



Ghani Automobile Industries Limited

No. GAIL/SECP/2019/17

May 7, 2019

Mr. Anwaar Ahmed  
Deputy Director (CSD)  
Corporate Supervision Department  
Securities and Exchange Commission of Pakistan  
NIC Building ,  
63 Jinnah Avenue,  
Islamabad.

Dear Sir,

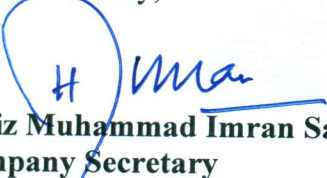
**COMPLIANCE REPORT OF 40% RIGHT ISSUE AT 10% DISCOUNT**  
**GHANI AUTOMOBILE INDUSTRIES LIMITED**

In compliance of the SECP Letter No.EMD/233/631/2002-1191 dated April 23, 2019, we hereby confirm the following:

1. That the un-subscribed portion of the 40% right issue has been cancelled.
2. That the subscription portion, other than that subscribed by directors has been cancelled.
3. That the subscription money has been returned to the minority shareholders (other than directors) on May 2 & 3 , 2019.
4. That the right shares have been issued to the directors against subscription money received from them.

We also attach herewith the certificate from the external auditors for your perusal please.

Yours Sincerely,

  
**Hafiz Muhammad Imran Sabir**  
Company Secretary

Encl: As Above

CC: Deputy General Manager, Trading & TREC Holder's Affairs, PSX,  
Central Depository company of Pakistan Ltd



**HASSAN FAROOQ & COMPANY**  
Chartered Accountants

Our ref: HFC/2019/R/01

Mr. Hafiz Imran Sabbir  
The Company Secretary  
Ghani Automobile Industries Limited  
40-L Model Town Extension  
Lahore

Dear Sir

06 May 2019

**Ghani Automobile Industries Limited ("the Company")**  
**Certificate on receipt of amount of subscription money in cash against issue of right shares**

We have been requested to provide you with a certificate to confirm the receipt of amount of subscription money for subscribing right shares of the Company as required by Pakistan Stock Exchange Limited ("PSX") under clause 7 and clause 8 of Annexure-II of its letter number PSX/C-819-2220 ("Letter"), dated 07 May 2018.

**Scope of Certificate**

We as statutory auditors of the Company are required to issue a certificate to confirm the receipt of amount of subscription money in cash for subscribing right shares of the Company under clause 8 of Annexure-II "Procedure to be complied with for issue of right shares" of the Letter and compliance with direction of the commission.

**Management Responsibility**

It is the management's responsibility to fulfill all requirements of Companies Act 2017, Companies (Issue of Capital) Rules, 1996 and ensure compliance with the requirement of PSX as required under the Letter. The management's responsibility also includes maintenance of accounting records and internal control system, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of fraud and irregularities.

This certificate does not relieve the management of its responsibilities.

**Auditors' Responsibility**

Our responsibility is to issue a certificate to confirm receipt of amount of subscription money in cash as required under clause 8 of Annexure-II 'Procedure to be complied with for issue of right shares' of the Letter in accordance with the 'Guidelines for issue of Certificate for Special Purposes by Practicing Chartered Accountants Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to the procedures as mentioned below:

- Reviewed resolution of the Board of Directors and Special Resolution passed by the shareholders to check the approval of issuance of 40 percent right shares to existing shareholders of the Company;

HF House: 7/3-G, Mushtaq Ahmed Gormani Road  
Gulberg II, Lahore-Pakistan.  
Tel: +92-42-3576 1661 - 62



- Traced subscription money of Rs. 793,404 received from shareholders against subscription of 88,156 ordinary shares through right issue having face value of Rs. 10 each of the Company at exercise price of Rs.9 per share in bank statement of Habib Metropolitan Bank subscription account number 6- 99-6-20353-714-104616;
- Traced compliance with the direction of the commission to pay back subscription money to minority shareholders other than directors amounting Rupees 533,484; and
- Traced issuance of right shares to the directors against the subscription money received from them as per the following details:

Name of Shareholders	Date of cash credited in the bank statement	Bank account details	Right Shares allocated by the Board	Shares subscribed	Amount received
Mr. Ayesha Aftab (Director)	19 Sept 2018	Habib Metropolitan Bank LTD. Account # 20353-714-104616	300	300	2,700
Mr. Junaid Ghani (Director)	19 Sept 2018	Habib Metropolitan Bank LTD. Account # 20353-714-104616	200	200	1,800
Mr. Noman Shoukat (Director)	19 Sept 2018	Habib Metropolitan Bank LTD. Account # 20353-714-104616	400	400	3,600
Mr. Jubair Ghani (Director)	22 Sept 2018	Habib Metropolitan Bank LTD. Account # 20353-714-104616	500	500	4,500
Ms. Zahra Aftab (Director)	19 Sept 2018	Habib Metropolitan Bank LTD. Account # 20353-714-104616	200	200	1,800
Mr. Amjad Aqeel (Director)	19 Sept 2018	Habib Metropolitan Bank LTD. Account # 20353-714-104616	200	200	1,800
Ms. Afifa Anwar (Director)	22 Sept 2018	Habib Metropolitan Bank LTD. Account #20353-	200	200	1,800



Mrs. Maryam Junaid (Director)	19 Sept 2018	714-104616 Habib Metropolitan Bank LTD. Account # 20353-714-104616	200	200	1,800
Mr. Sarfraz Anwar (Director)	19 Sept 2018	Habib Metropolitan Bank LTD. Account # 20353-714-104616	200	200	1,800
Hafiz Muhammad Saad (Director)	19 Sept 2018	Habib Metropolitan Bank LTD. Account # 20353-714-104616	200	200	1,800
Mr. Muhammad Ayub (Director)	19 Sept 2018	Habib Metropolitan Bank LTD. Account # 20353-714-104616	200	200	1,800
Mr. Aftab Ahmad Khan (Director)	19 Sept 2018	Habib Metropolitan Bank LTD. Account # 20353-714-104616	16,880	16,880	151,920
Mr. Obaid Ghani (Director)	19 Sept 2018	Habib Metropolitan Bank LTD. Account # 20353-714-104616	9,200	9,200	82,800
<b>Total</b>			<b>28,880</b>	<b>28,880</b>	<b>259,920</b>

Certificate

Based on our procedures mentioned under Auditors' responsibility paragraph, we certify that subscription money of Rs. 793,404 for subscribing 88,156 right shares having face value of Rs. 10 each of the Company at exercise price of 9 per share has been received in cash by the Company till 06 October 2018.

The details of right shares and money received there-against are as follows:

Subscribed by	Shares (Numbers)	Amount (Rupees)
The Directors of the Company	28,880	259,920
The general public	59,276	533,484



*Restriction on use and distribution*

This certificate is being issued in capacity of statutory auditors of the Company on specific request of the management for onward submission with PSX as required under clause 8 of Annexure-II 'Procedure to be complied with for issue of right shares' of the Letter and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein.

Yours faithfully