

The cover features a light blue background with a large, stylized graphic of a person riding a motorcycle, composed of many small, overlapping triangles in various shades of blue. The graphic is positioned on the left side, extending towards the center. The text is arranged in a clean, modern layout. The company name 'Ghani' is in a large, bold, dark blue serif font, with 'Automobiles' in a smaller, grey sans-serif font below it. The year '2016' is displayed in a large, grey sans-serif font, with each digit separated by a dot. The tagline 'The Power of Perfection' is in a grey sans-serif font, and the company name 'Ghani Automobile Industries Limited' is in a white sans-serif font on a dark blue curved banner at the bottom. The overall design is professional and modern.

# Ghani

Automobiles

Annual Report

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The Power of Perfection

Ghani Automobile Industries Limited

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

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

Chairman  
Chief Executive Officer

### AUDIT COMMITTEE

Mr. Jubair Ghani  
Mrs. Ayesha Aftab  
Mr. Sarfaraz Anwar

Chairman  
Member  
Member

### HR & R COMMITTEE

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

Chairman  
Member  
Member

### COMPANY SECRETARY

Hafiz Mohammad Imran Sabir

### CHIEF FINANCIAL OFFICER

Mr. Umer Farooq Khan

### AUDITORS

Hassan Farooq & Company  
Chartered Accountants

### LEGAL ADVISORS

Ally Law Associates

### SHARE REGISTRAR

Corplink (Pvt) Ltd  
Wings Arcade, 1-K Commercial Model Town Lahore, Pakistan  
Phones : (042) 35916714, 35916719 Fax : (042) 35869037

### BANKERS

Albaraka Islamic Bank  
Allied Bank of Pakistan Limited  
Soneri Bank Limited, Islamic Banking  
Habib Metropolitan Bank Limited (IBD)  
Habib Bank Limited  
Meezan Bank Limited  
UBL Ameen Limited  
Bank Alfalah Limited  
Burj Bank Limited

### REGISTERED OFFICE

274-B, N Block, Model Town Extension, Lahore  
Phones : (042) 3516 8873, 3517 2205  
Fax : (042) 3517 2263  
E-mail : info@ghaniautomobiles.com  
http://www.ghaniautomobiles.com

### AUTOMOBILE PLANT

49-KM, Multan Road, (from Lahore)

# Vision & Philosophy

Nothing in this earth or in the heavens

Is hidden from ALLAH

To indulge in honesty, integrity and self determination,

to encourage in performance and

most of all to put our trust in ALLAH,

so that we may, eventually through our efforts and belief,

become the leader amongst automobile products

manufacturers

## Mission Statement

To be successful by

effectively & efficiently

Utilizing our Philosophies,

so that We achieve & Maintain

constantly the High Standards of

Product Quality

&

Customer Satisfaction

# 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, 2016.

## FINANCIAL PERFORMANCE

The operating results of your company for the year ended June 30, 2016 are summarized as follows:

	2016	2015
	(Rupees in '000')	
Sales Net	56,071	126,664
Gross (Loss)	(34,296)	(21,629)
(Loss) / Profit after taxation	(74,991)	8,768
Earning (Loss) / Profit per share	(1.50)	0.20

During the year under review, the net sales dropped to Rupees 56 million as compared to Rupees 126 million for the last year. Due to stiff competition, the industry price has remained almost stagnant. With increasing costs and decreasing profits, the industry specially small and medium level manufacturers are facing difficulty in their survival. Some other facts regarding the crisis in motorcycle industry, which have given a strong blow to the whole business is the labor rate which has drastically increased.

## 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 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, the Company could not announce dividend to the shareholders.
10. Outstanding taxes and levies: *Please refer notes 7, 8 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, 2016 is attached in the prescribed form as required under Code of Corporate Governance. The directors, chief executive office, chief financial officer, company secretary, their spouses and minor children did not carry out any transaction in the shares of the company during the year, except as disclosed with the pattern of shareholding.

## BOARD OF DIRECTORS

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

A total of five meetings of the Board of Directors, four meetings of the Audit Committee and one meeting of HR & R Committee were held during the period of one year, from July 01, 2015 to June 30, 2016. 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*	3	-	-
Mr. Anwaar Ahmad Khan*~	3	-	1
Mr. Aftab Ahmad Khan	5	-	-
Mrs. Reema Anwaar*	3	-	-
Mrs. Ayesha Aftab	5	4	1
Mr. Junaid Ghani~	5	-	-
Mr. Obaid Ghani	5	-	1
Mr. Jubair Ghani	5	4	-
Mrs. Zahra Aftab	5	-	-
Dr. Amjad Aqeel #	4	2	-
Mrs. Maryam Junaid**	2	-	-
Mrs. Musfira Jubair**	2	-	-
Mrs. Afifa Anwaar**	2	-	-
Hafiz Muhammad Saad**	2	-	-
Mr. Muhammad Ayub**	2	-	-
Mr. Nauman Shaukat**	2	-	-
Mr. Sarfraz Anwar**#	2	2	-

\*Retired in Elections held on February 5, 2016

\*\* Newly Elected as directors in Elections held on February 5, 2016

# Audit Committee reconstituted on February 18, 2016 where in Dr. Amjad Aqeel exit and Mr. Sarfraz Anwar appointed as its member

~ HR & R Committee reconstituted on February 18, 2016 where in Mr. Junaid Ghan appointed as its member.

## 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, 2017, at a mutually agreed fee.

## FUTURE OUTLOOK

The management has been striving for the better performance of the company but the stiffer competition, almost stagnant industry price, increasing costs and decreasing profits are the major causes for difficulty in the survival of small and medium level manufacturers. However, the management is hopeful for the improvement in future.

## 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" (Sallalloho-Alaie-Wasallam)

For and on behalf of the Board



**Aftab Ahmad Khan**  
Chief Executive Officer

Lahore: September 29, 2016



# SIX YEARS AT GLANCE

FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015	2014	2013	2012	2011
	(Rupees in '000')					
Production (Nos.)	2,376	5,802	3,184	6,162	11,360	14,062
Sales	56,071	126,664	124,377	173,262	367,740	429,162
Gross profit / (loss)	(34,296)	(21,629)	7,526	562	(19,117)	30,274
Net profit / (loss)	(74,991)	8,768	(4,044)	(10,574)	(41,314)	3,092
Earning / (loss) per share	(1.50)	0.20	(0.20)	(0.53)	(2.07)	0.15
Dividend %	-	-	-	-	-	-
Current assets	274,298	375,545	359,909	363,639	386,221	434,212
Current liabilities	214,400	219,386	364,612	365,676	380,506	390,032
Share holders equity	142,339	217,331	58,562	62,606	73,180	114,495



# STATEMENT OF COMPLIANCE

## WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2016

This statement is being presented to comply with the Code of Corporate Governance contained in Clause 5.19 of Rule Book of the Pakistan Stock Exchange 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 interests on its Board of Directors. At present the Board includes:

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

The independent directors meet the criteria of independence under clause 5.19.1 (b) of the CCG.

