

VISION

To maximize market share by producing and marketing highest quality vehicles in Pakistan.

MISSION

- As a customer oriented Company, provide highest level of customer satisfaction.
- To accelerate performance in all operating areas, ensuring growth of the Company and increasing return to the stakeholders.
- To create a conducive working environment leading to enhanced productivity, job satisfaction and personal development of the employees.
- To contribute to social welfare by adopting environment friendly practices and processes for the well being of society.

Company Profile

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Board of Directors

Mr. Raza Kuli Khan Khattak
Lt. Gen. (Retd.) Ali Kuli Khan Khattak
Mr. Ahmed Kuli Khan Khattak
Mr. Mushtaq Ahmed Khan (FCA)
Ch. Sher Muhammad
Mr. Jamil A. Shah
Syed Haroon Rashid
Mr. Mohammad Zia
Mr. Larbi Hbil

Chairman
President
Chief Executive Officer

Company Secretary

Mr. Aqiel Amjad Ghani

Chief Financial Officer

Mr. Muhammad Saleem Baig

Registered Office

Ghandhara House
109/2, Clifton, Karachi

Factory

Truck / Car Plants
Port Bin Qasim, Karachi

Bankers of the Company

National Bank of Pakistan Limited
The Bank of Khyber
Faysal Bank Limited
Soneri Bank Limited
Deutsche Bank
MCB Bank Limited
United Bank Limited
Allied Bank Limited
Standard Chartered Bank
The Bank of Tokyo – Mitsubishi, Ltd.
Bank Al Falah
NIB Bank Limited
Habib Bank Limited
The Hong Kong & Shanghai Banking Corporation
Askari Commercial Bank Limited
JS Bank Limited

Audit Committee

- Lt. Gen. (R) Ali Kuli Khan Khattak - Chairman
- Ch. Sher Muhammad - Member
- Mr. Mushtaq Ahmed Khan (FCA) - Member
- Mr. Jamil A. Shah - Member

Human Resource & Remuneration Committee

- Lt. Gen. (R) Ali Kuli Khan Khattak - Chairman
- Mr. Ahmed Kuli Khan Khattak - Member
- Ch. Sher Muhammad - Member
- Mr. Muhammad Zia - Member

Auditors

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

M/s. Muniff Ziauddin Junaidy & Co.
Chartered Accountants
Business Executive Centre
F/17/3, Block 8, Clifton
Karachi

Legal & Tax Advisors

Shaukat Law Associates
217-218, Central Hotel Annexe
Abdullah Haroon Road
Karachi

Share Registrars

T.H.K. Associates (Pvt.) Ltd.
Ground Floor, State Life Bldg. No.3
Dr. Zia uddin Ahmed Road
Karachi

REPORT
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 30th Annual General Meeting of the Shareholders of Ghandhara Nissan Limited will be held on Monday, 29th October 2012 at 10:00 A.M., at Ghandhara House 109/2, Clifton, Karachi, to transact the following business:

- To confirm the minutes of the Annual General Meeting held on 27th October, 2011.
- To receive, consider and approve the Audited Accounts of the Company for the year ended 30th June, 2012 together with Directors' and Auditors' Reports thereon.
- To appoint Auditors for the year ending 30th June, 2013 and fix their remuneration. The retiring Auditors, M/s. Hameed Chaudhri & Co., Chartered Accountants and M/s. Muniff Ziauddin Junaidy & Co., Chartered Accountants being eligible, offer themselves for reappointment.
- To transact any other business with the permission of the Chair.

By Order of the Board

**AQIEL AMJAD GHANI
(COMPANY SECRETARY)**

Karachi: 5th October, 2012

NOTES:

1. The Share Transfer Books of the Company will remain closed from 25th October 2012 to 31st October 2012 (both days inclusive).
2. A member entitled to attend and vote at the Annual General Meeting is entitled to cast his/her vote by proxy. Proxies must be deposited at the Company's Registered Office at Ghandhara House 109/2, Clifton, Karachi not later than 48 hours before the time for holding the meeting.

