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Corporate Information

BOARD OF DIRECTORS	Mr. Obaid Ghani Mr. Aftab Ahmad Khan Mrs. Ayesha Aftab Mrs. Maryam Junaid Ms. Afifa Anwaar Ms. Zahra Aftab Mr. Junaid Ghani Mr. Jubair Ghani Mr. Umair Ghani Hafiz Muhammad Saad Mr. Muhammad Ayub Mr. Nauman Shaukat Mr. Sarfraz Anwar Dr. Amjad Aqeel	Chairman Chief Executive Officer
AUDIT COMMITTEE	Hafiz Muhammad Saad Mr. Muhammad Ayub Mr. Jubair Ghani	Chairman Member Member
HR & R COMMITTEE	Mr. Nauman Shaukat Mr. Sarfraz Anwar 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	
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.

The pace of economic growth slowed down considerably during FY19. The country's gross domestic product (GDP) declined to 3.3 per cent in FY19 backed by deteriorating fiscal deficit and current account deficit showing Pakistan's structural deficiencies and its vulnerabilities to the buildup of external and internal deficits. The policy measures taken by the Government adversely affected the performance of the industrial sector and reduced manufacturing activities in the country. Resultantly, Large Scale Manufacturing (LSM) posted a broad-based 2.9pc decline during Jul-Mar FY19, with nearly all leading sectors reporting contraction.

The board has performed its duties and responsibilities diligently and has contributed effectively in guiding the Company in all strategic matters.

The board reviewed the operating results and approved the quarterly and annual financial statements of the Company.

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.

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

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

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

Lahore: October 02, 2019



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, 2019.

FINANCIAL PERFORMANCE

The operating results of your company for the year ended June 30, 2019 are summarized as follows:

	2019	2018
	(Rupees in '000')	
Sales Net	148,992	192,037
Gross Profit / (Loss)	(19,267)	2,171
Profit / (Loss) before taxation	(20,971)	(6,031)
Profit / (Loss) after taxation	(23,747)	(7,953)
Earning / (loss) per share-basic & diluted (rupees)	(0.47)	(0.16)

During the year under review, the company earned net revenue of Rupees 148.99 million as compared to Rupees 192.03 million for the last year. The Company suffered Gross loss of Rupees 19.27 million. During the year under review, the net loss of Rupees 23.75 million has been recorded by the Company. Resultantly, loss per share has also increased to Rupee 0.47. The overall tough business environment, soaring raw materials cost, tough competition amid market domination by the big players played the major role in survival war for the small and medium manufacturer. The most significant factor is the surging US Dollar exchange rate amid continuous pressure on Pak Rupee. Resultantly, Pak Rupee has depreciation at the level of over 30% and its continuous declining trend caused to pushing up the cost of imports, cost of production and cost of doing business out of control.

FUTURE OUTLOOK

The pace of economic growth slowed down considerably. This is mainly in response to the policy measures taken to curb the twin deficits. These measures affected the performance of the industrial sector and dampened manufacturing activities in the country. The policy rate has increased to 13.25% which is nine times higher since the beginning of last year, raising it by a total of 750 basis points as it has struggled to control inflation, a widening fiscal deficit and pressure on the rupee currency. Consumers had already been hit hard due to rising costs. Devaluation has played havoc with the prices of every item. Sale of Chinese bike assemblers have plunged significantly due to increase in bike prices. Economic contraction period has started. The future for small and medium manufacturers of Motorcycle Industry seems to be tougher than it ever has been.

CORPORATE GOVERNANCE

The Board is committed to maintain a high standard of corporate governance, and has ensured full compliance of Listed Companies (Code of Corporate Governance) Regulations 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, 7 and 12 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, 2019 is attached as required under Companies Act, 2017. The directors, chief executive officer, 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 is 14 as per the following:

- a. Male: 10 b. Female: 4

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. Umair Ghani
	Ms. Zahra Aftab
	Mrs. Maryam Junaid
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, 2018 to June 30, 2019. The attendance record of Board members was as follows:

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	4***	1****
Mr. Junaid Ghani	4	-	2
Mr. Obaid Ghani	4	-	1****
Mr. Jubair Ghani	4	6	-
Ms. Zahra Aftab	4	-	-
Dr. Amjad Aqeel	4	-	-
Mrs. Maryam Junaid	4	-	-
Mrs. Musfira Jubair	2*	-	-
Mr. Umair Ghani	2*	-	-
Ms. Afifa Anwaar	4	-	-
Hafiz Muhammad Saad	4	3**	-
Mr. Muhammad Ayub	4	2***	-
Mr. Nauman Shaukat	4	-	1****
Mr. Sarfraz Anwar	4	1**	1****

* Mrs. Musfira Jubair has retired and Mr. Umair Ghani has been elected in election of directors held on February 11, 2019

**The Board reconstituted the Audit Committee on September 29, 2018 and replaced Mr. Sarfraz Anwar with Hafiz Muhammad Saad

***The Board reconstituted the Audit Committee on February 19, 2019 and replaced Mrs. Ayesha with Mr. Muhammad Ayub

****The Board reconstituted the HR & R Committee on September 29, 2018 and February 19, 2019

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, 2020, 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" (Sallallahu-Alaie-Wasallam)

For and on behalf of the Board

Lahore: **October 02, 2019**



Aftab Ahmad Khan
Chief Executive Officer



Jubair Ghani
Director

Statement of Compliance

WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017 FOR THE YEAR ENDED JUNE 30, 2019