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 NBFIs or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. In election of directors held at Extraordinary General Meeting (*held on January 29, 2016 and held again on February 5, 2016 after adjournment under proviso of section 160(2) of the companies ordinance 1984*) Mr. Aftab Ahmad Khan, Mrs. Ayesha Aftab, Mr. Junaid Ghani, Mr. Obaid Ghani, Mr. Jubair Ghani, Mrs. Zahra Aftab and Dr. Amjad Aqeel were re-elected as directors; Hafiz Muhammad Saad, Mr. Muhammad Ayub, Mr. Nauman Shaukat, Mr. Sarfraz Anwar, Mrs. Maryam Junaid, Mrs. Musfira Jubair and Mrs. Afifa Anwaar were newly elected as directors; and Mr. Imtiaz Ahmad Khan, Mr. Anwaar Ahmad Khan and Mrs. Reema Anwaar were retired.
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. The Board has been reconstituted with fourteen (14) directors in elections held during the year. No director could participate the directors' training program this year.
10. No new appointment of CFO, Company Secretary and Head of Internal Audit was made during the year ended June 30, 2016.
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 whom are non-executive directors including one member being the 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 of Corporate Governance. 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 of three members, of whom two are non-executive directors and the chairman of the Committee is also non-executive director.
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. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrines in the Code of Corporate Governance have been complied with.



**Junaid Ghani**  
Director

Lahore: September 29, 2016

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



**Aftab Ahmad Khan**  
Chief Executive Officer

# 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 for the year ended June 30, 2016 prepared by the Board of Directors of **GHANI AUTOMOBILE INDUSTRIES LIMITED ("the company")** to comply with the Listing Regulation of Pakistan Stock Exchange (PSX) 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 Pakistan Stock Exchange (PSX) requires 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 transactions 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 Boards of Directors and placements of such transaction before the audit committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price or not.

With reference to clause (XI) "It shall be mandatory for all directors of listed Company to have certification under any directors training programme offered by the institutions (local or foreign) that meet the criteria specified by the Securities and Exchange Commission of Pakistan (SECP). From June 2012 to June 2016 at least one director on the board shall acquire the said certification".

Based on our review, with the exception of the matters described in preceding paragraph, nothing has come to our attention which causes us to believe the statement of compliance does not appropriately reflect the Company's compliance in all material respects, with the best practices contained in code of corporate governance as applicable to the Company for the year ended June 30, 2016.

**HASSAN FAROOQ AND COMPANY**

(Chartered Accountants)

**ENGAGEMENT PARTNER:** Farooq Hamid

**Lahore: September 27, 2016**

## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **GHANI AUTOMOBILE INDUSTRIES LIMITED (the Company)** as at June 30, 2016 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, 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, 2016 and of the loss, its comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

**HASSAN FAROOQ AND COMPANY**  
(Chartered Accountants)

**ENGAGEMENT PARTNER:** Farooq Hamid  
**Lahore: September 27, 2016**

# BALANCE SHEET

AS AT JUNE 30, 2016

	June 30, 2016 Rupees	June 30, 2015 Rupees	NOTE
<b>EQUITY &amp; LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized Share Capital			
50,000,000 (2015: 50,000,000) ordinary shares of Rs.10 each	500,000,000	500,000,000	
Issued, subscribed and paid up capital	500,000,000	500,000,000	4
Discount on issue of right shares	(150,000,000)	(150,000,000)	
Accumulated losses	(207,660,382)	(132,669,277)	
	142,339,618	217,330,723	
<b>CURRENT LIABILITIES</b>			
Short term bank financing	-	5,690,207	5
Interest/mark up payable	-	118,199	
Loan from directors	115,105,000	116,880,000	6
Creditors, accrued and other liabilities	98,734,632	94,893,274	7
Provision for taxation	560,708	1,804,262	22
	214,400,340	219,385,942	
<b>CONTINGENCIES AND COMMITMENTS</b>			
	-	-	8
	356,739,958	436,716,665	
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment s	55,216,055	35,961,902	9
Security deposits	459,700	907,386	10
Deferred tax asset	26,765,812	24,301,958	11
	82,441,567	61,171,246	
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	1,264,142	660,064	12
Stock in trade	46,327,688	103,107,226	
Trade debtors - secured and considered good	163,420,980	194,391,374	13
Advances and other receivables	61,981,470	73,337,191	14
Cash and bank balances	1,304,111	4,049,564	
	274,298,391	375,545,419	
	356,739,958	436,716,665	

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



DIRECTOR



CHIEF EXECUTIVE OFFICER

# PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2016

	NOTE	June 30, 2016 Rupees	June 30, 2015 Rupees
Sales	15	56,070,841	126,664,437
Cost of sales	16	(90,366,550)	(148,293,570)
Gross (loss)		(34,295,709)	(21,629,133)
Administrative expenses	17	(8,273,401)	(7,701,568)
Distribution and marketing expenses	18	(12,868,005)	(11,765,044)
Other expenses	19	(50,168,976)	(786,593)
Operating (loss)		(71,310,382)	(20,253,205)
Other income	20	29,001,465	56,064,082
Operating (loss) / profit before interest and tax		(76,604,626)	14,181,744
Financial charges	21	(289,625)	(3,568,438)
(Loss) / profit before taxation		(76,894,251)	10,613,306
Taxation	22	1,903,146	(1,844,922)
(Loss) / profit for the year		(74,991,105)	8,768,384
(Loss) / profit per share - Basic and diluted	23	(1.50)	0.20

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



DIRECTOR



CHIEF EXECUTIVE OFFICER

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2016

	June 30, 2016 Rupees	June 30, 2015 Rupees
(Loss)/ profit for the year	(74,991,105)	8,768,384
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(74,991,105)</b>	<b>8,768,384</b>

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



DIRECTOR



CHIEF EXECUTIVE OFFICER



# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2016

	June 30, 2016 Rupees	June 30, 2015 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/ profit for the year before tax	(76,894,251)	10,613,306
Adjustment for :		
Depreciation	3,096,704	2,357,279
Financial charges	289,625	3,568,438
	<u>3,386,329</u>	<u>5,925,717</u>
<b>Operating (loss) / profit before working capital changes</b>	<b>(73,507,922)</b>	<b>16,539,024</b>
<b>(Increase) / decrease in current assets</b>		
Store, spares and loose tools	(604,078)	4,948
Stock in trade	56,779,538	(15,585,730)
Trade debtors	30,970,394	3,391,424
Advances and other receivables	12,786,493	(10,472,050)
	<u>99,932,347</u>	<u>(22,661,408)</u>
<b>Increase / (decrease) in current liabilities</b>		
Creditors, accrued and other liabilities	3,841,358	(1,743,644)
<b>Operating (loss) / profit after working capital changes</b>	<b>30,265,783</b>	<b>(7,866,028)</b>
Financial charges paid	(289,625)	(3,185,146)
Taxes paid	(3,235,035)	(3,393,234)
	<u>(3,524,660)</u>	<u>(6,578,380)</u>
<b>NET CASH GENERATED FROM/ USED IN OPERATING ACTIVITIES</b>	<b>26,741,123</b>	<b>(14,444,408)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of fixed assets	(22,350,857)	(64,350)
Increase in security deposits	447,686	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(21,903,171)</b>	<b>(64,350)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short term borrowings - net	(5,690,207)	(88,163,567)
Interest/ mark up payable	(118,198)	-
Share capital - net	-	150,000,000
Loan from sponsors	(1,775,000)	(53,325,000)
<b>NET CASH USED IN/ GENERATED FROM FINANCING ACTIVITIES</b>	<b>(7,583,405)</b>	<b>8,511,433</b>
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(2,745,453)</b>	<b>(5,997,325)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR</b>	<b>4,049,564</b>	<b>10,046,889</b>
<b>CASH AND CASH EQUIVALENTS AT YEAR END</b>	<b>1,304,111</b>	<b>4,049,564</b>

