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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
Ms. Afifa Anwaar
Ms. 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 Limited
Soneri Bank Limited, Islamic Banking
Habib Metropolitan Bank Limited (IBD)
Habib Bank Limited
Meezan Bank Limited
UBL Ameen Limited
Bank Alfalah Limited
Bank Al-Habib
Faysal Bank Limited
Bank of Punjab (Taqwa)
MCB Limited (Islamic Banking)

REGISTERED OFFICE

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

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

Chairman's Review

Dear Shareholders,

It gives me immense pleasure to welcome our esteemed shareholders at the Annual General Meeting of the Company.

There is a lot of advancements happened in the Technology during the last decades. The international dynamics of industry are so diversified than Pakistan and they continuously outperforming their efforts to improve and diversify their products. But the situation is totally different with the motorcycle industry of Pakistan. Most of the market share has been captured by the giant players.

Pakistani Motorcycle Industry has been dominated by a few Big players. Small manufacturers are not making much progress in this industry; their cost of production is high viz a viz comparatively low selling price. We are facing tough competition, stagnant industry price, increasing costs and decreasing profit. The survival of small and medium level manufacturers is becoming difficult.

We are striving our best to bring the company is a sustainable entity. We pray for the future betterment of the company.

Lahore: October 3, 2017



Obaid Ghani
Chairman

Directors' Report

Dear Shareholders

Assala-Mo-Alaikum Wa Rehmatullah Wa BarakatoHu,

The Board of Directors of Ghani Automobile Industries Limited takes pleasure in presenting the annual report and the audited financial statement of the company together with auditors' report for the year ended June 30, 2017.

FINANCIAL PERFORMANCE

The operating results of your company for the year ended June 30, 2017 are summarized as follows:

	2017	2016
	(Rupees in '000')	
Sales Net	116,198	56,071
Gross (Loss)	(12,112)	(34,296)
(Loss) / Profit after taxation	(53,154)	(74,991)
(Loss) / Earning per share (Rupees)	(1.06)	(1.50)

During the year under review, the net sale has been recorded as Rupees 116 million as compared to Rupees 56 million for the last year. Gross loss was Rupees (12) million as compared to Rupees (34) million. During the year under review, the Company has suffered a net loss of Rupees (53) resulting in a loss per share of Rupees (1.06). Major factors adversely impacting the motorcycle industry are continuously increasing raw material prices internationally and stagnant industry selling price amid tougher competition. Increasing costs and decreasing profits are negatively spoiling the industry specially small and medium level manufacturers. They are facing difficulty in their survival.

CORPORATE GOVERNANCE

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 and continuous losses, the Company could not announce dividend to the shareholders.
10. Outstanding taxes and levies: *Please refer notes 5, 7 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, 2017 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 four 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, 2016 to June 30, 2017. The attendance record of Board members was as follows:

Name of the Director	No. of Board of Directors' Meetings attended	No. of Audit Committee Meetings attended	No. of HR & R Committee Meetings attended
Mr. Aftab Ahmad Khan	4	-	-
Mrs. Ayesha Aftab	4	5	1
Mr. Junaid Ghani	4	-	1
Mr. Obaid Ghani	4	-	1
Mr. Jubair Ghani	4	5	-
Mrs. Zahra Aftab	4	-	-
Dr. Amjad Aqeel	4	-	-
Mrs. Maryam Junaid	4	-	-
Mrs. Musfira Jubair	4	-	-
Mrs. Afifa Anwaar	4	-	-
Hafiz Muhammad Saad	4	-	-
Mr. Muhammad Ayub	4	-	-
Mr. Nauman Shaukat	4	-	-
Mr. Sarfraz Anwar	4	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, 2018, at a mutually agreed fee.

FUTURE OUTLOOK

The management has been working for the enhancement of performance of the company but the stiffer competition, almost stagnant industry price, increasing costs and decreasing profits were the major hurdles 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

Lahore: **October 3, 2017**



Aftab Ahmad Khan
Chief Executive Officer



Junaid Ghani
Director

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 (CCG) contained in Clause 5.19 of Rule Book of the Pakistan Stock Exchange Limited 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 representation of independent non-executive directors and the directors representing minority interests on its Board of Directors (the Board). At present the Board includes:

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

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 on 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 NBF1 or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred on the Board during the year ended June 30, 2017.
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 and other 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. 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, 2017.
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, all of whom 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. 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: **October, 03, 2017**

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, 2017 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 30 June 2017.



HASSAN FAROOQ AND COMPANY
(Chartered Accountants)

ENGAGEMENT PARTNER: Farooq Hamid
Lahore: **October, 03, 2017**

Auditors' Report to the Members

We have audited the annexed balance sheet of **GHANI AUTOMOBILE INDUSTRIES LIMITED (the Company)** as at June 30, 2017 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, 2017 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: **October, 03, 2017**

Balance Sheet

AS AT JUNE 30, 2017

	June 30, 2017 Rupees	June 30, 2016 Rupees	NOTE
EQUITY & LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Share Capital 50,000,000 (2016: 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	(260,814,212)	(207,660,382)	
	89,185,788	142,339,618	
CURRENT LIABILITIES			
Trade and other payables	127,288,200	98,734,632	5
Loan from directors/shareholders	112,105,000	115,105,000	6
Provision for taxation	-	560,708	22
	239,393,200	214,400,340	
CONTINGENCIES AND COMMITMENTS			
	-	-	7
	328,578,988	356,739,958	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipments	52,882,175	55,216,055	8
Security deposits	535,700	459,700	9
Deferred tax asset	-	26,765,812	10
	53,417,875	82,441,567	
CURRENT ASSETS			
Stores, spares and loose tools	1,260,918	1,264,142	
Stock in trade	41,993,070	46,327,688	11
Trade debtors - secured and considered good	149,999,483	163,420,980	
Advances and other receivables	37,153,698	26,669,906	12
Tax refunds and due from the government	42,698,672	35,311,564	13
Cash and bank balances	2,055,272	1,304,111	14
	275,161,113	274,298,391	
	328,578,988	356,739,958	