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: 10
- b. Female: 4

2. The composition of board is as follows:

a	Independent Director	Dr. Amjad Aqeel
		Hafiz Muhammad Saad
		Mr. Muhammad Ayub
		Mr. Nauman Shaukat
		Mr. Sarfraz Anwar
b	Other Non-Executive Directors	Mrs. Ayesha Aftab
		Mr. Junaid Ghani
		Mr. Obaid Ghani
		Mr. Jubair Ghani
		Mr. Umair Ghani
		Ms. Zahra Aftab
		Mrs. Maryam Junaid
		Ms. Afifa Anwaar
c	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 arranged Directors' Training Program for the following:

- Mr. Junaid Ghani
- Mr. Jubair Ghani
- Mr. Muhammad Ayub
- Mr. Nauman Shaukat
- Mr. Sarfraz Anwar

Further, SECP approval has been obtained for exemption from training for the following Board members:

- Mr. Aftab Ahmad Khan

Further, the Company has applied for the exemption from training for the following Board members:

- Dr. Amjad Aqeel

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. Hafiz Muhammad Saad	Chairman
Mr. Jubair Ghani	Member
Mr. Muhammad Ayub	Member

b) HR and Remuneration Committee

Mr. Nauman Shaukat	Chairman
Mr. Junaid Ghani	Member
Mr. Sarfraz Anwar	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: **October 02, 2019**

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 June 30, 2019 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 June 30, 2019.



HASSAN FAROOQ AND COMPANY

Chartered Accountants

Name of Engagement Partner: Kamran Hassan

Lahore: **October 02, 2019**

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 2019, 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, 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 2019 and of the profit or loss and other comprehensive income or loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the 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) Revenue recognition	
Refer notes 3.7, and 14 to the financial statements. The Company generates revenue from sale of goods to domestic customers. 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.	Our audit procedures to assess the recognition of revenue, amongst others, included the following: <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.

2) Valuation of stock in trade	
<p>Refer note 3.5, 10, and 15 to the financial statements Inventory forms a significant part of the Company's assets comprising 18% of total assets. We identified the valuation of stock in trade as key audit matter as it directly affects the profitability of the Company.</p>	<p>Our audit procedures to assess the valuation of stock in trade, amongst others, included the following:</p> <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 any • Comparing 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 selling prices, future costs to complete work in progress and costs necessary to make the sales and their basis; and • 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.

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, 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, 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).



HASSAN FAROOQ AND COMPANY
Chartered Accountants

Name of Engagement Partner: Kamran Hassan
Lahore: **October 02, 2019**

Statement of Financial Position

AS AT JUNE 30, 2019

	June 30, 2019 Rupees	June 30, 2018 Rupees	NOTE
EQUITY & LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Share Capital 85,000,000 (2018: 85,000,000) ordinary shares of Rupees.10/- each	850,000,000	850,000,000	
Issued, subscribed and paid up capital	500,288,800	500,000,000	4
Discount on issue of right shares	(150,028,880)	(150,000,000)	
Accumulated losses	(292,514,891)	(268,767,402)	
	57,745,029	81,232,598	
NON CURRENT LAIBILITIES			
Security deposit payable	39,500,000	39,500,000	5
CURRENT LIABILITIES			
Trade and other payables	193,183,024	223,274,547	6
Unclaimed dividend	609,746	609,746	
Provision for taxation	-	-	21
	193,792,770	223,884,293	
CONTINGENCIES AND COMMITMENTS			
	-	-	7
	291,037,799	344,616,891	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipments	45,526,323	49,016,388	8
Security deposits	598,700	598,700	9
	46,125,023	49,615,088	
CURRENT ASSETS			
Stores, spares and loose tools	699,752	811,920	
Stock in trade	52,233,052	74,343,659	10
Trade debtors - secured and considered good	109,263,959	146,200,650	
Advances and other receivables	23,083,542	12,584,291	11
Tax refunds and due from the government	56,740,752	58,048,680	12
Cash and bank balances	2,891,719	3,012,603	13
	244,912,776	295,001,803	
	291,037,799	344,616,891	

The annexed notes 1 to 33 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Statement of Profit or Loss

FOR THE YEAR ENDED JUNE 30, 2019

	NOTE	June 30, 2019 Rupees	June 30, 2018 Rupees
Sales	14	148,992,292	192,036,589
Cost of sales	15	(168,259,371)	(189,865,952)
Gross (loss)/profit		(19,267,079)	2,170,637
Administrative expenses	16	(33,790,412)	(20,072,330)
Distribution and marketing expenses	17	(11,999,638)	(13,086,047)
Other expenses	18	(5,344)	-
Operating (loss)		(45,795,394)	(33,158,377)
Operating (loss)		(65,062,473)	(30,987,740)
Other income	19	44,273,371	25,276,213
Operating (loss) before interest and tax		(20,789,102)	(5,711,527)
Financial charges	20	(182,227)	(319,389)
(Loss) before taxation		(20,971,329)	(6,030,916)
Taxation	21	(2,776,160)	(1,922,274)
(Loss) for the year		(23,747,489)	(7,953,190)
(Loss) per share - Basic and diluted	22	(0.47)	(0.16)

The annexed notes 1 to 33 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, 2019

	June 30, 2019 Rupees	June 30, 2018 Rupees
(Loss) for the year	(23,747,489)	(7,953,190)
Other comprehensive income for the year	-	-
Total comprehensive (loss)	(23,747,489)	(7,953,190)

The annexed notes 1 to 33 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, 2019