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



DIRECTOR



CHIEF EXECUTIVE OFFICER

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2016

	Share Capital	Discount on Right Shares	Accumulated (Losses)	Total
	-----Rupees-----			
Balance as on July 01, 2014	200,000,000	-	(141,437,661)	58,562,339
Issue of right shares	300,000,000	-	-	300,000,000
Discount on issue of right shares	-	(150,000,000)	-	(150,000,000)
Profit for the year	-	-	8,768,384	8,768,384
Other comprehensive income	-	-	-	-
<b>Balance as on June 30, 2015 - restated</b>	<b>500,000,000</b>	<b>(150,000,000)</b>	<b>(132,669,277)</b>	<b>217,330,723</b>
Loss for the year	-	-	(74,991,105)	(74,991,105)
Other comprehensive income	-	-	-	-
<b>Balance as on June 30, 2016</b>	<b>500,000,000</b>	<b>(150,000,000)</b>	<b>(207,660,382)</b>	<b>142,339,618</b>

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



DIRECTOR



CHIEF EXECUTIVE OFFICER

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

## 1 GENERAL INFORMATION

- 1.1 The company is a public listed company incorporated in Pakistan under the Companies Ordinance, 1984 in September 1987. The registered office of the company is situated at 274-B, N-Block, Model Town Ext., Lahore. 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 business was manufacture and trade of grey cloth.
- 1.2 The financial statements are presented in Pak Rupees, which is the company's functional and presentation currency.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984, directives issued by the Securities and Exchange Commission of Pakistan (the Commission) and approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Accounting Standards (IASs) / International Financial Reporting Standards (IFRSs) as notified under the provisions of the Ordinance. Wherever, the requirements of the Ordinance or directives issued by the Commission differ with the requirements of these standards, the requirements of the Ordinance or the requirements of the said directives take precedence.

### 2.2 Application of new and revised International Financial Reporting Standards (IFRSs)

#### 2.2.1 Standards, amendments to standards and interpretations becoming effective in current year

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as describe below:

#### New Standards, Interpretations and Amendments

The Company has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

IFRS 10 – Consolidated Financial Statements  
IFRS 11 – Joint Arrangements  
IFRS 12 – Disclosure of Interests in Other Entities  
IFRS 13 – Fair Value Measurement  
IAS 27 – Separate Financial Statements – (Amended)  
IAS 28 – Investment in Associates and Joint Ventures – (Amended)

The adoption of the above accounting standards did not have any effect on the financial statements.

#### 2.2.2 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods Beginning on or after)
IFRS 2: Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	January 1, 2018
IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)	January 1, 2016
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures -Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 11 Joint Arrangements -Accounting for Acquisition of Interest in Joint Operation (Amendment)	January 1, 2016
IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)	January 1, 2016
IAS 7 Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	January 1, 2017
IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	January 1, 2017
IAS 16 Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	January 1, 2016
IAS 16 Property, Plant and Equipment and IAS 41 Agriculture -Agriculture: Bearer Plants (Amendment)	January 1, 2016
IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	January 1, 2016

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.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in September 2014. Such improvements are generally effective for accounting periods beginning on or after 01 January 2016. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	January 1, 2018
IFRS 14 – Regulatory Deferral Accounts	January 1, 2016
IFRS 15 – Revenue from Contracts with Customers	January 1, 2018
IFRS 16 – Leases	January 1, 2019

## 2.3 BASIS OF PREPARATION

### 2.3.1 Basis of Measurement

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

### 2.3.2 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

## 2.4 RECTIFICATION OF ERROR

### 2.4.1 Reclassification of Discount on issue of right shares

The company has issued 300 million shares to shareholders at a 50 % discounted prices but in last year this has been treated wrongly as a non current asset as "Discount on issue of right shares". This has been rectified retrospectively during the year and has been deducted now from owner's equity.

The effect of retrospective change is as follow:

	2015		
	Amount before rectification	Amount after rectification	Rectification effect
	----- Rupees -----		
Discount on issue of right shares - asset	150,000,000	-	(150,000,000)
Discount on issue of right shares - Equity	-	(150,000,000)	150,000,000

### 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 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 9 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 statement 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 Staff Retirement Benefits

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**

#### **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.

#### **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 of Financial Assets and Financial Liabilities**

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 & 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 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

June 30, 2016	June 30, 2015		NOTE	June 30, 2016	June 30, 2015
Number of Shares				Rupees	Rupees
19,250,000	19,250,000	Ordinary shares of Rs. 10 each fully paid in cash		192,500,000	192,500,000
250,000	250,000	Ordinary shares of Rs. 10 each fully paid other than cash		2,500,000	2,500,000
500,000	500,000	Ordinary shares of Rs. 10 each issued as bonus shares		5,000,000	5,000,000
30,000,000	30,000,000	Ordinary shares of Rs. 10 each fully paid in cash at discount		300,000,000	300,000,000
<b>50,000,000</b>	<b>50,000,000</b>			<b>500,000,000</b>	<b>500,000,000</b>

#### 5 SHORT TERM BANK FINANCING

Murabaha from

Habib Metropolitan Bank Limited

5.2

-	5,690,207
-	5,690,207

- 5.1 Aggregate un-availed short term borrowing facilities available to the Company are Rs. 10 million (2015: Rs 4.31 million).
- 5.2 These are secured by legal mortgage of Rs. 0.5 million and Equitable mortgage on land and building measuring 20 kanal 18 marlas valuing Rs. 34.30 million (2015: Rs. 34.30 million) and FSV is Rs. 29.16 million (2015: Rs. 29.16 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 Rs. 15 Million. These are subject to profit at 6 months KIBOR plus 2% (2015 : six months KIBOR plus 1.00%)
- 5.3 Effective markup rate charged during the year ranges from 8.72% to 9.21% per annum (2015: 11.94% to 12.18% per annum).
- 5.4 The facility availed from Habib Metropolitan Bank Limited during the year has expired on May 31, 2016. This facility has not been renewed as at June 30, 2016.

#### 6 LOAN FROM DIRECTORS

This is interest free loan from directors. This is unsecured and terms of repayment of this loan have not yet been decided.

#### 7 CREDITORS, ACCRUED AND OTHER LIABILITIES

Creditors		78,878,837	79,165,703
Advances from customers		838,053	243,681
Accrued expenses and other liabilities	7.1	12,979,208	11,644,378
Income tax deducted at source		5,428,788	2,443,173
Un-claimed dividend		609,746	609,746
Workers profit participation fund payable		-	569,995
Workers welfare fund payable		-	216,598
		<b>98,734,632</b>	<b>94,893,274</b>
<b>7.1 Accrued And Other Liabilities</b>			
Salaries and wages		12,479,208	9,037,552
Auditor's remuneration		250,000	177,500
Utility expenses		250,000	2,429,326
		<b>12,979,208</b>	<b>11,644,378</b>

#### 8 CONTINGENCIES AND COMMITMENTS

##### CONTINGENCIES

- 8.1 There is a contingent liability of Rs. 1,727,290/(2015: Rs. 1,727,290/ -) in respect of income tax for assessment up to assessment year 2001-2002 against order under section 50, 53 and 80D of repealed Income Tax Ordinance, 1979. The company has filed the appeals to ITAT and CIT against above orders .
- 8.2 The Punjab Employees Social Security Institution has raised a demand of Rs. 2,245,057/- (2015: Rs. 2,245,057/-) as less payment of contribution for the period from 1989 to 1995. The company has not acknowledged this demand and filed appeal under section 57 of the Social Security Ordinance, 1965. After remand of the case by Labour Court, appeal is now under process with Additional Commissioner, Punjab Employees Social Security Institute.
- 8.3 The Company has given bank guarantee of Rs. 729,000/- (2015: Rs. 729,000/-) to WAPDA.
- 8.4 The Company has given bank guarantee of Rs. 1,200,000/- (2015: Rs. 1,200,000/-) to SNGPL.

