



The Power of Perfection



**Ghani Automobile Industries Limited**

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# Corporate Information

<b>BOARD OF DIRECTORS</b>	Imtiaz Ahmad Khan Anwaar Ahmad Khan Aftab Ahmad Khan Reema Anwaar Ayesha Aftab Junaid Ghani Obaid Ghani Jubair Ghani Zahra Aftab Dr. Amjad Aqeel	Chairman Chief Executive Officer
<b>AUDIT COMMITTEE</b>	Dr. Amjad Aqeel Ayesha Aftab Jubair Ghani	Chairman Member Member
<b>HR &amp; R COMMITTEE</b>	Anwaar Ahmad Khan Ayesha Aftab Obaid Ghani	Chairman Member Member
<b>COMPANY SECRETARY</b>	Hafiz Mohammad Imran Sabir	
<b>CHIEF FINANCIAL OFFICER</b>	Umer Farooq Khan	
<b>AUDITORS</b>	Hassan Farooq & Company Chartered Accountants	
<b>LEGAL ADVISORS</b>	Ally Law Associates Ch. Muhammad Siddique	
<b>SHARE REGISTRAR</b>	Corplink (Pvt) Ltd. Wings Arcade, 1-K Commercial Model Town Lahore, Pakistan Phones : (042) 35916714, 35916719 Fax : (042) 35869037	
<b>BANKERS</b>	Albaraka Islamic Bank Allied Bank of Pakistan Limited Habib Bank Limited Meezan Bank Limited, Islamic Banking Soneri Bank Limited, Islamic Banking Burj Bank Limited Habib Metropolitan Bank Limited Bank Alfalah Limited	
<b>HEAD OFFICE &amp; REGISTERED OFFICE</b>	40-L Model Town Lahore, Pakistan UAN : (042) 111 949 949 Fax : (042) 3517 2263 E-mail : info@ghaniautomobiles.com http://www.ghaniautomobiles.com	
<b>MARKETING OFFICE</b>	12 D/3, Chandni Chowk KDA Scheme No. 7-8 Karachi - 74000 UAN : (021) 111 949 949, Fax : (021) 3492 6349 E-mail : kml@cyber.net.pk	
<b>AUTOMOBILE PLANT</b>	49-KM, Multan Road, (from Lahore)	

# 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

# 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

# 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 statements of the company together with auditors' report for the year ended June 30, 2013.

## FINANCIAL PERFORMANCE

The operating results of your company for the year ended June 30, 2013 under review are summarized as follows:

	(Rupees in '000')	
	2013	2012
Sales Net	173,262	367,740
Gross Profit / (loss)	562	(19,118)
Profit / loss after taxation	(10,574)	(41,314)
Earning / (loss) per share – Basic	(0.53)	(2.07)

During the year under review, the management has attempted its best to achieve 100% collection & recovery and keep matching receivables of the company. In order to consolidate the overall position of the company, production has been kept at 6,162 units as compared to 11,360 units for the last year. Sales were restricted to Rupees 173 million as compared to Rupees 367 million for the last year. With the more conservative approach, the company has stepped forward towards improvement of its margins. Resultantly, the company has been able to record a positive profit at gross level of Rupees 0.6 million as compared to gross loss of Rupees 19.1 million for the last year. Loss before tax has been decreased to Rupees 9.7 million as compared to Rupees 38.1 million for the last year showing an improvement of 75%. Loss after tax has reduced to Rupees 10.5 million as compared to Rupees 41.3 million. Loss per share has been cut down by 74% as compared to the last year.

## NATIONAL ECONOMY

During the year, the inflationary pressure started to ease indicating the slight improvement of the economy. In spite of severe energy crisis, the Large Scale Manufacturing (LSM) has showed signs of recovery and performed well. While the growth in industrial sector has increased with the support of broad-based recovery in large scale manufacturing, construction and mining & quarrying. Revival in Large Scale Manufacturing was also supported by increase in loan disbursement by banks to the private sector.

## FUTURE OUTLOOK

The management has revisited marketing strategy. Marketing team of enthusiastic professionals has been formed with the new sales strategy and targets to enhance market share. The Company's management at all levels is looking at the future and fully aware of the importance of introducing and upgrading technology in all spheres of works. All management strategies eventually rely on state-of-

the-art-technology based on Research & Developments augments of company's upcoming product. Euro II Certified Models have been developed and included in our product portfolio.

Ghani automobile has developed the effective and efficient processes to meet the quality challenges. Quality Management System ISO 9000 and Environmental Management System ISO 14000 is in process. We have acquired certification from EDB, PSQCA and PTA.

Production and supply of quality products is our prime object. Customers are rightly demanding better quality products at cheaper prices. In order to achieve the international standards, we are strictly enforcing our quality assurance both in-house and for bought out components.

With the severe energy crisis, continued economic instability and the on-going security issues the overall economic situation of Pakistan is under severe pressure. However, remaining optimistic, we will continue to streamlining and expanding our operations and further strengthening it by our focus on positively enhancing the quality standards through R & D. We are hopeful for the economic prosperity of Pakistan in future.

## **CORPORATE GOVERNANCE**

The board reviews the company's strategic direction on regular basis. The business plan & targets set by the Chairmen, Chief Executive and the Board are also reviewed regularly. The Board is committed to maintain a high standard of corporate governance, and has ensured full compliance of Corporate Governance as incorporated in the Listing Rules of the Stock Exchanges.

Your directors are pleased to report that:

1. The financial statement prepared by the management of the company, present fairly its state 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, the Company could not announce dividend to the shareholders.
10. Outstanding taxes and levies: *Please refer notes 8, 9 and 13 to the annexed audited accounts.*

## **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, 2013 is attached in the prescribed form as required under Code of Corporate Governance.

## 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.

A total of seven meetings of the Board of Directors, five meetings of the Audit Committee and one meeting of HR & R Committee were held during the period of one year, from July 01, 2012 to June 30, 2013. 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. Imtiaz Ahmad Khan	6	-	-
Mr. Anwaar Ahmad Khan	7	-	1
Mr. Aftab Ahmad Khan	7	-	-
Mrs. Reema Anwaar	7	-	-
Mrs. Ayesha Aftab	7	5	1
Mr. Junaid Ghani	7	-	-
Mr. Obaid Ghani	7	-	1
Mr. Jubair Ghani	6	5	-
Ms. Zahra Aftab	4	-	-
Dr. Amjad Aqeel	3	5	-

## 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, 2014, at a mutually agreed fee.

## ACKNOWLEDGEMENT

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

For and on behalf of the Board



**Aftab Ahmad Khan**  
Chief Executive Officer

Lahore: **September 17, 2013**





# Statement of Compliance

WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2013

This statement is being presented to comply with the Code of Corporate Governance (the “Code”) contained in regulation No.35 of listing regulations of the Karachi Lahore & Islamabad stock exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

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

1. The company encourages the representation of independent non-executive directors and the directors representing minority directors on its Board of Directors. At present the Board includes:

<b>Independent Directors</b>	Dr. Amjad Aqeel
<b>Non - Executive Directors</b>	Mr. Imtiaz Ahmad Khan
	Mr. Anwaar Ahmad Khan
	Mr. Aftab Ahmad Khan
	Mrs. Reema Anwaar
	Mrs. Ayesha Aftab
	Mr. Junaid Ghani
	Mr. Obaid Ghani
	Mr. Jubair Ghani
	Ms. Zahra Aftab
<b>Executive Directors</b>	None

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this company.
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. In Extraordinary General Meeting held on January 31, 2013, the shareholders elected ten directors in place of eight retiring directors. Ms. Zahra Aftab and Dr. Amjad Aqeel are the newly elected directors. All other directors were re-elected.

5. The company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decision on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. As per criteria specified in clause xi of CCG, majority of the directors of the Company are exempted from the requirement of Directors’ training program. However, one of the Board members has attended Corporate Governance Leadership Skills – Director Education Program (*formerly Board Development Series*) at Pakistan Institute of Corporate Governance during the year.
10. No new appointment of CFO, Company Secretary and Head of Internal Audit was made during the year ended June 30, 2013.
11. The Directors’ report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance.
15. The Board has formed an audit committee. It comprises of three members, all of them are non-executive directors and the Chairman of the Committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the Code. The terms of reference of the committee have been formulated and advised to the committee for compliance.