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3. Individual beneficial owners of CDC entitled to attend and vote at this meeting must bring their participant ID and account/sub-account numbers along with original CNIC or passport to verify his/her identity. In case of Corporate entity, resolution of the Board of Directors/Power of Attorney with specimen signature of the nominees shall be produced (unless submitted earlier) at the time of meeting.
 4. For appointing proxies, the individual beneficial owners of CDC shall submit the proxy form as per above requirement alongwith participant ID and account / sub-account number together with attested copy of their CNIC or passport. The proxy form shall be witnessed by two witnesses with their names, addresses and CNIC numbers. The proxy shall produce his/her original CNIC or passport at the time of meeting. In case of Corporate entity, resolution of the Board of Directors/Power of Attorney with specimen signature of the proxy shall be produced at the time of meeting (unless submitted earlier) alongwith the proxy form.
 5. Members are requested to notify any change in their address, immediately to our Share Registrar's Office – M/s. THK Associates (Pvt.) Ltd., Ground Floor, State Life Bldg. No.3, Dr. Ziauddin Ahmed Road, Karachi.

I am pleased to present to you the annual financial statements of your Company for the year ended June 30, 2012.

The Economy

The economy has been suffering due to continued militant insurgency, intensification of war on terror, devastating floods, circular debts, energy crisis, unprecedented food inflation and the lack of employment opportunities leading to public unrest resulting in reduced economic growth.

The GDP growth was 3.7% against the forecasted growth of 4.2% for the year 2011-12. The inflation recorded during this period was 11%. For the year 2012-13 the GDP forecast is 4.3% and inflation rate 9.5%.

With the general elections and emerging political scenario, we hope that the forecasted GDP and inflation rate would be achieved.

Company's performance

During the period under review, the Company sold 230 units of UD trucks as compared to the sales of 487 units last year. Under contract assembly business 1,379 units were assembled as compared to 1,326 units last year.

The Management has been able to maintain and avoid any increase in administration, selling and distribution expenses as compared to the last year despite double digit inflation.

Future Outlook

I am pleased to inform you that the Company has been successful in attaining the franchise of Dongfeng of Chinese origin and has also completed the test and trial of these units. Prior to the commencement of CKD operations, CBU units have been supplied to the market to establish their market acceptability.

The Chinese product being cost effective, will broaden the Company's scale of operations and will contribute substantial revenue.

Acknowledgement

I take this opportunity on behalf of Board of Directors and on my own behalf to express appreciation for the dedicated and sincere efforts of the workers, staff and executives of the Company. I also take this opportunity to express our thanks to Nissan Motor Co. Japan, UD Trucks Corporation Japan, (formerly Nissan Diesel Motor Co. Limited Japan), Dongfeng Motor Company Limited China, the Management of Sigma Motors (Pvt.) Ltd., and Ghandhara Industries Ltd., Shareholders, Dealers and Vendors for their cooperation. I am also very grateful to our Bankers for their cooperation and understanding shown to us.

Karachi
Dated: 3rd October, 2012

Raza Kuli Khan Khattak
Chairman Board of Directors

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GHANDHARA NISSAN LIMITED

Directors' Report

The Directors of your Company are pleased to present their Report together with the Audited Accounts and Auditors' Report thereon for the year ended 30th June 2012.

Financial Results

The financial results for the year ended 30th June 2012 are summarized below:-

	<u>2012</u>	<u>2011</u>
	(Rupees in thousands)	
Loss before taxation	(97,683)	(15,493)
Taxation		
Current	(14,686)	(27,927)
Prior year	(142)	(208)
Deferred	26,543	50,725
	<u>11,715</u>	<u>22,590</u>
(Loss) / profit after taxation	<u>(85,968)</u>	<u>7,097</u>
Accumulated profit		
Brought forward	114,349	85,973
Incremental depreciation	20,845	21,279
	<u>135,194</u>	<u>107,252</u>
Accumulated profit		
Carried forward	<u>49,226</u>	<u>114,349</u>
(Loss) / earning per share	<u>(1.91)</u>	<u>0.16</u>

The Board of Directors has recommended nil dividend due to loss before tax for the year ended 30th June 2012.