##### COMMITMENTS

- 8.5 There were no commitments as at June 30, 2016 (2015: Nil).



## NOTE

## 9 Property, plant and equipments

	June 30, 2016 Rupees	June 30, 2015 Rupees
Operating assets	55,216,055	35,961,902

9.1

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

	Owned										Grand Total	
	Freehold Land	Building on Freehold Land	Plant & Machinery	Furniture & Fixtures	Loose Tools	Electrical Equipment	Electrical Installation	Computers	Vehicles			
<b>At July 01, 2014</b>												
Cost	14,932,180	37,832,645	14,720,519	1,429,611	1,275,576	987,383	1,561,114	838,876	1,960,129		75,538,033	
Accumulated depreciation	-	(24,002,883)	(7,752,631)	(957,389)	(771,316)	(655,383)	(798,276)	(692,266)	(1,653,058)		(37,283,202)	
Written down value	<b>14,932,180</b>	<b>13,829,762</b>	<b>6,967,888</b>	<b>472,222</b>	<b>504,260</b>	<b>332,000</b>	<b>762,838</b>	<b>146,610</b>	<b>307,071</b>		<b>38,254,831</b>	
<b>Year ended June 30, 2015</b>												
Opening net book value	14,932,180	13,829,762	6,967,888	472,222	504,260	332,000	762,838	146,610	307,071		38,254,831	
Additions	-	-	-	-	-	-	-	10,710	53,640		64,350	
Depreciation	-	(1,382,976)	(696,789)	(47,222)	(50,426)	(33,200)	(38,142)	(45,322)	(63,202)		(2,357,279)	
Closing net book value	<b>14,932,180</b>	<b>12,446,786</b>	<b>6,271,099</b>	<b>425,000</b>	<b>453,834</b>	<b>298,800</b>	<b>724,696</b>	<b>111,998</b>	<b>297,509</b>		<b>35,961,902</b>	
<b>At June 30, 2015</b>												
Cost	14,932,180	37,832,645	14,720,519	1,429,611	1,275,576	987,383	1,561,114	849,586	2,013,769		75,602,383	
Accumulated depreciation	-	(25,385,859)	(8,449,420)	(1,004,611)	(821,742)	(688,583)	(836,418)	(737,588)	(1,716,260)		(39,640,481)	
Written down value	<b>14,932,180</b>	<b>12,446,786</b>	<b>6,271,099</b>	<b>425,000</b>	<b>453,834</b>	<b>298,800</b>	<b>724,696</b>	<b>111,998</b>	<b>297,509</b>		<b>35,961,902</b>	
<b>Year ended June 30, 2016</b>												
Opening net book value	14,932,180	12,446,786	6,271,099	425,000	453,834	298,800	724,696	111,998	297,509		35,961,902	
Additions	-	22,121,402	-	-	-	-	229,455	-	-		22,350,857	
Depreciation	-	(2,535,094)	(313,555)	(42,500)	(45,383)	(29,880)	(37,191)	(33,599)	(59,502)		(3,096,704)	
Closing net book value	<b>14,932,180</b>	<b>32,033,094</b>	<b>5,957,544</b>	<b>382,500</b>	<b>408,451</b>	<b>268,920</b>	<b>916,960</b>	<b>78,399</b>	<b>238,007</b>		<b>55,216,055</b>	
<b>At June 30, 2016</b>												
Cost	14,932,180	59,954,047	14,720,519	1,429,611	1,275,576	987,383	1,790,569	849,586	2,013,769		97,953,240	
Accumulated depreciation	-	(27,920,953)	(8,762,975)	(1,047,111)	(867,125)	(718,463)	(873,609)	(771,187)	(1,775,762)		(42,737,185)	
Written down value	<b>14,932,180</b>	<b>32,033,094</b>	<b>5,957,544</b>	<b>382,500</b>	<b>408,451</b>	<b>268,920</b>	<b>916,960</b>	<b>78,399</b>	<b>238,007</b>		<b>55,216,055</b>	
Rate (%)	0%	10%	10%	10%	10%	10%	5%	30%	20%			

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

	June 30, 2016 Rupees	June 30, 2015 Rupees
Cost of goods sold	3,065,737	2,333,706
Selling and distributed expenses	30,967	23,573
	<b>3,096,704</b>	<b>2,357,279</b>

	NOTE	June 30, 2016 Rupees	June 30, 2015 Rupees
<b>10 SECURITY DEPOSITS</b>			
Against;			
Utilities		459,700	439,700
Ijarah finance		-	467,686
		<u>459,700</u>	<u>907,386</u>
<b>11 DEFERRED TAX ASSET</b>			
Asset recognized	11.1	<u>26,765,812</u>	<u>24,301,958</u>

**11.1** As at June 30, 2016 net deferred tax asset works out to Rs. 29.73 million (2015:Rs. 26.16 million ) out of which deferred tax asset to the extent of Rs. 27.74 million (2015:Rs. 24.30 million ) has been recognized in these financial statements in the view of future taxable profits. The net deferred tax asset of Rs. 27.74 million comprise of;

	NOTE	June 30, 2016 Rupees	June 30, 2015 Rupees
The deferred tax asset comprises temporary differences in relation to :			
Accelerated tax depreciation		(3,534,175)	(3,664,845)
Current tax		560,708	1,804,262
Asset due to foreseeable future profits		29,739,279	26,162,541
		<u>26,765,812</u>	<u>24,301,958</u>

<b>12 STOCK IN TRADE</b>			
Raw material		73,833,445	74,336,737
Raw material written off		(46,695,902)	-
		<u>27,137,543</u>	<u>74,336,737</u>
Work in process		11,303,231	13,041,079
Finished stock		7,886,914	15,729,410
		<u>46,327,688</u>	<u>103,107,226</u>

<b>13 ADVANCES AND OTHER RECEIVABLES</b>			
Considered good			
Advances:			
Employees		1,169,390	1,162,620
Suppliers		25,500,516	39,250,834
Advance income tax		12,042,432	10,611,660
Letters of credit		-	7,808,830
Sales tax refundable		23,269,132	14,503,247
		<u>61,981,470</u>	<u>73,337,191</u>

<b>14 CASH AND BANK BALANCES</b>			
Cash in hand		368,448	171,690
Cash at bank			
- in current accounts		934,953	2,668,439
- in saving accounts	14.1	710	1,209,435
		<u>1,304,111</u>	<u>4,049,564</u>

**14.1** Saving account carries no profit rate during the year (2015: 6% to 8.5%).

<b>15 SALES</b>			
Local sales		65,422,824	148,912,925
Less: Sales return		-	(88,048)
		<u>65,422,824</u>	<u>148,824,877</u>
Sales of spares parts		560,682	216,115
		<u>65,983,506</u>	<u>149,040,992</u>
Less: Sales tax		(9,912,665)	(22,376,555)
		<u>56,070,841</u>	<u>126,664,437</u>