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

Profit and Loss Account

FOR THE YEAR ENDED JUNE 30, 2017

	NOTE	June 30, 2017 Rupees	June 30, 2016 Rupees
Sales	15	116,198,431	56,070,841
Cost of sales	16	(128,310,763)	(90,366,550)
Gross (loss)		(12,112,332)	(34,295,709)
Administrative expenses	17	(10,428,596)	(8,273,401)
Distribution and marketing expenses	18	(16,341,959)	(12,868,005)
Other expenses	19	(8,085,973)	(50,168,976)
Operating (loss)		(34,856,528)	(71,310,382)
Operating (loss)		(46,968,860)	(105,606,091)
Other income	20	22,417,797	29,001,465
Operating (loss) before interest and tax		(24,551,063)	(76,604,626)
Financial charges	21	(172,284)	(289,625)
(Loss) before taxation		(24,723,347)	(76,894,251)
Taxation	22	(28,430,483)	1,903,146
(Loss) for the year		(53,153,830)	(74,991,105)
(Loss) per share - Basic and diluted	23	(1.06)	(1.50)

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

Statement of Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2017

(Loss) for the year

Other comprehensive income

Total comprehensive (loss)

June 30, 2017 Rupees	June 30, 2016 Rupees
(53,153,830)	(74,991,105)
-	-
<u>(53,153,830)</u>	<u>(74,991,105)</u>

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



CHIEF EXECUTIVE OFFICER



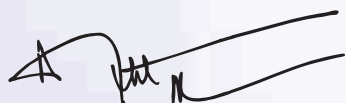
DIRECTOR

Statement of Cash Flows

FOR THE YEAR ENDED JUNE 30, 2017

	June 30, 2017 Rupees	June 30, 2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) for the year before tax	(24,723,347)	(76,894,251)
Adjustment for :		
Depreciation	4,147,611	3,096,704
Financial charges	172,284	289,625
Operating (loss) before working capital changes	(20,403,452)	(73,507,922)
(Increase) / decrease in current assets		
Store, spares and loose tools	3,224	(604,078)
Stock in trade	4,334,618	56,779,538
Trade debtors	13,421,497	30,970,394
Advances and other receivables	(10,483,792)	21,552,378
Tax refunds and due from the government	(3,904,384)	(8,765,885)
	3,371,163	99,932,347
Increase in current liabilities		
Trade and other payables	28,553,568	3,841,358
Operating profit after working capital changes	11,521,279	30,265,783
Financial charges paid	(172,284)	(289,625)
Taxes paid	(5,708,103)	(3,235,035)
	(5,880,387)	(3,524,660)
NET CASH GENERATED FROM OPERATING ACTIVITIES	5,640,892	26,741,123
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	(1,813,731)	(22,350,857)
Increase in security deposits	(76,000)	447,686
NET CASH USED IN INVESTING ACTIVITIES	(1,889,731)	(21,903,171)
CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowings - net	-	(5,690,207)
Interest/ mark up payable	-	(118,198)
Loan from directors/shareholders	(3,000,000)	(1,775,000)
NET CASH USED IN FINANCING ACTIVITIES	(3,000,000)	(7,583,405)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	751,161	(2,745,453)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,304,111	4,049,564
CASH AND CASH EQUIVALENTS AT YEAR END	2,055,272	1,304,111

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

Statement of Changes in Equity

FOR THE YEAR ENDED JUNE 30, 2017

	Share Capital	Discount on Right Shares	Accumulated (Losses)	Total
	-----Rupees-----			
Balance as on June 30, 2015 - restated	500,000,000	(150,000,000)	(132,669,277)	217,330,723
(Loss) for the year	-	-	(74,991,105)	(74,991,105)
Other comprehensive income	-	-	-	-
Balance as on June 30, 2016	500,000,000	(150,000,000)	(207,660,382)	142,339,618
(Loss) for the year	-	-	(53,153,830)	(53,153,830)
Other comprehensive income	-	-	-	-
Balance as on June 30, 2017	500,000,000	(150,000,000)	(260,814,212)	89,185,788

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

Notes to the Financial Statements

FOR THE YEAR ENDED JUNE 30, 2017

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 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

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

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on April 1, 2016 but are considered not to be relevant or to have any significant effect on the company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements, except for the following:

- IAS 1, 'Presentation of financial statements'

The amendments provide clarifications on a number of issues, including:

- Materiality – an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals – line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes – confirmation that the notes do not need to be presented in a particular order.
- Other comprehensive income arising from investments accounted for under the equity method – the share of other comprehensive income arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

- IAS 19, 'Employee benefits'

The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, not the country where they arise. The assessment of whether there is a deep market in high-quality corporate bonds is based on corporate bonds in that currency, not corporate bonds in a particular country. Similarly, where there is no deep market in high-quality corporate bonds in that currency, government bonds in the relevant currency should be used. The amendment is retrospective but limited to the beginning of the earliest period presented. The company's current accounting treatment is already in line with the requirement of this standard.

2.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company.