17. The Board has formed a Human Resources and Remuneration (HR & R) Committee. It comprises three members. All the members (including its Chairman) of HR & R Committee are non-executive directors.
18. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants 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 Institute of Chartered Accountants of Pakistan.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. We confirm that all other material principles enshrines in the Code of Corporate Governance have been complied with.

**For and Behalf of the Board of Directors**



**Imtiaz Ahmad Khan**  
**Director**



**Aftab Ahmad Khan**  
**Chief Executive Officer**

Lahore: **September 17, 2013**

# Review Report

## **TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE**

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **GHANI AUTOMOBILE INDUSTRIES LIMITED** to comply with the Listing Regulation of Karachi, Lahore and Islamabad Stock Exchanges where the company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the company personnel and review of various documents prepared by the company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance, as applicable to the Company for the year ended June 30, 2013.

### **HASSAN FAROOQ AND COMPANY**

(Chartered Accountant)

**ENGAGEMENT PARTNER** : Farooq Hamid

**Lahore: September 17, 2013**

# Auditors' Report to the Members

We have audited the annexed balance sheet of **GHANI AUTOMOBILE INDUSTRIES LIMITED** as at June 30, 2013 and the related profit and loss account, statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
  - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
  - ii) the expenditure incurred during the year was for the purpose of the Company's business;
  - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income / loss, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2013 and of the loss, its cash flows and changes in equity for the year then ended; and
- d) in our opinion no Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980),

**HASSAN FAROOQ AND COMPANY**

(Chartered Accountant)

**ENGAGEMENT PARTNER** : Farooq Hamid

**Lahore: September 17, 2013**



# Profit and Loss Account

FOR THE YEAR ENDED JUNE 30, 2013

	NOTE	June 30, 2013 Rupees	June 30, 2012 Rupees
Sales	15	173,261,883	367,740,103
Cost of sales	16	172,699,655	386,857,967
Gross profit / (loss)		562,228	(19,117,864)
<b>OPERATING EXPENSES</b>			
Administrative expenses	17	3,111,810	10,090,043
Distribution and marketing expenses	18	10,943,762	16,560,080
		14,055,572	26,650,123
<b>OPERATING (LOSS )</b>		(13,493,344)	(45,767,987)
<b>OTHER INCOME</b>	19	15,678,203	22,494,000
		2,184,859	(23,273,987)
<b>FINANCIAL CHARGES</b>	20	11,892,631	14,840,378
<b>(LOSS) BEFORE TAXATION</b>		(9,707,772)	(38,114,365)
<b>TAXATION</b>			
Current	21	(866,309)	-
Deferred		-	(3,200,000)
		(866,309)	(3,200,000)
<b>(LOSS) AFTER TAXATION</b>		(10,574,081)	(41,314,365)
<b>(Loss) Per Share - Basic &amp; Diluted</b>	22	(0.53)	(2.07)

The annexed notes 1 to 32 form an integral part of these financial statements.

  
DIRECTOR

  
CHIEF EXECUTIVE OFFICER

# Statement of Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2013

	<u>June 30, 2013</u> <u>Rupees</u>	<u>June 30, 2012</u> <u>Rupees</u>
(LOSS) AFTER TAXATION	(10,574,081)	(41,314,365)
Other Comprehensive Income	-	-
<b>TOTAL COMPREHENSIVE (LOSS)</b>	<b>(10,574,081)</b>	<b>(41,314,365)</b>

The annexed notes 1 to 32 form an integral part of these financial statements.

  
DIRECTOR

  
CHIEF EXECUTIVE OFFICER



# Statement of Cash Flows

FOR THE YEAR ENDED JUNE 30, 2013

	NOTE	June 30, 2013 Rupees	June 30, 2012 Rupees
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	23	(98,356,969)	8,542,699
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of fixed assets		(108,631)	(34,000)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		(108,631)	(34,000)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Musharaka financing repaid		(3,900,000)	(3,300,000)
Morabaha financing (paid) / received		(5,363,054)	(8,128,597)
Loan from sponsors		87,500,000	-
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		78,236,946	(11,428,597)
<b>Net (decrease) / increase in cash and cash equivalents</b>		(20,228,654)	(2,919,898)
Cash and cash equivalents at the beginning of the year		25,030,970	27,950,868
<b>Cash and cash equivalents at the end of the year</b>		4,802,316	(25,030,970)

The annexed notes 1 to 32 form an integral part of these financial statements.

  
DIRECTOR

  
CHIEF EXECUTIVE OFFICER

# Statement of Changes in Equity

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Share Capital</u> <u>Capital</u> <u>Rupees</u>	<u>Accumulated</u> <u>Loss</u> <u>Rupees</u>	<u>Total</u> <u>Rupees</u>
Balance as on June 30, 2011	200,000,000	(85,505,419)	114,494,581
Loss for the year	-	(41,314,365)	(41,314,365)
Balance as on June 30, 2012	200,000,000	(126,819,784)	73,180,216
Loss for the year	-	(10,574,081)	(10,574,081)
<b>Balance as on June 30, 2013</b>	<b><u>200,000,000</u></b>	<b><u>(137,393,865)</u></b>	<b><u>62,606,135</u></b>

The annexed notes 1 to 32 form an integral part of these financial statements.



DIRECTOR



CHIEF EXECUTIVE OFFICER

# Notes to the Financial Statements

FOR THE YEAR ENDED JUNE 30, 2013

## 1 COMPANY AND ITS OPERATIONS

The company is a public listed company incorporated in Pakistan under the Companies Ordinance, 1984 in September 1987. The registered office of the company is situated at 50-L Model Town, Lahore. The shares of the company are quoted on all Stock Exchanges in Pakistan. 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 business was manufacture and trade of grey cloth.

## 2 BASIS OF PREPARATION

### 2.1 Basis of Measurement

These financial statements have been prepared under the historical cost convention.

### 2.2 Critical Accounting Estimates and Judgments

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

The estimates and associated assumptions 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 judgments 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.

Judgments 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 adjustment in the next year are as follows:

- Useful lives of property, plant and equipment
- Taxation

### 2.3 Statement of Compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of and directives of the Companies Ordinance, 1984 shall prevail.

### 2.4 Functional and Presentation Currency:

These financial statements are presented in Pakistan Rupees which is the functional currency of the company and figures are rounded off to the nearest thousand of rupees unless otherwise specified.

## 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 Equipment

Property, plant and equipment except free hold land are stated at cost less accumulated depreciation. Depreciation is charged on reducing balance method over the useful life of the assets at the rates mentioned in Note 10. Full month's depreciation is charged in the month of addition while no depreciation is charged in the month of disposal. Maintenance and normal repairs are charged to income as and when incurred. Major renewal and replacements are capitalized. Gain or loss on disposal of fixed assets is recognized in income statement.

The company reviews the rate of depreciation, useful life, residual value and value of assets for possible impairment on an annual basis. Any change in the estimates in future year might affect the carrying amount of the respective items of property, plant and equipment with a corresponding affect on the depreciation charge and impairment.

### 3.3 Impairment of Assets

The management assesses at each balance sheet date whether there is any indication that an asset is impaired, 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. Impairment loss is charged to profit and loss account in the period it is recognized.

An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of carrying value that should have been had the impairment loss not been recognized.

### 3.4 Capital Work in Progress

All cost/expenditure connected with specific assets, incurred during the acquisition \erection period are carried under this head. These are transferred to property, plant and equipment as and when assets are available for use.

### 3.5 Stores, Spares and Loose Tools

These are valued at lower of cost and net realizable value. Cost is determined at moving average, except items in transit, which are valued at cost accumulated up to the balance sheet date. Provision is made against obsolete items.

### **3.6 Stock in Trade**

Stock of raw materials, work-in-process and finished goods, except for those in transit are valued principally at the lower of weights average cost and net realizable value. Cost of work-in-process and finished goods comprises cost of direct materials, labour and appropriate manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less 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.

### **3.7 Trade Debts**

Known bad debts are written off and provision is made for debts considered doubtful.

### **3.8 Revenue Recognition**

Revenue from sales is recognized on dispatch of goods to customers and dealers when the risk and rewards of ownership are transferred to them.

### **3.9 Related Party Transactions**

All transactions between the Company and a related party in respect of purchases of materials are at Comparable Uncontrolled Price method.

### **3.10 Employee Benefits**

#### **3.10.1 Defined Contribution Plan**

Defined contribution plan is a post employment benefit plan for the Company Employees

The Company operates a provident fund scheme for its permanent employees. Equal monthly contributions are made by the Company and its employees. Obligation for contributions to the fund are recognized as an expense in the profit and loss account when they are due.

