



Ghani Automobile Industries Limited

No. GAIL/PSX/2018/10

May 15, 2018

The General Manager
Pakistan Stock Exchange Limited.
Stock Exchange Building
Stock Exchange Road
Karachi.

Fax: 021-111-573-329

Dear Sir,

Notice of Extraordinary General Meeting -Ghani Automobile Industries Limited

We enclose herewith the notice of Extraordinary General Meeting of **Ghani Automobile Industries Limited** to be held on June 06, 2018 for your information and record. The same notice will be published in newspapers.

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

Yours Sincerely,

Hafiz Muhammad Imran Sabir
Company Secretary

Encl: As above



NOTICE OF EXTRAORDINARY GENERAL MEETING Ghani Automobile Industries Limited

Notice is hereby given that Extraordinary General Meeting of the members of **GHANI AUTOMOBILE INDUSTRIES LIMITED** will be held on Wednesday June 6, 2018 at 11:30 a.m., at Hotel Sunfort, 72-D/1, Commercial Zone, Liberty Market, Gulberg-III, Lahore to transact the following business:

Ordinary Business

1. To confirm the minutes of Annual General Meeting of the company held on October 27, 2017 and held again on November 3, 2017 after adjournment under proviso of Section 135(l) of the Companies Act 2017.

Special Business

2. To consider and approve the issuance of 40% right shares of Rs.10 each at a discounted price of Re.9 per share i.e. at 10% discount in proportion of 40 ordinary shares for every 100 ordinary shares held in accordance with sections 82 and 83 of the Companies Act 2017 and to pass the following resolution with or without modification, as special resolution:

"RESOLVED that approval be and is hereby given to increase the paid up capital of the company from Rs.500,000,000 to Rs.700,000,000 by issuance of 20,000,000 ordinary shares to be offered as 40% Right Shares (40 ordinary shares for every 100 shares held) of Rs.10 each in consideration of cash at discounted price of Rs.9 per share i.e. at discount of 10%".

"FURTHER RESOLVED that these right shares shall from the date of allotment, rank pari passu in all respect with the then existing fully paid shares of Ghani Automobile Industries Limited and the members receiving such shares shall have similar rights and entitlements in respect of the Right Shares as in respect of their previously held shares from the date of allotment."

"FURTHER RESOLVED that the share transfer books of the company shall remain closed for determination of entitlement of right shares from June 26, 2018 to July 3, 2018 (both days inclusive)."

"FURTHER RESOLVED that the purpose of right issue, benefits to the company, use of funds, risk factors, projections etc. for five years attached as Annex-B to the statement u/s 134(3) of the Companies Act 2017 of the notice of Extraordinary General Meeting be and are hereby approved."

"FURTHER RESOLVED that after finalization of banker to right issue Mr. Aftab Ahmad Khan, Chief Executive Officer and Mr. Obaid Ghani, Chairman of the company are singly authorized to do all ancillary acts necessary for the right issue and to operate the Right Issue Subscription Account of the Company."

"FURTHER RESOLVED that the Company Secretary in consultation with the Chief Executive officer be and is hereby authorized to prepare right issue plan, made any amendment thereon and obtain approval of the same from the stock exchange."

"FURTHER RESOLVED that the Chief Executive Officer and/or Company Secretary be and is hereby authorized to issue circular under SRO 223(1)/2015 [Section 86 (3) of the repealed companies ordinance, 1984] and offer letters to the shareholders, SECP and the stock exchanges."

3. To transact any other business with the permission of the Chair.

Lahore: May 15, 2018

By order of the Board


Hafiz Mohammad Imran Sabir
Company Secretary

Notes:

- The share transfer books of the Company will remain closed from May 31, 2018 to June 6, 2018 (both days inclusive). Members whose names appear on the register of members as at the close of business on May 30, 2018 will be entitled to attend the Extraordinary General Meeting.
- A member entitled to attend and vote at the Extraordinary 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. Pursuant to Companies (Postal Ballot) Regulations 2018, the right of vote through postal ballot may be provided to the members pursuant to the Section 143 and 144 of the Companies Act, 2017.
- 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 Extraordinary 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.

Statement u/s 134(3) of the Companies Act 2017

Item No.2

Issuance of 40% Right Shares of par value of Rs.10 at a discounted price of Rs.9 per share i.e. at 10% discount

The Board of Directors in their meeting held on April 30, 2018 has recommended 40% right issue at discount of 10% i.e. at Rs.9 per share in proportion of 40 shares for every 100 shares held subject to the approval of shareholders.

