



THE POWER OF PERFECTION

ANNUAL
REPORT
2020



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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 Muhammad 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)	

Vision & Philosophy

Nothing in this earth or in the heavens

is hidden from ALLAH

To indulge in honesty, integrity and self determination,

to encourage in performance and

most of all to put our trust in ALLAH,

so that we may, eventually through our efforts and belief,

become the leader amongst automobile products

manufacturers

Mission Statement

To be successful by

effectively & efficiently

Utilizing our Philosophies,

so that We achieve & Maintain

constantly the High Standards of

Product Quality

&

Customer Satisfaction

Chairman's Review

Dear Shareholders,

It gives me immense pleasure to welcome you at the Annual General Meeting of the Company.

Pakistan is going through difficult era as pandemic of Coronavirus (COVID-19) is unfolding a widespread impact on the key economic indicators of Pakistan. Global economy is experiencing a slowdown. The impact of COVID-19 on Pakistan's economy can be severe and may lead to a reduction in GDP growth, deterioration in current & fiscal balances and disruption in supply chain.

The composition of the Board of Directors reflects mix of varied backgrounds and rich experience in the diversified fields of business.

The Board provides strategic direction to the management. The Board approves the budget and ensures that a competent and energetic team is in position to achieve the goals set.

The board meets regularly to adequately discharge its responsibilities. The Directors attendance in the board meetings is satisfactory. The Board Committee meetings have also been held on regular basis.

The Board is composed of Directors with the relevant skills and competencies. The Board operates an efficient Committee system.

The annual evaluation of the Board of Directors of the company has been carried out to assess Board's performance. That Board's overall performance and effectiveness remained satisfactory.

The Board has substantially complied with the provisions of the Listed Companies (Code of Corporate Governance) Regulations.

The board of directors of your company has approved the proposed scheme of arrangement for merger of Ghani Automobile Industries Limited (GAIL) with and into Ghani Value Glass Limited (GVGL) subject to the approval of the shareholders and sanction from the Lahore High Court Lahore

Lahore: September 21, 2020



Obaid Ghani
Chairman

Directors' Report

Dear Shareholders

Assala-Mo-Alaikum Wa Rehmatullah Wa BarakatoHu,

The Board of Directors of Ghani Automobile Industries Limited takes pleasure in presenting the annual report and the audited financial statements of the company together with auditors' report for the year ended June 30, 2020.

FINANCIAL PERFORMANCE

The operating results of your company for the year ended June 30, 2020 are summarized as follows:

	2020	2019
	(Rupees in '000')	
Sales Net	70,294	148,992
Gross	(17,899)	(19,267)
(Loss) before taxation	(31,901)	(20,971)
(Loss) after taxation	(32,948)	(23,747)
(loss) per share-basic & diluted (rupees)	(0.66)	(0.47)

During the year under review, the company earned net revenue of Rupees 70.3 million as compared to Rupees 148.99 million for the last year. The Company suffered Gross loss of Rupees 17.9 million. During the year under review, the net loss of Rupees 32.9 million has been recorded by the Company. Resultantly, loss per share has also increased to Rupee 0.66.

2019-20 was much difficult year as the unprecedented calamity COVID-19 broke out globally. The world economies were shocked by pandemic. Lockdowns began to take their toll on an otherwise favorable macroeconomic trajectory following the necessary stabilization measures of recent times. Pakistan's economy is also facing challenging time, the impact of which can be more severe and lead to deterioration in twin balances, lowering GDP growth and disordering supply chain. Government action including reduction in policy rate from 13.25% to 7% is a part of fiscal measures to mitigate economic risk.

PROPOSED MERGER OF GHANI AUTOMOBILE INDUSTRIES LTD WITH AND INTO GHANI VALUE GLASS LTD

The board of directors of your company has approved the proposed scheme of arrangement for merger of Ghani Automobile Industries Limited (GAIL) with and into Ghani Value Glass Limited (GVGL). The scheme shall be subject to the approval of the shareholders and sanction from the Lahore High Court Lahore. GAIL has suffered financial and operational difficulties in recent years. By merging GAIL into GVGL, the larger base of assets of merged companies will bring financial stability to the automobile business of GAIL. By combining the assets and liabilities of the two companies, the shareholders will get significant value addition inshaALLAH.