### **3.11 Taxation**

#### **3.11.1 Current**

Provision for current taxation is provided on taxable income at the current rates of taxation after taking into account tax credit and rebates available, if any.

#### **3.11.2 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 liability is generally recognized for all taxable temporary differences and the deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses can be utilized.

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.

### **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 other 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**

Profit and other charges on financing are capitalized up to the date of commissioning of the respective property, plant and equipment, acquired out of the proceeds of such borrowings. All other mark-up, interest and other charges are charged to profit.

### **3.15 Off Setting**

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off and the Company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

### **3.16 Cash and Cash Equivalents**

Cash and cash equivalents are comprised of cash and bank balances.

### **3.17 Provisions**

Provisions are recognized in the balance sheet when the company has a legal or constructive obligation as a result of past event, and it is probable that outflow of economic benefits will be required to settle the obligation. However, provisions are reviewed at each balance sheet date and adjusted to reflect 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 and appropriation to reserves are recognized in the financial statements in the period in which these are approved.

4	Share Capital	June 30, 2013	June 30, 2012	NOTE	June 30, 2013	June 30, 2012
		Number of Shares			Rupees	Rupees
4.1	Authorized Capital	19,250,000	19,250,000	Ordinary share of Rs. 10 each	192,500,000	192,500,000
4.2	ISSUED, SUBSCRIBED AND PAID UP CAPITAL					
		19,250,000	19,250,000	Ordinary shares of Rs. 10 each fully paid in cash	192,500,000	192,500,000
		250,000	250,000	Ordinary shares of Rs. 10 each fully paid other than cash	2,500,000	2,500,000
		500,000	500,000	Ordinary shares of Rs. 10 each issued as bonus shares	5,000,000	5,000,000
		20,000,000	20,000,000		200,000,000	200,000,000
5	LONG TERM DIMINISHING MUSHARAKA FINANCING					
	Diminishing Musharaka Financing				-	3,900,000
	Less : Current portion				-	3,900,000
					-	-

The company has executed Diminishing musharaka agreement with Habib Metropolitan Bank Limited for purchase of plots measuring about 20 Kanals and 10 marlas situated at Kamun Gil Mouza Tehsil Chunion Distt Kasur. The liability is repayable in 60 equal monthly installments starting from July 24, 2008 and subject to profit charged @ 6 months KIBOR plus 1% p.a.(2012: 6 MONTH KIBOR PLUS 1%) to be reviewed on six monthly basis also capped at minimum 11% p.a and maximum 18% p.a.

The facility is secured by a Legal mortgage of rupees 500,000/- and balance equitable mortgage to be created on project Land and Building to be purchased through the facility in the name of company. A charge is registered with the Securities and Exchange Commission of Pakistan (SECP) on the same property for rupees 25.000 million. Further more pledge of shares of M/s. Ghani Glass Limited (Director's personal holding) at 40% margin of market price.

#### 6 SHORT TERM BANK FINANCING

Morabaha from Soneri Bank Limited	5.1	81,763,400	84,745,200
Morabaha from Habib Metropolitan Bank Limited	5.2	9,982,245	9,949,684
Morabaha from Burj Bank Limited	5.3	-	2,413,815
		91,745,645	97,108,699

- 6.1 Morabaha / Salam Facility availed from Soneri Bank Limited with maximum limit of rupees 85 Million at the profit rate of six months KIBOR plus 1.15% (2012 : six months KIBOR plus 1.15%) . The liability is secured by equitable mortgage of Rs. 83.000 million over the Company's fixed assets i.e. Building, Machinery / Plant and land measuring 1 kanal situated at 49-KM Multan road (Mouza Kamogill Tehsil Chunion Distt Kasur) valuing Rs. 83.720 million as per the valuation report of M/s. Unicorn International Surveyors (as approved valuator of SBP). Forced sale value is Rs. 71.152 million, pledge of shares Rs. 150.000 Million of Ghani Glass Ltd. duly lodged with CDC and personal guarantees of directors of the Company
- 6.2 Morabaha facility availed from Habib Metropolitan Bank Limited with maximum limit of Rupees 10.000 million at the profit rate of 6 months KIBOR plus 2.00% (2012 : six months KIBOR plus 2.00%). The liability is secured by legal mortgage of Rs. 0.5 million and Equitable mortgage on land and building measuring 20 kanal 18 marlas valuing Rupees 33.613 million and FSV is Rupees 28.571 million. Charge registered with SECP for Rupees 25.0 million on same assets, Lien/Pledge of 280,000 shares of M/s. Ghani Glass Limited in the name of the directors at 40.00% margin of market value. Charge on current assets of the Company registered with SECP of Rupees 20 Million.
- 6.3 Morabaha facility availed from Burj Bank Limited (formerly Dawood Islamic Bank Limited), carries a maximum limit of Rs 50.000 Million at profit rate of Deposit Rate plus 1% (2012 : Deposit Rate plus 1% ). The facility is secured by 110% Cash Deposit in Burj Bank Limited savings account of Mr. Anwaar Ahmed Khan and Mr. Aftab Ahmed Khan under a perfect lien of Burj Bank Limited.

#### 7 LOAN FROM SPONSORS

This represents an unsecured, interest free loan obtained from directors of the Company.

#### 8 CREDITORS, ACCRUED AND OTHER LIABILITIES

Creditors:		
Trade	79,205,534	74,090,711
Import	-	20,206,212
Others	15,426,665	25,217,051
	94,632,199	119,513,974
Advances from customers	389,036	62,967,544
Accrued expenses and other liabilities	5,476,858	9,969,060
Income tax deducted at source	3,851,284	4,333,396
Un-claimed Dividend	609,746	609,746
Sales Tax Payable	-	1,498,766
	104,959,123	198,892,486

#### 9 CONTINGENCIES AND COMMITMENTS

##### CONTINGENCIES

- 9.1 There is a contingent liability of Rupees 1,727,290 (2012: Rupees 1,727,290) in respect of income tax for assessment up to assessment year 2001-2002 against order under section 62 and 52 of repealed Income Tax Ordinance, 1979. The company has filed the appeals against above orders.
- 9.2 The Punjab Employees Social Security Institution has raised a demand of Rupees 2,245,057/- (2012: Rupees 2,245,057) as less payment of contribution for the period from 1989 to 1995. The company has not acknowledged this demand and filed appeal under section 57 of the Social Security Ordinance, 1965. After remand of the case by Labour Court, appeal is now under process with Additional Commissioner, Punjab Employees Social Security Institute.
- 9.3 The Company has given bank guarantee of Rupees 729,000 (2012: Rupees 729,000/-) to WAPDA.

##### COMMITMENTS

- 9.4 Letter of credit in transit other than capital expenditure are Rupees 4,086,748/- (2012: Rupees 9,004,472/-).

10 PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Building on Freehold Land	Plant and Machinery	Furniture and Fixtures	Loose Tools	Electrical Equipment	Electrical Installation	Computers	Vehicles	Total Operating Assets
----- RUPEES -----										
<b>As at 30 June 2011</b>										
Cost	14,932,180	37,832,645	14,650,519	1,407,111	1,275,576	975,883	1,561,114	789,145	1,960,129	75,384,302
Accumulated depreciation	-	(18,861,778)	(5,178,072)	(782,747)	(583,861)	(532,603)	(671,378)	(464,577)	(1,360,380)	(28,435,396)
Net book value	14,932,180	18,970,867	9,472,447	624,364	691,715	443,280	889,736	324,568	599,749	46,948,906
<b>Year ended 30 June 2012</b>										
Opening net book value	14,932,180	18,970,867	9,472,447	624,364	691,715	443,280	889,736	324,568	599,749	46,948,906
Additions	-	-	-	22,500	-	11,500	-	-	-	34,000
Depreciation	-	(1,897,087)	(947,245)	(63,874)	(69,172)	(44,903)	(44,487)	(97,370)	(119,950)	(3,284,088)
Closing net book value	14,932,180	17,073,780	8,525,202	582,990	622,543	409,877	845,249	227,198	479,799	43,698,818
<b>At 30 June 2012</b>										
Cost	14,932,180	37,832,645	14,650,519	1,429,611	1,275,576	987,383	1,561,114	789,145	1,960,129	75,418,302
Accumulated depreciation	-	(20,758,865)	(6,125,317)	(846,621)	(653,033)	(577,506)	(715,865)	(561,947)	(1,480,330)	(31,719,484)
Net book value	14,932,180	17,073,780	8,525,202	582,990	622,543	409,877	845,249	227,198	479,799	43,698,818
<b>Year ended 30 June 2013</b>										
Opening net book value	14,932,180	17,073,780	8,525,202	582,990	622,543	409,877	845,249	227,198	479,799	43,698,818
Additions	-	-	70,000	-	-	-	-	38,631	-	108,631
Depreciation	-	(1,707,378)	(853,104)	(58,299)	(62,254)	(40,988)	(42,262)	(70,657)	(95,960)	(2,930,902)
Closing net book value	14,932,180	15,366,402	7,742,098	524,691	560,289	368,889	802,987	195,172	383,839	40,876,547
<b>At 30 June 2013</b>										
Cost	14,932,180	37,832,645	14,720,519	1,429,611	1,275,576	987,383	1,561,114	827,776	1,960,129	75,526,933
Accumulated depreciation	-	(22,466,243)	(6,978,421)	(904,920)	(715,287)	(618,494)	(758,127)	(632,604)	(1,576,290)	(34,650,386)
Net book value	14,932,180	15,366,402	7,742,098	524,691	560,289	368,889	802,987	195,172	383,839	40,876,547
<b>Depreciation rate (%)</b>	-	10	10	10	10	10	5	30	20	-

