



Ghani Automobile Industries Limited

No. GAIL/PSX/2019/11

April 23, 2019

Mr. Muhammad Ghufraan
Deputy General Manager – Trading and TREC Holders Affairs
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Dear Sir,

40% Right Issue at 10% discount – Ghani Automobile Industries Limited

With regard to the captioned subject, this is to state that the company has been receiving continuous complaints directly and through the service desk of the SECP, from the minority shareholders who have deposited the subscription money for the captioned right issue. The minority shareholders were demanding either to return their subscription money or issue shares against it.

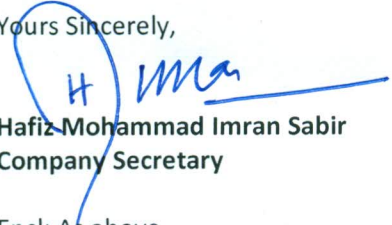
In view of above, the company had written letter to the SECP on March 20, 2019 explaining the stock market condition and deteriorating market price of the company' share. We informed the SECP that the management is committed to safeguard the greater interest of the minority shareholders and in good faith, on its own & voluntarily is ready to compensate the minority shareholders who have deposited the subscription money against captioned right issue. We further requested the SECP to guide us as to how the management can compensate the minority shareholders in a reasonable manner acceptable to all.

Responding our request, the SECP vide its letter No.EMD/233/631/2002-1191 through fax/e-mail (*copy of SECP letter attached*) has directed the company to:

- a) Cancel the unsubscribed portion of the right issue;
- b) Cancel the subscribed portion, other than that subscribed by directors, and to return the subscription money to minority shareholders other than directors; and
- c) Issue right shares to the directors against the subscription money received from them.

This is for your information please.

Yours Sincerely,


Hafiz Mohammad Imran Sabir
Company Secretary

Encl: As above

CC: Central Depository Company of Pakistan (CDC), Karachi



Say No to Corruption

Corporate Supervision Department
Company Law Division

S No. EMD/233/631/2002 - 1191

April 23, 2019

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

Subject: 40% Right issue at 10% discount- Ghani Automobile Industries Limited

Dear Sir,

Please refer to letter dated March 20, 2019 and all the previous correspondence from Ghani Automobile Industries Limited (the "Company") on the subject in terms whereof the Company has requested the Commission for guidance on addressing the grievance of the Company's minority shareholders who subscribed to the right issue, which has been pending, as its major portion has remained unsubscribed. The Company approved the 40% right issue at 10% discount at a price of Rs. 9 per share in the extraordinary general meeting held on June 13, 2018.

2. In connection with this, I am directed to inform you that considering the facts that major portion of the aforesaid right issue has remained unsubscribed and the Company's share price has substantially declined since announcement of the right issue, the Commission in order to safeguard the interest of minority shareholders of Company, has directed the Company to:

- a) Cancel the unsubscribed portion of the right issue;
- b) Cancel the subscribed portion, other than that subscribed by directors, and to return the subscription money to minority shareholders other than directors; and
- c) Issue right shares to the directors against the subscription money received from them.

3. The Company is hereby, advised to comply with the direction of the Commission and submit a compliance report within 15 days of this letter.

Regards,

Anwaar Ahmed
Deputy Director (CSD)