	June 30, 2019 Rupees	June 30, 2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) for the year before tax	(20,971,329)	(6,030,916)
Adjustment for :		
Depreciation	3,424,721	3,867,727
Loss/ (gain) on sale of fixed assets	5,344	(1,192,462)
Provision for doubtful debts	14,966,343	-
Trade creditors written off	(34,584,310)	-
Financial charges	182,227	319,389
Operating (loss) before working capital changes	(16,005,676)	2,994,654
	(36,977,005)	(3,036,262)
(Increase) / decrease in current assets		
Store, spares and loose tools	112,168	448,998
Stock in trade	22,110,607	(32,350,589)
Trade debtors	21,970,348	3,798,833
Advances and other receivables	(10,499,251)	24,569,407
sales tax refundable	1,488,749	(9,666,984)
	35,182,621	(13,200,335)
Increase in current liabilities		
Trade and other payables	4,492,787	136,096,093
Operating (loss) after working capital changes	2,698,403	119,859,496
Financial charges paid	(182,227)	(319,389)
Taxes paid	(2,956,980)	(7,605,298)
	(3,139,207)	(7,924,687)
NET CASH (USED IN)/ GENERATED FROM OPERATING ACTIVITIES	(440,804)	111,934,809
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	-	(601,653)
Sale proceeds from asset disposed off	60,000	1,792,175
Increase in security deposits	-	(63,000)
NET CASH GENERATED FROM INVESTING ACTIVITIES	60,000	1,127,522
CASH FLOW FROM FINANCING ACTIVITIES		
Right issue subscription received	259,920	
Loan repaid to directors / shareholders	-	(112,105,000)
NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES	259,920	(112,105,000)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(120,884)	957,331
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3,012,603	2,055,272
CASH AND CASH EQUIVALENTS AT YEAR END	2,891,719	3,012,603

The annexed notes 1 to 33 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, 2019

	Share Capital	Discount on Right Shares	Accumulated (Losses)	Total
	-----Rupees-----			
Balance as on July 01, 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
Right shares issued during the year	288,800	-	-	288,800
Discount on right shares issued during the year	-	(28,880)	-	(28,880)
(Loss) for the year	-	-	(23,747,489)	(23,747,489)
Other comprehensive income	-	-	-	-
Balance as on June 30, 2019	500,288,800	(150,028,880)	(292,514,891)	57,745,029

The annexed notes 1 to 33 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, 2019

1. GENERAL INFORMATION

- 1.1 The company is a public listed company incorporated in Pakistan under the Companies Ordinance, 1984 (now Companies Act, 2017) in September 1987. The registered office and factory of the company is situated at 274-B, N-Block, Model Town Ext., 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 Ext., Lahore	Registered office
49 KM Multan Road Bhai Pheru	Production plant

- 1.2 The Company has suffered financial and operational difficulties in current year. These financial and operational difficulties resulted as under: The Company suffered gross loss of Rupees 19.267 million in current year and as at statement of financial position date the accumulated loss is Rupees 292.514 million (2018 : Rupees 268.767 million).

The financial statements have been prepared on a going concern basis as the management is satisfied that company has-

- made advance payment for import of engines as mentioned in note 11.3.
- increased sale price of bikes subsequently which will have a positive impact on gross profit of the company by Rs. 47.891 million if quantitative sales are same as in current year.
- the continuing financial support from the directors and related group companies to procure necessary finance and support for a period of not less than twelve months from the end of the reporting period.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 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.

2.3 Functional and presentation currency

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

2.4 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 3.2)
- Taxation (note 3.11)
- provisions for slow moving and obsolete stores, spares and loose tools and stock in trade (note 3.4 & 3.5)

2.5 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:

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

During the period, the Company has adopted IFRS 15 'Revenue from Contracts with Customers'. The details of new significant accounting policy adopted and the nature and effect of the change from previous accounting policy is set out below:

The Company manufactures and contracts with customers for the sale of goods which generally includes single performance obligation. Management has concluded that revenue from sale of goods be recognized at the point in time when control of the asset is transferred to the customer, which is when the goods are delivered to or accepted by the customer. However, the adoption of IFRS 15 which has replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations, did not have a material impact on the amounts of revenue recognized in these financial statements.

2.5.2 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 July 01, 2019 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 9, 'Financial instruments'

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'

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'

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'

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Accounting

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

3.2 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 8 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 or loss account.

3.3 Impairment of Assets

3.3.1 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.

3.3.2 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 or loss.

3.4 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.

3.5 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.

3.6 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.

3.7 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:

- Revenue from sale of goods is recognized when control of goods is 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.

3.8 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.

3.9 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.

3.10 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.

3.11 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.

3.12 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.

3.13 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.

3.14 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.

3.15 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.

3.16 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.

3.17 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.

3.18 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.

3.19 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.

3.20 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.

4. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

June 30, 2019	June 30, 2018		NOTE	June 30, 2019 Rupees	June 30, 2018 Rupees
Number of Shares					
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 issued to supplier of Machinery in consideration of 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
30,028,880	30,000,000	Ordinary shares of Rs. 10 each fully paid in cash at discount		300,288,800	300,000,000
50,028,880	50,000,000			500,288,800	500,000,000

5. This amount was received from AM Logistics (Bikes Dealer) for security against delivery of bike on credit terms to sub-dealers of AM Logistics in Faisalabad Region, Pakistan.