CORPORATE GOVERNANCE

The Board is committed to maintain a high standard of corporate governance, and has ensured full compliance of Listed Companies (Code of Corporate Governance) Regulations as incorporated in the Rule Book/Listing Rules of the Stock Exchange.

Your directors are pleased to report that:

1. The financial statement prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
2. The proper books of account have been maintained.
3. Appropriate accounting policies consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Accounting Standards as applicable in Pakistan have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
5. The system of internal control, which was in place, is continuously reviewed by internal audit and other such procedures. The process of review will continue with the objective to further improve.
6. There are no significant doubts upon the company's ability to continue as a going concern.
7. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
8. The key operating data of the company is included in this report.
9. Due to the financial position and continuous losses, the Company could not announce dividend to the shareholders.
10. Outstanding taxes and levies: *Please refer notes 6, 7 and 13 to the annexed audited accounts.*

THE MAIN TRENDS AND FACTORS LIKELY TO AFFECT THE FUTURE DEVELOPMENT, PERFORMANCE AND POSITION OF THE COMPANY'S BUSINESS

Impact of Coronavirus (COVID-19), Pak Rupee devaluation, increasing raw material prices, tough competition etc. are factors likely to affect the future development, performance and position of the business.

THE IMPACT OF THE COMPANY'S BUSINESS ON THE ENVIRONMENT

There is no adverse impact of company's operation on the environment.

CHANGE OF NATURE OF COMPANY'S BUSINESS

There are no changes that have occurred during the financial year concerning the nature of the business of the company or any other company in which the company has interest.

POLICY FOR FIXING REMUNERATION OF NON-EXECUTIVE/INDEPENDENT DIRECTORS

The company has a policy of not paying remuneration package for Non-Executive and Independent Directors.

DIRECTORS' RESPONSIBILITY IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board ensures adequacy of internal control activities either directly or through its Committees. The Board also reviews the Company's financial operations and position at regular intervals by means of interim accounts, reports, profitability reviews and other financial and statistical information. The Board reviews material budgetary variances and actions taken thereon on periodic basis.

STAFF RETIREMENT BENEFIT

The Company operates a funded contributory provident fund scheme for its employees and contributions based on salaries of the employees are made to the fund on monthly basis.

CODE OF CONDUCT

Code of Conduct in line with the future outlook of the company has been developed and communicated to all the employees of the company.

PATTERNS OF SHAREHOLDING

A statement of the patterns of shareholding as on June 30, 2020 is attached as required under Companies Act, 2017. The directors, chief executive officer, chief financial officer, company secretary, their spouses and minor children did not carry out any transaction in the shares of the company during the year, except as disclosed with the pattern of shareholding.

BOARD OF DIRECTORS

I would like to place on record my appreciation and gratitude to the Board of Directors for guidance and support to the management.

The total number of directors is 14 as per the following:

- a. Male: 10 b. Female: 4

The composition of board is as follows:

Independent Director	Dr. Amjad Aqeel
	Hafiz Muhammad Saad
	Mr. Muhammad Ayub
	Mr. Nauman Shaukat
	Mr. Sarfraz Anwar
Non-Executive Directors	Mrs. Ayesha Aftab
	Mr. Junaid Ghani
	Mr. Obaid Ghani
	Mr. Jubair Ghani
	Ms. Umair Ghani
	Ms. Zahra Aftab
	Mrs. Maryam Junaid
	Ms. Afifa Anwaar

Executive Directors	Mr. Aftab Ahmad Khan
Female Directors	Mrs. Ayesha Aftab
	Ms. Zahra Aftab
	Mrs. Maryam Junaid
	Ms. Afifa Anwaar