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for companies having accounting periods beginning on or after April 1, 2017 but are considered not to be relevant or to have any significant effect on the company's operations and are, therefore, not detailed in these financial statements, except for the following:

- **IFRS 15, 'Revenue from contracts with customers'** **Effective Date: January 1, 2018**

This standard is yet to be notified by the SECP. This standard deals with revenue recognition and establishes principles for reporting useful information to users of the financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18, 'Revenue', and IAS 11, 'Construction contracts', and related interpretations. The company is yet to assess the full impact of the standard.

- **IAS 7, 'Cashflow statements: Disclosure initiative'** **Effective Date: January 1, 2017**

This amendment requires disclosure to explain changes in liabilities for which cash flows have been, or will be classified as financing activities in the statement of cash flows. The amendment only covers balance sheet items for which cash flows are classified as financing activities. In case other items are included within the reconciliation, the changes in liabilities arising from financing activities will be identified separately. A reconciliation of the opening to closing balance is not specifically required but instead the information can be provided in other ways. In the first year of adoption, comparative information need not be provided. It is unlikely that the amendment will have any significant impact on the company's financial statements.

- **IFRS 9, 'Financial instruments'** **Effective Date: January 1, 2018**

This standard is yet to be notified by the SECP. This standard replaces the guidance in IAS 39, 'Financial instruments: Recognition and measurement'. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. The company is yet to assess the full impact of the standard.

- **IFRS 16 'Leases'** **Effective Date: January 1, 2019**

This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. The company is yet to assess the full impact of the standard.

- **IFRIC 22, 'Foreign currency transactions'** **Effective Date: January 1, 2018**

This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice. The company is yet to assess the full impact of the standard.

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 equipments
- Taxation

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 8. 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 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. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

June 30, 2017	June 30, 2016		NOTE	June 30, 2017 Rupees	June 30, 2016 Rupees
Number of Shares					
19,250,000	19,250,000	Ordinary shares of Rs. 10 each fully paid in cash		192,500,000	192,500,000
250,000	250,000	Ordinary shares of Rs. 10 each 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
50,000,000	50,000,000			500,000,000	500,000,000
5. TRADE AND OTHER PAYABLES					
Creditors				89,977,860	78,878,837
Advances from customers				11,725,042	838,053
Accrued expenses and other liabilities			5.1	19,258,626	12,979,208
Income tax deducted at source				5,716,926	5,428,788
Un-claimed dividend				609,746	609,746
				127,288,200	98,734,632
5.1 Accrued And Other Liabilities					
Salaries and wages				18,675,426	12,479,208
Auditor's remuneration				322,500	250,000
Utility expenses				260,700	250,000
				19,258,626	12,979,208
6. LOAN FROM DIRECTORS/SHAREHOLDERS					
This is interest free loan and the loan agreement specifies that the amount lent is repayable on demand.					
7. CONTINGENCIES AND COMMITMENTS					
Contingencies					
7.1 There is a contingent liability of Rs. 1,727,290/- (2016: Rs. 1,727,290/-) in respect of income tax for assessment up to assessment year 2001-2002 against order under section 50, 53 and 80 D of repealed Income Tax Ordinance, 1979. The company has filed the appeals to ITAT and CIT against above orders .					
7.2 The Punjab Employees Social Security Institution has raised a demand of Rs. 2,245,057/- (2016: 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.					
7.3 The Company has given bank guarantee of Rs. 729,000/- (2016: Rs. 729,000/-) to WAPDA.					
7.4 The Company has given bank guarantee of Rs. 1,200,000/- (2016: Rs. 1,200,000/-) to SNGPL.					
Commitments					
There were no commitments as at June 30, 2017 (2016: Nil).					

	June 30, 2017	June 30, 2016
	Rupees	Rupees
8.1	52,882,175	55,216,055

NOTE

8. Property, plant and equipments

Operating assets

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

	Owned							Grand Total		
	Freehold Land	Building on Freehold Land	Plant & Machinery	Furniture & Fixtures	Loose Tools	Electrical Equipment	Electrical Installation		Computers	Vehicles
-Rupees-										
At June 30, 2015										
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	14,932,180	12,446,786	6,271,099	425,000	453,834	298,800	724,696	111,998	297,509	35,961,902
Year ended June 30, 2016										
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	14,932,180	32,033,094	5,957,544	382,500	408,451	268,920	916,960	78,399	238,007	55,216,055
At June 30, 2016										
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	14,932,180	32,033,094	5,957,544	382,500	408,451	268,920	916,960	78,399	238,007	55,216,055
Year ended June 30, 2017										
Opening net book value	14,932,180	32,033,094	5,957,544	382,500	408,451	268,920	916,960	78,399	238,007	55,216,055
Additions	-	748,200	21,900	286,000	106,511	-	-	-	-	1,813,731
Depreciation	-	(3,215,279)	(595,754)	(39,162)	(57,412)	(26,892)	(51,174)	(23,520)	(138,417)	(4,147,611)
Closing net book value	14,932,180	29,536,015	5,361,790	365,237	637,039	242,028	972,297	54,879	780,710	52,882,175
At June 30, 2017										
Cost	14,932,180	60,672,247	14,720,519	1,451,511	1,561,576	987,383	1,897,080	849,586	2,694,889	99,766,971
Accumulated depreciation	-	(31,136,232)	(9,358,729)	(1,086,274)	(924,537)	(745,355)	(924,783)	(794,707)	(1,914,179)	(46,884,796)
Written down value	14,932,180	29,536,015	5,361,790	365,237	637,039	242,028	972,297	54,879	780,710	52,882,175
Rate (%)	0%	10%	10%	10%	10%	10%	5%	30%	20%	

	June 30, 2017	June 30, 2016
	Rupees	Rupees
8.1.1 Depreciation charge for the year has been allocated as under :		
Cost of goods sold	4,106,135	3,065,737
Selling and distributed expenses	41,476	30,967
	4,147,611	3,096,704

	NOTE	June 30, 2017 Rupees	June 30, 2016 Rupees
9. SECURITY DEPOSITS			
Against; Utilities		535,700	459,700
10. DEFERRED TAX ASSET			
Asset recognized	10.1	-	26,765,812

10.1 As at June 30, 2017 net deferred tax asset works out to Rs. 56.79 million (2016: Rs. 29.73 million) out of which deferred tax asset to the extent of Rs. 52.69 million (2016: Rs. 26.76 million) should be recognized in these financial statements in the view of future taxable profits. The recorded amount of deferred tax asset in accordance with IAS-12 has now been written off as the company has not yet met its projected targets on the basis of which it was recognized.