	NOTE	June 30, 2016 Rupees	June 30, 2015 Rupees
<b>16 COST OF SALES</b>			
Raw material consumed	16.1	54,634,605	131,683,163
Salaries, wages and benefits	16.2	19,133,153	14,227,048
Store consumed		651,728	444,333
Fuel and power		2,232,549	2,168,657
Repair and maintenance		72,525	163,280
Travelling and vehicle running		118,560	124,620
Entertainment		298,128	188,749
Communications and stationery		286,528	200,997
Freight and handling		120,540	49,520
Rent, rates and taxes		69,229	-
Depreciation	9.1.1	3,065,737	2,333,707
Other expenses		102,924	282,679
		<b>80,786,206</b>	<b>151,866,753</b>
Work in process			
Opening stock		13,041,079	11,675,384
Closing stock		(11,303,231)	(13,041,079)
		<b>1,737,848</b>	<b>(1,365,695)</b>
Cost of goods manufactured		<b>82,524,054</b>	<b>150,501,058</b>
Finished Stock			
Opening stock		15,729,410	13,521,922
Closing stock		(7,886,914)	(15,729,410)
		<b>7,842,496</b>	<b>(2,207,488)</b>
Cost of sales		<b>90,366,550</b>	<b>148,293,570</b>
<b>16.1 Raw Material Consumed</b>			
Opening balance		74,336,737	62,324,190
Purchases		54,131,313	143,695,710
		<b>128,468,050</b>	<b>206,019,900</b>
Closing stock		(73,833,445)	(74,336,737)
		<b>54,634,605</b>	<b>131,683,163</b>
<b>16.2</b> Salaries, wages and benefits include Rs. 483,706/- (2015: Rs. 523,092/-) in respect of staff retirement benefits.			
<b>17 ADMINISTRATIVE EXPENSES</b>			
Directors remuneration		4,320,000	2,160,000
Staff salaries benefits	17.1	1,213,289	1,345,522
Travelling and vehicle running		143,525	164,280
Entertainment		563,309	630,830
Repair and maintenance		-	4,800
Communications and stationery		396,363	554,641
Auditor's remuneration	17.2	250,000	177,500
Fee and subscription		1,291,611	2,626,035
Miscellaneous expenses		95,304	37,960
		<b>8,273,401</b>	<b>7,701,568</b>
<b>17.1</b> Staff salaries and benefits include Rs. 47,508/- (2015: Rs. 52,820/-) in respect of staff retirement benefits.			
<b>17.2 Auditor's Remuneration</b>			
Annual audit fee		192,500	120,000
Half yearly review		45,000	45,000
Other certification		12,500	12,500
		<b>250,000</b>	<b>177,500</b>
<b>18 DISTRIBUTION AND MARKETING EXPENSES</b>			
Salaries, wages and benefits	18.1	5,068,980	4,326,192
Travelling and vehicle running		3,302,336	2,805,944
Entertainment		61,967	81,688
Advertising and sales promotion		847,318	1,152,049
Rent, rates and taxes		103,600	59,000
Communications and stationery		193,970	275,070
Freight and handling		2,645,855	2,035,987
Depreciation	9.1.1	30,967	23,573
Other expenses		613,012	1,005,541
		<b>12,868,005</b>	<b>11,765,044</b>
<b>18.1</b> Salaries, wages and benefit include Rs. 254,975/- (2015: Rs. 250,758/-) in respect of staff retirement benefits.			

	NOTE	June 30, 2016 Rupees	June 30, 2015 Rupees
<b>19 OTHER EXPENSES</b>			
Workers profit participation fund		-	569,995
Workers welfare fund		-	216,598
Loss on raw material written off		50,168,976	-
		<b>50,168,976</b>	<b>786,593</b>
<b>20 OTHER INCOME</b>			
Profit on bank deposits		-	1,094,434
Reimbursement of expenses	20.1	14,443,353	32,627,639
Profit recovered from related party on early disposal of shares		-	19,171,997
Waiver of mark up on early payment		-	2,524,762
Scrap sales		-	645,250
Sale proceeds of raw material written off		14,515,383	-
Waiver of expenses		42,729	-
		<b>29,001,465</b>	<b>56,064,082</b>
<b>20.1</b> This amount represents freight on delivery of goods charged to customers and dealers.			
<b>21 FINANCIAL CHARGES</b>			
Murabaha financing		257,820	3,483,999
Bank charges		31,805	84,439
		<b>289,625</b>	<b>3,568,438</b>
<b>22 TAXATION</b>			
Current			
For the year		560,708	1,804,262
Deferred tax		(2,463,854)	40,660
		<b>(1,903,146)</b>	<b>1,844,922</b>
		<b>June 30, 2016</b>	<b>June 30, 2015</b>
<b>23 EARNING / (LOSS) PER SHARE - Basic and Diluted</b>			
(Loss) / earning after tax - Rupees		<b>(74,991,105)</b>	<b>8,768,384</b>
Weighted average number of shares - Number		<b>50,000,000</b>	<b>44,626,924</b>
(Loss) / earning per share - Rupees		<b>(1.50)</b>	<b>0.20</b>

**24 REMUNERATION TO CHIEF EXECUTIVE AND DIRECTORS**

	CHIEF EXECUTIVE		DIRECTOR		TOTAL	
	2016	2015	2016	2015	2016	2015
	-----Rupees-----					
Basic remuneration	4,320,000	2,160,000	8,640,000	4,320,000	12,960,000	6,480,000
Numbers	01	01	02	02	03	03

**25 TRANSACTIONS WITH RELATED PARTIES**

The Company in the normal course of business carries out transactions with various related parties which comprise of associated undertakings and key management personnel. Amounts due from and due to related parties are shown under the relevant notes to financial statements. Remuneration to director is disclosed in Note 24. Detail of 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, 2016	June 30, 2015
		Rupees	Rupees
<b>Associated undertaking</b>			
Ghani Glass Ltd.	Sale of Motorcycles	-	43,000
<b>Directors</b>			
Aftab Ahmed Khan	Paid to	(1,775,000)	-
	Received from	-	-
		<b>2016 Units</b>	<b>2015 Units</b>
		25,000	25,000
		2,376	5,802

**26 CAPACITY AND UTILIZATION**

Production capacity  
Actual production

**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.  
Average number of employees

2016 Units	2015 Units
48	76
54	61

## 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 unaudited financial statements of provident fund for the year ended 30 June 2016.

	June 30, 2016 Rupees	June 30, 2015 Rupees
Size of the fund - Total assets	1,494,523	2,160,673
Cost of investments made	1,090,626	1,088,979
Percentage of investment made	73%	50%
Fair value of investment	1,090,626	1,088,979

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

	2016		2015	
	Rupees	%	Rupees	%
Bank account	1,090,626	100%	1,088,979	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 227 of the Ordinance and the rules formulated for this purposes.

