

GHANI AUTOMOBILE INDUSTRIES LIMITED
BALANCE SHEET AS AT JUNE 30, 2007

	June 30, 2007 RUPEES	June 30, 2006 RUPEES
EQUITY & LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized Share Capital 20,000,000 (2006: 10,000,000) ordinary shares of Rs.10 each	<u>200,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid up capital	200,000,000	100,000,000
Accumulated loss	<u>(71,400,500)</u>	<u>(31,974,484)</u>
	128,599,500	68,025,516
CURRENT LIABILITIES		
Loan from Directors	-	9,000,000
Creditors, accrued and other liabilities	<u>15,898,525</u>	<u>12,622,341</u>
	15,898,525	21,622,341
CONTINGENCIES AND COMMITMENTS		
	-	-
	<u>144,498,025</u>	<u>89,647,857</u>
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENTS		
Property, plant and equipments	<u>34,946,500</u>	<u>8,048,781</u>
Capital work in progress	-	24,601,220
	34,946,500	32,650,001
SECURITY DEPOSITS	174,700	124,700
CURRENT ASSETS		
Stores, spares and loose tools	<u>122,380</u>	<u>97,850</u>
Stock in trade	31,265,362	7,515,866
Trade debtors - unsecured but considered good	34,861,034	7,973,225
Advances and other receivables	20,222,372	33,265,746
Cash and bank balances	<u>22,905,677</u>	<u>8,020,469</u>
	109,376,825	56,873,156
	<u>144,498,025</u>	<u>89,647,857</u>

The annexed notes form an integral part of these financial statements

 CHIEF EXECUTIVE

 DIRECTOR

GHANI AUTOMOBILE INDUSTRIES LIMITED
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2007

	June, 30 2007 RUPEES	June, 30 2006 RUPEES
Sales	130,018,263	44,357,825
Cost of sales	117,848,722	43,843,418
Gross profit	<u>12,169,541</u>	<u>514,407</u>
OPERATING EXPENSES		
Administrative expenses	<u>2,883,142</u>	<u>1,494,016</u>
Distribution and marketing expenses	<u>43,756,886</u>	<u>2,094,354</u>
	46,640,028	3,588,370
OPERATING LOSS	<u>(34,470,487)</u>	<u>(3,073,963)</u>
OTHER INCOME / (LOSS)	62,419	4,427,503
	<u>(34,408,068)</u>	<u>1,353,540</u>
FINANCIAL CHARGES	4,367,857	68,069
WORKERS PROFIT PARTICIPATION FUND	-	64,274
PROFIT / (LOSS) BEFORE TAXATION	<u>(38,775,925)</u>	<u>1,221,197</u>
Provision for taxation	650,091	421,372
PROFIT / (LOSS) AFTER TAXATION	<u>(39,426,016)</u>	<u>799,825</u>
Earning Per Share - Basic	<u>(3.38)</u>	<u>0.07</u>

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CHIEF EXECUTIVE

DIRECTOR

GHANI AUTOMOBILE INDUSTRIES LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2007

	June, 30 2007 RUPEES	June, 30 2006 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) for the period before tax	(38,775,925)	1,221,197
Adjustment for :		
Depreciation	2,344,855	991,727
Financial charges	4,367,857	68,069
Gain on sales of fixed assets	(62,419)	-
Workers profit participation fund	-	64,274
	<u>6,650,293</u>	<u>1,124,070</u>
Operating profit / (loss) before working capital changes	(32,125,632)	2,345,267
(Increase) / decrease in current assets		
Store, spares and loose tools	(24,530)	497,449
Stock in trade	(23,749,496)	(6,310,061)
Trade debtors	(26,887,809)	(3,168,025)
Advances and other receivables	16,851,800	(29,135,992)
	<u>(33,810,035)</u>	<u>(38,116,629)</u>
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	3,276,184	10,796,912
	<u>(62,659,483)</u>	<u>(24,974,450)</u>
Financial charges paid	(4,367,857)	(68,069)
Taxes paid	(4,458,517)	(3,292,640)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>(71,485,857)</u>	<u>(28,335,159)</u>
Capital work in progress	-	(17,718,374)
Sales proceeds of fixed assets	490,000	-
Security deposits	(50,000)	-
Acquisition of fixed assets	(5,068,935)	(1,374,747)
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>(4,628,935)</u>	<u>(19,093,121)</u>
Issuance of right shares	100,000,000	-
Morabaha financing received	49,956,000	-
Interim dividend paid	-	(1,905,782)
Morabaha financing repaid	(49,956,000)	-
Loan from associated undertakings / sponsors	27,000,000	9,000,000
Repayment of loan from associated undertakings / sponsors	(36,000,000)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	<u>91,000,000</u>	<u>7,094,218</u>
Net increase / (decrease) in cash	14,885,208	(40,334,062)
Cash and cash equivalents at the beginning of the year	8,020,469	48,354,531
Cash and cash equivalents at the end of the year	<u><u>22,905,677</u></u>	<u><u>8,020,469</u></u>

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CHIEF EXECUTIVE

DIRECTOR

GHANI AUTOMOBILE INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY
AS ON JUNE 30, 2007

	RUPEES		
	Share Capital	Accumulated	Total
	Capital	profit/(loss)	
	RUPEES	RUPEES	RUPEES
Balance as on June 30, 2005	100,000,000	(30,814,869)	69,185,131
Profit / (loss) for the year	-	799,825	799,825
Interim cash dividend @ 4%	-	(1,959,440)	(1,959,440)
Balance as on June 30, 2006	<u>100,000,000</u>	<u>(31,974,484)</u>	<u>68,025,516</u>
Right issue of shares	100,000,000	-	100,000,000
Profit / (loss) for the year	-	(39,426,016)	(39,426,016)
Balance as on June 30, 2007	<u><u>200,000,000</u></u>	<u><u>(71,400,500)</u></u>	<u><u>128,599,500</u></u>

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 CHIEF EXECUTIVE

 DIRECTOR