The deferred tax asset comprises temporary differences in relation to:

	NOTE	June 30, 2017 Rupees	June 30, 2016 Rupees
Accelerated tax depreciation		-	(3,534,175)
Current tax		-	560,708
Asset due to foreseeable future profits		-	29,739,279
		-	26,765,812

	NOTE	June 30, 2017 Rupees	June 30, 2016 Rupees
11. STOCK IN TRADE			
Raw material		28,073,240	73,833,445
Raw material written off		-	(46,695,902)
		28,073,240	27,137,543
Work in process		5,605,329	11,303,231
Finished stock		8,314,501	7,886,914
		41,993,070	46,327,688
12. ADVANCES AND OTHER RECEIVABLES			
Considered good			
Advances:			
Employees		1,218,096	1,169,390
Suppliers		27,145,413	25,500,516
Letters of credit		8,790,189	-
		37,153,698	26,669,906
13. TAX REFUNDS AND DUE FROM THE GOVERNMENT			
Advance income tax		15,525,156	12,042,432
Sales tax refundable		27,173,516	23,269,132
		42,698,672	35,311,564
14. CASH AND BANK BALANCES			
Cash in hand		275,654	368,448
Cash at bank			
- in current accounts		1,301,616	934,953
- in saving accounts	14.1	478,002	710
		2,055,272	1,304,111

14.1 Saving account carries no profit rate during the year 2017 (2016: Nil).

	NOTE	June 30, 2017 Rupees	June 30, 2016 Rupees
15. SALES			
Local sales		136,630,763	65,422,824
Less: Sales return		(561,921)	-
		136,068,842	65,422,824
Sales of spares parts		888,568	560,682
		136,957,410	65,983,506
Less: Sales tax		(20,758,979)	(9,912,665)
		116,198,431	56,070,841
16. COST OF SALES			
Raw material consumed	16.1	102,440,203	54,634,605
Salaries, wages and benefits	16.2	12,001,749	19,133,153
Store consumed		676,048	651,728
Fuel and power		2,266,622	2,232,549
Repair and maintenance		34,310	72,525
Travelling and vehicle running		227,470	118,560
Entertainment		264,695	298,128
Communications and stationery		345,869	286,528
Freight and handling		115,385	120,540
Rent, rates and taxes		172,094	69,229
Depreciation	8.1.1	4,106,135	3,065,737
Other expenses		389,868	102,924
		123,040,448	80,786,206
Work in process			
Opening stock		11,303,231	13,041,079
Closing stock		(5,605,329)	(11,303,231)
		5,697,902	1,737,848
Cost of goods manufactured		128,738,350	82,524,054
Finished Stock			
Opening stock		7,886,914	15,729,410
Closing stock		(8,314,501)	(7,886,914)
		(427,587)	7,842,496
Cost of sales		128,310,763	90,366,550
16.1 Raw Material Consumed			
Opening balance		27,137,453	74,336,737
Purchases		103,375,990	54,131,313
		130,513,443	128,468,050
Closing stock		(28,073,240)	(73,833,445)
		102,440,203	54,634,605

16.2 Salaries, wages and benefits include Rs.569,033/- (2016: Rs. 483,706/-) in respect of staff retirement benefits.

	NOTE	June 30, 2017 Rupees	June 30, 2016 Rupees
17. ADMINISTRATIVE EXPENSES			
Directors remuneration		5,760,000	4,320,000
Staff salaries benefits	17.1	1,588,851	1,213,289
Travelling and vehicle running		165,977	143,525
Entertainment		136,753	563,309
Communications and stationery		250,503	396,363
Auditor's remuneration	17.2	322,500	250,000
Fee and subscription		2,169,162	1,291,611
Miscellaneous expenses		34,850	95,304
		10,428,596	8,273,401