6. TRADE AND OTHER PAYABLES

	NOTE	June 30, 2019 Rupees	June 30, 2018 Rupees
Creditors		161,190,663	190,969,008
Advance from customers		2,173,638	1,293,181
Accrued expenses and other liabilities	6.1	29,613,238	30,664,504
Income tax deducted at source		205,485	347,854
		193,183,024	223,274,547
6.1 Accrued and Other Liabilities			
Salaries and wages		28,882,973	30,024,472
Auditor's remuneration		360,000	372,500
Utility expenses		370,265	267,532
		29,613,238	30,664,504

7. CONTINGENCIES AND COMMITMENTS

Contingencies

- 7.1 There is a contingent liability of Rupees. 1,727,290/- (2018: 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 .
- 7.2 The Punjab Employees Social Security Institution has raised a demand of Rupees. 2,245,057/- (2018: 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 was under process with Additional Commissioner, Punjab Employees Social Security Institute, subsequently no further notice has been received till June 30, 2019 for demand of Rupees. 2,245,057/- .
- 7.3 Habib Bank Limited has given a guarantee of Rupees. 729,000/- (2018: 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.
- 7.4 Habib Metropolitan Bank Limited has given a guarantee of Rupees.1,200,000/- (2018: 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

- 7.5 The Company has commitment of Rupees 1,378,330/- in respect of raw material as at June 30, 2019. (2018: Rupees 5,476,704/-).

8. Property, plant and equipments

NOTE

	June 30, 2019 Rupees	June 30, 2018 Rupees
8.1	45,526,323	49,016,388

Operating assets

8.1 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
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
Accumulated depreciation	-	(31,136,232)	(9,358,729)	(1,086,274)	(924,537)	(745,355)	(924,783)	(794,707)	(1,914,179)
Written down value	14,932,180	29,536,015	5,361,790	365,237	637,039	242,028	972,297	54,879	780,710
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
Additions	85,000	377,053	-	-	-	44,600	-	3,000	92,000
Disposal	-	-	-	-	-	-	-	-	-
Cost	-	-	(1,591,000)	-	-	-	-	-	-
Accumulated dep	-	-	991,287	-	-	-	-	-	-
	-	-	(599,713)	-	-	-	-	-	-
Depreciation	-	(2,978,673)	(525,275)	(36,524)	(63,704)	(28,663)	(48,615)	(16,914)	(169,359)
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
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
Accumulated depreciation	-	(34,114,906)	(8,892,717)	(1,122,797)	(988,241)	(774,018)	(973,398)	(811,621)	(2,083,538)
Written down value	15,017,180	26,934,394	4,236,802	328,714	573,335	257,965	923,682	40,965	703,351
Year ended June 30, 2019									
Opening net book value	15,017,180	26,934,394	4,236,802	328,714	573,335	257,965	923,682	40,965	703,351
Additions	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-	(85,000)
Accumulated dep	-	-	-	-	-	-	-	-	19,656
	-	-	-	-	-	-	-	-	(65,344)
Depreciation	-	(2,693,439)	(423,680)	(32,871)	(57,333)	(25,797)	(46,184)	(12,290)	(133,126)
Closing net book value	15,017,180	24,240,955	3,813,122	295,842	516,001	232,169	877,498	28,676	504,881
At June 30, 2019									
Cost	15,017,180	61,049,300	13,129,519	1,451,511	1,561,576	1,031,983	1,897,080	852,586	2,701,889
Accumulated depreciation	-	(36,808,345)	(9,316,397)	(1,155,669)	(1,045,575)	(799,814)	(1,019,582)	(823,910)	(2,197,008)
Written down value	15,017,180	24,240,955	3,813,122	295,842	516,001	232,169	877,498	28,676	504,881
Rate (%)	0%	10%	10%	10%	10%	10%	5%	30%	20%

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

	June 30, 2019 Rupees	June 30, 2018 Rupees
Cost of goods sold	3,390,474	3,829,050
Selling and distributed expenses	34,247	38,677
	3,424,721	3,867,727

	NOTE	June 30, 2019 Rupees	June 30, 2018 Rupees
9. SECURITY DEPOSITS			
Against;			
Utilities and security deposits against rental property.		598,700	598,700
10. STOCK IN TRADE			
Raw material		30,456,897	50,486,987
Work in process		5,377,890	5,378,788
Finished stock		16,398,265	18,477,884
		52,233,052	74,343,659
11. ADVANCES AND OTHER RECEIVABLES			
Considered good			
Advances:			
Employees	11.1	106,246	-
Suppliers	11.2	5,301,506	5,560,940
Letters of credit	11.3	17,675,790	7,023,351
		23,083,542	12,584,291

11.1 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.

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

11.3 This represents advance payments made for the purpose of imports of Engines for bikes.

	NOTE	June 30, 2019 Rupees	June 30, 2018 Rupees
12. TAX REFUNDS AND DUE FROM THE GOVERNMENT			
Advance income tax		21,389,001	21,208,180
Sales tax refundable		35,351,751	36,840,500
		56,740,752	58,048,680
13. CASH AND BANK BALANCES			
Cash in hand		217,382	105,909
Cash at bank			
- in current accounts		987,702	2,461,401
- in saving account	13.1	1,686,635	445,293
		2,891,719	3,012,603

13.1 Profit rate on bank deposits ranges from 8% to 12.25% per annum (2018: 5.5% to 6% per annum). The deposits account is placed with bank under islamic mode.