Operating Results

The depressed economic conditions and the withdrawal of zero rating sales tax on trucks and buses have made the business conditions more difficult. Appreciation of Yen and imposition of sales tax has resulted in increase of over Rupees one million per unit in price.

Due to increase in cost and selling prices, there has been a significant drop in volume and consequent reduced revenues showing a loss of Rs. 86.0 million (after tax) as compared to the last year's profit of Rs. 7.0 million (after tax).

Chairman's Review

The Review included in the Annual Report deals inter-alia with the performance of the Company for the year ended 30th June 2012 and its future outlook. The Directors of the Company endorse the contents of this Review.

Statement of Compliance with Code of Corporate Governance

In compliance with the Code of Corporate Governance the Board of Directors hereby declares that:

- The financial statements for the year ended June 30, 2012 present fairly the state of the Company's affairs, the results of its operations, cash flow and changes in equity.
- Proper books of accounts have been maintained by the Company.
- Appropriate accounting policies have consistently been applied in preparation of financial statements for the year ended June 30, 2012 and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards as applicable in Pakistan have been followed in the preparation of financial statements and departures if any, are adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts about the Company's ability to continue as a going concern.
- There has been no material departure from the practices of the Corporate Governance, as detailed in the Listing Regulations.

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- The highlights of Key Financial data for the last six years are annexed.
 - The value of Provident Fund investments for the year ended June 30, 2012 was Rs.43,746 million (2011 Rs. 35.99 million).
 - Government levies such as Custom Duty, Sales Tax and Income Tax have been provided for in these Audited Accounts.
 - Auditors' Review Report to the Members on Statement of Compliance with Best Practices of Code of Corporate Governance is annexed.

Audit Committee

An audit committee has been working in accordance with the requirements of the code of Corporate Governance with the following members:

- | | |
|---|----------|
| - Lt. Gen. (Retd) Ali Kuli Khan Khattak | Chairman |
| - Ch. Sher Muhammad | Member |
| - Mr. Jamil A. Shah | Member |
| - Mr. Mushtaq Ahmed Khan (FCA) | Member |

Human Resource and Remuneration Committee

During the year the Company has formed a Human Resource and Remuneration Committee in accordance with the requirements of the code of Corporate Governance with the following members:

- | | |
|---|----------|
| - Lt. Gen. (Retd) Ali Kuli Khan Khattak | Chairman |
| - Mr. Ahmed Kuli Khan Khattak | Member |
| - Ch. Sher Muhammad | Member |
| - Mr. Muhammad Zia | Member |

Board Meetings

During the year four Board meetings were held for consideration and approval of accounts alongwith other matters of significant importance. Attendance was as follows:-

<u>Name</u>	<u>Attendance</u>
Mr. Raza Kuli Khan Khattak	3
Lt. Gen. (Retd) Ali Kuli Khan Khattak	2
Mr. Ahmed Kuli Khan Khattak	4

Mr. Mushtaq Ahmed Khan (FCA)
Ch. Sher Mohammad
Mr. Muhammad Zia
Mr. Jamil A. Shah
Mr. Haroon Rasheed
Mr. Jacques Michel

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Leave of absence was granted to the Directors who could not attend the Board Meetings.

Subsequent to year end, Mr. Jacques Michel nominee of UD Trucks Corporation, Japan, resigned on September 7, 2012 from Board of Directors, his resignation was accepted on October 3, 2012 and on the same date Mr. Larbi Hbil was appointed in his place as nominee of UD Trucks Corporation, Japan.

The directors including CEO, CFO, Company Secretary and their spouses and minor Children have not traded in the shares of the company during the year ended 30th June 2012.

Market Share Price

During the year the maximum and minimum market price of Company's shares was Rs.5.80 and Rs.2.06 respectively.