2013 Rupees	2012 Rupees
2,888,483	3,231,064
42,419	53,024
2,930,902	3,284,088

10.1 The depreciation charge for the year has been allocated as follows:

Cost of sales  
Distribution and marketing

		<b>June 30, 2013</b>	June 30, 2012
		<b>Rupees</b>	Rupees
<b>11</b>	<b>DEFERRED TAX ASSET</b>		
	The deferred tax asset comprises temporary differences relating to:		
	Accelerated tax depreciation	(4,504,448)	(4,915,798)
	Minimum Tax u/s 113	866,309	8,441,112
	Asset due to foreseeable future profits	26,736,987	19,573,534
		<b>23,098,848</b>	<b>23,098,848</b>
	Deferred tax asset on tax losses available for carry forward and those representing minimum tax paid available for carry forward u/s 113 of the Income Tax Ordinance, 2001 are recognized to the extent that the realization of related tax benefits through future taxable profits is probable. The Company has not recognized deferred tax in respect of unused tax losses amounting to Rs.10,738,690 million (2012:41.331 million), as sufficient profits will not be available to set these off in the foreseeable future. Tax losses amounting to Rs. 1.472 million, Rs. 42.409 million, Rs. 0.183 million and Rs. 39.458 million are due to expire in year 2014, 2015, 2017, 2018 respectively.		
<b>12</b>	<b>STOCK IN TRADE</b>		
	Raw material	57,167,663	64,065,102
	Work in process	8,634,951	23,456,939
	Finished stock	38,739,457	15,473,611
		<b>104,542,071</b>	<b>102,995,652</b>
<b>13</b>	<b>ADVANCES AND OTHER RECEIVABLES</b>		
	Advances - unsecured but considered good:		
	Advances to suppliers of goods and services	39,241,265	35,736,781
	Advances to employees	2,674,610	3,102,535
	Advance income tax	8,401,435	13,505,434
	Letters of credit	10,086,748	9,004,472
	Sales tax refundable	1,727,765	-
		<b>62,131,823</b>	<b>61,349,222</b>
<b>14</b>	<b>CASH AND BANK BALANCES</b>		
	Cash in hand	717,537	516,507
	Cash at bank - in current accounts	4,084,779	24,514,463
		<b>4,802,316</b>	<b>25,030,970</b>
<b>15</b>	<b>SALES</b>		
	Local Sales	200,947,107	426,555,645
	Sales of spares parts	24,871	19,719
		<b>200,971,978</b>	<b>426,575,364</b>
	Less: Sales tax	27,710,095	58,835,261
	Sales returns	-	-
		<b>27,710,095</b>	<b>58,835,261</b>
		<b>173,261,883</b>	<b>367,740,103</b>
<b>16</b>	<b>COST OF SALES</b>		
	Opening stock of finished goods	15,473,611	18,665,203
	Cost of goods manufactured	195,965,501	383,666,375
	Closing stock of finished goods	(38,739,457)	(15,473,611)
		<b>172,699,655</b>	<b>386,857,967</b>
	<b>COST OF GOODS MANUFACTURED</b>		
	Opening stock of work in process	23,456,939	13,924,988
	Raw material consumed	16.1 162,960,796	374,061,493
	Salaries, wages and benefits	16.2 11,055,590	10,053,732
	Store consumed	558,141	830,964
	Fuel and power	2,374,508	2,875,486
	Repair and maintenance	198,180	341,335
	Travelling and vehicle running	247,845	641,724
	Entertainment	190,232	271,892
	Communications and stationery	246,426	432,570
	Freight and handling	253,050	254,690
	Rent, rates and taxes	28,079	13,601
	Depreciation	10.1 2,888,483	3,231,064
	Other expenses	142,183	189,775
		<b>204,600,452</b>	<b>407,123,314</b>
	Closing stock of work in process	(8,634,951)	(23,456,939)
		<b>195,965,501</b>	<b>383,666,375</b>

		<b>June 30, 2013</b>	June 30, 2012
		<b>Rupees</b>	Rupees
<b>16.1</b>	<b>Raw Material Consumed</b>		
	Opening balance	64,065,102	88,914,870
	Local purchases	122,961,083	220,279,559
	Import purchases	33,102,274	128,932,166
	Closing stock	(57,167,663)	(64,065,102)
		<b>162,960,796</b>	<b>374,061,493</b>
<b>16.2</b>	Salaries, Wages and other benefit include Rs. 534,757 (2012: 597,276) in respect of staff retirement benefits.		
<b>17</b>	<b>ADMINISTRATIVE EXPENSES</b>		
	Staff Salaries benefits	839,870	6,181,117
	Travelling and vehicle running	187,460	458,032
	Entertainment	423,337	533,097
	Repair and maintenance	3,380	16,150
	Communications and stationery	540,218	1,072,283
	Auditor's remuneration		
	Annual audit fee	95,000	95,000
	Half yearly review	45,000	45,000
	Other certification	12,500	12,500
		<b>152,500</b>	<b>152,500</b>
	Fee and Subscription	965,045	1,599,403
	Miscellaneous expenses	-	77,461
		<b>3,111,810</b>	<b>10,090,043</b>
<b>17.1</b>	Salaries, Wages and other benefit include Rs. 52,013 (2012: 60,204) in respect of staff retirement benefits.		
<b>18</b>	<b>DISTRIBUTION AND MARKETING EXPENSES</b>		
	Salaries, wages and benefits	3,445,902	5,559,105
	Travelling and vehicle running	3,038,772	3,326,316
	Entertainment	1,465,847	1,912,643
	Advertising and sales promotion	542,280	2,065,230
	Rent, rates and taxes	51,900	201,000
	Communications and stationery	433,700	922,888
	Insurance expenses	506,930	748,749
	Freight and handling	589,159	967,361
	Depreciation	42,419	53,024
	Ijarah rental on vehicles	129,923	501,634
	Other expenses	696,930	302,130
		<b>10,943,762</b>	<b>16,560,080</b>
<b>18.1</b>	Salaries, Wages and other benefit include Rs. 184,800 (2012: 290,889) in respect of staff retirement benefits.		
<b>18.2</b>	<b>Total Future Ijarah Payments</b>		
	Not later than one year	-	128,303
	Not later than five years	-	-
		<b>-</b>	<b>128,303</b>
<b>19</b>	<b>OTHER INCOME</b>		
	Freight on delivery of goods is charged to customers and dealers.		
<b>20</b>	<b>FINANCIAL CHARGES</b>		
	Diminishing musharaka financing	233,926	774,570
	Morabaha financing	11,416,626	13,745,955
	Bank charges	242,079	319,853
		<b>11,892,631</b>	<b>14,840,378</b>
<b>21</b>	<b>TAXATION</b>		
	Current Year Provision	(866,309)	-
	Deferred Tax Loss	-	(3,200,000)
		<b>(866,309)</b>	<b>(3,200,000)</b>
<b>22</b>	<b>EARNING PER SHARE - Basic</b>		
	(Loss) / profit after tax - Rupees	(10,574,081)	(41,314,365)
	Weighted average number of shares	20,000,000	20,000,000
	(Loss) / earnings per share - Rupees	(0.53)	(2.07)



