



Ghani
Automobiles

The Power of Perfection

**First Quarter Financial
Statements**

2019-20

Ghani Automobile Industries Limited

Corporate Information

BOARD OF DIRECTORS	Mr. Obaid Ghani Mr. Aftab Ahmad Khan Mrs. Ayesha Aftab Mrs. Maryam Junaid Ms. Afifa Anwaar Ms. Zahra Aftab Mr. Junaid Ghani Mr. Jubair Ghani Mr. Umair Ghani Hafiz Muhammad Saad Mr. Muhammad Ayub Mr. Nauman Shaukat Mr. Sarfraz Anwar Dr. Amjad Aqeel	Chairman Chief Executive Officer
AUDIT COMMITTEE	Hafiz Muhammad Saad Mr. Muhammad Ayub Mr. Jubair Ghani	Chairman Member Member
HR & R COMMITTEE	Mr. Nauman Shaukat Mr. Sarfraz Anwar 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	
PLANT	49-KM, Multan Road, (from Lahore)	

Directors' Report

Dear Shareholders,

Assala-mo-Alaikum wa Rahmatullah wa Barakatohu.

The Board of Directors of Ghani Automobile Industries Limited is pleased to present financial statements of the company for the first quarter ended September 30, 2019.

The results for the first quarter ended September 30, 2019 are as follow:

FINANCIAL INDICATORS	Sept. 30, 2019	Sept. 30, 2018
	Rupees '000'	
Sales-Net	16,202	44,923
Gross (loss) / profit	(3,493)	712
Net (loss) / profit	(9,142)	(8,613)
Earning / (loss) per share (Rupees)	(0.18)	(0.17)

During the first quarter ended September 30, 2019, the net sale of the Company was recorded as Rupees 16.2 million as compared to Rupees 44.9 million for the corresponding period of last year. Gross Loss was Rupees 3.5 million as compared to Gross Profit of Rupees 0.7 million for the same period of the last year. The company suffered net loss of Rupees 9.1 million as compared to Rupees 8.6 million for the corresponding period of the last year. Loss per shares was Rupees 0.18 as compared to Rupees 0.17 for the same period of the last year.

The overall auto sector is going through the phase of severe demand contraction and observing a decline owing to current rupee devaluation and high interest rates etc. These factors adversely impacted the survival of the small and medium manufacturers of motorcycle industry.

On behalf of the Directors, we are pleased to record our appreciation for our customers, employees, suppliers, shareholders and financial institutions for their trust in the management of the company.

We thank Allah Subhanatallah for blessing all of us and your company. We all should continue our endeavors to fully obey the commandments of Almighty Allah and Sunnah of our Prophet Muhammad (Sallallaho-Alaihe-Wasallum).

On behalf of the Board of Directors



Jubair Ghani
Director



Aftab Ahmed Khan
Chief Executive Officer

Lahore: October 30, 2019

Condensed Interim Statement of Financial Position

For the Quarter Ended September 30, 2019 (Un-audited)

EQUITY & LIABILITIES

SHARE CAPITAL AND RESERVES

Authorized Share Capital
85,000,000 (Jun 2019: 85,000,000) ordinary
shares of Rs.10 each

Issued, subscribed and paid up capital
Accumulated Losses
Discount on issue of right Shares

NON CURRENT LIABILITIES

Security Deposit Payable

CURRENT LIABILITIES

Trade and other payables
Unclaimed dividend

ASSETS

NON CURRENT ASSETS

Property, plant and equipments
Security deposits

CURRENT ASSETS

Stores, spares and loose tools
Stock in trade
Trade debts - secured and considered good
Advances and other receivables
Tax refunds and due from government
Cash and bank balances

Un-audited	Audit
30 September 2019	30 June 2019
Rupees	Rupees
850,000,000	850,000,000
500,288,800	500,288,800
(301,657,160)	(292,514,891)
(150,028,880)	(150,028,880)
48,602,760	57,745,029
39,500,000	39,500,000
187,975,222	193,183,024
609,746	609,746
188,584,968	193,792,770
276,687,728	291,037,799
44,760,508	45,526,323
598,700	598,700
45,359,208	46,125,023
595,439	699,752
69,468,066	52,233,052
95,069,377	109,263,959
6,350,376	23,083,542
58,377,035	56,740,752
1,468,227	2,891,719
231,328,520	244,912,776
276,687,728	291,037,799

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

Ghani Automobile Industries Limited

Condensed Interim Statement of Profit or Loss

For the Quarter Ended September 30, 2019 (Un-audited)