Holding Company

Bibojee Services (Pvt.) Ltd. with 62.32% shares is the holding Company of Ghandhara Nissan Ltd.

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 the report.

Pattern of Shareholding

The pattern of shareholding as on 30th June 2012 of the company is annexed.

Auditors

The present Auditors M/s Hameed Chaudhri & Co. Chartered Accountants and M/s. Muniff Ziauddin Junaidy & Co. Chartered Accountants, retire, and being eligible, offer themselves for reappointment.

For and on behalf of the
Board of Directors

Ahmed Kuli Khan Khattak
Chief Executive

Karachi: 3rd October, 2012

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Ghandhara Nissan Limited** as at June 30, 2012 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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, 2012 and of the loss, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS
Osman Hameed Chaudhri
Karachi: 3rd October, 2012

MUNIFF ZIAUDDIN JUNAIDY & CO.,
CHARTERED ACCOUNTANTS
Mohammad Moin Khan
Karachi: 3rd October, 2012

**BALANCE SHEET
AS AT JUNE 30, 2012**

Assets	Note	2012 ---- Rupees in '000 ----	2011
Non Current Assets			
Property, plant and equipment	5	1,382,669	1,441,345
Intangible assets	6	211	281
Long term investments	7	394,182	408,628
Long term deposits	8	7,726	12,091
		1,784,788	1,862,345
Current Assets			
Stores, spares and loose tools	9	35,990	36,075
Stock-in-trade	10	565,196	530,701
Trade debts	11	246,889	528,774
Loans and advances	12	13,934	11,237
Prepayments	13	10,215	21,196
Other receivables	14	37,748	74,701
Taxation - net		11,894	-
Bank balances	15	33,452	31,004
		955,318	1,233,688
		2,740,106	3,096,033
Equity and Liabilities			
Share Capital and Reserves			
Share capital	16	450,025	450,025
Share premium		40,000	40,000
Item credited directly to equity of an Associate		59,767	58,418
Unappropriated profit		49,226	114,349
		599,018	662,792
Surplus on Revaluation of Fixed Assets	17	1,030,838	1,053,032
Non Current Liabilities			
Long term financing	18	-	58,333
Liabilities against assets subject to finance lease	19	1,115	7,417
Long term deposits	20	9,611	9,611
Deferred liabilities	21	97,171	117,189
		107,897	192,550
Current Liabilities			
Trade and other payables	22	339,938	365,137
Accrued mark-up	23	21,043	27,657
Short term finances	24	406,131	467,416
Running finances under mark-up arrangements	25	150,738	224,365
Current portion of long term financing	18	77,778	79,196
Current portion of liabilities against assets subject to finance lease	19	6,725	10,904
Taxation - net		-	12,984
		1,002,353	1,187,659
Contingencies and Commitments	26	2,740,106	3,096,033

The annexed notes from 1 to 42 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2012

	Note	2012 --- Rupees in '000 ---	2011
Revenue - Net	27	1,388,002	2,650,068
Cost of sales	28	(1,257,424)	(2,397,795)
Gross profit		<u>130,578</u>	<u>252,273</u>
Distribution cost	29	(21,387)	(30,865)
Administrative expenses	30	(109,021)	(111,432)
Other operating income	31	25,730	41,938
Profit from operations		<u>25,900</u>	<u>151,914</u>
Finance cost	32	(109,137)	(175,977)
		<u>(83,237)</u>	<u>(24,063)</u>
Share of (loss) / profit of Associated Company		(14,446)	8,570
Loss before taxation		<u>(97,683)</u>	<u>(15,493)</u>
Taxation	33	11,715	22,590
(Loss) / profit after taxation		<u>(85,968)</u>	<u>7,097</u>
Other comprehensive income		-	-
Total comprehensive (loss) / income for the year		<u><u>(85,968)</u></u>	<u><u>7,097</u></u>
		----- Rupees -----	
(Loss) / earnings per share - basic and diluted	34	<u><u>(1.91)</u></u>	<u><u>0.16</u></u>

The annexed notes from 1 to 42 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

**CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2012**

	2012 ---- Rupees in '000 ----	2011
Cash flows from operating activities		
Loss before taxation	(97,683)	(15,493)
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	62,275	66,967
Interest income	(1,348)	(1,018)
Finance cost	100,266	172,214
Gain on disposal of property, plant and equipment	(10,446)	(2,510)
Exchange loss	6,836	3,763
Share of loss / (profit) of Associated Company	14,446	(8,570)
Provision for gratuity	10,112	9,668
Operating profit before working capital changes	84,458	225,021
Decrease / (increase) in current assets		
Stores, spares and loose tools	85	(1,473)
Stock-in-trade	(34,495)	533,192
Trade debts	281,885	(309,907)
Loans and advances	(2,697)	3,476
Prepayments	10,981	(9,172)
Other receivables	36,953	37,162
	292,712	253,278
Decrease in trade and other payables	(32,035)	(127,976)
Cash generated from operations	345,135	350,323
Gratuity and compensated absences paid	(3,587)	(5,680)
Finance cost paid	(106,880)	(169,695)
Taxes (paid) / refunded	(39,706)	3,421
Net cash generated from operating activities	194,962	178,369
Cash flows from investing activities		
Fixed capital expenditure	(22,739)	(12,944)
Proceeds from disposal of property, plant and equipment	29,656	3,470
Interest income received	1,348	1,018
Long term deposits - net	4,365	(385)
Net cash generated from / (used in) investing activities	12,630	(8,841)
Cash flows from financing activities		
Repayment of long term financing	(59,751)	(54,954)
Lease finances - net	(10,481)	(10,682)
Short term finances - net	(61,285)	(198,052)
Running finances - net	(73,627)	52,599
Dividend paid	-	(5)
Net cash used in financing activities	(205,144)	(211,094)
Net increase / (decrease) in cash and cash equivalents	2,448	(41,566)
Cash and cash equivalents - at the beginning of the year	31,004	72,570
Cash and cash equivalents - at the end of the year	33,452	31,004

The annexed notes from 1 to 42 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2012**

	Share capital	Share premium	Items credited directly in equity of an Associate	Unappropriated profit	Total
----- Rupees in '000 -----					
Balance as at July 01, 2010	450,025	40,000	57,203	85,973	633,201
Total comprehensive income for the year	-	-	-	7,097	7,097
Surplus on revaluation of fixed assets realised during the year (net of deferred taxation) on account of incremental depreciation	-	-	-	21,279	21,279
Effect of items directly credited in equity by an Associated Company	-	-	1,215	-	1,215
Balance as at June 30, 2011	450,025	40,000	58,418	114,349	662,792
Total comprehensive loss for the year	-	-	-	(85,968)	(85,968)
Surplus on revaluation of fixed assets realised during the year (net of deferred taxation) on account of incremental depreciation	-	-	-	20,845	20,845
Effect of items directly credited in equity by an Associated Company	-	-	1,349	-	1,349
Balance as at June 30, 2012	450,025	40,000	59,767	49,226	599,018

The annexed notes from 1 to 42 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2012

This statement is being presented to comply with the Code of Corporate Governance (the CCG) contained in the listing regulations of Karachi and Islamabad Stock Exchanges for the Purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Executive Director (2)	Mr. Ahmed Kuli Khan Khattak Mr. Jamil A. Shah
Non Executive Directors (7)	Mr. Raza Kuli Khan Khattak Lt. Gen. (Retd.) Ali Kuli Khan Khattak Mr. Mushtaq Ahmed Khan (FCA) Ch. Sher Muhammad Syed Haroon Rashid Mr. Mohammad Zia Mr. Larbi Hbil

2. The directors, except for the following, have confirmed that none of them is serving as a director on more than seven listed companies, including this company.