## 29 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

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

### 29.1 Financial Instruments By Category

#### 29.1.1 Financial assets:

Security deposits  
Trade debtors  
Advances and other receivables  
Cash and bank balances

#### 29.1.2 Financial liabilities:

Creditors, accrued and other liabilities  
Interest / markup payable  
Short term bank financing

	June 30, 2016 Rupees	June 30, 2015 Rupees
Security deposits	459,700	907,386
Trade debtors	163,420,980	194,391,374
Advances and other receivables	1,169,390	1,162,620
Cash and bank balances	1,304,111	4,049,564
	166,354,181	200,510,944
Creditors, accrued and other liabilities	98,734,632	94,893,274
Interest / markup payable	-	118,199
Short term bank financing	-	5,690,207
	98,734,632	100,701,680

### 29.2 FINANCIAL RISK MANAGEMENT

#### 29.2.1 Credit Risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fail completely to perform as contracted / 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 maximum exposure to credit risk at the balance sheet is as follow:

Security deposits	459,700	907,386
Trade debtors	163,420,980	194,391,374
Advances and other receivables	25,500,516	39,250,834
Bank balances	935,663	3,877,874
	190,316,859	238,427,468

#### 29.2.1.1 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:

#### The aging of trade debtors at balance sheet date is

Past due 1 - 30 days	4,562,570	10,671,219
Past due 30 - 180 days	26,466,081	18,948,293
Past due 180 days	132,392,329	164,771,862
	163,420,980	194,391,374

### 29.2.1.2 Bank Balances

The company kept its surplus funds with banks having good credit rating.

### 29.2.1.3 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.

### 29.2.1.4 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.

## 29.2.2 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, 2016 and 2015;

June 30, 2016					
Carrying amount	Contractual Cash flows	Six months or less	Six to twelve months	Two to five years	
-----Rupees-----					
<b>Financial liabilities - at amortised cost</b>					
<b>Non - Interest bearing</b>					
Loan from sponsors	115,105,000	115,105,000	-	115,105,000	-
Creditors, accrued and other liabilities	98,734,632	98,734,632	98,734,632	-	-
Interest / mark up payable	-	-	-	-	-
<b>Interest bearing</b>					
Short term borrowings	-	-	-	-	-
<b>213,839,632</b>	<b>213,839,632</b>	<b>98,734,632</b>	<b>115,105,000</b>		<b>-</b>
June 30, 2015					
Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	
-----Rupees-----					
<b>Financial liabilities - at amortised cost</b>					
<b>Non - Interest bearing</b>					
Loan from sponsors	116,880,000	116,880,000	-	116,880,000	-
Creditors, accrued and other liabilities	94,893,274	94,893,274	94,893,274	-	-
Interest / mark up payable	118,199	118,199	118,199	-	-
<b>Interest bearing</b>					
Short term borrowings	5,690,207	5,952,241	5,952,241	-	-
<b>217,581,680</b>	<b>217,843,714</b>	<b>100,963,714</b>	<b>116,880,000</b>		<b>-</b>

The contractual cash flows relating to markup on short term borrowings have been determined on the basis of mark up rates as applicable at the year end. The Company will manage the liquidity risk from its own source through working capital management. The Company has liquid assets of Rs. 201.206 million (2015: Rs. 435.89 million) and unavailed short term borrowing facilities of Rs. 10 million as at June 30, 2016 (2015: Rs.4.31 million).

### 29.2.3 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.

#### 29.2.3.1 Currency Risk

Currency risk is the risk that the fair value or 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.

#### 29.2.3.2 Interest Rate Risk

Interest rate risk is the risk that the fair value or 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.

#### 29.2.3.3 Other Price Risk

Other price risk is the risk that the fair value or 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 in not exposed to any material price risk.

### 29.2.4 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 arms length transaction.

## 30 CAPITAL RISK MANAGEMENT

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

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

The debt - to - equity ratio as at June 30, 2016 and 2015 were as follows:

	June 30, 2016 Rupees	June 30, 2015 Rupees
Total debt	-	5,690,207
Less: Cash and bank balances	(1,304,111)	(4,049,564)
Net debt	(1,304,111)	1,640,643
Total equity	142,339,618	217,330,723
Total capital	141,035,507	218,971,366
Gearing ratio	-0.92%	0.75%

## 31 EVENTS AFTER THE BALANCE SHEET DATE

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

## 32 NOMENCLATURE

Nomenclature of the following accounts has been changed.

#### Previous nomenclature

Loan from sponsors

#### Previous nomenclature

Loan from directors

## 33 AUTHORIZATION TO ISSUE

33.1 Figures have been rounded off to the nearest rupee.

33.2 The financial statements were authorized for issue on September 29,2016 by the Board of Directors of the Company.

  
\_\_\_\_\_  
DIRECTOR

  
\_\_\_\_\_  
CHIEF EXECUTIVE OFFICER



# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 29th Annual General Meeting of the members of **GHANI AUTOMOBILE INDUSTRIES LIMITED** will be held on Monday October 24, 2016 at 10:30 a.m., at Sunfort Hotel, Liberty Market, Lahore to transact the following business:

## Ordinary Business

1. To confirm the minutes of Extraordinary General Meeting of the company held on January 29, 2016 and held again on February 5, 2016 after adjournment under proviso of Section 160(2) of the Companies Ordinance 1984.
2. To receive, consider and adopt the audited annual accounts of **GHANI AUTOMOBILE INDUSTRIES LIMITED** for the year ended June 30, 2016 together with the Directors' and Auditors' reports thereon.
3. To appoint auditors for the year ending June 30, 2017 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

### Amendments in the Articles of Association of the Company

4. To consider and if deemed fit pass the following special resolutions for alteration of the Articles of Association of the Company:

**“RESOLVED** that pursuant to Section 28 and other applicable provisions, if any, of the Companies Ordinance, 1984 and any other law(s) the Articles of Association of the Company be and is hereby amended as follow

(a) by adding a new paragraph in the existing Article 59:

“The provisions and requirements for e-voting as prescribed by the SECP from time to time shall be deemed to be incorporated in these Articles of Association, irrespective of the other provisions of these Articles and notwithstanding anything contradictory therein”.

(b) by altering/re-wording first paragraph of Article 71:

“An instrument appointing a proxy shall be in the form specified in Regulation 39 of the Table 'A' in the First Schedule to the Ordinance or Schedule II of the Companies (E-Voting) Regulations, 2016 or in any other form which the directors may approve”

**“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.”

### Transmission of Annual Accounts to Shareholders through CD/DVD/USB

5. To consider and if deemed fit pass the following ordinary resolution for getting shareholders' approval to circulate Annual Report through CD/DVD/USB:

**“RESOLVED** that the approval be and is hereby given to allow the company to transmit the Annual Balance Sheet, Profit and Loss Account, Auditors' Report and Directors' Report etc. (“Annual Audited Accounts”) to its members through CD/DVD/USB instead of hard copy at their registered addresses.

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

By order of the Board

Lahore: September 29, 2016

**Hafiz Mohammad Imran Sabir**  
Company Secretary

**Notes:**

- The share transfer books of the Company will remain closed from October 18, 2016 to October 24, 2016 (both days inclusive). Members whose names appear on the register of members as at the close of business on October 17, 2016 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.
- The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarized certified copy of the power of attorney or authority 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 under mentioned guidelines as laid down by Circular No. 1, dated January 26, 2000, issued by Securities and Exchange Commission of Pakistan ("SECP").

**For Attending of Meeting:**

- In case of individuals, the Accountholder and/or Sub-Accountholder whose registration details are uploaded as per the CDC regulations, shall authenticate his/her identity by showing his/her original CNIC or original passport at the time of attending the meeting.
- In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

**For Appointing of Proxies:**

- In case of individuals, the Accountholder and/or Sub-Accountholder whose registration details are uploaded as per the CDC regulations, shall submit the proxy form as per above requirements.
- The proxy form shall be witnessed by the two persons whose name, addresses and CNIC numbers shall be mentioned on the form.
- Attested copy of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- The proxy shall produce his/her original CNIC or passport at the time of the meeting.
- In case of entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted along with proxy form of the Company.