	June 30, 2019 Rupees	June 30, 2018 Rupees
14. SALES		
Local sales	179,604,935	229,383,336
Less: Sales return	(1,107,067)	(1,939,901)
	178,497,868	227,443,435
Less: Sales tax	(29,505,576)	(35,406,846)
	148,992,292	192,036,589

	NOTE	June 30, 2019 Rupees	June 30, 2018 Rupees
15. COST OF SALES			
Raw material consumed	15.1	142,676,771	177,778,560
Salaries, wages and benefits	15.2	14,203,140	11,140,363
Store consumed		180,555	1,281,902
Fuel and power		3,991,642	4,060,493
Repair and maintenance		137,296	230,897
Travelling and vehicle running		302,050	306,692
Entertainment		306,785	327,096
Communications and stationery		351,218	325,135
Freight and handling		88,940	150,935
Rent, rates and taxes		34,704	143,893
Depreciation	8.1.1	3,390,474	3,829,050
Other expenses		515,279	227,778
		166,178,854	199,802,794
Work in process			
Opening stock		5,378,788	5,605,329
Closing stock		(5,377,890)	(5,378,788)
		898	226,541
Cost of goods manufactured		166,179,752	200,029,335
Finished Stock			
Opening stock		18,477,884	8,314,501
Closing stock		(16,398,265)	(18,477,884)
		2,079,619	(10,163,383)
Cost of sales		168,259,371	189,865,952
15.1 Raw Material Consumed			
Opening balance		50,486,987	28,073,240
Purchases		122,646,681	200,192,307
		173,133,668	228,265,547
Closing stock		(30,456,897)	(50,486,987)
		142,676,771	177,778,560

15.2 Salaries, wages and benefits include Rupees 830,187/- (2018: Rs.695,613/-) in respect of staff retirement benefits.

	NOTE	June 30, 2019 Rupees	June 30, 2018 Rupees
16. ADMINISTRATIVE EXPENSES			
Directors remuneration		12,000,000	12,000,000
Staff salaries benefits	16.1	2,177,990	2,268,466
Travelling and vehicle running		327,632	333,612
Entertainment		901,205	784,786
Communications and stationery		724,253	232,158
Auditor's remuneration	16.2	468,060	372,500
Insurance expenses		18,421	-
Fee and subscription		1,961,563	3,670,065
Miscellaneous expenses		244,945	183,976
Provision for bad debts		14,966,343	-
Write off -Advance to supplier		-	226,767
		33,790,412	20,072,330

16.1 Staff salaries and benefits include Rupees 152,196/- (2018: Rupees 143,073/-) in respect of staff retirement benefits.

	NOTE	June 30, 2019 Rupees	June 30, 2018 Rupees
16.2 Auditor's Remuneration			
Annual audit fee		360,000	300,000
Half yearly review		76,560	60,000
Other certification		31,500	12,500
		468,060	372,500

	NOTE	June 30, 2019 Rupees	June 30, 2018 Rupees
17. DISTRIBUTION AND MARKETING EXPENSES			
Salaries, wages and benefits	17.1	4,914,631	7,201,800
Travelling and vehicle running		2,158,484	2,868,892
Entertainment		315,523	242,655
Advertising and sales promotion		1,286,733	1,028,532
Rent, rates and taxes		115,005	120,670
Communications and stationery		235,311	373,996
Freight and handling		2,880,318	1,143,525
Depreciation	8.1.1	34,247	38,677
Other expenses		59,386	67,300
		11,999,638	13,086,047

17.1 Salaries, wages and benefit include Rupees 242,531/- (2018: Rs. 257,975/-) in respect of staff retirement benefits.

	NOTE	June 30, 2019 Rupees	June 30, 2018 Rupees
18. OTHER EXPENSES			
Loss on disposal of fixed assets		5,344	-
		5,344	-
19. OTHER INCOME			
Profit on bank deposits		119,457	51,753
Other income		5,992,399	23,841,170
Sale of spare parts		728,555	190,828
Scrape sales		2,848,650	-
Trade creditors written back	19.1	34,584,310	-
Gain on disposal of fixed asset		-	1,192,462
		44,273,371	25,276,213

19.1 This amount represent amount payable to suppliers since four years which is transferred to other income in current year as per sub section (5) of section 34 of income tax ordinance 2001.

	NOTE	June 30, 2019 Rupees	June 30, 2018 Rupees
20. FINANCIAL CHARGES			
Bank charges		182,227	319,389
		182,227	319,389
21. TAXATION			
Current			
For the year		1,982,024	1,922,274
Prior year		794,136	-
Deferred tax	21.1	-	-
		2,776,160	1,922,274

21.1 The deferred tax asset was not recorded form Rs. 50.09 millions (2018: 53.48 millions) in accordance with IAS-12 as the Company is not expecting profit in forceable future period against which deferred tax asset can be utilized.

	June 30, 2019 Rupees	June 30, 2018 Rupees
22. (LOSS) PER SHARE - Basic and Diluted		
(Loss) after tax - Rupees	(23,747,489)	(7,953,190)
Weighted average number of shares - Number	50,004,352	50,000,000
(Loss) per share - Rupees	(0.47)	(0.16)

23. REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES	
	2019	2018	2019	2018	2019	2018
	-----Rupees-----					
Basic	7,200,000	7,200,000	-	-	-	-
House rent	3,240,000	3,240,000	-	-	-	-
Utility allowance	720,000	720,000	-	-	-	-
Others	840,000	840,000	-	-	-	-
Total	12,000,000	12,000,000	-	-	-	-
Numbers	01	01	0	0	0	0

24. 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, 2019	June 30, 2018
		Rupees	Rupees
Directors / Shareholders	Loan		
	Aftab Ahmed Khan		
	Returned to	-	(38,555,000)
	Received from	-	-
	Imtiaz Ahmad Khan		
	Returned to	-	(36,775,000)
	Received from	-	-
	Anwar Ahmad Khan		
	Returned to	-	(36,775,000)
	Received from	-	-
		2019	2018
		Units	Units

25. CAPACITY AND UTILIZATION

	June 30, 2019	June 30, 2018
Total Installed Capacity	25,000	25,000
Available Installed Capacity	25,000	25,000
Actual production	4,274	6,511

Reason For Shortfall

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

26. NUMBER OF EMPLOYEES

	June 30, 2019	June 30, 2018
Number of employees at year end.	42	77
Average number of employees	68	72

27. 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 2019.