Mr. Raza Kuli Khan Khattak
Lt. Gen. (Retd.) Ali Kuli Khan Khattak
Mr. Ahmed Kuli Khan Khattak

3. All the resident directors of the Company are registered as tax payers and none of them has defaulted in payment of any loan to a banking company, a Development Finance Institution (DFI) or a Non-Banking Finance Institution (NBFI) or, being a member of stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy has occurred during the period under the review. Subsequent to the year end however, Mr. Jacques Michel resigned from the Directorship of the Company and Mr. Larbi Hbil was appointed in his place to fill the casual vacancy.
5. 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 the supporting policies and procedures.
6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non executive directors have been taken by the Board / Shareholders.
8. 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 and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Company will make arrangements for the training of its Directors as required by the Code of Corporate Governance. However, one of the directors has attended the course fulfilling the requirement of the Board Development Series Certificate Program conducted by Pakistan Institute of Corporate Governance, which meets the requirement of Code of Corporate Governance as of the year ended June 30, 2012.

10. The Board approves appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by the CEO and the CFO before approval of the Board.
13. The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises four members and three of them are non-executive directors.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
17. The Board has formed an HR and Remuneration Committee. It comprises four members, of whom three are non-executive directors and the chairman of the Committee is a non-executive director.
18. The Board has set -up an effective Internal Audit Function.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review Programme of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) Guidelines on Code of Ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'Closed Period', prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchanges.
22. Material / price sensitive information has been disseminated among all market participants at once through stock exchanges.
23. We confirm that all other material principles enshrined in the CCG have been complied with.

For and on behalf of the Board of Directors

Karachi
Dated: 3rd October 2012

Ahmed Kuli Khan Khattak
Chief Executive

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **Ghandhara Nissan Limited** to comply with the Listing Regulations of Karachi and Islamabad Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. 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 Code.

As part of our audit of 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's 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.

Further, Listing Regulations of the Karachi and Islamabad Stock Exchanges require the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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 best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2012.

**HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS**
Osman Hameed Chaudhri
Karachi: 3rd October, 2012

**MUNIFF ZIAUDDIN JUNAIDY & CO.,
CHARTERED ACCOUNTANTS**
Mohammad Moin Khan
Karachi: 3rd October, 2012

Key Operating and Financial Data

Particulars	Jun-12	Jun-11	Jun-10	Jun-09	Jun-08	Jun-07
Sales	1,388,002	2,650,068	2,402,617	2,053,959	3,708,889	2,894,826
Gross profit / (loss)	130,578	252,273	119,379	5,328	521,838	496,688
(Loss) / profit before tax	(97,683)	(15,493)	(123,607)	(484,724)	279,892	285,918
(Loss) / profit after tax	(85,968)	7,097	(88,893)	(312,159)	178,157	187,231
Share capital	450,025	450,025	450,025	450,025	450,025	450,025
Shareholders equity	599,018	662,792	633,201	698,250	1,009,328	747,940
Fixed assets - Net	1,382,880	1,441,626	1,496,609	1,535,112	922,501	952,316
Total assets	2,740,106	3,096,033	3,360,482	3,392,096	3,101,317	2,398,619
Units produced and supplied (Contract assembly)	1,379	1,326	1,705	2,020	2,591	2,838
Units produced	236	469	659	801	980	860
Units imported (CBU)	12	7	8	100	416	227
Units sold	230	602	766	706	1,572	1,312
Dividend - Cash	-	-	-	-	-	-
Dividend - Bonus						
Dividend - Bonus	-	-	-			
Ratios						
Profitability						
Gross profit margin	9.4%	9.52%	4.97%	0.26%	14.06%	17.16%
(Loss) / profit before tax	(7.04%)	0.58%	5.14%	(24%)	7.55%	9.88%
(Loss) / profit after tax	(6.19%)	0.27%	3.70%	(15%)	4.80%	6.47%
Return to shareholders:						
(Loss) / return on equity (BT)	(16.31%)	(2.34%)	(19.52%)	(69.37%)	27.73%	38.23%
(Loss) / return on equity (AT)	(14.35%)	1.07%	(14.04%)	(44.70%)	17.65%	25.03%
(Loss) / earning per share (BT)-Rs.	(0.002)	0.34	(2.75)	(10.76)	6.22	6.35
(Loss) / earning per share (AT)- Rs.	(1.91)	0.16	(1.98)	(6.94)	3.96	4.16
Basic Earning Per Share	(1.91)	0.16	(1.98)	(6.94)	3.96	4.16
Activity:						
Sales to total assets - Times	0.51	0.86	0.71	0.61	1.20	1.21
Sales to fixed assets -Times	1.00	1.84	1.61	1.34	4.02	3.04
Liquidity:						
Current ratio -Times	0.95	1.04	1.09	1.06	1.33	1.36
Break-up value per share - Rs.	13.31	14.73	14.07	15.52	22.43	16.62