	30 September-2019 Rupees	30 September-2018 Rupees
Sales-net	16,201,716	44,922,600
Cost of sales	19,695,105	44,210,580
Gross (loss) / profit	(3,493,389)	712,020
Administrative expenses	5,048,150	5,272,724
Distribution and marketing expenses	1,076,041	3,881,709
	6,124,191	9,154,433
Operating (loss)	(9,617,580)	(8,442,412)
Other income	517,772	611,665
Other Operating Income	517,772	611,665
Operating Loss / Profit before finance costs	(9,099,808)	(7,830,747)
Finance Cost	(42,461)	(108,314)
(Loss)/profit before taxation	(9,142,269)	(7,939,061)
Taxation	-	(673,839)
(Loss) / profit after taxation	(9,142,269)	(8,612,900)
(Loss) per share - Basic and diluted	(0.18)	(0.17)



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Condensed Interim Statement of Comprehensive Income

For the Quarter Ended September 30, 2019 (Un-audited)

	September 2019 Rupees	September 2018 Rupees
(Loss) For the period/year	(9,142,269)	(8,612,900)
Total Comprehensive (Loss)	(9,142,269)	(8,612,900)



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Condensed Interim Cash Flow Statement

For the Quarter Ended September 30, 2019 (Un-audited)

	September 2019 Rupees	September 2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
(loss) / profit for the period before tax	(9,142,269)	(8,612,900)
Adjustment for :		
Depreciation	765,816	858,066
Financial charges	42,461	108,314
	808,277	966,380
Operating (loss) / profit before working capital changes	(8,333,992)	(7,646,520)
(Increase) / decrease in current assets		
Store, spares and loose tools	104,312	-
Stock in trade	(17,235,014)	(8,057,843)
Trade debtors	14,194,582	12,224,582
Sales tax refundable	(1,636,283)	(2,767,618)
Advances and other receivables	16,733,166	(1,423,143)
	12,160,763	(24,022)
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	(5,207,802)	8,033,344
	(1,381,031)	362,802
Financial charges paid	(42,461)	(108,314)
	(42,461)	(108,314)
Net increase / (decrease) in cash	(1,423,492)	254,488
Cash and cash equivalents at the beginning of the period	2,891,719	3,012,603
Cash and cash equivalents at the end of the period	1,468,227	3,267,091



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Condensed Interim Statement of Changes in Equity

For the Quarter Ended September 30, 2019 (Un-audited)

Note	Share Capital	Discount on	Accumulated Loss	Total
	Capital	right Shares	profit/(loss)	
	Rupees	Rupees	Rupees	Rupees
Balance as on June 30, 2018	500,000,000	(150,000,000)	(268,767,402)	81,232,598
Right shares issued during the year	288,800			288,800
Discount on right shares issued during the year (Loss) for the year	-	(28,880)	(23,747,489)	(23,747,489)
Balance as on June 30, 2019	<u>500,288,800</u>	<u>(150,028,880)</u>	<u>(292,514,891)</u>	<u>57,745,029</u>
Net (loss) / profit for the period	-	-	(9,142,269)	(9,142,269)
Balance as on September 30, 2019	<u>500,288,800</u>	<u>(150,028,880)</u>	<u>(301,657,160)</u>	<u>48,602,760</u>



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Condensed Interim Notes to the Financial Statements

For the Quarter Ended September 30, 2019 (Un-audited)

1 COMPANY AND ITS OPERATIONS

The company is a public listed company incorporated in Pakistan under the Companies Ordinance, 1984 in September 1987. The registered office and factory of the company is situated at 274-B, N Block Model Town, Extension, Lahore and 49 KM Multan Road Bhai Pheru respectively. 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's business was to manufacture and trade of grey cloth.

Geographical location and address of business unit /plant:

274-B, N Block, Model Town Extension, Lahore	Registered Office
49-KM Multan Road Bhai Pheru	Production Plant

2 STATEMENT OF COMPLIANCE

This interim financial information of the Company for the quarter ended September 30, 2019 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provision of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

This interim financial information is un-audited and is being submitted to shareholders, as required by section 237 of the Companies Act, 2017.

3 BASIS OF PREPARATION

- 3.1** This interim financial information does not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements as at June 30, 2019.

The accounting policies adopted for the preparation of this interim financial information are same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2019.