S. No	Description	Status								
1	Statement stating that the funds in question are essentially required and directors of the company have explored all other avenues of funding available and shares at a discount are being issued as a last resort.	Attached as Annex-A								
2	Detail of shares at par or at a discount in the last five years stating purpose, utilization of funds and benefits arisen to the company and its members. The amount of capital injected thereby and the increase in profit before tax in consequence thereof.	<p>Detail of Right Issue: The Company has issued 150% Right Shares at discount of 50% in 2014.</p> <p>Purpose, utilization of funds: The purpose of issuance of 150% right shares at a discount of 50% was debt servicing and meeting the working capital requirements of the company.</p> <p>Benefits arisen: Rs.91 M used for debt servicing and remaining for working capital</p> <p>The amount of capital injected: Rs.150 M</p> <p>Profit before tax:</p> <p style="text-align: center;">Rupees in million</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>(4)</td> <td>11</td> <td>(77)</td> <td>(25)</td> </tr> </tbody> </table>	2014	2015	2016	2017	(4)	11	(77)	(25)
2014	2015	2016	2017							
(4)	11	(77)	(25)							

3	Purpose, benefits and use of funds from the proposed right issue. Financial plan, projections.	Attached as Annex-B
4	Break-up value of company's share as at June 30, 2017	Break-up value of company's share as at June 30, 2017: Rs.1.784 per share
5	Detail of advances/loans to the associated companies and directors during preceding three years and justification thereof.	Nil
6	Turnover details and market share price of company's share during preceding 6 months.	Attached as Annex-C

Inspection of Documents

Copy of statement u/s 134(3) of the Companies Act 2017, recent annual/quarterly accounts, Memorandum and Articles of Association or any other related documents may be inspected during the business hours on any working day at the registered office of the company.

Interest of the Directors

All Directors of the Company are interested in this business up to the extent to their shareholding in the Company.

We,

Obaid Ghani, Aftab Ahmad Khan, Ayesha Aftab, Maryam Junaid, Musfira Jubair, Afifa Anwaar, Zahra Aftab, Junaid Ghani, Jubair Ghani, Hafiz Muhammad Saad, Muhammad Ayub, Nauman Shaukat, Sarfraz Anwar and Dr. Amjad Aqeel

directors of Ghani Automobile Industries Limited would like to state that issuance of 40% right shares of par value of Rs.10 at a discounted price of Rs.9 per share i.e. at 10% discount has been approved subject to the approval of the shareholders. The funds in question are essentially required and we have explored all other avenues of funding available and shares at a discounted price of Rs.9 per share are proposed to be issued as a last resort.

Sd

PURPOSE OF RIGHT ISSUE AND USE OF FUNDS

The purpose of issuance of 40% right shares at discounted price of Rs.9 per share i.e. at a discount of 10% is the expansion and meeting the working capital requirements of the company. Funds generated from above right issue will be utilized for expansion and meeting working capital requirements.

BENEFIT TO 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.

PROJECTIONS

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
	Rupees	Rupees	Rupees	Rupees	Rupees
Sales	613,922,467	735,737,609	837,637,268	953,650,030	1,085,730,559
Cost of Goods Sold	574,190,156	684,914,421	773,980,041	874,645,851	988,438,945
Gross Profit	39,732,311	50,823,188	63,657,227	79,004,179	97,291,614
Administrative expenses	17,183,669	18,740,140	20,442,411	22,304,400	24,341,364
Selling and marketing expenses	27,392,946	28,973,116	32,669,478	36,877,172	41,670,680
Bank profit	(149,755)	(4,250,928)	(2,539,625)	(2,151,694)	(2,181,433)
Other income	(20,000,000)	(23,157,895)	(25,473,684)	(28,021,053)	(30,823,158)
	24,426,860	20,304,433	25,098,580	29,008,825	33,007,452
Net profit before tax	15,305,451	30,518,755	38,558,647	49,995,354	64,284,162
Provision for tax	2,295,818	4,577,813	5,783,797	7,499,303	9,642,624
Net Profit	13,009,633	25,940,942	32,774,850	42,496,051	54,641,537

The above financial projections are based on the perception of the Directors regarding the performance of the company in the current business environment. The Company or its Directors do not accept any liability for investment decision by any person on the basis of the above financial projections.