**Pattern of Shareholding
As at 30th June 2012**

No. of Shareholders	Having Shares		Shares Held	Percentage
	From	To		
677	1	100	25,135	0.05590
970	101	500	415,305	0.92280
272	501	1,000	238,740	0.53050
437	1,001	5,000	1,190,343	2.64510
116	5,001	10,000	881,943	1.95980
36	10,001	15,000	466,295	1.03620
37	15,001	20,000	672,497	1.49440
15	20,001	25,000	352,583	0.78350
7	25,001	30,000	192,528	0.42780
6	30,001	35,000	200,549	0.44560
7	35,001	40,000	264,837	0.58850
2	40,001	45,000	82,488	0.18330
11	45,001	50,000	544,000	1.20880
2	50,001	55,000	106,699	0.23710
4	55,001	60,000	236,584	0.52570
4	60,001	65,000	249,036	0.55340
1	65,001	70,000	69,240	0.15390
1	70,001	75,000	70,804	0.15730
2	75,001	80,000	157,860	0.35080
1	80,001	85,000	80,018	0.17780
4	85,001	90,000	354,424	0.78760
4	95,001	100,000	400,000	0.88880
2	100,001	105,000	204,501	0.45440
1	105,001	110,000	108,907	0.24200
2	145,001	150,000	298,000	0.66220
1	150,001	155,000	151,000	0.33550
1	205,001	210,000	210,000	0.46660
1	240,001	245,000	241,000	0.53550
1	255,001	260,000	255,948	0.56870
1	590,001	595,000	595,000	1.32210
1	1,310,001	1,315,000	1,314,000	2.91980
1	2,685,001	2,690,000	2,688,711	5.97460
1	3,645,001	3,650,000	3,647,090	8.10420
1	5,115,001	5,120,000	5,119,820	11.37680
1	22,915,001	22,920,000	22,916,597	50.92300
2,631			45,002,482	100

Categories of Shareholders

Particulars	Shareholders	Shareholding	Percentage
Directors, CEO & Children	17	204,833	0.4552
Associated Companies	3	28,046,417	62.3219
NIT & ICP	4	2,763,951	6.1418
Banks, DFI & NBFI	3	380,079	0.8446
Insurance Companies	3	22,800	0.0507
Modarabas & Mutual Funds	1	5,312	0.0118
General Public (Local)	2,408	9,192,118	20.4258
General Public (Foreign)	170	540,368	1.2008
Others	21	199,514	0.4433
Foreign Companies	1	3,647,090	8.1042
	2,631	45,002,482	100

Shares Held By

Associated Companies, Undertakings & Related Parties

Bibojee Services (Pvt.) Ltd.	28,046,417
The Universal Insurance Company Ltd.	5,000
UD Trucks Corporation Japan (Formerly Nissan Diesel Motor Co. Ltd. - Japan)	3,647,090

NIT & ICP

National Bank Of Pakistan, Trustee Department NI (U) Fund	2,688,711
Investment Corporation Of Pakistan	5,750
National Investment Trust Ltd.	69,240

Directors, CEO, their Spouses & Minor Children

Mr. Raza Kuli Khan Khattak	62,569
Lt. Gen. (Retd.) Ali Kuli Khan Khattak	60,070
Mr. Ahmed Kuli Khan Khattak	69,565
Mr. Mushtaq Ahmed Khan	3,805
Mr. Muhammad Zia	512
Choudhry Sher Mohammad	6,812
Mr. Jamil Ahmed Shah	1,000
Mr. Jacques Michel	500

Banks, Development Financial Institutions, Non-Banking Financial Institutions, Modarabas & Mutual funds etc.