The Company has adopted the following amended IFRS and IFRIC interpretation which became effective during the period:

IFRS 2 - Share-based Payments - Classification and Measurement of Share-based Payments Transactions (Amendments)

IFRS 4 - Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts- (Amendments)

IFRS 9-Financial instruments

IFRS 15-Revenue from Contracts with Customers

IAS 40-Investment Property: Transfer of Investment Property (Amendments)

IFRIC 22- Foreign Currency Transactions and Advance Consideration

The adoption of the above amendments did not have any effect on the interim financial information however, the management is in the process of assessing the impact of changes laid down by IFRS 9 on its financial statements.

3.2 Accounting Conventions

The accounting policies and method of computation adopted for the preparation of these interim financial statements are the same as applied in the preparation of the preceding annual published financial statements of the company for the year ended June 30, 2019.

4 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Sep 30 2019	June 30, 2019		Unaudited Sep 19 Rupees	Audited June 19 Rupees
Numbers				
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 fully paid bonus shares	5,000,000	5,000,000
30,028,880	30,000,000	Ordinary shares of Rs. 10 each paid in cash as discount	300,288,800	300,000,000
50,028,880	50,000,000		500,288,800	500,000,000

5 CONTINGENCIES AND COMMITMENTS

Contingencies

6.1 There is no charge of contingent liabilities since the date of published audited financial statement for the year ended June 30, 2019

Commitments

6.2 Commitments as at Sep 30, 2019 were Same as on (June 30, 2019).



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

ڈائریکٹران کی جائزہ رپورٹ

معزز حصص داران

اسلام علیکم ورحمۃ اللہ وبرکاتہ

غنی آٹوموبیل انڈسٹریز لمیٹڈ کے ڈائریکٹران 30 ستمبر 2019 کو مکمل ہونے والی پہلی سہ ماہی کیلئے مالیاتی گوشوارے بخوشی پیش کرتے ہیں۔
30 ستمبر 2019 کو مکمل ہونے والی پہلی سہ ماہی کے لیے مالیاتی نتائج مندرجہ ذیل رہے:


مالیاتی اعشاریہ	30 ستمبر 2019	30 ستمبر 2018
(روپے '000 میں)		
خالص آمدنی	16,202	44,923
خام نقصان / نفع	(3,493)	712
خالص نقصان / نفع	(9,142)	(8,613)
فی حصص نقصان / نفع (روپے)	(0.18)	(0.17)


زیر جائزہ عرصہ کے دوران کمپنی کی خالص آمدنی گذشتہ برس اسی عرصے میں 44.9 ملین روپے کے مقابلے میں 16.2 ملین روپے ریکارڈ کی گئی۔ پچھلے سال اسی عرصہ کے دوران 0.7 ملین روپے کے خام نفع کے مقابلے میں 3.5 ملین روپے کا خام نقصان ہوا۔ کمپنی کو پچھلے سال اسی عرصہ میں 8.6 ملین روپے کے مقابلے میں 9.1 ملین روپے کے خالص نقصان کا سامنا کرنا پڑا۔
فی حصص نقصان پچھلے سال اسی عرصہ میں 0.17 روپے کے مقابلے میں 0.18 روپے رہا۔

آٹوسیکٹر مجموعی طور پر خطرناک حد تک کم طلب کے دور سے گزر رہا ہے اور روپے کی قدر میں کمی اور بلند شرح سود وغیرہ کے باعث گراوٹ کا شکار ہے۔ ان عوامل نے چھوٹے اور درمیانے درجے کے موٹرسائیکل پیدا کنندگان کی بقا کو بری طرح متاثر کیا ہے۔

ہم ڈائریکٹران کی طرف سے اپنے گاہکوں، ملازمین، سپلائرز، حصص داران اور مالیاتی اداروں کے کمپنی کی انتظامیہ پر کئے گئے اعتماد پر ان کے مشکور ہیں۔

ہم اپنے اور کمپنی کے اوپر کی گئی رحمت پر اللہ سبحانہ و تعالیٰ کے شکر گزار ہیں۔ ہمیں چاہئے کہ ہم اللہ کے احکامات اور نبی صلی اللہ علیہ وسلم کی سنت کی مکمل پیروی کیلئے مسلسل جدوجہد کریں۔


جُغیر غنی
ڈائریکٹر


آفتاب احمد خان
چیف ایگزیکٹو آفیسر

لاہور: اکتوبر 30، 2019



The Power of Perfection

GHANI AUTOMOBILE INDUSTRIES LIMITED

Registered Office:

274-B, N Block, Model Town Extension, Lahore-Pakistan
Tel: +92-42-35168873, 35172205 | FAX: +92-42-35172263
Web: www.ghaniautomobiles.com