RISK FACTORS

Investment Risk

There is no major investment risk as the right issue is being offered at discounted price of Rs.9 per share which is lower than the par value as well as the volume weighted average daily closing price for ninety days prior to announcement of right issue.

Operational Risk

There is no major operational risk as the company has a dedicated team of skilled workers. Moreover, the company has un-utilized production capacity.

Market Risk

There is no major market risk as the company has strong dealers' network and sales force. Moreover, after the announcement of Auto policy 2016-21, the sale of the company has improved during the current financial year.

TURNOVER DETAILS AND MARKET PRICE OF COMPANY'S SHARE DURING PRECEDING 6 MONTHS

Date	Open	High	Low	Close	Vol.
11/1/2017	7.18	7.3	7.1	7.23	351000
11/2/2017	7.13	7.38	7.1	7.11	136000
11/3/2017	7.1	7.38	7.1	7.31	293000
11/6/2017	7.34	7.35	7.1	7.1	74000
11/7/2017	7.02	7.33	7	7.03	152000
11/8/2017	7.05	7.3	6.92	7.24	259000
11/9/2017	7.32	7.9	7.24	7.84	552000
11/10/2017	7.9	8.18	7.63	7.81	347000
11/13/2017	7.75	7.82	7.54	7.62	195500
11/14/2017	7.74	7.9	7.5	7.5	373000
11/15/2017	7.5	7.62	7.25	7.3	177000
11/16/2017	7.49	7.55	7.3	7.38	154000
11/17/2017	7.49	7.56	7.3	7.52	171000
11/20/2017	7.54	7.54	7.31	7.34	102500
11/21/2017	7.26	7.43	7.22	7.24	98500
11/22/2017	7.3	7.3	7.2	7.25	61000
11/23/2017	7.41	7.99	7.3	7.65	1268500
11/24/2017	7.78	7.78	7.45	7.5	100500
11/27/2017	7.45	7.49	7.4	7.46	65500
11/28/2017	7.49	7.65	7.33	7.36	179500
11/29/2017	7.35	7.4	7.28	7.34	84500
11/30/2017	7.49	7.49	7.3	7.3	56000
12/4/2017	7.31	7.38	7.25	7.37	144000
12/5/2017	7.48	7.97	7.3	7.63	1328000
12/6/2017	7.79	7.84	7.55	7.62	132000
12/7/2017	7.65	7.65	7.25	7.28	290500
12/8/2017	7.12	7.36	7.11	7.2	123500
12/11/2017	7.3	7.3	6.78	6.82	255500
12/12/2017	6.86	6.86	6.25	6.55	359500
12/13/2017	6.52	6.9	6.41	6.79	235500
12/14/2017	6.65	6.65	6.4	6.46	130000
12/15/2017	6.58	6.73	6.31	6.63	91500
12/18/2017	6.88	6.88	6.46	6.58	15500
12/19/2017	6.52	6.69	6.39	6.41	53500
12/20/2017	6.5	6.55	6.21	6.31	93500
12/21/2017	6.1	6.43	6.05	6.4	155000
12/22/2017	6.49	6.8	6.3	6.6	347500
12/26/2017	6.76	7.2	6.58	7	556500
12/27/2017	7	7.24	6.85	6.89	282000
12/28/2017	6.85	7	6.7	6.9	259000
12/29/2017	6.79	6.98	6.75	6.76	227000
1/1/2018	6.8	6.87	6.58	6.83	69500
1/2/2018	6.89	7.02	6.75	6.94	451500
1/3/2018	6.95	7.33	6.95	7.06	403500
1/4/2018	7.1	7.32	7.1	7.27	218500
1/5/2018	7.25	7.63	7.21	7.54	730000