National Bank Of Pakistan	291,329
The Bank Of Punjab	89,000
Gulf Insurance Company Ltd.	17,800
The Pakistan Fund	5,312
Azeem Services (Pvt.) Ltd.	100
Sardar Mohammad Ashraf D Baluch (Pvt.) Ltd.	1,000
Trustees Moosa Lawai Foundation	500
Trustees Saeeda Amin WAKF	50,000
Trustees Mohamad Amin Wakf Estate	50,000
Loads Ltd.	315
Anam Fabrics (Pvt) Ltd.	20,000
Uni Pak Securities (Pvt) Ltd.	500
Sarfraz Mahmood (Pvt.) Ltd	280
H M Investments (Pvt.) Ltd.	2,000
NH Securities (Pvt.) Ltd.	175
Highlink Capital (Pvt.) Ltd.	17,500

Bawa Securities (Pvt.) Ltd.	5,000
Capital Vision Securities (Pvt.) Ltd.	5,000
Stock Master Securities (Pvt.) Ltd.	103
Darson Securities (Pvt.) Ltd.	28,000
Mohammad Munir Mohammad Ahmed Khanani Securities (Pvt.) Ltd.	10,000
Wasi Securities (Pvt.) Ltd.	32
Ismail Abdul Shakoor Securities (Pvt.) Ltd.	300
Pearl Capital Management (Pvt.) Ltd.	8,209
Mazhar Hussain Securities (Pvt.) Ltd.	500
Others	9,732,486
	45,002,482

**Shareholders holding 10% or more
Voting interest in the Company**

	Shares held	Percentage
Bibojee Services (Pvt.) Ltd.	28,046,417	62.32

Form of Proxy

I / We _____

Of _____ being

a member(s) of **Ghandhara Nissan Limited** and holder of _____

Ordinary Shares as per Registered Folio No. / CDC Participant's ID and Account No.

_____ hereby appoint _____

of _____

or failing him / her _____ of

_____ who is

also member of **Ghandhara Nissan Limited** vide Registered Folio No. / CDC Participant's ID

and Account No. _____ as my / our proxy to vote for me / us and on my/our behalf at

the 30th Annual General Meeting of the Company to be held on Monday, 29th October 2012 at

10:00 a.m. and any adjournment thereof.

Signed this _____ day of _____ 2012.

AFFIX REVENUE STAMP Rs.5/-

Signature _____

Witness: _____

Name with _____

NIC No.: _____

Witness: _____

Name with _____

NIC No.: _____

Address: _____

Address: _____

IMPORTANT:

1. This form of Proxy duly completed must be deposited at the Company's Registered office Ghandhara House, 109/2, Clifton, Karachi not later than 48 hours before the time of holding the meeting.
2. A Proxy should also be a member of the Company.
3. CDC Shareholders and their Proxies must each attach an attested photocopy of their National Identity Card or Passport with this Proxy Form.

Form of Proxy

I / We _____

Of _____ being

a member(s) of **Ghandhara Nissan Limited** and holder of _____

Ordinary Shares as per Registered Folio No. / CDC Participant's ID and Account No.

_____ hereby appoint _____

of _____

or failing him / her _____ of

_____ who is

also member of **Ghandhara Nissan Limited** vide Registered Folio No. / CDC Participant's ID

and Account No. _____ as my / our proxy to vote for me / us and on my/our behalf at

the 30th Annual General Meeting of the Company to be held on Monday, 29th October 2012 at

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AFFIX REVENUE STAMP Rs.5/-

Signature _____

Witness: _____

Name with _____

NIC No.: _____

Witness: _____

Name with _____

NIC No.: _____

Address: _____

Address: _____

IMPORTANT:

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