

Ghani

Automobiles

The Power of Perfection

Annual Report



Ghani Automobile Industries Limited

Contents

Corporate Information	02
Vision and Mission	03
Chairman’s Review	04
Directors’ Report	05
Six Years at Glance	08
Statement of Compliance	09
Review Report	11
Auditors’ Report	12
Balance Sheet	16
Profit and Loss Account	17
Statement of Comprehensive Income	18
Statement of Cash Flow	19
Statement of Changes in Equity	20
Notes to the Financial Statements	21
Notice of Annual General Meeting	38
Pattern of Shareholding	40
Directors’ Report (Urdu)	44
Form of Proxy	

Corporate Information

BOARD OF DIRECTORS	Mr. Obaid Ghani Mr. Aftab Ahmad Khan Mrs. Ayesha Aftab Mrs. Maryam Junaid Mrs. Musfira jubair Ms. Afifa Anwaar Ms. Zahra Aftab Mr. Junaid Ghani Mr. Jubair Ghani Hafiz Muhammad Saad Mr. Muhammad Ayub Mr. Nauman Shaukat Mr. Sarfraz Anwar Dr. Amjad Aqeel	Chairman Chief Executive Officer
AUDIT COMMITTEE	Mr. Jubair Ghani Mrs. Ayesha Aftab Mr. Sarfaraz Anwar	Chairman Member Member
HR & R COMMITTEE	Mr. Obaid Ghani Mrs. Ayesha Aftab Mr. Junaid Ghani	Chairman Member Member
COMPANY SECRETARY	Hafiz Mohammad Imran Sabir	
CHIEF FINANCIAL OFFICER	Mr. Umer Farooq Khan	
AUDITORS	Hassan Farooq & Company Chartered Accountants	
LEGAL ADVISORS	Ally Law Associates	
SHARE REGISTRAR	Corplink (Pvt) Ltd Wings Arcade, 1-K Commercial Model Town Lahore, Pakistan Phones : (042) 35916714, 35916719 Fax : (042) 35869037	
BANKERS	Albaraka Islamic Bank Allied Bank Limited Soneri Bank Limited, Islamic Banking Habib Metropolitan Bank Limited (IBD) Habib Bank Limited Meezan Bank Limited UBL Ameen Limited Bank Alfalah Limited Bank Al-Habib Faysal Bank Limited Bank of Punjab (Taqwa) MCB Limited (Islamic Banking)	
REGISTERED OFFICE	274-B, N Block, Model Town Extension, Lahore Phones : (042) 3516 8873, 3517 2205 Fax : (042) 3517 2263 E-mail : info@ghaniautomobiles.com http://www.ghaniautomobiles.com	
AUTOMOBILE PLANT	49-KM, Multan Road, (from Lahore)	

Vision & Philosophy

Nothing in this earth or in the heavens
Is hidden from ALLAH
To indulge in honesty, integrity and self determination,
to encourage in performance and
most of all to put our trust in ALLAH,
so that we may, eventually through our efforts and belief,
become the leader amongst automobile products
manufacturers

Mission Statement

To be successful by
effectively & efficiently
Utilizing our Philosophies,
so that We achieve & Maintain
constantly the High Standards of
Product Quality
&
Customer Satisfaction

Chairman's Review

Dear Shareholders,

It gives me immense pleasure to welcome you at the Annual General Meeting of the Company.

During the Financial year 2018, the economic growth has improved ahead of the crucial July general election. According to macroeconomic indicators, economic output remained positive, due to a recovery in the agricultural sector, healthy manufacturing and solid investments related to the China-Pakistan Economic Corridor (CPEC). Growth will likely slow this year due to spiraling inflation and heightened external risks. Moreover, large macroeconomic imbalances will continue to weigh on potential growth. Provisional estimates put the real GDP growth for FY18 at 5.8 percent, up from 5.4 percent during FY17. However, this improved economic growth came amid widening twin deficits, which pose challenges for sustainability of the growth momentum. Deterioration in external balances and high fiscal deficit remains a major source of concern for the economy.

The Board is composed of Directors with the relevant skills and competencies. The Board operates an efficient Committee system.

The Board has substantially complied with the provisions of the Listed Companies (Code of Corporate Governance) Regulations, 2017.

The annual evaluation of the Board of Directors of the company has been carried out to assess Board's performance. The Board's overall performance and effectiveness remained satisfactory.

The board meets regularly to adequately discharge its responsibilities. The Directors attendance in the board meetings is satisfactory. The Board Committee meetings have also been held on regular basis.



Lahore: September 29, 2018

Obaid Ghani
Chairman

Directors' Report

Dear Shareholders

Assala-Mo-Alaikum Wa Rehmatullah Wa BarakatoHu,

The Board of Directors of Ghani Automobile Industries Limited takes pleasure in presenting the annual report and the audited financial statement of the company together with auditors' report for the year ended June 30, 2018.

FINANCIAL PERFORMANCE

The operating results of your company for the year ended June 30, 2018 are summarized as follows:

	2018	2017
	(Rupees in '000')	
Sales Net	192,227	116,198
Gross Profit / (Loss)	2,361	(12,112)
Profit / (Loss) before taxation	(6,031)	(24,723)
Profit / (Loss) after taxation	(7,953)	(53,154)
Earning / (loss) per share-basic & diluted (rupees)	(0.16)	(1.06)

During the year under review, the net sale of the company has increased to Rupees 192 million as compared to Rupees 116 million for the last year. The management has succeeded to transform last year's Gross loss of Rupees 12 million to Gross Profit of Rupees 2.4 million. During the year under review, the net loss of the company has reduced to Rupees 7.9 million from Rupees 53 million. Resultantly, loss per share has also contracted from Rupee 1.06 to Rupees 0.16. The company has started its journey toward improving its sustainability. We hope for the further improvement in future.

FUTURE OUTLOOK

The shareholders of the company in Extraordinary General Meeting held on June 6, 2018 and held again on June 13, 2018 after adjournment under proviso of Section 135(1) of the Companies Act 2017 has approved to issue 40% right shares at discount of 10% i.e. at discounted price of Rs.9 per share. The purpose of the right issue is the expansion and meeting working capital requirements of the company. The right issue is currently in process. The last date of acceptance and payment is October 5, 2018.

CORPORATE GOVERNANCE

The Board is committed to maintain a high standard of corporate governance, and has ensured full compliance of Corporate Governance as incorporated in the Rule Book/Listing Rules of the Stock Exchange.

Your directors are pleased to report that:

1. 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.
2. The proper books of account have been maintained.
3. Appropriate accounting policies consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Accounting Standards as applicable in Pakistan have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
5. The system of internal control, which was in place, is continuously reviewed by internal audit and other such procedures. The process of review will continue with the objective to further improve.
6. There are no significant doubts upon the company's ability to continue as a going concern.
7. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
8. The key operating data of the company is included in this report.
9. Due to the financial position and continuous losses, the Company could not announce dividend to the shareholders.
10. Outstanding taxes and levies: *Please refer notes 6, 8 and 13 to the annexed audited accounts.*

THE MAIN TRENDS AND FACTORS LIKELY TO AFFECT THE FUTURE DEVELOPMENT, PERFORMANCE AND POSITION OF THE COMPANY'S BUSINESS

Pak Rupee devaluation, increasing raw material prices, tough competition etc. are factors likely to affect the future development, performance and position of the business.

THE IMPACT OF THE COMPANY'S BUSINESS ON THE ENVIRONMENT

There is no adverse impact of company's operation on the environment.

CHANGE OF NATURE OF COMPANY'S BUSINESS

There are no changes that have occurred during the financial year concerning the nature of the business of the company or any other company in which the company has interest.

POLICY FOR FIXING REMUNERATION OF NON-EXECUTIVE/INDEPENDENT DIRECTORS

The company has a policy of not paying remuneration package for Non-Executive and Independent Directors.

DIRECTORS' RESPONSIBILITY IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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. The Board reviews material budgetary variances and actions taken thereon on periodic basis.

STAFF RETIREMENT BENEFIT

The Company operates a funded contributory provident fund scheme for its employees and contributions based on salaries of the employees are made to the fund on monthly basis.

CODE OF CONDUCT

Code of Conduct in line with the future outlook of the company has been developed and communicated to all the employees of the company.

PATTERNS OF SHAREHOLDING

A statement of the patterns of shareholding as on June 30, 2018 is attached as required under Companies Act, 2017. The directors, chief executive office, chief financial officer, company secretary, their spouses and minor children did not carry out any transaction in the shares of the company during the year, except as disclosed with the pattern of shareholding.

BOARD OF DIRECTORS

I would like to place on record my appreciation and gratitude to the Board of Directors for guidance and support to the management.

The total number of directors are 14 as per the following:

a. Male: 9 b. Female: 5

The composition of board is as follows:

Independent Director	Dr. Amjad Aqeel
	Hafiz Muhammad Saad
	Mr. Muhammad Ayub
	Mr. Nauman Shaukat
	Mr. Sarfraz Anwar
Other Non-Executive Directors	Mrs. Ayesha Aftab
	Mr. Junaid Ghani
	Mr. Obaid Ghani
	Mr. Jubair Ghani
	Ms. Zahra Aftab
	Mrs. Maryam Junaid
	Mrs. Musfira Jubair
	Ms. Afifa Anwaar
Executive Directors	Mr. Aftab Ahmad Khan

A total of four meetings of the Board of Directors, six meetings of the Audit Committee and two meetings of HR & R Committee were held during the period of one year, from July 01, 2017 to June 30, 2018. The attendance record of Board members was as

Name of the Director	No. of Board of Directors' Meetings attended	No. of Audit Committee Meetings attended	No. of HR & R Committee Meetings attended
Mr. Aftab Ahmad Khan	4	-	-
Mrs. Ayesha Aftab	4	6	2
Mr. Junaid Ghani	4	-	2
Mr. Obaid Ghani	4	-	2
Mr. Jubair Ghani	4	6	-
Ms. Zahra Aftab	4	-	-
Dr. Amjad Aqeel	4	-	-
Mrs. Maryam Junaid	4	-	-
Mrs. Musfira Jubair	4	-	-
Ms. Afifa Anwaar	4	-	-
Hafiz Muhammad Saad	4	-	-
Mr. Muhammad Ayub	4	-	-
Mr. Nauman Shaukat	4	-	-
Mr. Sarfraz Anwar	4	6	-

AUDITORS

The present auditors Hassan Farooq & Company, Chartered Accountants, retired at the conclusion of the meeting. Being eligible, they have offered themselves for re-appointment. As suggested by the Audit Committee, the Board of Directors has recommended their re-appointment as auditors of the company for the year ending June 30, 2019, at a mutually agreed fee.