1/8/2018	7.78	7.83	7.5	7.66	633500
1/9/2018	7.6	7.66	7.45	7.5	326000
1/10/2018	7.58	8.15	7.58	8.07	1061500
1/11/2018	8.19	8.19	7.69	7.73	472500
1/12/2018	7.72	7.74	7.31	7.44	454500
1/15/2018	7.4	7.77	7.1	7.22	275500
1/16/2018	7.12	7.44	7.12	7.3	69000
1/17/2018	7.4	7.44	7.25	7.4	159500
1/18/2018	7.49	7.7	7.45	7.53	380500
1/19/2018	7.65	8.25	7.54	7.99	940000
1/22/2018	8.1	8.25	7.91	8.08	610500
1/23/2018	8	8.02	7.8	8	310000
1/24/2018	8.18	8.25	8.01	8.08	543500
1/25/2018	8.15	8.8	7.95	8.59	1675000
1/26/2018	8.6	8.6	8.15	8.24	785000
1/29/2018	8.2	8.31	8.07	8.12	358500
1/30/2018	8.25	8.3	7.87	7.98	616500
1/31/2018	8.02	8.21	7.95	8.06	472500
2/1/2018	8.1	8.68	8.1	8.34	1930500
2/2/2018	8.54	8.54	8.11	8.19	624500
2/6/2018	8.11	8.22	7.93	8.12	323500
2/7/2018	8.29	8.35	8.17	8.2	303000
2/8/2018	8.34	8.34	8.05	8.07	217000
2/9/2018	8.01	8.19	8.01	8.15	155500
2/12/2018	8.35	8.35	8.1	8.11	139500
2/13/2018	8.15	8.23	7.95	8.01	340500
2/14/2018	8.01	8.12	7.87	7.89	105000
2/15/2018	7.87	7.87	7.5	7.63	209500
2/16/2018	7.7	7.8	7.55	7.64	123500
2/19/2018	7.44	7.8	7.42	7.48	187500
2/20/2018	7.51	7.6	7.2	7.42	145000
2/21/2018	7.59	7.7	7.35	7.39	94500
2/22/2018	7.35	7.55	7.35	7.52	52500
2/23/2018	7.38	7.62	7.25	7.33	160500
2/26/2018	7.38	7.47	7.22	7.39	197500
2/27/2018	7.55	7.9	7.28	7.63	363000
2/28/2018	7.56	7.74	7.55	7.67	228000
3/1/2018	7.6	8.18	7.55	7.9	846500
3/2/2018	7.95	8.15	7.85	7.92	437000
3/5/2018	7.95	7.98	7.75	7.83	213000
3/6/2018	7.78	7.9	7.7	7.72	183000
3/7/2018	7.7	8.36	7.7	8.14	2478500
3/8/2018	8.02	8.2	7.85	7.91	269000
3/9/2018	7.9	7.98	7.71	7.74	153500
3/12/2018	7.74	7.75	7.68	7.72	323000
3/13/2018	7.63	7.94	7.63	7.87	201500
3/14/2018	7.8	7.95	7.8	7.91	349500
3/15/2018	7.9	8.91	7.8	8.91	3921500
3/16/2018	9.35	9.44	8.37	8.48	5840000
3/19/2018	8.65	8.77	8.42	8.58	894000
3/20/2018	8.73	8.74	8.5	8.56	683000
3/21/2018	8.59	8.6	8.42	8.53	360500

3/22/2018	8.53	8.94	8.42	8.72	1377500
3/26/2018	8.75	8.9	8.62	8.77	687500
3/27/2018	8.86	9.24	8.77	9.02	1919000
3/28/2018	9	9.6	8.95	9.26	3901500
3/29/2018	9.4	9.6	9.23	9.27	1386500
3/30/2018	9.32	9.35	9	9.05	571000
4/2/2018	9	9.22	9	9.08	713000
4/3/2018	9.04	9.67	9.03	9.39	2233000
4/4/2018	9.5	9.74	9.42	9.48	1130500
4/5/2018	9.5	9.77	9.43	9.69	1461000
4/6/2018	9.95	10.02	9.51	9.74	1440500
4/9/2018	9.75	9.8	9.45	9.5	638500
4/10/2018	9.51	9.79	9.47	9.54	696500
4/11/2018	9.6	10.54	9.56	10.54	6045000
4/12/2018	10.8	11.13	10.22	10.4	7363500
4/13/2018	10.3	10.45	10.1	10.17	1790000
4/16/2018	10.39	10.45	10.1	10.17	711500
4/17/2018	10.09	10.42	10.05	10.17	1181500
4/18/2018	10.11	10.34	9.9	9.93	369500
4/19/2018	10	10.15	9.1	9.35	1005500
4/20/2018	9.35	9.45	8.92	9.15	418500
4/23/2018	9.15	9.34	9.15	9.26	274500
4/24/2018	9.34	9.48	9.34	9.39	299000
4/25/2018	9.25	9.44	9.06	9.17	383000
4/26/2018	9.3	9.34	9.01	9.04	414000
4/27/2018	9.35	9.35	9.04	9.14	245500
4/30/2018	9.06	9.34	9.02	9.09	377500