17.1 Staff salaries and benefits include Rs.47,874 /- (2016: Rs. 47,508/-) in respect of staff retirement benefits.

	NOTE	June 30, 2017 Rupees	June 30, 2016 Rupees
17.2 Auditor's Remuneration			
Annual audit fee		250,000	192,500
Half yearly review		60,000	45,000
Other certification		12,500	12,500
		322,500	250,000
18. DISTRIBUTION AND MARKETING EXPENSES			
Salaries, wages and benefits	18.1	6,509,979	5,068,980
Travelling and vehicle running		3,925,145	3,302,336
Entertainment		114,440	61,967
Advertising and sales promotion		2,092,862	847,318
Rent, rates and taxes		142,410	103,600
Communications and stationery		460,355	193,970
Freight and handling		1,248,534	2,645,855
Depreciation	8.1.1	41,476	30,967
Other expenses		1,806,758	613,012
		16,341,959	12,868,005
18.1			
Salaries, wages and benefit include Rs. 221,878/- (2016: Rs. 254,975/-) in respect of staff retirement benefits.			
19. OTHER EXPENSES			
Loss on raw material written off		-	50,168,976
Loss on sale of spare parts		738,809	-
Other expenses		7,347,164	-
		8,085,973	50,168,976
20. OTHER INCOME			
Profit on bank deposits		20,165	-
Other income	20.1	22,195,261	14,443,353
Profit on DYL parts painted		202,371	-
Sale proceeds of raw material written off		-	14,515,383
Waiver of expenses		-	42,729
		22,417,797	29,001,465
20.1			
This amount represents reimbursement of freight on delivery of goods charged to customers and dealers.			
21. FINANCIAL CHARGES			
Murabaha financing		-	257,820
Bank charges		172,284	31,805
		172,284	289,625
22. TAXATION			
Current			
For the year		1,161,984	560,708
Prior year		502,687	-
Deferred tax		26,765,812	(2,463,854)
		28,430,483	(1,903,146)
23. (LOSS) PER SHARE - Basic and Diluted			
(Loss) after tax - Rupees		(53,153,830)	(74,991,105)
Weighted average number of shares - Number		50,000,000	50,000,000
(Loss) per share - Rupees		(1.06)	(1.50)

24. REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVE

	CHIEF EXECUTIVE		DIRECTOR		EXECUTIVE	
	2017	2016	2017	2016	2017	2016
	-----Rupees-----					
Basic remuneration	5,760,000	4,320,000	-	8,640,000	1,020,000	1,020,000
Numbers	01	01	00	02	01	01

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, 2017	June 30, 2016
		Rupees	Rupees
Directors			
Aftab Ahmed Khan	Paid to	(1,000,000)	(1,775,000)
	Received from	-	-
		2017	2016
		Units	Units
		25,000	25,000
		4,460	2,376

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

	June 30, 2017	June 30, 2016
	56	48
	52	54

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 2017.

	June 30, 2017	June 30, 2016
	Rupees	Rupees
Size of the fund - Total assets	1,686,545	1,494,523
Cost of investments made	1,103,960	1,090,626
Percentage of investment made	65%	73%
Fair value of investment	1,103,960	1,090,626

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

	2017		2016	
	Rupees	%	Rupees	%
Bank account	1,103,960	100%	1,090,626	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	

June 30, 2017 Rupees	June 30, 2016 Rupees
535,700	459,700
149,999,483	163,420,980
1,218,096	1,169,390
2,055,272	1,304,111
153,808,551	166,354,181
127,288,200	98,734,632

29.1.2 Financial liabilities:

Trade and other payables	
--------------------------	--

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	
Trade debtors	
Advances and other receivables	
Bank balances	

June 30, 2017 Rupees	June 30, 2016 Rupees
535,700	459,700
149,999,483	163,420,980
27,145,413	25,500,516
1,779,618	935,663
179,460,214	190,316,859

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	
Past due 30 - 180 days	
Past due 180 days	

June 30, 2017 Rupees	June 30, 2016 Rupees
3,362,280	4,562,570
22,491,029	26,466,081
124,146,173	132,392,329
149,999,482	163,420,980

Security deposits

The company has provided security deposits as per the contractual terms with counter parties as security and does not expect material loss against those deposits.

Bank balances

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

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. The Company is not exposed to liquidity risk in respect of Loan from directors/ shareholders and Trade and other payables of Rupees. 112,105,000/- (2016: Rupees 115,105,000/-) and Rupees 127,288,200/- (2016: Rupees 98,734,632/-) respectively.

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.

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.

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.

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 is not exposed to any material price risk.

29.3 Fair Value Of Financial Instruments

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an 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, 2017 and 2016 were as follows:

	June 30, 2017 Rupees	June 30, 2016 Rupees
Total debt	112,105,000	115,105,000
Total equity	201,290,788	257,444,618
Gearing ratio	55.69%	44.71%

31. EVENTS AFTER THE BALANCE SHEET DATE

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

32. GENERAL

32.1 Re-arrangements

In last year Advances and other receivables, Tax refund due from the government amounting to Rupees 26,669,906/- and Rupees 35,311,564/- respectively was presented under the head of "Advances and other receivables" has now been presented on face of Balance Sheet as separate line items.

32.2 Nomenclature

Nomenclature of the following accounts has been changed.

Previous nomenclature

Creditors, accrued and other liabilities
Loan from directors
Reimbursement of expenses

Current nomenclature

Trade and other payables
Loan from directors/shareholders
Other income

32.3 Figures have been rounded off to the nearest rupee.

33. AUTHORIZATION TO ISSUE

The financial statements were authorized for issue on October 03, 2017 by the Board of Directors of the Company.



CHIEF EXECUTIVE OFFICER



DIRECTOR

Notice of Annual General Meeting

Notice is hereby given that 30th Annual General Meeting of the members of **GHANI AUTOMOBILE INDUSTRIES LIMITED** will be held on Friday October 27, 2017 at 11:30 a.m., at Hotel Sunfort, 72-D/1, Commercial Zone, Liberty Market, Gulberg-III, Lahore to transact the following business:

Ordinary Business

1. To confirm the minutes of Annual General Meeting of the company held on October 24, 2016 and held again on October 31, 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, 2017 together with the Directors' and Auditors' reports thereon.
3. To appoint auditors for the year ending June 30, 2018 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

Increase in Authorized Capital

4. To consider and if deemed fit pass the following special resolutions to increase the authorized capital of the company:
"RESOLVED that the Authorized Share Capital of the Company be and is hereby increased from Rs.500,000,000 (Rupees five hundred million only) divided into 50,000,000 ordinary shares of Rs.10 each to Rs.850,000,000 (Rupees eight hundred and fifty million only) divided into 85,000,000 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.850,000,000 (Rupees eight hundred and fifty million only) divided into 85,000,000 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 Act, 2017.