ACKNOWLEDGEMENT

The board acknowledges and puts on record its sincere appreciation for the staff and workers of the company for their work, enthusiasm and loyalty. We pray to Allah Subhanatallah to keep showering us with his Rehmat and keep us on the right path, which is the commandment of Allah Subhanatallah and sunnah of our Prophet "Mohammad" (Sallallaho-Alaie-Wasallam)

For and on behalf of the Board

Lahore: September 29, 2018



Aftab Ahmad Khan
Chief Executive Officer



Jubair Ghani
Director

Six Years at Glance

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017	2016	2015	2014	2013
	(Rupees in '000')					
Production (Units)	6,511	4,460	2,376	5,802	3,184	6,162
Sales	192,227	116,198	56,071	126,664	124,377	173,262
Gross profit / (loss)	2,361	(12,112)	(34,296)	(21,629)	7,526	562
Net profit / (loss)	(7,953)	(53,154)	(74,991)	8,768	(4,044)	(10,574)
Earning / (loss) per share (rupees)	(0.16)	(1.06)	(1.50)	0.20	(0.20)	(0.53)
Dividend %	-	-	-	-	-	-
Current assets	295,002	275,161	274,298	375,545	359,909	363,639
Current liabilities	263,384	239,393	214,400	219,386	364,612	365,676
Share holders equity	81,233	89,186	142,339	217,331	58,562	62,606

Statement of Compliance

WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017 FOR THE YEAR ENDED JUNE 30, 2018

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 14 as per the following:

- a. Male: 9
- b. Female: 5

2. The composition of board is as follows:

Independent Director	Dr. Amjad Aqeel
	Hafiz Muhammad Saad
	Mr. Muhammad Ayub
	Mr. Nauman Shaukat
	Mr. Sarfraz Anwar
Other Non-Executive Directors	Mrs. Ayesha Aftab
	Mr. Junaid Ghani
	Mr. Obaid Ghani
	Mr. Jubair Ghani
	Ms. Zahra Aftab
	Mrs. Maryam Junaid
	Mrs. Musfira Jubair
	Ms. Afifa Anwaar
Executive Directors	Mr. Aftab Ahmad Khan

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

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 of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The Board has already arranged Directors' Training Program Mr. Junaid Ghani and Mr. Jubair Ghani. During the year under review, no director could take directors' training due to pre-occupations.

10. The board has approved appointment of CFO, 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:

a) Audit Committee

Mr. Jubair Ghani	Chairman
Mrs. Ayesha Aftab	Member
Mr. Sarfraz Anwar	Member

b) HR and Remuneration Committee

Mr. Obaid Ghani	Chairman
Mrs. Ayesha Aftab	Member
Mr. Junaid Ghani	Member

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 of the committee was as per following:

a) Audit Committee: 6

b) HR and Remuneration Committee: 2

15. The board has set up an effective internal audit function 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 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.

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 other requirements of the Regulations have been complied with.



(OBAID GHANI)
Chairman

Lahore: **September 29, 2018**

Review Report

To the Members on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of GHANI AUTOMOBILE INDUSTRIES LIMITED for the year ended 30 June 2018 in accordance with the requirements of regulation 40 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 require 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that 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 requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2018.



HASSAN FAROOQ AND COMPANY

Chartered Accountants

Name of Engagement Partner: Farooq Hamid

Lahore: **September 29, 2018**

Auditors' Report to the Members

To the members of Ghani Automobile Industries Limited Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Ghani Automobile Industries Limited (the Company), which comprise the statement of financial position as at 30 June 2018, 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, statement of profit or loss and other comprehensive income or the income or expenditure statement, 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 30 June 2018 and of the profit or loss and other comprehensive income or loss, or the surplus or deficit, 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 Auditor's 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:

Key Audit Matters	How our audit addressed the key audit matter
1) Valuation of stock in trade	
Refer note 4.6, 11, and 16 to the financial statements Inventory forms a significant part of the Company's assets comprising 21.57 % of total assets. We identified the valuation of stock in trade as key audit matter as it directly affects the profitability of the Company.	Our audit procedures to assess the valuation of stock in trade, amongst others, included the following: <ul style="list-style-type: none">Obtaining an understanding of internal controls over purchases and valuation of stock in trade and testing, on a sample basis, their design, implementation and operating effectiveness;Comparing on a sample basis specific purchases (including those from related party) with underlying supporting documents / agreements, if anyComparing calculations of the allocation of directly attributable costs with the underlying supporting documents;Obtaining an understanding of management's determination of net realizable value (NRV) and the key estimates adopted, including future

	<p>selling prices, future costs to complete work in progress and costs necessary to make the sales and their basis: and</p> <ul style="list-style-type: none"> • Comparing the NRV, on a sample basis, to the cost of finished goods to assess value of inventory in accordance with applicable accounting and reporting standards.
2) Revenue recognition	
<p>Refer notes 4.8, and 15 to the financial statements. The Company generates revenue from sale of goods to domestic customers.</p> <p>We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not be recognized in the appropriate period.</p>	<p>Our audit procedures to assess the recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"> • obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period; • Assessing the appropriateness of the company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; • Comparing on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period; and • Inspecting credit notes to record sales returns subsequent to year end, if any.
3.Preparation of financial statements under companies Act, 2017	
<p>As referred to in note 2 to the accompanying financial statements, the companies Act 2017 (the act) became applicable for the first time for the preparation of the Company's annual financial statements for the year ended 30 June 2018.</p> <p>The act forms an integral part of the statutory financial reporting framework as applicable to company the company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements.</p> <p>In the case of the company, specific additional disclosures and changes to the existing disclosures have been included in the financial statements as referred to note 3.1 to accompanying financial statements.</p> <p>The aforementioned changes and enhancements in the financial statements are considered important and a key audit matter because of the volume and significance of the changes in the financial statements resulting from the transition to the new reporting requirements under the act.</p>	<p>We assessed the procedures applied by the management for the identification of the changes required in the financial statements due to the application of the act. We considered the adequacy and appropriateness of the additional disclosure and changes to the previous disclosure based on the new requirements. We also evaluated the sources of information used by the management for the preparation of the above referred disclosures and the internal consistency of such disclosures with other elements of the financial statements.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information in the annual report including, in particular, the Chairman's Review, Director's Report, Financial Highlights, but does not include the financial statements and our auditor's 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.

Auditor's 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 auditor's 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 auditor's 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 auditor's 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 or the income and expenditure account, 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 auditor's report is Farooq Hamid.



HASSAN FAROOQ AND COMPANY
Chartered Accountants
Lahore: September 29, 2018

AS AT JUNE 30, 2018

The annexed notes 1 to 34 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

Profit and Loss Account

FOR THE YEAR ENDED JUNE 30, 2018

	NOTE	June 30, 2018 Rupees	June 30, 2017 Rupees
Sales	15	192,227,417	116,198,431
Cost of sales	16	(189,865,952)	(128,310,763)
Gross profit/(loss)		2,361,465	(12,112,332)
Administrative expenses	17	(20,072,330)	(10,428,596)
Distribution and marketing expenses	18	(13,086,047)	(16,341,959)
Other expenses	19	-	(8,085,973)
		(33,158,377)	(34,856,528)
Operating (loss)		(30,796,912)	(46,968,860)
Other income	20	25,085,385	22,417,797
Operating (loss) before interest and tax		(5,711,527)	(24,551,063)
Financial charges	21	(319,389)	(172,284)
(Loss) before taxation		(6,030,916)	(24,723,347)
Taxation	22	(1,922,274)	(28,430,483)
(Loss) for the year		(7,953,190)	(53,153,830)
(Loss) per share - Basic and diluted	23	(0.16)	(1.06)

The annexed notes 1 to 34 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Statement of Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2018

	June 30, 2018 Rupees	June 30, 2017 Rupees
(Loss) for the year	(7,953,190)	(53,153,830)
Other comprehensive income for the year	-	-
Total comprehensive (loss)	(7,953,190)	(53,153,830)

The annexed notes 1 to 34 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Statement of Cash Flows

FOR THE YEAR ENDED JUNE 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

	June 30, 2018 Rupees	June 30, 2017 Rupees
(Loss) for the year before tax	(6,030,916)	(24,723,347)
Adjustment for :		
Depreciation	3,867,727	4,147,611
(Gain)/loss on sale of fixed assets	(1,192,462)	-
Financial charges	319,389	172,284
	2,994,654	4,319,895
Operating (loss) before working capital changes	(3,036,262)	(20,403,452)
(Increase) / decrease in current assets		
Store, spares and loose tools	448,998	3,224
Stock in trade	(32,350,589)	4,334,618
Trade debtors	3,798,833	13,421,497
Advances and other receivables	24,569,407	(10,483,792)
sales tax refundable	(9,666,984)	(3,904,384)
	(13,200,335)	3,371,163
Increase in current liabilities		
Trade and other payables	136,096,093	28,553,568
Operating profit after working capital changes	119,859,496	11,521,279
Financial charges paid	(319,389)	(172,284)
Taxes paid	(7,605,298)	(5,708,103)
	(7,924,687)	(5,880,387)
NET CASH GENERATED FROM OPERATING ACTIVITIES	111,934,809	5,640,892
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	(601,653)	(1,813,731)
Sale proceeds from asset disposed off	1,792,175	-
Increase in security deposits	(63,000)	(76,000)
NET CASH GENERATED/(USED) IN INVESTING ACTIVITIES	1,127,522	(1,889,731)
CASH FLOW FROM FINANCING ACTIVITIES		
Loan repaid to directors / shareholders	(112,105,000)	(3,000,000)
NET CASH (USED) IN FINANCING ACTIVITIES	(112,105,000)	(3,000,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	957,331	751,161
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,055,272	1,304,111
CASH AND CASH EQUIVALENTS AT YEAR END	3,012,603	2,055,272