	June 30, 2019	June 30, 2018
	Rupees	Rupees
Size of the fund - Total assets	2,151,098	1,716,382
Cost of investments made	1,034,028	1,041,377
Percentage of investment made	48%	61%
Fair value of investment	1,034,028	1,041,377

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

	2019		2018	
	Rupees	%	Rupees	%
Bank account	1,034,028	100%	1,041,377	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 Companies Act, 2017 and the rules formulated for this purposes.

28. 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.

28.1 Financial Instruments By Category

28.1.1 Financial assets: at fair values

	June 30, 2019 Rupees	June 30, 2018 Rupees
Security deposits	598,700	598,700
Trade debtors	109,263,959	146,200,650
Advances and other receivables	5,407,752	5,560,940
Cash and bank balances	2,891,719	3,012,603
	118,162,130	155,372,893

28.1.2 Financial liabilities: at fair values

	June 30, 2019 Rupees	June 30, 2018 Rupees
Security deposit payable	39,500,000	39,500,000
Trade and other payables	193,792,770	223,884,293
	233,292,770	263,384,293

28.2 FINANCIAL RISK MANAGEMENT

28.2.1 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 117,838,502/- (2018:Rupees 155,266,984/-) as at June 30, 2019.and are as follows::

	June 30, 2019 Rupees	June 30, 2018 Rupees
Security deposits	598,700	598,700
Trade debtors	109,263,959	146,200,650
Advances and other receivables	5,301,506	5,560,940
Bank balances	2,674,337	2,906,694
	117,838,502	155,266,984

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, 2019 Rupees	June 30, 2018 Rupees
The aging of trade debtors at balance sheet date is		
Past due 1 - 30 days	6,502,804	13,220,874
Past due 30 - 180 days	7,560,573	19,640,146
Past due 180 days	95,200,577	113,339,630
	109,263,954	146,200,650

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	A-1+	AA+	PACRA
Allied Bank Limited	A-1+	AAA	PACRA
Faysal Bank Limited	A-1+	AA+	PACRA
Soneri Bank Limited	A-1+	AA-	PACRA
Habib Bank Limited	A-1+	AAA	PACRA
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA
Shariah Compliant			
Al-Baraka Islamic Bank Limited	A-1	A	PACRA
MCB Islamic Bank Limited	A-1	A	PACRA
UBL Ameen Bank	A-1+	AAA	JCR-VIS
Bank Al Habib Islamic Limited	A-1+	AA+	PACRA
Bank Of Punjab Taqwa	A-1+	AA	PACRA
Meezan Bank Limited	A-1+	AA	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, requirements of holding highly liquid assets and maintaining adequate reserve borrowing facilities to cover liquidity risk. This includes maintenance of balance sheet liquidity ratios through working capital management. Following are the contractual maturities of financial liabilities including interest payments as at June 30, 2019 and 2018;

June 30, 2019				
Carrying amount	Contractual Cash flows	Six months or less	Six to twelve months	Two to five years
-----Rupees -----				
Financial liabilities:				
Security deposit payable	39,500,000	39,500,000	-	-
Trade and other payables	193,183,024	193,183,024	29,818,723	163,364,301
Unclaimed dividend	609,746	609,746	609,746	-
	193,792,770	193,792,770	30,428,469	163,364,301

June 30, 2018				
Carrying amount	Contractual Cash flows	Six months or less	Six to twelve months	Two to five years
-----Rupees -----				
Financial liabilities:				
Security deposit payable	39,500,000	39,500,000	-	-
Trade and other payables	223,274,547	223,274,547	31,012,358	192,262,189
Unclaimed dividend	609,746	609,746	609,746	-
	223,884,293	223,884,293	31,622,104	192,262,189

The Company has liquid assets of Rupees 174 million- (2018: Rupees 213 million).

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.

Sensitivity analysis

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, 2019, the Company's interest bearing financial assets amounted to Rupees 1,686,635/- (2018: Rupees 445,293/-) held in saving bank accounts.

- 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.

28.3 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.

29. 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, 2019 and 2018 were as follows:

	June 30, 2019 Rupees	June 30, 2018 Rupees
Total debt	-	-
Total equity	57,745,029	81,232,598
Gearing ratio	0.00%	0.00%

30. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation.

. Following major reclassifications have been made during the year:

Description	Reclassified from	Reclassified to	June 30, 2018 Rupees
Security deposits payable	Advances from Customers	Security Deposit Payable	39,500,000
Sale of spare parts	Sales	Other income	190,828

31. GENERAL

Figures have been rounded off to the nearest rupee.

32. EVENTS AFTER THE BALANCE SHEET DATE

There are no subsequent events occurring after the date of statement of financial position.