**Submission of copies of CNIC/NTN (Mandatory)**

The shareholders are once again requested to immediately send a copy of their valid computerized national identity card (CNIC) to our share registrar's office, M/s. Corplink (Pvt) Ltd, Wings arcade, 1-k, commercial, model town, Lahore for printing/insertion on dividend warrants in future. Issuance of dividend warrant(s) will be subject to submission of valid CNIC by individuals and NTN by corporate entities.

**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 @ 12.5% and 20% respectively.

### **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.

### **Transmission of Annual Financial Statements through e-mail**

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

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

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

#### **Amendments in the Articles of Association of the Company**

Securities and Exchange Commission of Pakistan has issued Companies (E-Voting) Regulation 2016 on January 22, 2016 vide S.R.O 43(1)/2016. The directors have recommended alteration in the Articles of Association by adding new paragraphs in Article 59 and by altering/re-wording first paragraph of Article 71 which will give members the option to be part of the decision making by appointing both members and non-members as Proxy in case of E-voting in the general meeting of the Company through electronic means.

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

#### **Transmission of Annual Accounts to Shareholders through CD/DVD/USB**

SECP vide its SRO No.470(I)/2016 has allowed the companies to circulate the Annual Balance Sheet, Profit and Loss Account, auditors' report and directors' report etc. ("annual audited accounts") to its members through CD/DVD/USB. The Companies, however, shall place on its website a standard request form for the shareholders to demand hard copies of annual audited accounts.

The directors are not interested, directly or indirectly, in the above businesses except to the extent of their shareholding as has been detailed in the pattern of Shareholding annexed to the Directors Report.

# PATTERN OF SHAREHOLDING

OF SHARES HELD BY THE SHAREHOLDERS OF GHANI AUTOMOBILE INDUSTRIES LIMITED AS AT JUNE 30, 2016

No. of Shareholders	Shares Held	-----Shareholding-----		Total
		From	To	
197		1	100	5,933
800		101	500	387,492
681		501	1,000	672,320
1374		1,001	5,000	4,388,607
536		5,001	10,000	4,571,084
176		10,001	15,000	2,351,206
123		15,001	20,000	2,313,647
73		20,001	25,000	1,733,050
40		25,001	30,000	1,150,975
33		30,001	35,000	1,102,000
26		35,001	40,000	1,015,000
14		40,001	45,000	617,702
39		45,001	50,000	1,933,500
9		50,001	55,000	480,500
19		55,001	60,000	1,116,000
6		60,001	65,000	380,500
4		65,001	70,000	279,000
9		70,001	75,000	667,500
6		75,001	80,000	478,500
6		80,001	85,000	499,000
3		85,001	90,000	270,000
1		90,001	95,000	93,000
25		95,001	100,000	2,487,750
2		100,001	105,000	205,500
4		105,001	110,000	440,000
2		110,001	115,000	224,128
2		115,001	120,000	233,500
3		120,001	125,000	371,500
1		125,001	130,000	125,500
2		130,001	135,000	263,000
4		135,001	140,000	547,500
1		145,001	150,000	150,000
1		160,001	165,000	165,000
2		165,001	170,000	337,500
1		180,001	185,000	182,000
3		195,001	200,000	595,500
2		210,001	215,000	428,500
1		225,001	230,000	230,000
1		230,001	235,000	235,000
1		240,001	245,000	240,734
1		280,001	285,000	285,000
1		295,001	300,000	298,000
1		345,001	350,000	349,500
1		355,001	360,000	360,000
1		385,001	390,000	388,000
2		395,001	400,000	800,000
1		435,001	440,000	436,372
3		495,001	500,000	1,500,000
1		500,001	505,000	500,500
1		545,001	550,000	550,000
1		630,001	635,000	631,000
1		695,001	700,000	697,500
1		720,001	725,000	724,500
1		795,001	800,000	800,000
1		830,001	835,000	834,500
1		880,001	885,000	881,000
1		990,001	995,000	995,000
1		1,495,001	1,500,000	1,500,000
1		3,495,001	3,500,000	3,500,000
<b>4255</b>				<b>50,000,000</b>

Categories of shareholders	Share held	Percentage
Directors, Chief Executive Officers, and their spouse and minor children	72,702	0.1454%
Associated Companies, undertakings and related parties	0	0.0000%
NIT and ICP	4,000	0.0080%
Banks Development	0	0.0000%
Financial Institutions, Non Banking Financial Institutions.		
Insurance Companies	0	0.0000%
Modarabas and Mutual Funds	631,000	1.2620%
General Public		
a. Local	48,178,897	96.3578%
b. Foreign	251,250	0.5025%
Others (to be specified)		
Joint Stock Companies	862,151	1.7243%

# INFORMATION UNDER CLAUSE XVI (J)

OF THE CODE OF CORPORATE GOVERNANCE AS ON JUNE 30, 2016

S. No.	NAME	HOLDING
<b>ASSOCIATED COMPANIES, UNDERTAKINGS &amp; RELATED PARTIES</b>		<u>NIL</u>
<b>MUTUAL FUNDS</b>		<u>NIL</u>
<b>DIRECTORS, CEO THEIR SPOUSE AND MINOR CHILDREN</b>		
1	MR. AFTAB AHMAD KHAN (CDC)	42,202
2	MRS. AYESHA AFTAB	750
3	MR. JUNAID GHANI	500
4	MR. NAUMAN SHOUKAT	1,000
5	MR. OBAID GHANI (CDC)	23,000
6	MR. JUBAIR GHANI	1,250
7	MISS ZAHRA AFTAB	500
8	MR. AMJAD AQEEL	500
9	MRS. MUSFIRA JUBAIR	500
10	MRS. AFFIFA ANWAAR	500
11	MRS. MARIUM JUNAID	500
12	MR. SARFARAZ AMWAR	500
13	HAFIZ MUHAMMAD SAAD	500
14	MR. MUHAMMAD AYUB	500
		<u>72,702</u>
<b>EXECUTIVES</b>		<u>NIL</u>
<b>PUBLIC SECTOR COMPANIES &amp; CORPORATIONS</b>		<u>NIL</u>
<b>BANKS, DEVELOPMENTS FINANCE INSTITUTIONS, NON BANKING FINANCIE COMPANIES, INSURANCE COMPANIES, TAKAFUL, MODARABAS &amp; PENSION FUNDS</b>		631,000
<b>SHAREHOLDERS HOLDING 5% OR MORE VOTING INTEREST IN THE LISTED COMPANY</b>		
	MR. ABDUL MAJEED (CDC)	<u>3,500,000</u>
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		<u>NIL</u>

ایچ آر اور آر کمیٹی کے اجلاسوں میں حاضری	آڈٹ کمیٹی کے اجلاسوں میں حاضری	بورڈ آف ڈائریکٹرز کے اجلاسوں میں حاضری	ڈائریکٹر کا نام
-	-	3	مسٹر امتیاز احمد خان *
1	-	3	مسٹر انوار احمد خان **
-	-	5	مسٹر آفتاب احمد خان
-	-	3	مسز ریما انوار *
1	4	5	مسز عائشہ آفتاب
-	-	5	مسٹر سعید غنی ~
1	-	5	مسٹر سعید غنی
-	4	5	مسٹر جمیر غنی
-	-	5	مسز ہرہ آفتاب
-	2	4	ڈاکٹر اعجاز عقیل #
-	-	2	مسز مریم جنید **
-	-	2	مسز مصفرہ جمیر **
-	-	2	مسز عقیفہ انوار **
-	-	2	حافظ محمد سعد **
-	-	2	مسٹر محمد ایوب **
-	-	2	مسٹر نعمان شوکت **
-	2	2	مسٹر سرفراز انور *** #