The annexed notes 1 to 34 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Statement of Changes in Equity

FOR THE YEAR ENDED JUNE 30, 2018

	Share Capital	Discount on Right Shares	Accumulated (Losses)	Total
	-----Rupees-----			
Balance as on July 01, 2016	500,000,000	(150,000,000)	(207,660,382)	142,339,618
(Loss) for the year	-	-	(53,153,830)	(53,153,830)
Other comprehensive income	-	-	-	-
Balance as on June 30, 2017	500,000,000	(150,000,000)	(260,814,212)	89,185,788
(Loss) for the year	-	-	(7,953,190)	(7,953,190)
Other comprehensive income	-	-	-	-
Balance as on June 30, 2018	500,000,000	(150,000,000)	(268,767,402)	81,232,598

The annexed notes 1 to 34 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Notes to the Financial Statements

FOR THE YEAR ENDED JUNE 30, 2018

1. GENERAL INFORMATION

- 1.1** The company is a public listed company incorporated in Pakistan under the Companies Ordinance, 1984 in September 1987. The registered office and factory of the company is situated at 274-B, N Block, Model Town Extension, Lahore and 49-KM Multan Road Bhai Pheru respectively. The shares of the company are quoted on Pakistan Stock Exchange. The name of the company has been changed from Ghani Textile Limited to Ghani Automobile Industries Limited with effect from March 31, 2004.

The Company is principally engaged in manufacture, assemble and trade of Automotive Vehicles of all kinds and sorts. Before 2004, the Company's business was to manufacture and trade of grey cloth.

Geographical location and address of business unit /plant:

274-B, N Block, Model Town Extension, Lahore
49-KM Multan Road Bhai Pheru

Registered office
Production plant

2 SIGNIFICANT TRANSACTIONS AND EVENTS THAT AFFECTED THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

- i) During the year, the Shareholders of Ghani Automobile Industries Limited have passed a "Special Resolution" in Extra Ordinary General Meeting held on Wednesday June 06, 2018 at 11:30 AM and held again on Wednesday June 13, 2018 after adjournment under proviso of section 135 (1) of the Companies Act, 2017 in which it was decided to issue 40% right shares (40 ordinary shares for every 100 shares held) by issuance of 20,000,000/- ordinary shares of Rupees 10/- each in consideration of cash at discount price of Rupees 9 per share i.e. at discount of 10%.

The purpose of right issue is the expansion and meeting the working capital requirements of the Company. The proposed right issue would help the Company strengthening its equity base, initiate the expansion, increase market share and easing the cash flow.

- ii) The Company had obtained loan from directors/shareholders of Rupees 112,105,000/-. The company repaid the loan amount in full during the year.
- iii) Due to the applicability of Companies Act, 2017 certain disclosures of the financial statements have been presented in accordance with the fourth schedule notified by the Securities and Exchange Commission of Pakistan vide S.R.O 1169 dated 7 November 2017.

3. BASIS OF PREPARATION

3.1 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.

3.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention except for certain financial instruments, which are carried at fair values and staff retirement benefit - gratuity which is carried at present value of defined benefit obligation net of fair value of plan assets.

3.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the functional and presentation currency of the Company.

3.4 Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions and judgements are continually evaluated and are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are as follows:

- Useful lives of property, plant and equipments and depreciation (note 4.2)
- Taxation (note 4.12)
- provisions for slow moving and obsolete stores, spares and loose tools and stock in trade (note 4.5 & 4.6)

3.5 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

3.5.1 Standards, amendments and interpretations to approved accounting standards that are effective in current year.

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on April 1, 2016 but are considered not to be relevant or to have any significant effect on the company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements, except for the following:

- IAS 1, 'Presentation of financial statements'

The amendments provide clarifications on a number of issues, including:

- Materiality – an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals – line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes – confirmation that notes do not need to be presented in particular order.
- Other comprehensive income arising from investments accounted for under the equity method – the share of other comprehensive income arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

- IAS 19, 'Employee benefits'

The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, not the country where they arise. The assessment of whether there is a deep market in high-quality corporate bonds is based on corporate bonds in that currency, not corporate bonds in a particular country. Similarly, where there is no deep market in high-quality corporate bonds in that currency, government bonds in the relevant currency should be used. The amendment is retrospective but limited to the beginning of the earliest period presented. The company's current accounting treatment is already in line with the requirement of this standard.

3.5.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company.

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for companies having accounting periods beginning on or after April 1, 2017 but are considered not to be relevant or to have any significant effect on the company's operations and are, therefore, not detailed in these financial statements, except for the following:

- **IFRS 15, 'Revenue from contracts with customers'** **Effective Date: July 1, 2018**
This standard is yet to be notified by the SECP. This standard deals with revenue recognition and establishes principles for reporting useful information to users of the financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the goods or services. The standard replaces IAS 18, 'Revenue', and IAS 11, 'Construction contracts', and related interpretations. The company is yet to assess the full impact of the standard.
- **IAS 7, 'Cashflow statements: Disclosure initiative'** **Effective Date: January 1, 2017**
This amendment requires disclosure to explain changes in liabilities for which cash flows have been, or will be classified as financing activities in the statement of cash flows. The amendment only covers balance sheet items for which cash flows are classified as financing activities. In case other items are included within the reconciliation, the changes in liabilities arising from financing activities will be identified separately. A reconciliation of the opening to closing balance is not specifically required but instead the information can be provided in other ways. In the first year of adoption, comparative information need not be provided. It is unlikely that the amendment will have any significant impact on the company's financial statements.
- **IFRS 9, 'Financial instruments'** **Effective Date: July 1, 2018**
This standard is yet to be notified by the SECP. This standard replaces the guidance in IAS 39, 'Financial instruments: Recognition and measurement'. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. The company is yet to assess the full impact of the standard.
- **IFRS 16 'Leases'** **Effective Date: July 1, 2019**
This standard replaces the current guidance in IAS 17 and is a far-reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. The company is yet to assess the full impact of the standard.
- **IFRIC 22, 'Foreign currency transactions'** **Effective Date: January 1, 2018**
This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice. The company is yet to assess the full impact of the standard.
- **IFRIC 23, 'Uncertainty over Income Tax Treatments'** **Effective Date: January 1, 2019**
The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of Accounting

These financial statements have been prepared under the accrual basis of Accounting.

4.2 Property, Plant and Equipments

Property, plant and equipment except for free hold land and capital work in progress which are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Depreciation is charged on reducing balance method over the useful life of the assets at the rates mentioned in Note 9 to these financial statements.

Subsequent costs including major renewals and improvements are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised at the time of replacement. Normal repair and maintenance and day-to-day servicing are charged to the profit and loss account as and when incurred.

Depreciation on addition is charged from the month in which asset become available for use, while no depreciation is charged in the month of disposal.

Where major components of an item of property, plant and equipment have different useful lives, they are accounted for in the books of account as separate items of property, plant and equipment.

The depreciation methods, useful lives and residual values of items of property, plant and equipment are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change or adjustment in depreciation method, useful lives and residual values is accounted for as a change in accounting estimate under IAS 8, 'Accounting policies, changes in accounting estimates and errors' and is applied prospectively in the financial statements by adjusting the depreciation charge for the period in which the amendment or change has been made and for future periods.

Disposal of an item of property, plant and equipment is recognised when significant risk and rewards, incidental to the ownership of that asset, have been transferred to the buyer. Gains and losses on disposals are determined by comparing the carrying amount of that asset with the sales proceeds and are recognised within 'other income / other operating expenses' in the profit and loss account.

4.3 Impairment of Assets

4.3.1 Financial assets

The Company assesses at each balance sheet date whether there is any objective evidence or indication that financial asset or group of financial assets is impaired. A financial asset or a group of financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (incurred a loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial asset that can be reliably estimated. If any such indication exists, the management estimates the recoverable amount of the asset. Impairment loss is recognized for the amount by which the carrying value of asset exceeds the recoverable amount. Any impairment losses on financial asset including financial assets carried at amortized cost are recognized in statement of profit or loss.

4.3.2 Non-financial assets

The carrying value of non-financial assets other than inventories and deferred tax assets are assessed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the management estimates the recoverable amount of the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized .The reversal is limited so that the carrying amount of the asset does not exceed its recoverable nor exceed the carrying amount that would have been determined , net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

4.4 Capital Work in Progress

These are stated at cost less accumulated impairment losses if any. All cost/expenditures connected with specific assets, incurred during the installation and construction period are carried under this head. These are transferred to property, plant and equipment as and when assets are available for use.

4.5 Stores, Spares and Loose Tools

These are valued at lower of cost and net realizable value. Cost is determined at moving average, except items in transit, which are valued at cost comprising invoice value and charges incurred thereon. Provision for obsolete and slow moving stores, spare parts and loose tools is determined based on management's estimate regarding their future usability.

4.6 Stock in Trade

Raw materials are valued at the lower of weighted average cost and net realizable value except for items in transit which are stated at cost incurred to date. Cost comprises of all cost of procurement, cost of conversion and other cost incurred in bringing the inventories to present location and condition.

Work in process and finished goods are valued at lower of cost (calculated on weighted average basis) and net realizable value. Cost in relation to work in progress and finished goods, represents direct cost of materials direct wages, and an appropriate portion of production overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less cost of completion and the costs necessary to be incurred in order to make a sale. Provision is made in the financial statements for obsolete and slow moving stock in trade based on management's estimate regarding their future usability.

4.7 Trade Debts

Trade debts originated by the Company are recognized and carried at original invoice amount less provision for doubtful debts. An estimated provision is made when collection of the full amount no longer receivable. Bad debts are written off as and when identified.