33. AUTHORIZATION TO ISSUE

The financial statements were authorized for issue on _____ 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 32nd Annual General Meeting of the members of **GHANI AUTOMOBILE INDUSTRIES LIMITED** will be held on Monday October 28, 2019 at 11:30 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 on February 04, 2019 and held again on February 11, 2019 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, 2019 together with the Directors' and Auditors' reports thereon.
3. To appoint auditors for the year ending June 30, 2020 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.**

Lahore: October 04, 2019

By order of the Board
Hafiz Muhammad Imran Sabir
Company Secretary

Notes:

- The share transfer books of the Company will remain closed from October 21, 2019 to October 28, 2019 (both days inclusive). Members whose names appear on the register of members as at the close of business on October 20, 2019 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 30% 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, 2019 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, 2019

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
240	1	100	6,877
898	101	500	436,260
771	501	1,000	758,229
1477	1,001	5,000	4,445,968
564	5,001	10,000	4,730,726
198	10,001	15,000	2,628,677
149	15,001	20,000	2,762,527
92	20,001	25,000	2,161,000
48	25,001	30,000	1,363,975
39	30,001	35,000	1,296,317
27	35,001	40,000	1,038,000
20	40,001	45,000	851,702
54	45,001	50,000	2,673,000
16	50,000	54,999	846,000
9	55,001	60,000	534,000
6	60,001	65,000	380,000
9	65,001	70,000	620,500
14	70,001	75,000	1,045,500
11	75,001	80,000	863,000
4	80,001	85,000	335,500
5	85,001	90,000	449,000
2	90,001	95,000	186,000
21	95,001	100,000	2,099,750
7	100,001	105,000	719,500
2	105,001	110,000	220,000
2	110,001	115,000	223,000
1	115,001	120,000	120,000
2	120,001	125,000	246,500
3	125,001	130,000	388,000
3	130,001	135,000	401,500
2	135,001	140,000	280,000
2	140,001	145,000	284,500
1	145,001	150,000	150,000
3	150,001	155,000	460,000
1	155,001	160,000	160,000
3	160,001	165,000	489,500
2	170,001	175,000	350,000
2	175,001	180,000	354,000
1	180,001	185,000	184,000
2	190,001	195,000	384,000
4	195,001	200,000	800,000
2	235,001	240,000	475,000
2	250,001	255,000	505,500
1	255,001	260,000	260,000
2	275,001	280,000	557,000
1	280,001	285,000	281,000
1	290,001	295,000	291,000
2	295,001	300,000	600,000
1	300,001	305,000	304,000
1	310,001	315,000	313,000
1	315,001	320,000	320,000
1	435,001	440,000	436,372
1	445,001	450,000	450,000
1	490,001	495,000	495,000
1	495,001	500,000	500,000
1	675,001	680,000	680,000
1	775,001	780,000	778,000
1	795,001	800,000	800,000
1	1,150,001	1,155,000	1,155,000
1	2,100,001	2,105,000	2,101,000
4740			50,028,880
2.3 Categories of shareholders		Share held	Percentage
2.3.1 Directors, Chief Executive Officers, and their spouse and minor children		101,582	0.2030%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)		0	0.0000%
2.3.3 NIT and ICP		4,000	0.0080%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.		0	0.0000%
2.3.5 Insurance Companies		0	0.0000%
2.3.6 Modarabas and Mutual Funds		0	0.0000%
2.3.7 Share holders holding 10% or more		0	0.0000%
2.3.8 General Public			
a. Local		47,859,525	95.6638%
b. Foreign		3,250	0.0065%
2.3.9 Others (to be specified)			
1- Foreign Companies		4,500	0.0090%
3- Joint Stock Companies		1,946,023	3.8898%
3- Other Companies		110,000	0.2199%

Pattern of Shareholding

AS ON JUNE 30, 2019

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	59,082	0.1181%
2	MRS. AYESHA AFTAB	1,050	0.0021%
3	MR. JUNAID GHANI	700	0.0014%
4	MR. NAUMAN SHOUKAT	1,400	0.0028%
5	MR. JUBAIR GHANI	1,750	0.0035%
6	MISS ZAHRA AFTAB	700	0.0014%
7	MR. AMJAD AQEEL	700	0.0014%
8	MR. UMAIR GHANI	500	0.0010%
9	MRS. AFIFA ANWAAR	700	0.0014%
10	MRS. MARYAM JUNAID	700	0.0014%
11	MR. SARFARAZ AMWAR	700	0.0014%
12	HAFIZ MUHAMMAD SAAD	700	0.0014%
13	MR. MUHAMMAD AYUB	700	0.0014%
14	MR. OBAID GHANI	32,200	0.0644%
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: NIL

ایک سال کے عرصہ (01 جولائی 2018 تا 30 جون 2019) 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	4***	1****
مسٹر جمیل غنی	4	-	2
مسٹر سعید غنی	4	-	1****
مسٹر جمیل غنی	4	6	-
مسز زہرہ آفتاب	4	-	-
ڈاکٹر امجد عقیل	4	-	-
مسز مریم جنید	4	-	-
مسز مصطفیٰ جمیل	2*	-	-
مسٹر سعید غنی	2*	-	-
مسز عقیفہ انوار	4	-	-
حافظ محمد سعد	4	3**	-
مسٹر محمد ایوب	4	2***	-
مسٹر نعمان شوکت	4	-	1****
مسٹر سرفراز انور	4	1**	1****

* مسز مصطفیٰ جمیل ریٹائر ہو گئی ہیں اور 11 فروری 2019 کو ہونیوالے الیکشن میں مسٹر سعید غنی ڈائریکٹر منتخب ہوئے ہیں۔

** بورڈ نے 29 ستمبر 2018 کو آڈٹ کمیٹی کی تشکیل نو کرتے ہوئے حافظ محمد سعد کو سرفراز انور کی جگہ منتخب کیا۔

*** بورڈ نے 19 فروری 2019 کو آڈٹ کمیٹی کی تشکیل نو کی اور مسز عائشہ آفتاب کی جگہ مسٹر محمد ایوب کو مقرر کیا۔

**** بورڈ نے 29 ستمبر 2018 اور 19 فروری 2019 کو ایچ آر اور آر کمیٹی کی تشکیل نو کی۔

آڈیٹران

آڈیٹران حسن فاروق اینڈ کمپنی چارٹرڈ اکاؤنٹنٹ 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 2020 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

