

**GHANI AUTOMOBILE INDUSTRIES LIMITED**  
**BALANCE SHEET AS AT JUNE 30, 2006**

	June 30, 2006 RUPEES	June 30, 2005 RUPEES
<b>EQUITY &amp; LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized Share Capital 10,000,000 (2005: 10,000,000) ordinary shares of Rs.10 each	<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid up capital	100,000,000	100,000,000
Accumulated loss	<u>(31,974,484)</u>	<u>(30,814,869)</u>
	68,025,516	69,185,131
<b>CURRENT LIABILITIES</b>		
Loan from Directors	9,000,000	-
Creditors, accrued and other liabilities	<u>12,622,341</u>	<u>1,740,474</u>
	21,622,341	1,740,474
<b>CONTINGENCIES AND COMMITMENTS</b>		
	-	-
	<u>89,647,857</u>	<u>70,925,605</u>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
<b>PROPERTY, PLANT AND EQUIPMENTS</b>		
Property, plant and equipments	8,048,781	7,665,761
Capital work in progress	<u>24,601,220</u>	<u>6,882,846</u>
	32,650,001	14,548,607
<b>SECURITY DEPOSITS</b>	124,700	124,700
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	97,850	595,299
Stock in trade	7,515,866	1,205,805
Trade debtors - unsecured but considered good	7,973,225	4,805,200
Advances and other receivables	33,265,746	1,291,463
Cash and bank balances	<u>8,020,469</u>	<u>48,354,531</u>
	56,873,156	56,252,298
	<u>89,647,857</u>	<u>70,925,605</u>

The annexed notes form an integral part of these financial statements

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 CHIEF EXECUTIVE

\_\_\_\_\_  
 DIRECTOR

**GHANI AUTOMOBILE INDUSTRIES LIMITED**  
**PROFIT & LOSS ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2006**

	For 12 months ended June, 30 2006 RUPEES	For 9 months ended June, 30 2005 RUPEES
Sales	44,357,825	16,056,669
Cost of sales	43,843,418	15,139,499
Gross profit	<u>514,407</u>	<u>917,170</u>
<b>OPERATING EXPENSES</b>		
Administrative expenses	1,562,085	1,019,581
Distribution and marketing expenses	2,094,354	1,120,230
	3,656,439	2,139,811
<b>OPERATING LOSS</b>	<u>(3,142,032)</u>	<u>(1,222,641)</u>
<b>OTHER INCOME / (LOSS)</b>	4,427,503	501,935
	<u>1,285,471</u>	<u>(720,706)</u>
<b>WORKERS PROFIT PARTICIPATION FUND</b>	64,274	-
<b>PROFIT / (LOSS) BEFORE TAXATION</b>	<u>1,221,197</u>	<u>(720,706)</u>
Provision for taxation	421,372	80,283
<b>PROFIT / (LOSS) AFTER TAXATION</b>	<u>799,825</u>	<u>(800,989)</u>
<b>Earning Per Share - Basic</b>	<u>0.08</u>	<u>(0.16)</u>

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CHIEF EXECUTIVE

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DIRECTOR

**GHANI AUTOMOBILE INDUSTRIES LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2006**

	For 12 months ended June, 30 2006 RUPEES	For 9 months ended June, 30 2005 RUPEES
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) for the period before tax	1,221,197	(720,706)
Adjustment for :		
Depreciation	991,727	669,883
Workers profit participation fund	64,274	-
	1,056,001	669,883
Operating profit / (loss) before working capital changes	2,277,198	(50,823)
(Increase) / decrease in current assets		
Store, spares and loose tools	497,449	(595,299)
Stock in trade	(6,310,061)	15,139,499
Trade debtors	(3,168,025)	(4,266,200)
Advances and other receivables	(29,135,992)	3,676,000
	(38,116,629)	13,954,000
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	10,796,912	(1,784,752)
	(25,042,519)	12,118,425
Taxes paid	(3,292,640)	(1,273,289)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	(28,335,159)	10,845,136
Capital work in progress	(17,718,374)	(4,842,554)
Security deposits	-	(124,700)
Acquisition of fixed assets	(1,374,747)	(1,200,145)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	(19,093,121)	(6,167,399)
Issuance of right shares	-	50,000,000
Interim dividend paid	(1,905,782)	-
Loan from associated undertakings / sponsors	9,000,000	(7,675,000)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	7,094,218	42,325,000
Net increase / (decrease) in cash	(40,334,062)	47,002,737
Cash and cash equivalents at the beginning of the year	48,354,531	1,351,794
Cash and cash equivalents at the end of the year	8,020,469	48,354,531

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CHIEF EXECUTIVE

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DIRECTOR

**GHANI AUTOMOBILE INDUSTRIES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**AS ON JUNE 30, 2006**

	RUPEES		
	Share Capital	Accumulated	Total
	Capital	profit/(loss)	
	RUPEES	RUPEES	RUPEES
<b>Balance as on September 30, 2004</b>	50,000,000	(30,013,880)	19,986,120
Right shares issued	50,000,000	-	50,000,000
Loss for the year	-	(800,989)	(800,989)
<b>Balance as on September 30, 2004</b>	<u>100,000,000</u>	<u>(30,814,869)</u>	<u>69,185,131</u>
Net profit for the year	-	799,826	799,826
Interim cash dividend @ 4%	-	(1,959,440)	(1,959,440)
<b>Balance as on June 30, 2005</b>	<u><u>100,000,000</u></u>	<u><u>(31,974,483)</u></u>	<u><u>68,025,517</u></u>

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 DIRECTOR