4.8 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of consideration received or receivable, excluding discounts, rebates, and sales tax or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or an agent. The following are the specific recognition criteria that must be met before revenue is recognized:

- Sales are recorded on dispatch of goods when significant risk and rewards of ownership are transferred to the customers.
- Return on bank deposits is recognized on accrual basis taking into account the effective yield.
- Others are accounted for an accrual basis.

4.9 Advances, deposits and other receivables

Advances are recognised at cost, which is the fair value of the consideration given. An assessment is made at each reporting date to determine whether there is an indication that assets may be impaired. If such indication exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognised for the difference between the recoverable amount.

Other receivable are recognised and carried at cost which is the fair value of the consideration to be received in the future for goods and services.

4.10 Related Party Transactions

Transactions with related parties are priced on arm's length basis. Prices for these transactions are determined on the basis of comparable uncontrolled price method, which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer unrelated to the seller.

4.11 Staff Retirement Benefits

The Company operates an approved contributory provident fund scheme for all its permanent eligible employees. Contributions are made equally by the Company and its employees at the rate of 8.33% of gross salary. Employee retirement benefits are payable to eligible employees on completion of the prescribed qualifying period of service under these funds. Obligation for contributions to the fund are recognized as an expense in the statement of profit and loss when they are due.

4.12 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any in accordance with the provisions of the Income Tax Ordinance 2001. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from assessments framed /finalized during the year.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in computation of the taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax losses and unused tax credits, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, carry forward unused tax losses and unused tax credits can be utilized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the income statement.

All expenses are recognised in the statement of profit or loss on an accrual basis.

4.13 Foreign Currencies

Transactions in foreign currencies are accounted for in Pak Rupees at the rates of exchange ruling at the date of transactions. Assets and liabilities in foreign currencies except for foreign currency balance covered by forward exchange risk cover are translated into Pak Rupee at the exchange rates prevailing at the balance sheet date. Foreign currency balance covered by forward exchange risk cover is converted at Contracted rates. Any exchange gain/ loss is charged to current year's income.

4.14 Financial Instruments

All financial assets and liabilities are recognized at cost which is the fair value of the consideration received or given at the time when the company becomes a party to the contractual provisions of the instrument by following trade date accounting. Any gain or loss on subsequent measurement and derecognition is charged to income.

4.15 Borrowing Cost

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs 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 the relevant asset.

4.16 Off Setting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are off set and the net amount is reported in the financial statements when there is a legally enforceable right to off set the recognised amounts and the Company intends either to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Corresponding income on the asset and change in the liability is also off- set accordingly.

4.17 Cash and Cash Equivalents

Cash and cash equivalents are carried at cost and are defined as cash in hand and cash at bank. For the purpose of cashflow statement cash and cash equivalents comprise of cash in hand, cash at banks and term deposit receipts less than or equal to three months.

4.18 Provisions

Provisions are recognized when the Company has a 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 of the outflow can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.19 Trade and Other Payables

Liabilities for trade and other payables are carried 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.

4.20 Earnings Per Share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

4.21 Dividend and appropriation to reserves

Dividend distributions to the Company's shareholders is recognised as a liability in the period in which dividends approved. Transfer between reserves made subsequent to the reporting date is considered as non- adjusting event and is recognised in the financial statements in the period in which such transfers are made.

5. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

June 30, 2018	June 30, 2017		NOTE	June 30, 2018	June 30, 2017
Number of Shares				Rupees	Rupees
19,250,000	19,250,000	Ordinary shares of Rs. 10 each fully paid in cash		192,500,000	192,500,000
250,000	250,000	Ordinary shares of Rs. 10 each fully paid other than cash		2,500,000	2,500,000
500,000	500,000	Ordinary shares of Rs. 10 each issued as bonus shares		5,000,000	5,000,000
30,000,000	30,000,000	Ordinary shares of Rs. 10 each fully paid in cash at discount		300,000,000	300,000,000
50,000,000	50,000,000			500,000,000	500,000,000

6. TRADE AND OTHER PAYABLES

Creditors			190,969,008	89,977,860
Advance from customers			40,793,181	11,725,042
Accrued expenses and other liabilities	6.1		30,664,504	19,258,626
Income tax deducted at source			347,854	5,716,926
			262,774,547	126,678,454
6.1 Accrued and Other Liabilities				
Salaries and wages			30,024,472	18,675,426
Auditor's remuneration			372,500	322,500
Utility expenses			267,532	260,700
			30,664,504	19,258,626

7. LOAN FROM DIRECTORS/SHAREHOLDERS

It represents loan obtained from shareholders/directors of the Company. This is interest free loan and the loan amount is repayable on demand. The company repaid the loan amount in full during the year.

8. CONTINGENCIES AND COMMITMENTS

Contingencies

- 8.1 There is a contingent liability of Rupees. 1,727,290/- (2017: Rupees. 1,727,290/-) in respect of income tax for assessment up to assessment year 2001-2002 against order under section 50, 53 and 80 D of repealed Income Tax Ordinance, 1979. The company has filed the appeals to ITAT and CIT against above orders.
- 8.2 The Punjab Employees Social Security Institution has raised a demand of Rupees. 2,245,057/- (2017: Rupees. 2,245,057/-) as less payment of contribution for the period from 1989 to 1995. The company has not acknowledged this demand and filed appeal under section 57 of the Social Security Ordinance, 1965. After remand of the case by Labour Court, appeal is now under process with Additional Commissioner, Punjab Employees Social Security Institute.
- 8.3 Habib Bank Limited has given a guarantee of Rupees. 729,000/- (2017: Rupees. 729,000/-) in favour of Water and Power Development Authority (WAPDA) on behalf of Ghani Automobile Industries Limited to furnish guarantee for payment of dues against electricity sales to the Company.
- 8.4 Habib Metropolitan Bank Limited has given a guarantee of Rupees.1,200,000/- (2017: Rupees. 1,200,000/-) in favour of Sui Northern Gas Pipeline Limited (SNGPL) on behalf of Ghani Automobile Industries Limited in accordance with contract no. LSO/GAIL -7989 (GI) Dated March 26, 2007 to furnish guarantee for payment of dues against gas sales to the Company.

Commitments

- 8.5 The Company has commitment of Rupees 5,476,704/- in respect of raw material as at June 30, 2018. (2017: Nil).

9. Property, plant and equipments

NOTE	June 30, 2017	
	June 30, 2018	Rupees
9.1	49,016,388	52,882,175

Operating assets

9.1 Reconciliation of carrying amounts at the beginning and end of the year is as follows:

	Owned									Grand Total
	Freehold Land	Building on Freehold Land	Plant & Machinery	Furniture & Fixtures	Loose Tools	Electrical Equipment	Electrical Installation	Computers	Vehicles	
Rupees										
At June 30, 2016										
Cost	14,932,180	59,954,047	14,720,519	1,429,611	1,275,576	987,383	1,790,569	849,586	2,013,769	97,953,240
Accumulated depreciation	-	(27,920,953)	(8,762,975)	(1,047,111)	(867,125)	(718,463)	(873,609)	(771,187)	(1,775,762)	(42,737,185)
Written down value	14,932,180	32,033,094	5,957,544	382,500	408,451	268,920	916,960	78,399	238,007	55,216,055
Year ended June 30, 2017										
Opening net book value	14,932,180	32,033,094	5,957,544	382,500	408,451	268,920	916,960	78,399	238,007	55,216,055
Additions	-	718,200	-	21,900	286,000	-	106,511	-	681,120	1,813,731
Depreciation	-	(3,215,279)	(595,754)	(39,162)	(57,412)	(26,892)	(51,174)	(23,520)	(138,417)	(4,147,611)
Closing net book value	14,932,180	29,536,015	5,361,790	365,237	637,039	242,028	972,297	54,879	780,710	52,882,175
At June 30, 2017										
Cost	14,932,180	60,672,247	14,720,519	1,451,511	1,561,576	987,383	1,897,080	849,586	2,694,889	99,766,971
Accumulated depreciation	-	(31,136,232)	(9,358,729)	(1,086,274)	(924,537)	(745,355)	(924,783)	(794,707)	(1,914,179)	(46,884,796)
Written down value	14,932,180	29,536,015	5,361,790	365,237	637,039	242,028	972,297	54,879	780,710	52,882,175
Year ended June 30, 2018										
Opening net book value	14,932,180	29,536,015	5,361,790	365,237	637,039	242,028	972,297	54,879	780,710	52,882,175
Additions	85,000	377,053	-	-	-	44,600	-	3,000	92,000	601,653
Disposal	-	-	(1,591,000)	-	-	-	-	-	-	(1,591,000)
Cost	-	-	991,287	-	-	-	-	-	-	991,287
Accumulated dep	-	-	(599,713)	-	-	-	-	-	-	(599,713)
Depreciation	-	(2,978,673)	(525,275)	(36,524)	(63,704)	(28,663)	(48,615)	(16,914)	(169,359)	(3,867,727)
Closing net book value	15,017,180	26,934,394	4,236,802	328,714	573,335	257,965	923,682	40,965	703,351	49,016,388
At June 30, 2018										
Cost	15,017,180	61,049,300	13,129,519	1,451,511	1,561,576	1,031,983	1,897,080	852,586	2,786,889	98,777,624
Accumulated depreciation	-	(34,114,906)	(8,892,717)	(1,122,797)	(988,241)	(774,018)	(973,398)	(811,621)	(2,083,538)	(49,761,236)
Written down value	15,017,180	26,934,394	4,236,802	328,714	573,335	257,965	923,682	40,965	703,351	49,016,388
Rate (%)	0%	10%	10%	10%	10%	10%	5%	30%	20%	

9.1.1 Depreciation charge for the year has been allocated as under :

	June 30, 2018 Rupees	June 30, 2017 Rupees
Cost of goods sold	3,829,050	4,106,135
Selling and distributed expenses	38,677	41,476
	3,867,727	4,147,611

9.1.2 Free hold land of the Company and building thereon, is situated at 49 km Multan Road Bhai Pheru having area of 40 kanals and 9 marlas.

