کرنے والے کا لکھا ہوا اجازت نامہ ہو۔ کسی اجتماعی ادارے کی صورت میں کمپنی کو بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی بمعہ دستخط نمائندگی کے فارم کے ساتھ جمع کروانے چاہئیں گے۔
3. اس نمائندگی فارم کو پوری طرح مکمل اور دستخط شدہ ہونا چاہیے اور میٹنگ منعقد ہونے کے بعد 48 گھنٹوں سے کم نہ ہونے والی مدت میں کمپنی کے رجسٹرڈ آفس F-3، حب چوکی روڈ، سائٹ میں جمع کیا جانا چاہیے۔
4. ایسے شیئرز ہولڈرز جن کی ہولڈنگز سینٹرل ڈپازٹری سسٹم میں ہو اور ان کے دونوں نمائندگان اس فارم کے ساتھ تصدیق شدہ کمپیوٹر انزڈ قومی شناختی کارڈ (پاسپورٹ کے پہلے چار صفحات کی تصدیق شدہ نقول) منسلک ہونی چاہئیں۔ سالانہ جنرل میٹنگ میں ان کی شناخت کے لیے نمائندہ فرد کو اپنے ساتھ اصل کمپیوٹر انزڈ قومی شناختی کارڈ یا پاسپورٹ لانا ضروری ہے۔ کسی اجتماعی ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی بمعہ دستخط نمائندہ پیش کی جانی چاہیے۔










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