## 23 CASH FLOWS FROM OPERATING ACTIVITIES

	June 30, 2013 Rupees	June 30, 2012 Rupees
(Loss) for the year before tax	(9,707,772)	(38,114,365)
Adjustment for :		
Depreciation	2,930,902	3,284,088
Financial charges	11,892,631	14,840,378
	<b>14,823,533</b>	<b>18,124,466</b>
Operating profit before working capital changes	5,115,761	(19,989,899)
(Increase) / decrease in current assets		
Store, spares and loose tools	(209,070)	122,130
Stock in trade	(1,546,419)	18,509,409
Trade debtors	4,891,354	4,775,777
Advances and other receivables	(5,886,600)	20,849,685
	<b>(2,750,735)</b>	<b>44,257,001</b>
Increase in current liabilities		
Creditors, accrued and other liabilities	(93,451,251)	1,609,033
	<b>(91,086,225)</b>	<b>25,876,135</b>
Financial charges paid	(11,892,631)	(13,855,177)
Taxes paid	4,621,887	(3,478,259)
Net cash flows from operating activities	<b>(98,356,969)</b>	<b>8,542,699</b>

## 24 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVE

	Chief Executive		Director		Total	
	2013 Rupees	2012 Rupees	2013 Rupees	2012 Rupees	2013 Rupees	2012 Rupees
Managerial remuneration	-	-	-	-	-	-
House rent	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Traveling expenses	-	-	-	-	-	-
Medical	-	-	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Number of persons	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>3</b>

None of the officers of the Company were paid basic yearly salary of Rupees five hundred thousand or more. Therefore, none of them falls within the category of executive as defined in the Companies Ordinance, 1984.

## 25 TRANSACTIONS WITH RELATED PARTIES

The related parties comprised of associated undertakings, directors and key personnel. The directors of the related companies are close members of the family of the directors of the company. The company in the normal course of business carries out transactions with the related parties. Transactions with related parties during the period are as follows:

Name of Related Party	Nature of Transaction	2013 Rupees	2012 Rupees
Ghani Glass Ltd.	Sale of Motorcycles	923,434	-
Anwar Ahmed Khan (director), Aftab Ahmed Khan (director), Obaid Ghani (spouse) and Junaid Ghani (spouse)	2.913 million shares of M/s Ghani Glass Limited have been pledged against morabha facility availed by the company from Soneri Bank Limited. These shares are valued at Rs. 150 million.	150,000,000	150,000,000
		<b>150,923,434</b>	<b>150,000,000</b>

## 26 CAPACITY AND UTILIZATION

Production capacity	25,000	25,000
Actual production	6,162	11,360

### Reason For Shortfall

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

## 27 NUMBER OF EMPLOYEES

Number of employees at year end.	86	95
Avg. Number of Employees	90	98

## 28 Provident Fund Related Disclosures

The company operates funded contributory provident fund scheme for all its permanent and eligible employees. The following information is based on the audited financial statements of provident fund for the year ended 30 June 2013.

Size of the fund - Total Assets	1,239,083	453,579
Cost of investments made	14,711	314,834
Percentage of investment made	1%	69%
Fair value of investment	14,711	314,834

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

	2013		2012	
	Rupees	%	Rupees	%
Bank Account	14,711	100%	314,834	100%
	<b>14,711</b>	<b>1.00</b>	<b>314,834</b>	<b>1.00</b>

The investment out of provident fund have been made in accordance with the provision of Section 227 of the Companies Ordinance 1984 and the rules formulated for the purpose.

**FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**

The carrying value of financial assets and financial liabilities are estimated to approximate their respective 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.

**29.1 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURE**

Description	Interest/Mark-up Bearing		Non Interest/Mark-up Bearing		Total 2012
	Maturity within one year	Maturity more than one year but less than 5 years	Maturity within one year	Maturity more than one year but less than 5 years	
	Rupees		Rupees		Rupees
<b>Financial Assets</b>					
Security Deposits	-	-	-	667,386	667,386
Trade Debtors	-	-	191,349,591	-	191,349,591
Advances and Other Receivables	-	-	62,131,823	-	62,131,823
Cash and Bank Balances	-	-	4,802,316	-	4,802,316
<b>Year 2013</b>	-	-	<b>258,283,730</b>	<b>667,386</b>	<b>258,951,116</b>
Year 2012	-	-	282,621,137	667,386	283,288,523
<b>Financial liabilities</b>					
Diminishing Musharaka	-	-	-	-	3,900,000
Morabaha-Soneri Bank Limited	81,763,400	-	-	-	84,745,200
Morabaha-Habib Metropolitan Bank Limited	9,982,245	-	-	-	9,949,684
Morabaha-Burj Bank Limited	-	-	-	-	2,413,815
Ijarah Payments	-	-	-	-	128,303
Loan from Sponsors	-	-	168,105,000	-	80,605,000
Creditors, Accrued and Other Liabilities	-	-	104,959,123	-	104,959,123
<b>Year 2013</b>	<b>91,745,645</b>	-	<b>273,064,123</b>	-	<b>364,809,768</b>
Year 2012	101,008,699	-	279,625,789	-	380,634,488

The effective interest / mark up rates for monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

## **30 FINANCIAL RISK MANAGEMENT**

### **30.1 Credit Risk**

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fail completely to perform as contracted and arises potentially from trade receivables. The Company believes that it is not exposed to major concentration of credit risks.

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.

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.

### **30.2 Market Risk**

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the company's income or the value of holdings of financial instruments.

### **30.3 Currency Risk**

Company obtains forward cover to manage material foreign currency risk, if considered necessary. However, the company is not exposed to major currency risk exposure.

### **30.4 Liquidity Risk**

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The management closely monitors its liquidity and cash flow position and takes appropriate steps to maintain liquidity at an appropriate and satisfactory level. The company, however is not exposed to any material liquidity risk.

### **30.5 Yield Risk**

The company manages yield risk by matching the repricing of assets and liabilities through risk management strategies.

## **31 EVENTS AFTER THE BALANCE SHEET DATE**

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

## **32 AUTHORIZATION TO ISSUE**

These financial statements have been authorized for issuance by the Board of Directors of the Company on September 17, 2013.



**DIRECTOR**



**CHIEF EXECUTIVE OFFICER**

# Notice of Annual General Meeting

Notice is hereby given that 26<sup>th</sup> Annual General Meeting of the members of **GHANI AUTOMOBILE INDUSTRIES LIMITED** will be held on Wednesday October 23, 2013 at 11:00 a.m., at Avari Hotel, Lahore to transact the following business:

## Ordinary Business

1. To confirm the minutes of Extraordinary General Meeting held on January 31, 2013.
2. To receive, consider and adopt the audited annual accounts of **GHANI AUTOMOBILE INDUSTRIES LIMITED** for the year ended June 30, 2013 together with the Directors' and Auditors' reports thereon.
3. To appoint auditors for 2014 and fix their remuneration.

The retiring auditors namely M/s. Hassan Farooq & Company., Chartered Accountants being eligible have offered themselves for re-appointment.

## Special Business

4. To consider and if deemed fit pass the following special resolutions:

**“RESOLVED** that the Authorized Share Capital of the Company be and is hereby increased from Rs.200,000,000 (Rupees two hundred million only) divided into 20,000,000 ordinary shares of Rs.10 each to Rs.500,000,000 (Rupees five hundred million only) divided into 50,000,000 ordinary shares of Rs.10/- each.”

**“FURTHER RESOLVED** that existing clause V of Memorandum of Association and clause 4 of Article of Association of the Company be and is hereby amended accordingly.”

## Memorandum of Association

- V. The Authorized Capital of the Company is Rs.500,000,000/- (Rupees five hundred million only) divided into 50,000,000 ordinary shares of Rs.10/- each with powers to increase, reduce, consolidate, subdivide or otherwise reorganize the same and to divide the shares in the Capital for the time being into several classes in accordance with the provisions of the Companies Ordinance, 1984.

## Articles of Association

4. The Authorized Capital of the Company is Rs.500,000,000/- (Rupees five hundred million only) divided into 50,000,000 ordinary shares of Rs. 10/- each with powers to increase, reduce, consolidate, subdivide or otherwise reorganize the same and to divide the shares in the Capital for the time being into several classes in accordance with the provisions of the Companies Ordinance, 1984.