9.1.3 Details of property, Plant and equipment disposed off, having aggregate net book value in excess of Rupees 500,000/- are as follows:

Description	Original cost	Accumulated depreciation	Book value	Sale proceeds	Gain/(loss) on disposal	Mode of disposal	Purchaser	Relationship with purchaser
Plant and machinery								
Pillar Drill Machine	16,000	9,686	6,314	12,637	6,323	Negotiation	Assafa Enterprises	Supplier
Welding Plant Electric	45,000	29,152	15,848	31,722	15,874	Negotiation	Assafa Enterprises	Supplier
Welding Plant (Murex4065)	100,000	64,782	35,218	70,493	35,275	Negotiation	Assafa Enterprises	Supplier
Welding Plant 303 Tyler	150,000	97,174	52,826	205,739	152,913	Negotiation	Assafa Enterprises	Supplier
Lath Machine (07 ft)	110,000	66,595	43,405	96,882	53,476	Negotiation	Assafa Enterprises	Supplier
Sheet Press Machine Hydraulic	800,000	520,627	279,373	740,972	461,598	Negotiation	Assafa Enterprises	Supplier
Sheet Cutting Machine	370,000	203,271	166,729	633,730	467,001	Negotiation	Assafa Enterprises	Supplier
Total	1,591,000	991,287	599,713	1,792,175	1,192,462			

	NOTE	June 30, 2018 Rupees	June 30, 2017 Rupees
10. SECURITY DEPOSITS			
Against;			
Utilities		598,700	535,700
11. STOCK IN TRADE			
Raw material		50,486,987	28,073,240
Work in process		5,378,788	5,605,329
Finished stock		18,477,884	8,314,501
		74,343,659	41,993,070
12. ADVANCES AND OTHER RECEIVABLES			
Considered good			
Advances:			
Employees	12.1	-	1,218,096
Suppliers	12.2	5,560,940	27,145,413
Letters of credit	12.3	7,023,351	8,790,189
		12,584,291	37,153,698

12.1 These represent interest free loans and advances provided to employees for personal use as per the terms of employment. These advances are secured against staff provident fund balance.

12.2 This represents amount advanced to suppliers for supply of raw material.

12.3 This represents advance payments made for the purpose of imports of 800 Self Start Engines for bikes.

	NOTE	June 30, 2018 Rupees	June 30, 2017 Rupees
13. TAX REFUNDS AND DUE FROM THE GOVERNMENT			
Advance income tax		21,208,180	15,525,156
Sales tax refundable		36,840,500	27,173,516
		58,048,680	42,698,672
14. CASH AND BANK BALANCES			
Cash in hand		105,909	275,654
Cash at bank			
- in current accounts		2,461,401	1,301,616
- in saving accounts	14.1	445,293	478,002
		3,012,603	2,055,272

14.1 Profit rate on bank deposits ranges from 5.5% to 6% per annum (2017: 5% to 5.7% per annum). The deposits account is placed with bank under islamic mode.

	NOTE	June 30, 2018 Rupees	June 30, 2017 Rupees
15. SALES			
Local sales		229,383,336	136,630,763
Less: Sales return		(1,939,901)	(561,921)
		227,443,435	136,068,842
Sales of spare parts		190,828	888,568
		227,634,263	136,957,410
Less: Sales tax		(35,406,846)	(20,758,979)
		192,227,417	116,198,431

	NOTE	June 30, 2018 Rupees	June 30, 2017 Rupees
16. COST OF SALES			
Raw material consumed	16.1	177,778,560	102,440,203
Salaries, wages and benefits	16.2	11,140,363	12,001,749
Store consumed		1,281,902	676,048
Fuel and power		4,060,493	2,266,622
Repair and maintenance		230,897	34,310
Travelling and vehicle running		306,692	227,470
Entertainment		327,096	264,695
Communications and stationery		325,135	345,869
Freight and handling		150,935	115,385
Rent, rates and taxes		143,893	172,094
Depreciation	9.1.1	3,829,050	4,106,135
Other expenses		227,778	389,868
		199,802,794	123,040,448
Work in process			
Opening stock		5,605,329	11,303,231
Closing stock		(5,378,788)	(5,605,329)
		226,541	5,697,902
Cost of goods manufactured		200,029,335	128,738,350
Finished Stock			
Opening stock		8,314,501	7,886,914
Closing stock		(18,477,884)	(8,314,501)
		(10,163,383)	(427,587)
Cost of sales		189,865,952	128,310,763
16.1 Raw Material Consumed			
Opening balance		28,073,240	27,137,453
Purchases		200,192,307	103,375,990
		228,265,547	130,513,443
Closing stock		(50,486,987)	(28,073,240)
		177,778,560	102,440,203

16.2 Salaries, wages and benefits include Rupees. 695,613/- (2017: Rs.569,033/-) in respect of staff retirement benefits.

	NOTE	June 30, 2018 Rupees	June 30, 2017 Rupees
17. ADMINISTRATIVE EXPENSES			
Directors remuneration		12,000,000	5,760,000
Staff salaries benefits	17.1	2,268,466	1,588,851
Travelling and vehicle running		333,612	165,977
Entertainment		784,786	136,753
Communications and stationery		232,158	250,503
Auditor's remuneration	17.2	372,500	322,500
Fee and subscription		3,670,065	2,169,162
Miscellaneous expenses		183,976	34,850
Write off -Advance to supplier		226,767	-
		20,072,330	10,428,596

17.1 Staff salaries and benefits include Rupees 143,073/- (2017: Rupees 47,874/-) in respect of staff retirement benefits.

	NOTE	June 30, 2018 Rupees	June 30, 2017 Rupees
17.2 Auditor's Remuneration			
Annual audit fee		300,000	250,000
Half yearly review		60,000	60,000
Other certification		12,500	12,500
		372,500	322,500
18. DISTRIBUTION AND MARKETING EXPENSES			
Salaries, wages and benefits	18.1	7,201,800	6,509,979
Travelling and vehicle running		2,868,892	3,925,145
Entertainment		242,655	114,440
Advertising and sales promotion		1,028,532	2,092,862
Rent, rates and taxes		120,670	142,410
Communications and stationery		373,996	460,355
Freight and handling		1,143,525	1,248,534
Depreciation	9.1.1	38,677	41,476
Other expenses		67,300	1,806,758
		13,086,047	16,341,959

18.1 Salaries, wages and benefit include Rupees 257,975 (2017: Rs. 221,878/-) in respect of staff retirement benefits.

	NOTE	June 30, 2018 Rupees	June 30, 2017 Rupees
19. OTHER EXPENSES			
Loss on sale of spare parts		-	738,809
Other expenses		-	7,347,164
		-	8,085,973
20. OTHER INCOME			
Profit on bank deposits		51,753	20,165
Other income		23,841,170	22,195,261
Profit on DYL parts painted		-	202,371
Gain on disposal of fixed asset		1,192,462	-
		25,085,385	22,417,797
21. FINANCIAL CHARGES			
Bank charges		319,389	172,284
		319,389	172,284
22. TAXATION			
Current			
For the year		1,922,274	1,161,984
Prior year		-	502,687
Deferred tax		-	26,765,812
		1,922,274	28,430,483

22.1 The provision for current year tax represent tax on turnover at the rate of 1% . According to management , the tax provision made in the financial statements is sufficient.. Following is the comparison of tax provision as per accounts vis a vis tax assessment for last three years.

	Deemed assessment -----Rupees-----	Provision in financial statements
Tax Year 2017	1,386,162	1,161,984
Tax Year 2016	850,296	560,708
Tax Year 2015	1,804,262	1,804,262

The company computes tax based on the generally accepted interpretations of the tax laws and considering views followed by tax authorities to ensure that the sufficient provision for the purpose of taxation is available. According to management, the tax provision made in the financial statements is sufficient.

Deemed assessment represents income tax payable as per return of income filed by the company. As per Section 120 of the income tax ordinance 2001, the return is taken to be assessment order issued to the tax payer by the Commissioner of the day return was filed.

23. (LOSS) PER SHARE - Basic and Diluted

(Loss) after tax - Rupees

Weighted average number of shares - Number

(Loss) per share - Rupees

June 30, 2018 Rupees	June 30, 2017 Rupees
(7,953,190)	(53,153,830)
50,000,000	50,000,000
(0.16)	(1.06)

24. REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES	
	2018	2017	2018	2017	2018	2017
	-----Rupees-----					
Directors' fees	12,000,000	5,760,000	-	-	-	-
Managerial remuneration	-	-	-	-	-	961,920
Reward	-	-	-	-	-	51,000
Retirement benefits	-	-	-	-	-	7,081
Total	12,000,000	5,760,000	-	-	-	1,020,000
Numbers	01	01	0	0	0	01

25. TRANSACTION WITH RELATED PARTIES

Related parties comprise of staff retirement funds and directors. The Company in the normal course of business carries out transactions with various related parties. Detail of related parties (with whom the Company has transacted during the year) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Name of Related Party	Nature of Transaction	June 30, 2018 Rupees	June 30, 2017 Rupees
Directors / Shareholders	Loan		
Aftab Ahmed Khan	Returned to	(38,555,000)	(1,000,000)
	Received from	-	-
Imtiaz Ahmad Khan	Returned to	(36,775,000)	-
	Received from	-	-
Anwar Ahmad Khan	Returned to	(36,775,000)	-
	Received from	-	-

The related party status of outstanding balances as at June 30, 2018 is included in " Loan From Directors/Shareholders -note 7. These are settled in ordinary course of business.

26. CAPACITY AND UTILIZATION

Total Installed Capacity

Available Installed Capacity

Actual production

2018 Units	2017 Units
25,000	25,000
25,000	25,000
6,511	4,460

Reason For Shortfall

Actual production is lower than the maximum production capacity due to low market demand and energy crisis in the country.

27. NUMBER OF EMPLOYEES

	June 30, 2018	June 30, 2017
Number of employees at year end.		
Factory	60	40
Others	17	16
Average number of employees		
Factory	55	36
Others	17	16

28. PROVIDENT FUND RELATED DISCLOSURES

The company operates an approved funded contributory provident fund scheme for all its permanent and eligible employees . The following information is based on unaudited financial statements of provident fund for the year ended 30 June 2018.