Articles of Association

4. The Authorized Capital of the Company is Rs.850,000,000 (Rupees eight hundred and fifty million only) divided into 85,000,000 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 Act, 2017.

"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 Act 2017."

5. **To transact any other business with the permission of the Chair.**

By order of the Board

Lahore: October 3, 2017

Hafiz Mohammad Imran Sabir
Company Secretary

Notes:

- The share transfer books of the Company will remain closed from October 21, 2017 to October 27, 2017 (both days inclusive). Members whose names appear on the register of members as at the close of business on October 20, 2017 will be entitled to attend the Annual General Meeting.
- A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another member as a proxy to attend and vote on his/her behalf. A corporation being a member may appoint as its proxy any of its official or any other person whether a member of the Company or not. Proxies in order to be effective must be deposited at the Share Registrar of the Company not less than 48 hours before the time for holding the meeting, and must be duly stamped, signed and witnessed.

- Members are requested to promptly notify Company's Shares Registrar M/s. Corplink (Pvt.) Ltd., Wings Arcade, 1-K Commercial, Model Town, Lahore, Ph: 042-35916714, 35916719 Fax: 042-35869037 of any change in their addresses to ensure delivery of mail.
- CDC Accountholders will further have to follow the guidelines as laid down by Circular No. 1, dated January 26, 2000, issued by Securities and Exchange Commission of Pakistan ("SECP").

Revision of withholding tax on dividend income

It is further informed that pursuant to the provisions of Finance Act 2014, effective from July 1, 2014 a new criteria for withholding of tax on dividend income has been introduced by the FBR, as per this criteria, 'Filer' and 'Non-Filer' shareholder shall pay tax on dividend @ 15% and 20% respectively.

Mandatory Payment of Cash Dividend Through Electronic Mode

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the following information to the Company's Share Registrar at the address given herein above. In case of shares held in CDC, the same information should be provided directly to the CDS participants for updating and forwarding to the Company.

Folio No/Investor Account /CDC sub Account No:

Title of Account:

CNIC No:

IBAN No:

Bank Name:

Branch address:

Cell No:

Name of Network (if protected):

Email Address:

Signature of Shareholder

Unclaimed Dividend / Shares

Shareholders who could not collect their dividend/physical shares are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares, if any. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend and shares outstanding for a period of 3 years or more from the date due and payable shall be deposited to the credit of Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP.

Video Conference Facility

In terms of the Companies Act, 2017, members residing in a city holding at least 10% of the total paid up share capital may demand the facility of video-link for participating in the annual general meeting. The request for video-link facility shall be received by the Share Registrar at the address given hereinabove at least 7 days prior to the date of the meeting on the Standard Form placed in the annual report which is also available on the website of the Company.

Transmission of Annual Financial Statements through e-mail

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

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

Item No.4

Increase in Authorized Capital

The Board of Directors in their meeting held on October 3, 2017 has recommended to increase Authorized Capital of the Company from Rs.500,000,000 (Rupees five hundred million only) divided into 50,000,000 ordinary shares of Rs.10 each to Rs.850,000,000 (Rupees eight hundred and fifty million only) divided into 85,000,000 ordinary shares of Rs.10/- each for raising equity in future.

Pattern of Shareholding

OF SHARES HELD BY THE SHAREHOLDERS OF GHANI AUTOMOBILE INDUSTRIES LIMITED AS AT JUNE 30, 2017

No. of Shareholders	-----Shareholding-----		Total Shares Held
	From	To	
231	1	100	6,733
905	101	500	438,959
788	501	1,000	777,636
1443	1,001	5,000	4,398,481
520	5,001	10,000	4,419,616
165	10,001	15,000	2,230,629
111	15,001	20,000	2,085,147
77	20,001	25,000	1,826,500
45	25,001	30,000	1,300,975
15	30,001	35,000	502,000
19	35,001	40,000	734,000
8	40,001	45,000	345,202
48	45,001	50,000	2,378,000
11	50,001	55,000	591,000
9	55,001	60,000	533,000
5	60,001	65,000	322,000
4	65,001	70,000	276,000
12	70,001	75,000	891,000
5	75,001	80,000	396,000
4	80,001	85,000	337,500
4	85,001	90,000	353,000
2	90,001	95,000	189,000
32	95,001	100,000	3,197,250
1	100,001	105,000	100,500
2	105,001	110,000	220,000
3	115,001	120,000	355,500
3	120,001	125,000	371,500
3	125,001	130,000	389,000
3	130,001	135,000	398,500
4	135,001	140,000	554,500
3	145,001	150,000	447,000
4	150,001	155,000	607,000
1	155,001	160,000	156,000
4	160,001	165,000	656,000
1	165,001	170,000	166,000
1	170,001	175,000	175,000
1	175,001	180,000	180,000
3	190,001	195,000	581,500
4	195,001	200,000	800,000
1	200,001	205,000	205,000
1	205,001	210,000	210,000
1	225,001	230,000	230,000
1	230,001	235,000	235,000
2	235,001	240,000	475,500
1	240,001	245,000	245,000
1	250,001	255,000	255,000
1	275,001	280,000	280,000
1	290,001	295,000	291,000
2	295,001	300,000	600,000
1	315,001	320,000	320,000
1	420,001	425,000	425,000
2	435,001	440,000	873,372
1	445,001	450,000	450,000
1	455,001	460,000	460,000
3	495,001	500,000	1,500,000
1	780,001	785,000	784,500
3	795,001	800,000	2,400,000
1	945,001	950,000	949,000
1	1,250,001	1,255,000	1,251,000
1	1,295,001	1,300,000	1,300,000
1	1,570,001	1,575,000	1,573,000
4533			50,000,000