**“FURTHER RESOLVED** That the Chief Executive Officer and/or Company Secretary be and are hereby authorized to comply with the legal formalities and to file the requisite documents in the office of the SECP Lahore as required under the statutory provisions of Companies Ordinance 1984.”

5. To consider and approve the issuance of 150% right shares of Rs.10 each at a discount of Rs.5 per share in proportion of 150 ordinary shares for every 100 ordinary shares held in accordance with sections 84 and 86 of the Companies Ordinance 1984 and to pass the following resolution with or without modification, as ordinary resolution and as may be directed by the Securities and Exchange Commission of Pakistan:

“**RESOLVED** that subject to the approval of the SECP 150% right shares of Rs.10 each in proportion of 150 ordinary shares for every 100 ordinary shares held be offered and issued to the existing members at a discount of Rs.5 per share.”

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

“**FURTHER RESOLVED** that the Chief Executive Officer and/or Company Secretary be and are hereby authorized to take all necessary steps, ancillary and incidental for the issuance of the right shares at a price of Rs.5 per share (at a discount of Rs.5 per share) and to obtain the regulatory approvals from the Securities and Exchange Commission of Pakistan and the Stock Exchanges.”

“**FURTHER RESOLVED** that the fraction of the right shares shall be consolidated into a marketable lot which shall be disposed off in accordance with the approval of the Board.”

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

By order of the Board

Lahore: September 17, 2013

**Hafiz Mohammad Imran Sabir**  
Company Secretary

**Notes:**

1. The share transfer books of the Company will remain closed from October 16, 2013 to October 23, 2013 (both days inclusive). Members whose names appear on the register of members as at the close of business on October 15, 2013 shall qualify for the attendance of this meeting.
2. Any 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.
3. Members whose shares are deposited with Central Depository Company of Pakistan Limited are requested to bring their original Computerized National Identity Cards (C.N.I.C.) along with the participant's I.D. Number and their account numbers in Central Depository Company of Pakistan Limited to facilitate identification at the time of Annual General Meeting. In case of proxy, an attested copy of proxy's Identity Card (C.N.I.C.), Account & Participant's ID number be enclosed. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced at the time of the meeting (unless it has been provided earlier).

Proxies, in order to be valid, must be deposited at the registered office of the Company not less than 48 hours before the time of meeting.

4. 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.

### **Submission of copies of CNIC**

The shareholders having physical shares are once again requested to immediately send a copy of their valid computerized national identity card (CNIC) to our registrar's office, M/s. Corplink (Pvt) Ltd, Wings arcade, 1-k, commercial, model town, Lahore for printing/insertion on dividend warrants.

### **Payment of Cash Dividend Electronically (Optional)**

The shareholders are also entitled to receive their cash dividend directly in their bank accounts instead of receiving it through dividend warrants. Shareholders wishing to exercise this option may submit their application to the Company's Share Registrar, giving particulars relating to their name, folio number, bank account number, title of account and complete mailing address of the bank, CDC account holders should submit their request directly to their broker (participant)/CDC.

### **Statement u/s 160(1)(B) of the Companies Ordinance, 1984**

#### **Item No.4**

#### **Increase in Authorized Capital**

The Board of Directors in their meeting held on May 7, 2013 has recommended to increase Authorized Capital of the Company from Rs. 200,000,000 (Rupees two hundred million only) divided into 20,000,000 ordinary shares of Rs. 10 each to Rs. 500,000,000 (Rupees five hundred million only) divided into 50,000,000 ordinary shares of Rs. 10/- each in order to enable the management of the company to issue proposed 150% right shares of par value of Rs.10 at a discount of Rs.5 per share subject to the approval of SECP. None of the Directors has personal interest in it except to the extent of ordinary shares held by him.

#### **Item No.5**

#### **Issuance of 150% Right Shares of par value of Rs.10 at a discount of Rs.5 per share**

Statement stating that the funds in question are essentially required and directors of the company have explored all other avenues of funding available and shares at a discount are being issued as a last resort.	Statement attached as annex-A
Detail of shares at par or at a discount in the last five years stating purpose, utilization of funds and benefits arisen to the company and its members. The amount of capital injected thereby and the increase in profit before tax in consequence thereof.	None
Purpose, benefits and use of funds from the proposed right issue. Financial plan, projections and schedule of discount amortization.	attached as annex-B
Break-up value of company's share as at June 30, 2013	Rs.3.13 per share
Detail of advances/loans to the associated companies and directors during preceding three years and justification thereof.	Nil
Turnover details and market share price of company's share during preceding 6 months.	attached as annex-C

May 7, 2013

We,

Imtiaz Ahmad Khan, Anwaar Ahmad Khan, Aftab Ahmad Khan, Reema Anwaar, Ayesha Aftab, Junaid Ghani, Obaid Ghani, Jubair Ghani and Zahra Aftab,

directors of Ghani Automobile Industries Limited would like to state that issuance of 150% right shares of par value of Rs.10 at a discount of Rs.5 per share has been approved subject to the approval of the shareholders and SECP. The funds in question are essentially required and we have explored all other avenues of funding available and shares at a discount of Rs.5 per share are proposed to be issued as a last resort.

- Sd -

### PURPOSE OF RIGHT ISSUE AND USE OF FUNDS

The purpose of issuance of 150% right shares of Rs.10 each at a discount of Rs.5 per share is debt servicing and meeting the working capital requirements of the company. Funds generated from above right issue will be utilized for debt servicing and meeting working capital requirements.

### BENEFIT TO THE COMPANY

The proposed right issue would help the Company broadening its equity base, reducing debt burden and easing the cash flow. Further, with the proposed right issue, the company would be able to plan new developments and expansion initiatives, which would not have been possible otherwise.

#### PROJECTED BALANCE SHEET

Rupees

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<b>EQUITY &amp; LIABILITIES</b>						
<b>SHARE CAPITAL AND RESERVES</b>						
Issued, subscribed and paid up capital	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Reserves	(274,172,693)	(250,534,585)	(217,747,865)	(178,770,812)	(136,525,746)	(88,748,777)
Accumulated losses						
	225,827,307	249,465,415	282,252,135	321,229,188	363,474,254	411,251,223
<b>Non current liabilities</b>						
<b>Current liabilities</b>						
Short term Bank Financing	95,011,600	45,011,600	15,011,600	15,011,600	15,011,600	15,011,600
Loan from sponsors	135,005,000	105,005,000	105,005,000	90,005,000	75,005,000	60,005,000
Creditors, accrued and other liabilities	82,640,498	90,570,214	102,836,205	114,012,998	128,513,685	144,245,956
Provision For Income Tax	1,276,200	1,276,200	1,276,200	1,276,200	1,276,200	1,276,200
	313,933,298	241,863,014	224,129,005	220,305,798	219,806,485	220,538,756
<b>CONTINGENCIES AND COMMITMENTS</b>						
	<b>539,760,605</b>	<b>491,328,429</b>	<b>506,381,139</b>	<b>541,534,986</b>	<b>583,280,739</b>	<b>631,789,980</b>
<b>ASSETS</b>						
<b>Non current assets</b>						
Property, plant and equipment	57,008,900	63,408,900	69,808,900	76,208,900	82,608,900	89,008,900
Security deposits	667,400	667,400	667,400	667,400	667,400	667,400
Deferred tax asset	16,746,161	5,622,345	-	-	-	-
<b>Current assets</b>						
Stores, spares and loose tools	1,409,600	1,524,900	1,648,200	1,780,100	1,921,001	2,017,051
Stock in trade	111,060,225	115,799,041	120,816,268	126,119,039	131,715,562	137,652,204
Trade debtors - unsecured but considered good	165,408,629	195,019,411	210,000,000	235,000,000	250,000,000	275,000,000
Advances and other receivables	58,148,272	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000
Cash and bank balances	129,311,418	54,286,432	48,440,371	46,759,548	61,367,876	72,444,425
	465,338,145	421,629,784	435,904,840	464,658,687	500,004,439	542,113,680
	<b>539,760,605</b>	<b>491,328,429</b>	<b>506,381,140</b>	<b>541,534,986</b>	<b>583,280,739</b>	<b>631,789,980</b>