A total of five meetings of the Board of Directors, six meetings of the Audit Committee and two meetings of HR & R Committee were held during the period of one year, from July 01, 2019 to June 30, 2020. The attendance record of Board members was as follows:

Name of the Director	No. of Board of Directors' Meetings attended	No. of Audit Committee Meetings attended	No. of HR & R Committee Meetings attended
Mr. Aftab Ahmad Khan	5	-	-
Mrs. Ayesha Aftab	5	-	-
Mr. Junaid Ghani	5	-	2
Mr. Obaid Ghani	5	-	-
Mr. Jubair Ghani	5	6	-
Ms. Zahra Aftab	5	-	-
Dr. Amjad Aqeel	4	-	-
Mrs. Maryam Junaid	5	-	-
Mr. Umair Ghani	5	-	-
Ms. Afifa Anwaar	5	-	-
Hafiz Muhammad Saad	5	6	-
Mr. Muhammad Ayub	5	6	-
Mr. Nauman Shaukat	5	-	2
Mr. Sarfraz Anwar	5	-	2

AUDITORS

The present auditors Hassan Farooq & Company, Chartered Accountants, retired at the conclusion of the meeting. Being eligible, they have offered themselves for re-appointment. As suggested by the Audit Committee, the Board of Directors has recommended their re-appointment as auditors of the company for the year ending June 30, 2021, at a mutually agreed fee.

ACKNOWLEDGEMENT

The board acknowledges and puts on record its sincere appreciation for the staff and workers of the company for their work, enthusiasm and loyalty. We pray to Allah Subhanatallah to keep showering us with his Rehmat and keep us on the right path, which is the commandment of Allah Subhanatallah and sunnah of our Prophet "Muhammad" (Sallallahu-Alaie-Wasallam).

For and on behalf of the Board

Lahore: September 21, 2020



Aftab Ahmad Khan
Chief Executive Officer



Jubair Ghani
Director

Six Years at Glance

FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019	2018	2017	2016	2015
					(Rupees in '000')	
Production (Units)	1,782	4,274	6,511	4,460	2,376	5,802
Sales	70,294	148,992	192,037	116,198	56,071	126,664
Gross profit / (loss)	(17,900)	(19,267)	2,171	(12,112)	(34,296)	(21,629)
Net profit / (loss)	(32,948)	(23,747)	(7,953)	(53,154)	(74,991)	8,768
Earning / (loss) per share (rupees)	(0.66)	(0.47)	(0.16)	(1.06)	(1.50)	0.20
Dividend %	-	-	-	-	-	-
Current assets	190,330	244,913	295,002	275,161	274,298	375,545
Current liabilities	185,331	193,793	223,884	239,393	214,400	219,386
Share holders equity	8,561	57,745	81,233	89,186	142,339	217,331

Statement of Compliance

WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 FOR THE YEAR ENDED JUNE 30, 2020

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 14 as per the following:

- a. Male: 10
- b. Female: 4

2. The composition of Board is as follows:

i)	Independent Director	Dr. Amjad Aqeel
		Hafiz Muhammad Saad
		Mr. Muhammad Ayub
		Mr. Nauman Shaukat
		Mr. Sarfraz Anwar
ii)	Non-Executive Directors	Mrs. Ayesha Aftab
		Mr. Junaid Ghani
		Mr. Obaid Ghani
		Mr. Jubair Ghani
		Ms. Umair Ghani
		Ms. Zahra Aftab
		Mrs. Maryam Junaid
		Ms. Afifa Anwaar
iii)	Executive Directors	Mr. Aftab Ahmad Khan
iv)	Female Directors	Mrs. Ayesha Aftab
		Ms. Zahra Aftab
		Mrs. Maryam Junaid
		Ms. Afifa Anwaar

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;

4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. The Board has arranged Directors' Training program for the following:

- Mr. Junaid Ghani
- Mr. Jubair Ghani
- Mr. Muhammad Ayub

- Mr. Nauman Shaukat
- Mr. Sarfraz Anwar

Further, SECP approval has been obtained for exemption from training for the following Board member(s):

- Mr. Aftab Ahmad Khan

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

a) Audit Committee

Hafiz Muhammad Saad	Chairman
Mr. Jubair Ghani	Member
Mr. Muhammad Ayub	Member

b) HR and Remuneration Committee

Mr. Nauman Shaukat	Chairman
Mr. Junaid Ghani	Member
Mr. Sarfraz Anwar	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings of the committee was as per following:

a) Audit Committee: 6

b) HR and Remuneration Committee: 2

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.