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 Financial Institutions, Non Banking Financial Institutions.	0	0.0000%
Insurance Companies	0	0.0000%
Modarabas and Mutual Funds	0	0.0000%
Share holders holding 10% or more	0	0.0000%
General Public		
a. Local	43,279,525	86.5591%
b. Foreign	251,250	0.5025%
Others (to be specified)		
Leasing Companies	20,000	0.0400%
Foreign Companies	4,500	0.0090%
Joint Stock Companies	6,305,523	12.6110%
Other Companies	62,500	0.1250%

Information Under Clause XVI (j)

OF THE CODE OF CORPORATE GOVERNANCE AS ON JUNE 30, 2017

S. No.	NAME	HOLDING
ASSOCIATED COMPANIES, UNDERTAKINGS & RELATED PARTIES		NIL
MUTUAL FUNDS		NIL
DIRECTORS, CEO THEIR SPOUSE AND MINOR CHILDREN		
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
		72,702
EXECUTIVES		NIL
PUBLIC SECTOR COMPANIES & CORPORATIONS		NIL
BANKS, DEVELOPMENTS FINANCE INSTITUTIONS, NON BANKING FINANCIE COMPANIES, INSURANCE COMPANIES, TAKAFUL, MODARABAS & PENSION FUNDS		20,000
SHAREHOLDERS HOLDING 5% OR MORE VOTING INTEREST IN THE LISTED COMPANY		NIL
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		NIL

آڈیٹران

آڈیٹران حسن فاروق اینڈ کمپنی چارٹرڈ اکاؤنٹنٹ سالانہ اجلاس عام کے اختتام پر ریٹائرڈ ہو گئے ہیں۔ اہلیت کی بنیاد پر دوبارہ تقرری کیلئے اپنی خدمات پیش کر چکے ہیں۔ آڈیٹ کمپنی کی تجویز پر بورڈ نے سال 2018 کیلئے حسن فاروق اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو کمپنی کا آڈیٹر مقرر کرنے کی سفارش کی ہے۔

مستقبل کے خدو خال

مینجمنٹ کمپنی کا کردگی بہتر بنانے کے لیے 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 پر امید ہے۔

اظہار تشکر

بورڈ ملازمین کے کام، جذبہ اور ایمانداری کو تہ دل سے سراہتے ہوئے اظہار تشکر کرتا ہے۔ ہم اللہ تعالیٰ سے دعا گو ہیں کہ وہ ہم پر اپنی رحمتوں کو نزول فرماتے ہوئے ہمیں اپنے پیارے نبی ﷺ کے بتائے ہوئے راستے پہ چلائے آمین۔



آفتاب احمد خان
چیف ایگزیکٹو آفیسر



جنید غنی
ڈائریکٹر

لاہور: 3 اکتوبر 2017

- 5- انٹرنل آڈٹ اور دوسرے طریقوں سے کنٹرول کے سسٹم کا مسلسل جائزہ لیا جاتا ہے۔ اس جائزہ کا مقصد انٹرنل سسٹم کو اور زیادہ بہتر بنانا ہے۔
- 6- جاری ادارہ کی حیثیت سے کمپنی کی اہلیت میں کوئی نمایاں شک نہیں۔
- 7- لسٹنگ ریگولیشنز کے مطابق کارپوریٹ گورننس کے اعلیٰ طریقوں میں کوئی بے ضابطگی عمل میں نہیں آئی۔
- 8- گزشتہ چھ سال کا آپریٹنگ اور فنانشل ڈیٹا مختصر رپورٹ میں شامل کیا گیا ہے۔
- 9- مالی حالت کی وجہ سے کمپنی سٹریٹ ہولڈرز کو ڈیوڈنڈ دینے سے قاصر ہے۔
- 10- قابل ادائیگی اور ادائیگیاں: آڈٹ کا نوٹ نمبر: 5، 7، 13

سٹاف کے ریٹائرمنٹ فوائد

کمپنی اپنے ملازمین کیلئے فنڈ ڈیپروویڈنٹ فنڈ سکیم چلاتی ہے اور تنخواہوں کی بنیاد پر فنڈ میں ماہانہ حصہ شامل کرتی ہے۔

کوڈ آف کنڈکٹ

مستقل کے تقاضوں کو مدنظر رکھتے ہوئے کوڈ آف کنڈکٹ مرتب کیا گیا ہے اور ملازمین میں تقسیم کیا گیا ہے۔

نمونہ حصصاری

کوڈ آف کارپوریٹ گورننس میں دیئے گئے فورمیٹ کے مطابق نمونہ حصصاری برطابق 30 جون 2017 منسلک کیا گیا ہے۔ ڈائریکٹران، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری اور ان کی بیوی اور چھوٹے بچوں نے کمپنی کی حصص کی جو خرید و فروخت کی ہے وہ نمونہ حصصاری میں بیان کی گئی۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز کی طرف سے دی گئی رہنمائی اور حمایت پر ان کا شکریہ ادا کرتا ہوں۔ ایک سال کے عرصہ (01 جولائی، 2016 تا 30 جون 2017) میں بورڈ آف ڈائریکٹرز کے چار، آڈٹ کمپنی کے پانچ اور ایچ آر اور آر کمپنی کا ایک اجلاس ہوا۔ جن میں بورڈ کے ارکان کی حاضری کی تفصیل درج ذیل ہے۔