## PROJECTED PROFIT AND LOSS ACCOUNT

Rupees

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	548,855,907	659,093,363	792,656,540	949,444,707	1,132,662,096	1,355,704,543
Cost of Goods Sold	502,733,815	601,061,432	721,837,706	866,974,560	1,042,388,548	1,253,565,805
<b>Gross Profit</b>	<b>46,122,092</b>	<b>58,031,930</b>	<b>70,818,834</b>	<b>82,470,147</b>	<b>90,273,548</b>	<b>102,138,738</b>
Administrative expenses	6,418,860	6,602,222	6,794,750	6,997,177	7,210,305	7,429,926
Selling and marketing expenses	11,950,000	13,766,625	15,907,160	18,252,614	21,036,985	24,547,404
Financial charges	9,501,160	4,501,160	1,501,160	1,501,160	1,501,160	1,501,160
Other income	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)
	26,270,020	23,270,007	22,603,070	25,150,951	28,148,451	31,878,490
<b>Net profit before tax</b>	<b>19,852,072</b>	<b>34,761,923</b>	<b>48,215,764</b>	<b>57,319,197</b>	<b>62,125,097</b>	<b>70,260,249</b>
Provision for tax	6,352,663	11,123,815	15,429,045	18,342,143	19,880,031	22,483,280
<b>Net Profit</b>	<b>13,499,409</b>	<b>23,638,108</b>	<b>32,786,720</b>	<b>38,977,054</b>	<b>42,245,066</b>	<b>47,776,969</b>

## PROJECTED CASH FLOW

Rupees

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Profit / (loss) for the period before tax	19,852,072	34,761,923	48,215,764	57,319,197	62,125,097	70,260,249
Adjustment for :						
Depreciation	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000
Financial charges	9,501,160	4,501,160	1,501,160	1,501,160	1,501,160	1,501,160
	13,101,160	8,101,160	5,101,160	5,101,160	5,101,160	5,101,160
Operating profit / (loss) before working capital changes	32,953,232	42,863,083	53,316,924	62,420,357	67,226,257	75,361,409
<b>(Increase) / decrease in current assets</b>						
Store, spares and loose tools	(595,970)	(115,300)	(123,300)	(131,900)	(140,901)	(96,050)
Stock in trade	(2,491,605)	(4,738,816)	(5,017,227)	(5,302,770)	(5,596,524)	(5,936,642)
Trade debtors	32,338,175	(29,610,781)	(14,980,589)	(25,000,000)	(15,000,000)	(25,000,000)
Advances and other receivables	-	3,148,272	-	-	-	-
	29,250,600	(31,316,625)	(20,121,117)	(30,434,670)	(20,737,424)	(31,032,692)
<b>Increase / (decrease) in current liabilities</b>						
Creditors, accrued and other liabilities	(40,310,778)	7,929,716	12,265,991	11,176,793	14,500,687	15,732,272
	21,893,054	19,476,174	45,461,798	43,162,480	60,989,519	60,060,989
Financial charges paid	(9,501,160)	(4,501,160)	(1,501,160)	(1,501,160)	(1,501,160)	(1,501,160)
Taxes paid	-	-	(9,806,699)	(18,342,143)	(19,880,031)	(22,483,280)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>12,391,894</b>	<b>14,975,014</b>	<b>34,153,939</b>	<b>23,319,177</b>	<b>39,608,328</b>	<b>36,076,549</b>
Security deposits						
Acquisition of fixed assets	(20,000,000)	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(20,000,000)</b>	<b>(10,000,000)</b>	<b>(10,000,000)</b>	<b>(10,000,000)</b>	<b>(10,000,000)</b>	<b>(10,000,000)</b>
Issue of share capital	150,000,000					
Loan from sponsors	(30,000,000)	(30,000,000)	-	(15,000,000)	(15,000,000)	(15,000,000)
Musharaka financing repaid	(1,800,000)	-	-	-	-	-
Murabaha financing repaid	-	(50,000,000)	(30,000,000)	-	-	-
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>118,200,000</b>	<b>(80,000,000)</b>	<b>(30,000,000)</b>	<b>(15,000,000)</b>	<b>(15,000,000)</b>	<b>(15,000,000)</b>
Net increase / (decrease) in cash and cash equivalents	110,591,894	(75,024,986)	(5,846,061)	(1,680,823)	14,608,328	11,076,549
Cash and cash equivalents at the beginning	18,719,540	129,311,418	54,286,432	48,440,371	46,759,548	61,367,876
<b>Cash and cash equivalents at the end</b>	<b>129,311,418</b>	<b>54,286,432</b>	<b>48,440,371</b>	<b>46,759,548</b>	<b>61,367,876</b>	<b>72,444,425</b>

## DISCOUNT AMORTIZATION SCHEDULE

	Opening balance	Charge for the year	Amortised for the year	Closing balance
	Rupees	Rupees	Rupees	Rupees
Y0		150,000,000	-	150,000,000
Y1		150,000,000	(20,000,000)	130,000,000
Y2		130,000,000	(30,000,000)	100,000,000
Y3		100,000,000	(30,000,000)	70,000,000
Y4		70,000,000	(35,000,000)	35,000,000
Y5		35,000,000	(35,000,000)	-
		<b>150,000,000</b>	<b>(150,000,000)</b>	