	June 30, 2018 Rupees	June 30, 2017 Rupees
Size of the fund - Total assets	1,716,382	1,686,545
Cost of investments made	1,041,377	1,103,960
Percentage of investment made	61%	65%
Fair value of investment	1,041,377	1,103,960

28.1 The break-up of fair value of investments is:

	2018		2017	
	Rupees	%	Rupees	%
Bank account	1,041,377	100%	1,103,960	100%

These figures are based on the un-audited financial statements of the Provident Fund. Investments out of Provident Fund have been made in accordance with the provisions of section 218 of the Ordinance and the rules formulated for this purposes.

29. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company finances its operations through the mix of equity, debt and working capital management with a view to maintain an appropriate mix between various sources of finance to minimize risk. The overall risk management is carried out by the finance department under the oversight of Board of Directors in line with the policies approved by the Board.

	June 30, 2018 Rupees	June 30, 2017 Rupees
29.1 Financial Instruments By Category		
29.1.1 Financial assets:		
Security deposits	598,700	535,700
Trade debtors	146,200,650	149,999,483
Advances and other receivables	5,560,940	28,363,509
Cash and bank balances	3,012,603	2,055,272
	155,372,893	180,953,964
29.1.2 Financial liabilities:		
Trade and other payables	263,384,293	127,288,200

29.2 FINANCIAL RISK MANAGEMENT

29.2.1 The Company has exposure to the following risks from its use of financial instruments:

- a) Credit risk
- b) Liquidity risk and
- c) Market risk (including foreign exchange risk, interest rate risk and price risk)

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's overall risk management programs focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out by a treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks. The Board provides written principles for overall risk management, as well as, written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investment of excess liquidity.

a) Credit Risk

Credit risk represents the financial loss that would be recognized at the reporting date if counter party fail completely to perform as contracted / fail to discharge an obligation / commitment that it has entered into with the company. It arises principally from trade debtors, bank balances, security deposits, advances and other receivables.

The carrying amount of the financial assets represents the maximum credit exposure before credit enhancements. The financial assets exposed to credit risk amounted to Rupees 155,266,984/- (2017:Rupees179,460,214/-) as at June 30, 2018.and are as follows::

	June 30, 2018 Rupees	June 30, 2017 Rupees
Security deposits	598,700	535,700
Trade debtors	146,200,650	149,999,483
Advances and other receivables	5,560,940	27,145,413
Bank balances	2,906,694	1,779,618
	155,266,984	179,460,214

Trade Debtors

The company has not publicized any credit terms for trading on credit. For the purpose of provision of credit the management monitors the credit exposure towards the customers taking into account the customer's financial position, past experience and other factors. The company initiates recovery process through marketing department personnel after a reasonable credit period has expired.

The maximum exposure to credit risk before credit enhancements for trade debts at the balance sheet is as follow:

	June 30, 2018 Rupees	June 30, 2017 Rupees
The aging of trade debtors at balance sheet date is		
Past due 1 - 30 days	13,220,874	3,362,280
Past due 30 - 180 days	19,640,146	22,491,029
Past due 180 days	113,339,630	124,146,173
	146,200,650	149,999,482

Security deposits

The company has provided security deposits as per the contractual terms with counter parties as security and does not expect material loss against those deposits.

Bank balances

The company kept its surplus funds with banks having good credit rating as follows:

	Rating		
	Short term	Long term	Agency
Banks			
Conventional			
Bank Al-Falah Limited	AI+	AA+	PACRA
Allied Bank Limited	AI+	AA+	PACRA
Faysal Bank Limited	AI+	AA	PACRA
Soneri Bank Limited	AI+	AA-	PACRA
Habib Bank Limited	A-I+	AAA	PACRA
Habib Metropolitan Bank Limited	AI+	AA+	PACRA
Shariah Compliant			
Al-Barka Islamic Bank Limited	AI	A	PACRA
MCB Islamic Bank Limited	AI	A	PACRA
UBL Ameen Bank	A-I+	AAA	JCR-VIS
Bank Al Habib Islamic Limited	AA+	A+	PACRA
Bank Of Punjab Taqwa	A+	AA	PACRA
Meezan Bank Limited	AI	A	JCR-VIS

Concentration of Credit Risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The company believes that it is not exposed to major concentration of credit risk.

b) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to manage liquidity is to maintain sufficient level of liquidity of the Company on the basis of expected cash flows. The Company is not exposed to liquidity risk in respect of Loan from directors, shareholders and Trade and other payables of Rupees. NIL (2017: Rupees 112,105,000/-) and Rupees 263,384,293/- (2017: Rupees 127,288,200/-) respectively.

c) Market Risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of holdings of financial instruments. The objective of market risk management is to manage control market risk exposures within acceptable parameters, while optimizing the return.

- Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. The Company is not exposed to any significant currency risk.

- Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to any significant interest rate risk.

The Company is exposed to interest rate risk on balances with banks in saving deposits accounts. Deposits in bank savings accounts held at variable interest rate expose the Company to cash flow interest rate risk. The significant interest rate risk exposures are primarily managed by a suitable mix of deposits at June 30, 2018, the Company's interest bearing financial assets amounted to Rupees 445,293/- (2017: Rupees 478,002/-)

- Other Price Risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices (other than those arising from interest risk or currency risk). The Company is not exposed to any material price risk.

29.3 Fair Value Of Financial Instruments

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

30. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or obtain / repay financing from / to financial institutions.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectations of the shareholders. Debt is calculated as total from banks borrowings. Total capital comprises shareholders' equity as shown in the balance sheet under 'share capital and reserves' and net debt (net of cash and cash equivalent).

The debt - to - equity ratio as at June 30, 2018 and 2017 were as follows:

	June 30, 2018 Rupees	June 30, 2017 Rupees
Total debt	-	112,105,000
Total equity	81,232,598	201,290,788
Gearing ratio	0.00%	55.69%

31. CORRESPONDING FIGURES

The preparation and presentation of these financial statements for the year ended June 30, 2018 is in accordance with requirements in Companies Act, 2017. The Fourth schedule to the Companies Act, 2017 has introduced certain presentation and classification requirements for the elements of financial statements. Accordingly, the corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of Companies Act, 2017. Following major reclassifications have been made during the year:

Description	Reclassified from	Reclassified to	June 30, 2017 Rupees
Unclaimed dividend	Trade and other payables	Unclaimed dividend (presented on face of statement of financial position)	609,746

32. GENERAL

Figures have been rounded off to the nearest rupee.

33. EVENTS AFTER THE BALANCE SHEET DATE

There are no subsequent events occurring after the balance sheet date.

34. AUTHORIZATION TO ISSUE

The financial statements were authorized for issue on September 29, 2018 by the Board of Directors of the Company.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Notice of Annual General Meeting

Notice is hereby given that 31st Annual General Meeting of the members of **GHANI AUTOMOBILE INDUSTRIES LIMITED** will be held on Friday October 26, 2018 at 11:00 a.m., at Factory Premises, 49-KM, Multan Road, Lahore to transact the following business:

Ordinary Business

1. To confirm the minutes of Extraordinary General Meeting of the company held at Hotel Sunfort, 72-d/1, Commercial Zone, Liberty Market, Gulberg-III, Lahore on Wednesday June 6, 2018 at 11:30 a. m. and held again on Wednesday June 13, 2018 after adjournment under proviso of Section 135(I) of the Companies Act, 2017.
2. To receive, consider and adopt the audited annual accounts of **GHANI AUTOMOBILE INDUSTRIES LIMITED** for the year ended June 30, 2018 together with the Directors' and Auditors' reports thereon.
3. To appoint auditors for the year ending June 30, 2019 and fix their remuneration.

The retiring auditors namely M/s. Hassan Farooq & Company., Chartered Accountants being eligible have offered themselves for re-appointment.
4. To transact any other business with the permission of the Chair.

By order of the Board

Lahore: October 05, 2018

Hafiz Muhammad Imran Sabir
Company Secretary

Notes:

- The share transfer books of the Company will remain closed from October 20, 2018 to October 26, 2018 (both days inclusive). Members whose names appear on the register of members as at the close of business on October 19, 2018 will be entitled to attend the Annual General Meeting.
- A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another member as a proxy to attend and vote on his/her behalf. A corporation being a member may appoint as its proxy any of its official or any other person whether a member of the Company or not. Proxies in order to be effective must be deposited at the Share Registrar of the Company not less than 48 hours before the time for holding the meeting, and must be duly stamped, signed and witnessed.
- Members are requested to promptly notify Company's Shares Registrar M/s. Corplink (Pvt.) Ltd., Wings Arcade, 1-K Commercial, Model Town, Lahore, Ph: 042-35916714, 35916719 Fax: 042-35869037 of any change in their addresses to ensure delivery of mail.
- CDC Accountholders will further have to follow the guidelines as laid down by Circular No. 1, dated January 26, 2000, issued by Securities and Exchange Commission of Pakistan ("SECP").

Revision of withholding tax on dividend income

It is further informed that pursuant to the provisions of Finance Act 2014, effective from July 1, 2014 a new criteria for withholding of tax on dividend income has been introduced by the FBR, as per this criteria, 'Filer' and 'Non-Filer' shareholder shall pay tax on dividend @ 15% and 20% respectively.

Mandatory Payment of Cash Dividend Through Electronic Mode

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the following information to the Company's Share Registrar at the address given herein above. In case of shares held in CDC, the same information should be provided directly to the CDS

participants for updating and forwarding to the Company.

Folio No/Investor Account /CDC sub Account No:

Title of Account:

CNIC No:

IBAN No:

Bank Name:

Branch address:

Cell No:

Name of Network (if protected):

Email Address:

Signature of Shareholder

Unclaimed Dividend / Shares

Shareholders who could not collect their dividend/physical shares are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares, if any. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend and shares outstanding for a period of 3 years or more from the date due and payable shall be deposited to the credit of Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP.