ڈائریکٹر کا نام	بورڈ آف ڈائریکٹرز کے اجلاسوں میں حاضری	آڈٹ کمیٹی کے اجلاسوں میں حاضری	ایچ آر اور آر کمیٹی کے اجلاسوں میں حاضری
مسٹر آفتاب احمد خان	4	-	-
مسز عائشہ آفتاب	4	5	1
مسٹر جبین غنی	4	-	1
مسٹر عبید غنی	4	-	1
مسٹر مجیب غنی	4	5	-
مس زہرہ آفتاب	4	-	-
ڈاکٹر امجد عقیل	4	-	-
مسز مریم جنید	4	-	-
مسز مصفرہ مجیب	4	-	-
مس عقیفہ انوار	4	-	-
حافظ محمد سعد	4	-	-
مسٹر محمد ایوب	4	-	-
مسٹر نعمان شوکت	4	-	-
مسٹر سرفراز انور	4	5	-

ڈائریکٹران کی جائزہ رپورٹ

معزز حصداران

السلام علیکم ورحمۃ اللہ وبرکاتہ

غنی آٹوموبیل کے بورڈ آف ڈائریکٹرز 30 جون 2017 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 2017 کو مکمل ہونے والے مالیاتی سال کیلئے آپریٹنگ نتائج مختصراً حسب ذیل ہیں۔

2016	2017	
(روپے '000 میں)		
56,071	116,198	خالص فروخت
(34,296)	(12,112)	خام (نقصان)
(74,991)	(53,154)	(نقصان) / منافع بعد ٹیکسیشن
(1.50)	(1.06)	فی حصص (نقصان) / منافع (روپے)

رواں برس خالص فروخت پچھلے سال 56 ملین روپے کے مقابلے میں 116 ملین روپے رہی۔ خام نقصان پچھلے سال 34 ملین روپے کے مقابلے میں 12 ملین روپے رہا۔ زیر نظر سال کے دوران کمپنی کو 53 ملین روپے کا خالص نقصان برداشت کرنا پڑا جس کے نتیجے میں فی حصص نقصان 1.06 روپے رہا۔ موٹرسائیکل کی صنعت پر بین الاقوامی سطح پر خام مال کی قیمت میں مسلسل اضافے اور قیمت فروخت کے مسلسل جمود اور سخت ترین مقابلے نے منفی اثر ڈالا ہے۔ بڑھتی لاگت اور کم ہوتے ہوئے نفع نے اس صنعت میں خصوصاً چھوٹے اور درمیانے پیدا کنندگان کو نقصان پہنچایا ہے۔ ان کو اپنی بقا میں مشکلات درپیش ہیں۔

کارپوریٹ گورننس

بورڈ کمپنی کی سٹریٹجی سمیت 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 کا قائم رکھنے کیلئے پرعزم ہے اور کارپوریٹ گورننس جو کہ سٹاک ایکسچینج کے قواعد درج ہے کی مکمل تعمیل کی یقین دہانی کرتا ہے۔ آپ کے ڈائریکٹران بیان کرنے میں خوشی محسوس کرتے ہیں۔ کہ

- 1- کمپنی کی انتظامیہ تیار کردہ مالی گوشواروں میں اس کے واضح امور، عملدرآمد کے نتائج، کیش فلوا کیٹیوٹی 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۔

4- انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (آئی ایف آر ایس) پاکستان میں نافذ العمل ہیں اور مالی گوشواروں کی تیاری اور کسی بھی روایتی میں باقاعدہ سے اس پر عمل کیا جاتا ہے۔

نمائندگی کا فارم (پراکسی فارم)

میں رہم

کے

غنی آٹوموبیل انڈسٹریز لمیٹڈ کے رکن اور عام شیئر کے حامل کی حیثیت کے

(شیئرز کی تعداد)

رجسٹرڈ کا فولیو نمبر

اور ریسی ڈی سی فولیو کا آئی ڈی نمبر

اور ذیلی اکاؤنٹ نمبر

کے

یا

کو کمپنی کے 30 ویں سالانہ عام اجلاس جو جمعہ، 27 اکتوبر 2017 کو صبح ساڑھے 11 بجے ہوئے 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 رہتی ہوں۔

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، ریوینیوٹک اور شہادت ہونا ضروری ہے۔

ویڈیو کانفرنسنگ کی سہولت کے فارم کی درخواست

میں رہم

صفحہ نمبر سی ڈی سی اکاؤنٹ نمبر کے مطابق۔ عام شیئر (ز) کے حامل کی حیثیت سے۔ میں ویڈیو کانفرنسنگ کی سہولت حاصل کرنا چاہتا ہوں/چاہتی ہوں۔

تاریخ:

دستخط رکن/شیئر ہولڈر

GHANI AUTOMOBILE INDUSTRIES LIMITED

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

FORM OF PROXY

Folio No. _____

No. of Shares _____

I/WE _____

of _____

Being a member of GHANI AUTOMOBILE INDUSTRIES LIMITED _____

Here by appoint Mr. _____

of _____

failing him Mr. _____ of _____

(Being a member of the company) as my/our proxy to attend, act and vote for me/us on my/our behalf at 30th ANNUAL GENERAL MEETING of the members of the Company to be held on Friday October 27, 2017 at 11:30 AM at Sunfort Hotel, Liberty Market, Lahore and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2017

Witness's Signature

Signature _____

Name: _____

Address: _____

Signature and
Revenue Stamp

NOTES:

Proxies, in order to be effective, by the company not later than 48 hours before the meeting and must be duly stamped, signed and witnessed.

Request for Video Conferencing Facility Form

I/We, _____ of _____ being a member of

Ghani Automobile Industries Limited, holder of _____

Ordinary Share(s) as per Register Folio No/CDC A/c No. _____

hereby opt for video conference facility at _____.

_____ Date: _____

Ghani Automobile Industries Limited



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