\* 5 فروری 2016 کو ریٹائرڈ ہوئے۔

\*\* 5 فروری 2016 کو انتخابات میں سے منتخب شدہ ڈائریکٹر ان۔

# آڈٹ کمیٹی کی 18 فروری 2016 کو تشکیل نو ہوئی جس میں ڈاکٹر اعجاز عقیل کو خارج اور مسٹر سرفراز انور کو شامل کیا گیا۔

~ ایچ آر اور آر کمیٹی کی 18 فروری 2016 کو تشکیل نو ہوئی جس میں مسٹر انوار احمد خان کی جگہ مسٹر سعید غنی کو شامل کیا گیا۔

## آڈیٹران

آڈیٹران حسن فاروق اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس سالانہ اجلاس عام کے اختتام پر ریٹائر ہو گئے ہیں۔ اہلیت کی بنیاد پر دوبارہ تقرری کیلئے اپنی خدمات پیش کر چکے ہیں۔ آڈٹ کمیٹی کی تجویز پر بورڈ نے سال 2017 کیلئے حسن فاروق اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو کمپنی کا آڈیٹر مقرر کرنے کی سفارش کی ہے۔

## مستقبل کے خدوخال

مینجمنٹ کمپنی کی کارکردگی بہتر بنانے کیلئے مسلسل جدوجہد کر رہی ہے تاہم سخت مقابلہ قیمتوں کا جمود بڑھتی ہوئی لاگت اور کم ہوتے ہوئے منافع چھوٹے اور درمیانے درجے کے صنعت کاروں کی بقا کیلئے خطرے کی اہم وجوہات ہیں۔ تاہم مینجمنٹ مستقبل کی بہتری کیلئے پرامید 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 کا نزول فرماتے ہوئے ہمیں اپنے اور اپنے پیارے نبی ﷺ کے بتائے ہوئے راستے پر چلائے آمین۔

آفتاب احمد خان

چیف ایگزیکٹو آفیسر

لاہور: ستمبر ۲۹، ۲۰۱۶ء

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 کا مسلسل جائزہ لیا جاتا ہے۔ اس جائزہ کا مقصد انٹرنل کنٹرول سسٹم کو اور زیادہ بہتر بنانا ہے۔

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

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

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

9- مالی حالات کی وجہ سے کمپنی شیئر ہولڈرز کو ڈیوڈنڈ دینے سے قاصر ہے۔

10- قابل ادائیگی ٹیکس اور ادائیگیاں: آڈٹڈ اکاؤنٹس کا نوٹ نمبر 7,8,13

## سٹاف کے ریٹائرمنٹ فوائد

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

## کوڈ آف کنڈکٹ

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

## نمونہ حصص داری

کوڈ آف کارپوریٹ گورننس میں دیے گئے فورمیٹ کے مطابق نمونہ حصص داری بمطابق 30 جون، 2016 منسلک کیا گیا ہے۔ ڈائریکٹران، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکریٹری، اور ان کے بیوی اور چھوٹے بچوں نے کمپنی کے حصص کی جو خرید و فروخت کی ہے وہ نمونہ حصص داری میں بیان کی گئی ہے۔

## بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز کی طرف سے دی گئی رہنمائی اور حمایت پر ان کا شکریہ ادا کرتا ہوں۔ ایک سال کے عرصہ (01 جولائی، 2015 تا 30 جون، 2016) بورڈ آف ڈائریکٹرز کے پانچ، آڈٹ کمپنی کے چار اور ایچ آر اور کمپنی کا ایک اجلاس ہوا۔ جن میں بورڈ کے ارکان کی حاضری کی تفصیل درج ذیل ہے۔



## ڈائریکٹران کی جائزہ رپورٹ

معزز ہمداران

السلام علیکم ورحمۃ اللہ وبرکاتہ

غنی آٹوموبیل کے بورڈ آف ڈائریکٹرز 30 جون 2016 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 2016 کو مکمل ہونے والے مالیاتی سال کیلئے آپریٹنگ نتائج مختصراً حسب ذیل ہیں۔

2015	2016	
( روپے '000 میں )		
126,664	56,071	خالص فروخت
(21,629)	(34,296)	خام (نقصان)
8,768	(74,991)	(نقصان) / منافع بعد ٹیکسیشن
0.20	(1.50)	فی حصص (نقصان) / منافع

رواں برس خالص فروخت پچھلے سال 126 ملین روپے کے مقابلے میں 56 ملین روپے رہی۔ سخت مقابلے کی بدولت صنعتی قیمت تقریباً جمود کا شکار ہے۔ بڑھتی ہوئی لاگت اور کم ہوتے ہوئے نفع کی وجہ سے صنعت خاص طور پر چھوٹے اور درمیانے درجے کے پیدا کنندگان کو اپنی بقا میں مشکلات کا سامنا ہے کچھ دوسرے حقائق جنہوں نے موٹر سائیکل کی صنعت کو متاثر کیا ہے ان میں لاگت مزدور شامل ہے جس میں بہت زیادہ اضافہ ہوا ہے۔

### کارپوریٹ گورننس

بورڈ کمپنی کی سٹریٹیجک سمت کا مسلسل بنیادوں پر جائزہ لیتا ہے۔ کاروباری منصوبے اور اہداف جو کہ چیئرمین، چیف ایگزیکٹو آفیسر اور بورڈ مقرر کرتا ہے کا مسلسل جائزہ لیا جاتا ہے۔ بورڈ کارپوریٹ گورننس کے اعلیٰ معیار کو قائم رکھنے کیلئے پُر عزم ہے اور کارپوریٹ گورننس جو کہ سٹاک ایکسچینج کے قواعد میں درج ہے کی مکمل تعمیل کی یقین دہانی کرتا ہے۔ آپ کے ڈائریکٹران بیان کرنے میں خوشی محسوس کرتے ہیں کہ

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

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

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

## 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، اور

یا کے

کو کمپنی کے سالانہ عام اجلاس جو پیر، 24 اکتوبر 2016 کو صبح ساڑھے 10 بجے ہوٹل سن فورٹ 72-0/1 گلبرگ III لاہور میں منعقد ہوگا، میں میرے ہمارے لئے اور میری ہماری طرف سے بحیثیت اپنا پراکسی، ووٹ دینے کے لئے نامزد کرتا ہوں کر کرتے ہیں۔

گواہ: 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، ریویژننگ اور شہادت ہونا ضروری ہے۔

# 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 29<sup>th</sup> ANNUAL GENERAL MEETING of the members of the Company to be held on Monday October 24, 2016 at 10:30 AM at Sunfort Hotel, Liberty Market, Lahore and at any adjournment thereof.

As witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2016

### 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.



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- 📊 Risk profiler\*
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## Ghani Automobile Industries Limited

**Registered Office:** ▲

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

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**Web:** [www.ghaniautomobiles.com](http://www.ghaniautomobiles.com)