Video Conference Facility

In terms of the Companies Act, 2017, members residing in a city holding at least 10% of the total paid up share capital may demand the facility of video-link for participating in the annual general meeting. The request for video-link facility shall be received by the Share Registrar at the address given hereinabove at least 7 days prior to the date of the meeting on the Standard Form placed in the annual report which is also available on the website of the Company.

Transmission of Annual Financial Statements through e-mail

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan (SECP) vide SRO 787(I)/2014 dated September 8, 2014, those shareholders who desire to receive Annual Financial Statements in future through e-mail instead of receiving the same by Post are advised to give their formal consent along with their e-mail address duly signed by the shareholder along with copy of his CNIC to our share registrar's office, M/s. Corplink (Pvt) Ltd, Wings arcade, 1-k, commercial, Model Town, Lahore. Please note that giving e-mail address for receiving of Annual Financial Statements instead of the same by Post is optional, in case you do not wish to avail this facility, please ignore this notice, Financial Statement will be sent to you at your registered address.

Exemption from deduction of Income Tax/Zakat

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax exemption certificate or necessary documentary evidence as the case may be. Members desiring non-deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

Availability of Audited Financial Statements on Company's Website

The audited financial statement of the company for the year ended June 30, 2018 have been placed at the Company's website www.ghaniautomobile.com.

Pattern of Shareholding

OF SHARES HELD BY THE SHAREHOLDERS OF GHANI AUTOMOBILE INDUSTRIES LIMITED AS AT JUNE 30, 2018

2.2 No. of Shareholders	-----Shareholdings----- From	To	Total Shares Held
247	1	100	6,608
962	101	500	467,330
813	501	1,000	801,310
1625	1,001	5,000	4,982,554
587	5,001	10,000	4,924,246
196	10,001	15,000	2,625,006
153	15,001	20,000	2,844,147
101	20,001	25,000	2,397,000
45	25,001	30,000	1,304,475
26	30,001	35,000	866,500
25	35,001	40,000	963,000
20	40,001	45,000	851,702
61	45,001	50,000	3,014,000
12	50,001	55,000	636,000
15	55,001	60,000	893,500
4	60,001	65,000	260,000
4	65,001	70,000	268,000
15	70,001	75,000	1,120,000
8	75,001	80,000	618,000
1	80,001	85,000	85,000
3	85,001	90,000	270,000
1	90,001	95,000	94,000
24	95,001	100,000	2,399,750
3	100,001	105,000	306,000
4	105,001	110,000	435,500
1	110,001	115,000	112,500
3	120,001	125,000	371,500
5	125,001	130,000	650,000
1	130,001	135,000	132,500
3	135,001	140,000	415,500
2	140,001	145,000	284,500
2	145,001	150,000	299,000
3	150,001	155,000	461,000
2	155,001	160,000	316,000
2	160,001	165,000	328,500
1	170,001	175,000	175,000
1	175,001	180,000	177,000
2	190,001	195,000	388,000
6	195,001	200,000	1,196,000
1	205,001	210,000	206,500
2	235,001	240,000	475,000
2	250,001	255,000	505,500
2	255,001	260,000	516,000
1	275,001	280,000	280,000
1	280,001	285,000	281,000
1	290,001	295,000	291,000
2	295,001	300,000	600,000
1	315,001	320,000	320,000
1	345,001	350,000	347,500
1	430,001	435,000	432,500
2	435,001	440,000	873,372
1	445,001	450,000	450,000
1	495,001	500,000	500,000
1	675,001	680,000	680,000
2	795,001	800,000	1,600,000
1	1,095,001	1,100,000	1,100,000
1	1,800,001	1,805,000	1,801,000
5013			50,000,000

Categories of shareholders	Share held	Percentage
Directors, Chief Executive Officers, and their spouse and minor children	72,702	0.1454%
Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
NIT and ICP	4,000	0.0080%
Banks Development Financial Institutions, Non Banking Financial Institutions.	0	0.0000%
Insurance Companies	0	0.0000%
Modarabas and Mutual Funds	0	0.0000%
Share holders holding 10% or more	0	0.0000%
General Public		
a. Local	46,755,025	93.5101%
b. Foreign	3,250	0.0065%
Others (to be specified)		
1- Foreign Companies	4,500	0.0090%
3- Joint Stock Companies	3,037,523	6.0750%
3- Other Companies	123,000	0.2460%

Pattern of Shareholding

AS ON JUNE 30, 2018

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):		-	-
Mutual Funds (Name Wise Detail)		-	-
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MR. AFTAB AHMAD KHAN (CDC)	42,202	0.0844%
2	MRS. AYESHA AFTAB	750	0.0015%
3	MR. JUNAID GHANI	500	0.0010%
4	MR. NAUMAN SHOUKAT	1,000	0.0020%
5	MR. OBAID GHANI (CDC)	23,000	0.0460%
6	MR. JUBAIR GHANI	1,250	0.0025%
7	MISS ZAHRA AFTAB	500	0.0010%
8	MR. AMJAD AQEEL	500	0.0010%
9	MRS. MUSFIRA JUBAIR	500	0.0010%
10	MRS. AFFIFA ANWAAR	500	0.0010%
11	MRS. MARYAM JUNAID	500	0.0010%
12	MR. SARFARAZ AMWAR	500	0.0010%
13	HAFIZ MUHAMMAD SAAD	500	0.0010%
14	MR. MUHAMMAD AYUB	500	0.0010%
Executives:		-	0.0000%
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		-	0.0000%
Shareholders holding five percent or more voting interest in the listed company (Name Wise)			
S. No.	NAME	NIL	HOLDING %AGE
All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:			
S.No	NAME	NIL	SALE PURCHASE

ایک سال کے عرصہ (01 جولائی، 2017 تا 30 جون 2018) میں بورڈ آف ڈائریکٹرز کے چار، آڈٹ کمیٹی کے چھ اور ایچ آر اور آر کمیٹی کے دو اجلاس ہوئے۔ جن میں بورڈ کے ارکان کی حاضری کی تفصیل درج ذیل ہے۔

ڈائریکٹر کا نام	بورڈ آف ڈائریکٹرز کے اجلاسوں میں حاضری	آڈٹ کمیٹی کے اجلاسوں میں حاضری	ایچ آر اور آر کمیٹی کے اجلاسوں میں حاضری
مسٹر آفتاب احمد خان	4	-	-
مسز عائشہ آفتاب	4	6	2
مسٹر جمید غنی	4	-	2
مسٹر عید غنی	4	-	2
مسٹر جمیر غنی	4	6	-
مسز ہرہ آفتاب	4	-	-
ڈاکٹر امجد عقیل	4	-	-
مسز مریم جمید	4	-	-
مسز مصطفیٰ جمیر	4	-	-
مس عقیفہ انوار	4	-	-
حافظ محمد سعد	4	-	-
مسٹر محمد ایوب	4	-	-
مسٹر نعمان شوکت	4	-	-
مسٹر سرفراز انور	4	6	-

آڈیٹران

آڈیٹران حسن فاروق اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس سالانہ اجلاس عام کے اختتام پر ریٹائرڈ ہو گئے ہیں۔ اہلیت کی بنیاد پر دوبارہ تقرری کیلئے اپنی خدمات پیش کر چکے ہیں۔ آڈٹ کمیٹی کی تجویز پر بورڈ نے سال 2019 کیلئے حسن فاروق اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو کمپنی کا آڈیٹر مقرر کرنے کی سفارش کی ہے۔

اظہار تشکر

بورڈ ملازمین کے کام، جذبہ اور ایمانداری کو تہ دل سے سراہتے ہوئے اظہار تشکر کرتا ہے۔ ہم اللہ تعالیٰ سے دعا گو ہیں کہ وہ ہم پر اپنی رحمتوں کو نزول فرماتے ہوئے ہمیں اپنے پیارے نبی کے بتائے ہوئے راستے پہ چلائے آمین۔



آفتاب احمد خان

چیف ایگزیکٹو آفیسر



جمیر غنی

ڈائریکٹر

لاہور: 29 ستمبر 2018

اہم رجحانات اور عوامل جو کہ مستقبل کی ترقی اور کمپنی کی کارکردگی اور حیثیت پر اثر انداز ہو سکتے ہیں روپے کی قدر میں کمی، خام مال کی بڑھتی قیمتوں، سخت مقابلہ وغیرہ ایسے عوامل ہیں جو کہ مستقبل کی ترقی اور کمپنی کے کاروبار کی کارکردگی اور حیثیت پر اثر انداز ہو سکتے ہیں۔

کمپنی کے کاروبار کے ماحولیات پر اثرات

کمپنی کے آپریشنز کا ماحولیات پر کوئی منفی اثر نہیں ہے۔

کمپنی کے کاروبار کی نوعیت میں تبدیلی

گزشتہ سال کے دوران کمپنی کے کاروبار کی نوعیت میں کوئی تبدیلی نہیں ہوئی۔

نان ایگزیکٹو اور آزاد ڈائریکٹران کی تنخواہ کی پالیسی

کمپنی کی پالیسی ہے کہ نان ایگزیکٹو اور آزاد ڈائریکٹران کو کوئی تنخواہ نہیں دی جائے گی

اندرونی مالیاتی کنٹرول سے متعلق ڈائریکٹروں کی ذمہ داری

بورڈ براہ راست یا اپنی کمیٹیوں کے ذریعے اندرونی کنٹرول کی سرگرمیوں کو یقینی بناتا ہے۔ بورڈ وقفے وقفے سے عبوری اکاؤنٹس، رپورٹس، منافع کا جائزہ اور دیگر مالیاتی اور شماریاتی

معلومات کے ذریعے کمپنی کے مالیاتی امور اور حیثیت کا بھی جائزہ لیتا ہے۔

سٹاف کے ریٹائرمنٹ فوائد

کمپنی اپنے ملازمین کیلئے فنڈڈ پراویڈنٹ فنڈسکیم چلاتی ہے اور تنخواہوں کی بنیاد پر فنڈ میں ماہانہ حصہ شامل کرتی ہے۔