بیارے نبی کے بتائے ہوئے راستے پہ چلائے آمین۔



آفتاب احمد خان

چیف ایگزیکٹو آفیسر



جمیل غنی

ڈائریکٹر

لاہور: 12 اکتوبر 2019

10۔ قابل ادائیگی اور ادائیگیاں: آڈٹ کا نوٹس نمبر: 6، 7، 12

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 پرائیڈنٹ 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

کمپنی اپریل 2017 کے مطابق نمونہ حصہ داری بمطابق 30 جون 2019 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: 10 خواتین: 4

ڈاکٹر امجد عقیل	آزاد ڈائریکٹران
حافظ محمد سعد	
مسٹر محمد ایوب	
مسٹر نعمان شوکت	
مسٹر سرفراز انور	
مسز عائشہ آفتاب	نان ایگزیکٹو ڈائریکٹر
مسز جنید غنی	
مسز عبید غنی	
مسز جمیر غنی	
مسز عمیر غنی	
مسز ہرہ آفتاب	
مسز مریم جنید	
مسز عقیقہ 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 2019 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 2019 کو مکمل ہونے والے مالیاتی سال کیلئے آپریٹنگ نتائج مختصراً حسب ذیل ہیں۔

2018	2019	
(روپے '000' میں)		
192,037	148,992	خالص فروخت
2,171	(19,267)	خام نفع / (نقصان)
(6,031)	(20,971)	قبل از ٹیکس منافع / (نقصان)
(7,953)	(23,747)	بعد از ٹیکس منافع / (نقصان)
(0.16)	(0.47)	فی حصص (نقصان) / منافع بنیادی اور تحلیل شدہ (پا)

رواں برس خالص فروخت پچھلے سال 192.03 ملین روپے کے مقابلے میں 148.99 ملین روپے رہی۔ کمپنی کو 19.27 ملین روپے کے خام نقصان کا سامنا کرنا پڑا۔ زیر جائزہ عرصہ کے دوران کمپنی کا خالص نقصان 23.75 ملین روپے ریکارڈ کیا گیا۔ عمومی کاروباری سخت ماحول، بڑھتی پیداواری لاگت، سخت مقابلہ اور بڑے پیدا کنندگان کا منڈیوں پر غلبہ چھوٹے اور درمیانے درجہ کے پیدا کنندگان کی بقا کی جنگ میں بڑا کردار ادا کر رہے ہیں۔ امریکی ڈالر کی قدر میں مسلسل اضافہ اور روپے کی قدر میں کمی (تقریباً 30% سے زیادہ) اور مسلسل گراؤٹ جیسے عوامل درآمدات کی لاگت، لاگت پیداوار اور کاروباری لاگت کو اختیار سے باہر کرنے میں سب سے اہم کردار ادا کرتے ہیں۔

مستقبل پر نظر

معاشی ترقی کی رفتار خاطر خواہ حد تک سست ہو گئی ہے۔ اس کی بڑی وجہ دو خساروں کو کم کرنے کے پالیسی اقدامات ہیں۔ ان اقدامات سے کاروباری شعبہ کو متاثر کیا ہے اور پیداواری سرگرمیوں کو روک دیا ہے۔ پالیسی ریٹ میں 13.25% تک کا اضافہ ہو گیا ہے جو کہ سال کے آغاز سے نو گناہ زیادہ ہے۔ مہنگائی کو قابو کرنے، بڑھتے ہوئے مالیاتی خسارے اور روپے کی قدر پر دباؤ کی بدولت اس میں 750 بنیادی پوائنٹ کا اضافہ ہوا ہے۔ صارفین پہلے ہی بڑھتی قیمتوں میں پس گئے ہیں۔ روپے کی قدر میں کمپنی نے ہر چیز بڑھادی ہے۔ چینی ساختہ موٹر سائیکل کی ضرورت میں اضافہ ہوا ہے۔ چھوٹے اور درمیانے درجے کے موٹر سائیکل پیدا کنندگان نے اتنا سخت وقت پہلے نہیں دیکھا۔

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۔

1- کمپنی کی انتظامیہ تیار کردہ مالی گوشواروں میں اس کے واضح امور، عملدرآمد کے نتائج، کیش فلوا کیسٹوں میں تبدیلیاں پیش کی گئی ہیں۔

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

3- مالی گوشواروں اور اکاؤنٹس 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 روانگی 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 ٹیک نہیں۔

7- لسٹنگ 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 ڈیوڈ دینے سے قاصر ہے۔

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 فولیو نمبر

اور ریسی ڈی سی فولیو کا آئی ڈی نمبر

اور ذیلی اکاؤنٹ نمبر،

کے

یا

کو کمپنی کے 32 ویں سالانہ اجلاس عام جو پیر، 28 اکتوبر 2019 صبح 11:30 بجے نیٹری 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/کرتے ہیں۔

گواہ: 2

گواہ: 1

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، ریویو ٹیکٹ اور شہادت ہونا ضروری ہے۔

ویڈیو کانفرنسنگ کی سہولت کے فارم کی درخواست

میں رہم

صفحہ نمبر سی 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 32nd Annual General Meeting of the members of GHANI AUT OMOBILE INDUSTRIES LIMITED will be held on Monday October 28, 2019 at 11:30 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









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