



**PAKISTAN STOCK EXCHANGE LIMITED**

PSX/N-6328

**NOTICE**

October 29, 2018

Reproduced hereunder letter No. EMD/233/631/2002-377 dated October 24, 2018 received from **SECURITIES & EXCHANGE COMMISSION OF PAKISTAN, Corporate Supervision Department, Company Law Division**, regarding **Right Issue by Ghani Automobile Industries Limited at 10% discount**, for information of all concerned.

(Copy of the same is also available on our Website [www.psx.com.pk](http://www.psx.com.pk)).

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Say No to Corruption

Corporate Supervision Department  
Company Law-Division

No. EMD/233/631/2002 - 377

October 24, 2018

The Company Secretary  
Ghani Automobile Industries Limited  
40-L, Model Town  
Lahore.

Subject: Right issue by Ghani Automobile Industries Limited at 10% discount

Dear Sir,

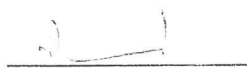
Please refer to letter dated October 19, 2018 of Ghani Automobile Industries Limited (the "Company"), in terms whereof the Commission has been requested to allow the Company to repay the subscription money, as it intends to abandon the 40% right issue announced by the board on April 30, 2018, which was subsequently approved in the Company's adjourned EOGM, in terms of section 135(1) of the Companies Act, 2017 (the "Act"). It has been, inter alia, stated that the directors have subscribed to their portion of right issue but due to decline in share price of the Company below the subscription price, the remaining portion has remained unsubscribed.

2. In connection with this, please refer to the clause x of Rule 5 of the Companies (Issue of Capital) Rules, 1996 which states that *a right issue once announced shall not be varied, postponed, withdrawn or cancelled*. Moreover, the provisions of clause (a) (iv) of sub-section (1) of section 83 of the Act may also be referred to that contain provision regarding unsubscribed portion of the right issue.

3. Your attention is also drawn to the provisions of section 204 of the Act, which provides for duties of directors and, inter alia, requires that *a director of a company shall discharge his duties with due and reasonable care, skill and diligence and shall exercise independent judgment*, which the directors must have in view in the decision making process. However, throughout the right issue process, the directors' decision-making appears to be faltered and devoid of reasonable care, skill and sound judgment.

4. In view of the above and being against requirements of the law, I am directed to inform you that your request cannot be acceded to and the directors are advised to ensure compliance of applicable legal provisions.

Regards,

  
Anwaar Ahmed  
Deputy Director (CSD)

Cc:

The board of directors  
Deputy GM  
Pakistan Stock Exchange