کوڈ آف کنڈکٹ

مستقل کے تقاضوں کو مد نظر رکھتے ہوئے کوڈ آف کنڈکٹ مرتب کیا گیا ہے اور ملازمین میں تقسیم کیا گیا ہے۔

نمونہ حصہ داری

کمپنیز ایکٹ 2017 کے مطابق نمونہ حصہ داری بمطابق 30 جون 2018 منسلک کیا گیا ہے۔ ڈائریکٹران، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری اور ان کی

بیوی اور چھوٹے بچوں نے کمپنی کی حصص کی جو خرید و فروخت کی ہے وہ نمونہ حصہ داری میں بیان کی گئی۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز کی طرف سے دی گئی رہنمائی اور حمایت پر ان کا شکریہ ادا کرتا ہوں۔

ڈائریکٹران کی کل تعداد 14 ہے۔ جس کی تفصیل درج ذیل ہے۔ مرد: 9 خواتین: 5

ڈاکٹر امجد عقیل	آزاد ڈائریکٹران
حافظ محمد سعد	
مسٹر محمد ایوب	
مسٹر نعمان شوکت	
مسٹر سرفراز انور	
مسز عائشہ آفتاب	نان ایگزیکٹو ڈائریکٹر
مسٹر جنید غنی	
مسٹر سعید غنی	
مسٹر جمیل غنی	
مسز ہرہ آفتاب	
مسز مریم جنید	
مسز مصطفیٰ کبیر	
مس عقیفہ انوار	
مسز آفتاب احمد خان	ایگزیکٹو ڈائریکٹر

ڈائریکٹران کی جائزہ رپورٹ

معزز حصص داران

السلام علیکم ورحمۃ اللہ وبرکاتہ

غنی آٹوموبیل کے بورڈ آف ڈائریکٹرز 30 جون 2018 کو مکمل ہونے والے سال کیلئے سالانہ رپورٹ اور آڈٹ شدہ مالی گوشوارے ہمراہ آڈیٹرز کی رپورٹ بخوشی پیش کرتے ہیں۔

مالیاتی کارکردگی

30 جون 2018 کو مکمل ہونے والے مالیاتی سال کیلئے آپریٹنگ نتائج مختصراً حسب ذیل ہیں۔

2017	2018	
(روپے '000 میں)		
116,198	192,227	خالص فروخت
(12,112)	2,361	خام نفع / (نقصان)
(24,723)	(6,031)	قبل از ٹیکس منافع / (نقصان)
(53,154)	(7,953)	بعد از ٹیکس منافع / (نقصان)
(1.06)	(0.16)	فی حصص (نقصان) / منافع بنیادی اور تحلیل شدہ (روپے)

رواں برس خالص فروخت پچھلے سال 116 ملین روپے کے مقابلے میں 192 ملین روپے رہی۔ انتظامیہ پچھلے سال 12 ملین روپے کے خام نقصان سے کمپنی کو 2 ملین روپے کے خام نفع دلانے میں کامیاب رہی۔ زیر جائزہ سال کے دوران کمپنی کا خالص نقصان پچھلے سال 53 ملین روپے سے کم ہو کر 7.9 ملین روپے ہو گیا۔ نتیجائی حصص نقصان بھی (1.06) روپے سے کم ہو کر (0.16) روپے ہو گیا۔ کمپنی نے پائیداری کے سفر کا آغاز کر لیا ہے۔ ہم پر امید ہیں کہ مستقبل میں مزید بہتری آئے گی۔

مستقبل پر نظر

کمپنی کے حصص داران نے اپنے غیر معمولی اجلاس عام منعقدہ 6 جون 2018 جو کہ کمپنیز ایکٹ 2017 کی شق (4) 135 کے تحت دوبارہ 13 جون 2018 کو منعقد ہوا میں 10% رعایت یعنی 9 روپے فی حصص پر 40% رائٹ حصص کی منظوری دی ہے۔ اس رائٹ ایشو کا مقصد بڑھوتری اور ورکنگ سرمائے کی ضروریات کو پورا کرنا ہے۔ رائٹ ایشو کو قبول کرنے اور پیسے جمع کرانے کی آخری تاریخ 15 اکتوبر 2018 ہے۔

کارپوریٹ گورننس

بورڈ کارپوریٹ گورننس کے اعلیٰ معیار کا قائم رکھنے کیلئے پرعزم ہے اور کارپوریٹ گورننس جو کہ سٹاک ایکسچینج کے قواعد درج ہے کی مکمل تعمیل کی یقین دہانی کرتا ہے۔ آپ کے ڈائریکٹران بیان کرنے میں خوشی محسوس کرتے ہیں۔ کہ

1۔ کمپنی کی انتظامیہ تیار کردہ مالی گوشواروں میں اس کے واضح امور عملدار آمد کے نتائج، کیش فلو ایکٹیوٹی میں تبدیلیاں پیش کی گئی ہیں۔

2۔ کمپنی کی اکاؤنٹس بکس باقاعدگی سے تیار کی گئی ہیں۔

3۔ مالی گوشواروں اور اکاؤنٹنگ تخمینوں کی تیاری میں متعلقہ موزوں اکاؤنٹنگ پالیسیاں بروئے کار لائی گئی ہیں اور یہ مناسب فیصلوں پر مبنی ہیں۔

4۔ انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (آئی ایف آر ایس) پاکستان میں نافذ العمل ہیں اور مالی گوشواروں کی تیاری اور کسی بھی روایتی میں باقاعدہ سے اس پر عمل کیا جاتا ہے۔

5۔ انٹرنل آڈٹ اور دوسرے طریقوں سے کنٹرول کے سسٹم مسلسل جائزہ لیا جاتا ہے۔ اس جائزہ کا مقصد انٹرنل سسٹم کو اور زیادہ بہتر بنانا ہے۔

6۔ جاری ادارہ کی حیثیت سے کمپنی کی اہلیت میں کوئی نمایاں شک نہیں۔

7۔ لیسٹنگ ریگولیشنز کے مطابق کارپوریٹ گورننس کے اعلیٰ طریقوں میں کوئی بے ضابطگی عمل میں نہیں آئی۔

8۔ گزشتہ چھ سال کا آپریٹنگ اور فنانشل ڈیٹا مختصر رپورٹ میں شامل کیا گیا ہے۔

9۔ مالی حالت کی وجہ سے کمپنی سٹر ہولڈرز کو ڈیوڈنڈ دینے سے قاصر ہے۔

10۔ قابل ادائیگی اور ادائیگیاں: آڈٹ کا وٹس کا نوٹ نمبر: 13،8،6

نمائندگی کا فارم (پراکسی فارم)

میں رہم _____ کے _____

غنی آٹوموبیل انڈسٹریز لمیٹڈ کے رکن اور عام شیئر کے حامل کی حیثیت کے _____

(شیئرز کی تعداد) _____

رجسٹر کا فوئیو نمبر _____

اور ریسی ڈی سی فوئیو کا آئی ڈی نمبر _____

اور ذیلی اکاؤنٹ نمبر _____، _____ کے _____

یا _____ کے _____

کو کمپنی کے 31 ویں سالانہ اجلاس عام جو جمعہ، 26 اکتوبر 2018 کو صبح 11:00 بجے فیکٹری واقع 49 کلومیٹر، ملتان روڈ، لاہور میں منعقد ہوگا، میں میرے ہمارے لئے اور میری ہماری طرف سے بحیثیت اپنا پراکسی، ووٹ دینے کے لئے نامزد کرتا ہوں کر کرتے ہیں۔

گواہ: 1 _____ گواہ: 2 _____

دستخط _____

نام _____

پتہ _____

سی این آئی سی نمبر _____

نوٹ: پراکسی فارم / نمائندگی فارم کو موثر ہونے کے لیے سالانہ اجلاس سے کم از کم 48 گھنٹے پہلے موصول ہونا ضروری ہے۔ اور اس پر دستخط، ریوینیوٹکٹ اور شہادت ہونا ضروری ہے۔

ویڈیو کانفرنسنگ کی سہولت کے فارم کی درخواست

میں رہم _____ غنی آٹوموبیل انڈسٹریز لمیٹڈ کے رکن اور رجسٹر کے _____

صفحہ نمبری ڈی سی اکاؤنٹ نمبر _____ کے مطابق _____ عام شیئر (ز) کے حامل کی حیثیت سے _____ میں ویڈیو کانفرنسنگ کی سہولت حاصل کرنا چاہتا ہوں چاہتے ہیں۔

تاریخ: _____

دستخط رکن / شیئر ہولڈر

GHANI AUTOMOBILE INDUSTRIES LIMITED

274-B, N Block, Model Town Extension, Lahore

FORM OF PROXY

Folio No. _____

No. of Shares _____

I/WE _____

of _____

Being a member of GHANI AUTOMOBILE INDUSTRIES LIMITED _____

Here by appoint Mr. _____

of _____

failing him Mr. _____ of _____

(Being a member of the company) as my/our proxy to attend, act and vote for me/us on my/our behalf at 31st Annual General Meeting of the members of GHANI AUTOMOBILE INDUSTRIES LIMITED will be held on Friday October 26, 2018 at 11:00 a.m., at Factory Primses, 49-KM, Multan Road, Lahore and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2018

Witness's Signature

Signature _____

Name: _____

Address: _____

Signature and
Revenue Stamp

NOTES:

Proxies, in order to be effective, by the company not later than 48 hours before the meeting and must be duly stamped, signed and witnessed.

Request for Video Conferencing Facility Form

I/We, _____ of _____ being a member of

Ghani Automobile Industries Limited, holder of _____

Ordinary Share(s) as per Register Folio No/CDC A/c No. _____

hereby opt for video conference facility at _____.

_____ Date: _____

Ghani Automobile Industries Limited



**Be aware, Be alert,
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GHANI AUTOMOBILE INDUSTRIES LIMITED

Registered Office:

274-B, N Block, Model Town Extension, Lahore-Pakistan
Tel: +92-42-35168873; 35172205 | FAX: +92-42-35172263
Web: www.ghaniautomobiles.com