## Turnover Details And Market Share Price Of Company s Share During Preceding 6 Months.

Date	Opening	High	Low	Closing	Volume
11/16/2012	2.6	2.61	2.6	2.61	7,500
11/21/2012	2.8	3.4	2.8	3	6,000
11/26/2012	3	3.88	3	3.5	139,000
11/27/2012	3.15	3.73	3.15	3.41	111,000
11/29/2012	3.35	3.35	3.35	3.35	5,000
12/3/2012	4.29	4.29	3.2	3.2	6,500
12/4/2012	3.44	3.44	3.44	3.44	500
12/5/2012	3.5	3.5	3.35	3.4	20,000
12/7/2012	3.1	3.2	3.1	3.2	7,000
12/10/2012	3.2	3.2	3.2	3.2	10,000
12/11/2012	3.2	3.2	3.2	3.2	500
12/14/2012	3.65	4.35	3.65	4.19	162,000
12/17/2012	4.1	4.29	3.5	3.5	55,500
12/18/2012	3.81	3.83	3.5	3.5	13,500
12/19/2012	3.75	4.24	3.75	4	130,000
12/20/2012	4.24	4.8	4	4.51	571,500
12/21/2012	4.3	4.8	4.3	4.72	317,000
12/24/2012	4.7	5.18	4.65	4.79	244,000
12/26/2012	4.87	5.69	4.65	5.69	555,000
12/27/2012	6.2	6.2	5.45	5.45	249,000
12/28/2012	5.45	5.65	5.05	5.48	10,500
12/31/2012	5.29	5.29	4.7	4.7	55,500
1/1/2013	4.7	4.85	4.4	4.43	37,000
1/2/2013	4.5	4.5	3.7	4.4	54,000
1/3/2013	4.34	4.85	4.33	4.72	11,000
1/4/2013	4.5	4.79	4.5	4.75	8,500
1/7/2013	4.99	4.99	4.15	4.44	13,500
1/8/2013	4.89	4.89	4.22	4.68	2,000
1/9/2013	4.48	4.49	4.25	4.28	11,500
1/10/2013	4.5	4.69	4.5	4.69	1,000
1/14/2013	4.4	4.4	4.4	4.4	5,000
1/15/2013	4	4.49	3.5	3.52	73,500
1/16/2013	4.24	4.5	3.6	3.89	86,500
1/17/2013	4	4.1	3.9	3.91	36,500
1/18/2013	4.24	4.25	4.01	4.2	24,500
1/21/2013	4.3	4.3	4.02	4.12	14,000
1/22/2013	4.05	4.2	3.82	4.06	7,000
1/23/2013	4.59	4.59	3.65	4.01	21,000
1/24/2013	4.01	4.15	4	4.15	7,500
1/28/2013	4.2	4.24	4.1	4.24	13,500
1/29/2013	4	4.19	3.98	4.05	14,500
1/30/2013	4	4.35	4	4.09	78,500
2/1/2013	4	4	3.9	3.91	21,000
2/6/2013	3.81	3.81	3.8	3.8	20,000
2/8/2013	3.72	4.19	3.62	3.71	25,000
2/11/2013	3.71	3.85	3.37	3.85	1,500
2/12/2013	3.83	3.83	3.55	3.75	22,000
2/13/2013	3.99	4	3.99	4	1,000
2/14/2013	3.8	3.94	3.6	3.94	27,000
2/15/2013	3.62	3.89	3.5	3.89	10,500
2/19/2013	3.27	3.83	3.27	3.8	10,000
2/20/2013	3.8	3.8	3.61	3.8	3,500
2/21/2013	3.09	3.78	3.09	3.78	6,500
2/22/2013	4	4	3.6	3.6	14,500
2/25/2013	3.52	3.75	3.5	3.75	4,000
2/26/2013	3.52	3.75	3.5	3.75	4,000
2/27/2013	3.5	3.7	3.5	3.7	4,000
2/28/2013	3.79	3.8	3.5	3.69	20,500
3/4/2013	3.49	3.6	3.49	3.6	3,500
3/5/2013	3.49	3.5	3.49	3.5	15,000
3/6/2013	3.31	3.5	3.3	3.5	5,500
3/7/2013	3.3	3.49	3.15	3.49	4,000
3/8/2013	3.16	3.43	3.12	3.23	10,000
3/11/2013	3.6	3.6	3.6	3.6	500
3/15/2013	3.5	3.5	3.05	3.3	18,000
3/18/2013	3.11	3.24	3	3.24	48,000
3/19/2013	3.15	3.35	3.15	3.25	4,000
3/20/2013	3.4	3.49	3.4	3.49	6,000
3/22/2013	3.8	3.8	3.2	3.45	13,500
3/25/2013	3.59	4.15	3.59	3.77	143,000
3/26/2013	3.77	4.02	3.77	3.85	21,500
3/27/2013	3.75	3.94	3.75	3.83	8,500
3/28/2013	4.65	4.65	3.84	3.9	35,500
3/29/2013	4.19	4.4	3.99	4.33	133,000
4/1/2013	4.13	4.25	4.1	4.15	25,000
4/2/2013	4.1	4.4	4	4.4	58,500
4/3/2013	4.05	4.3	4	4.1	11,000
4/4/2013	4.25	4.45	4.1	4.17	32,500
4/5/2013	4.01	4.05	4	4	13,500
4/8/2013	4.3	4.3	4.18	4.19	7,500
4/9/2013	4.1	4.1	4.1	4.1	500
4/10/2013	4.19	4.19	4.19	4.19	500
4/11/2013	4.05	4.4	4.01	4.35	145,500
4/12/2013	4.3	4.3	4.3	4.3	500
4/17/2013	4	4	3.94	3.94	2,500
4/18/2013	4	4.24	4	4.24	4,000
4/19/2013	3.8	4.29	3.8	4.24	3,500
4/24/2013	4.09	4.3	4.09	4.13	13,000
4/25/2013	4.01	4.4	4.01	4.4	2,000
4/29/2013	4.3	4.3	4	4.08	12,000
4/30/2013	4.2	4.2	3.85	4.03	15,000
5/2/2013	4.3	4.8	4.3	4.62	145,000
5/3/2013	4.69	5.62	4.69	5.29	251,000
5/6/2013	5.59	5.75	5.4	5.46	66,500
5/7/2013	5.26	5.6	5.1	5.33	47,500
5/8/2013	5.33	5.33	4.72	4.96	38,000
5/10/2013	5.49	5.49	4.5	4.81	28,500
5/13/2013	5.44	5.44	4.9	4.91	22,000
5/14/2013	4.5	4.9	4.5	4.85	10,000
5/15/2013	4.51	5.4	4.51	5	23,000

# Pattern of Shareholding

OF SHARES HELD BY THE SHAREHOLDERS  
OF GHANI AUTOMOBILE INDUSTRIES LIMITED AS AT JUNE 30, 2013

No. of Shareholders	-----Shareholding-----		Total Shares Held
	From	To	
163	1	100	6,713
525	101	500	250,448
162	501	1,000	159,130
199	1,001	5,000	616,559
61	5,001	10,000	511,068
21	10,001	15,000	269,420
12	15,001	20,000	219,647
7	20,001	25,000	164,500
5	25,001	30,000	145,397
4	30,001	35,000	134,000
1	35,001	40,000	37,000
4	45,001	50,000	192,500
1	50,001	55,000	53,500
2	55,001	60,000	117,000
3	95,001	100,000	300,000
1	100,001	105,000	100,500
1	130,001	135,000	133,500
1	170,001	175,000	175,000
1	205,001	210,000	207,000
1	230,001	235,000	234,000
1	235,001	240,000	235,521
1	360,001	365,000	362,800
1	870,001	875,000	873,300
1	965,001	970,000	969,378
1	1,070,001	1,075,000	1,073,200
1	1,420,001	1,425,000	1,422,289
1	1,655,001	1,660,000	1,655,600
1	1,820,001	1,825,000	1,825,000
1	2,485,001	2,490,000	2,485,481
1	2,530,001	2,535,000	2,532,574
1	2,535,001	2,540,000	2,537,975
<b>1186</b>			<b>20,000,000</b>

Categories of shareholders	Share held	Percentage
Directors, Chief Executive Officers, and their spouse and minor children	13,020,630	65.1032%
Associated Companies, undertakings and related parties.	0	0.0000%
NIT and ICP	7,300	0.0365%
Banks Development Financial Institutions, Non Banking Financial Institutions.	0	0.0000%
Insurance Companies	0	0.0000%
Modarabas and Mutual Funds	0	0.0000%
General Public		
a. Local	6,885,163	34.4258%
b. Foreign	-	0.0000%
Others (to be specified)		
<b>Joint Stock Companies</b>	86,907	0.4345%

# Information Under Clause XVI (J)

OF THE CODE OF CORPORATE GOVERNANCE AS ON JUNE 30, 2013

S. No.	NAME	HOLDING
<b>ASSOCIATED COMPANIES, UNDERTAKINGS &amp; RELATED PARTIES</b>		NIL
<b>MUTUAL FUNDS</b>		NIL
<b>DIRECTORS, CEO THEIR SPOUSE AND MINOR CHILDREN</b>		
1	MR. IMTIAZ AHMAD KHAN	3,613,274
2	MR. ANWAAR AHMAD KHAN	4,193,575
3	MR. AFTAB AHMAD KHAN	4,310,481
4	MR. JUNAID GHANI (CDC)	234,000
5	HAFIZ OBAID GHANI	105,000
6	MR. JUBAIR GHANI	500
7	MRS. REEMA ANWAAR	100,000
8	MRS. AYESHA AFTAB	100,000
9	MS. ZAHRA AFTAB	500
10	DR. AMJAD AQEEL	500
11	MRS. RUBINA IMTIAZ. W/O IMTIAZ AHMED KHAN (CDC)	362,800
		<u>13,020,630</u>
<b>EXECUTIVES</b>		<u>1,026,378</u>
<b>PUBLIC SECTOR COMPANIES &amp; CORPORATIONS</b>		NIL
<b>BANKS, DEVELOPMENTS FINANCE INSTITUTIONS, NON BANKING FINANCIE COMPANIES, INSURANCE COMPANIES, TAKAFUL, MODARABAS &amp; PENSION FUNDS</b>		NIL
<b>SHAREHOLDERS HOLDING 5% OR MORE VOTING INTEREST IN THE LISTED COMPANY</b>		
1	MR. IMTIAZ AHMAD KHAN	3,613,274
2	MR. ANWAAR AHMAD KHAN	4,223,575
3	MR. AFTAB AHMAD KHAN	4,310,481
4	FAISAL JUNAID	1,422,289
5	MR. MOHAMMAD SALIM LAKHANI (CDC)	1,051,378

During the financial year the trading in shares of the company by the Directors, CEO, CFO, Company Secretary and their spouses and minor children is as follows

NAME	SALE	PURCHASE
MR. ANWAAR AHMAD KHAN (CDC)	30,000	-

**GHANI AUTOMOBILE INDUSTRIES LIMITED**  
**40-L, Model Town, Lahore**  
**FORM OF PROXY**

**Folio No.** \_\_\_\_\_

**No. of Shares** \_\_\_\_\_

I/WE \_\_\_\_\_

of \_\_\_\_\_

Being a member of GHANI AUTOMOBILE INDUSTRIES LIMITED \_\_\_\_\_

Hereby 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 26<sup>th</sup> ANNUAL GENERAL MEETING of the members of the Company to be held on Wednesday October 23, 2013 at 11:00 A.M at Avari Hotel, Lahore and at any adjournment thereof.

As witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2013

**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.



**The Power of Perfection**

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