Obaid Ghani
Chairman

Lahore: **September 21, 2020**

Review Report

To the Members on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") prepared by the Board of Directors of GHANI AUTOMOBILE INDUSTRIES LIMITED for the year ended June 30, 2020 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2020.



HASSAN FAROOQ AND COMPANY

Chartered Accountants

Name of Engagement Partner: Kamran Hassan

Lahore: **September 21, 2020**

Auditors' Report to the Members

To the members of Ghani Automobile Industries Limited Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Ghani Automobile Industries Limited** (the Company), which comprise the statement of financial position as at 30 June 2020, and the statement of profit or loss and statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2020 and of the loss and statement of comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

We draw attention to Note 1.2 in the financial statements, which describes that the Company incurred a net loss of Rupees 32.94 million during the year ended June 30, 2020 and, as at of financial position date cumulative loss of Rupees 341.69 million. As stated, in Note 1.2, These events or conditions, along with other matters as set forth in Note 1.2 that material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

Key Audit Matters	How our audit addressed the key audit matter
1) Valuation of Trade Debts	
Refer notes 3.21, 3.22 and 11 to the financial statements. The Company has a significant balance of trade debts. Provision against doubtful trade debts is based on loss allowance for Expected Credit Loss (ECL). We identified recoverability of trade debts as a key audit matter as it involves significant management judgment in determining the recoverable amount of trade debts.	Our key audit procedures amongst others, included the following: <ul style="list-style-type: none">We obtained an understanding of the management's basis for the determination of the provision required at the year end and the receivables collection process;We assessed the method used by the company for the recognition of the impact of the application of IFRS 9 regarding provision for doubtful debt as allowable under IFRS 9 and assessing the reasonableness of assumptions of ECL; and

	<ul style="list-style-type: none"> We tested the accuracy of the data on a sample basis extracted from the Company's accounting system which has been used to calculate the provision required including the subsequent recoveries.
2) Valuation of stock in trade	
<p>Refer note 3.5, 10, to the financial statements Inventory forms a significant part of the Company's assets comprising 24% of total assets. We identified the valuation of stock in trade as a key audit matter as it directly affects the profitability of the Company.</p>	<p>Our audit procedures to assess the valuation of stock in trade, amongst others, included the following:</p> <ul style="list-style-type: none"> Obtaining an understanding of internal controls over purchases and valuation of stock in trade and testing, on a sample basis, their design, implementation and operating effectiveness; Comparing on a sample basis specific purchases (including those from related party) with underlying supporting documents/agreements, if any Comparing calculations of the allocation of directly attributable costs with the underlying supporting documents; Obtaining an understanding of management's determination of net realizable value (NRV) and the key estimates adopted, including future selling prices, future costs to complete work in progress and costs necessary to make the sales and their basis; and Comparing the NRV, on a sample basis, to the cost of finished goods to assess value of inventory in accordance with applicable accounting and reporting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material

misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Kamran Hassan.



HASSAN FAROOQ AND COMPANY
Chartered Accountants

Name of Engagement Partner: Kamran Hassan
Lahore: September 21, 2020

Ghani Automobile Industries Limited

Statement of Financial Position

AS AT JUNE 30, 2020

	NOTE	June 30, 2020 Rupees	June 30, 2019 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Share Capital			
85,000,000 (2019: 85,000,000) ordinary shares of Rupees.10/- each		850,000,000	850,000,000
Issued, subscribed and paid up share capital		500,288,800	500,288,800
Discount on issue of shares	4	(150,028,880)	(150,028,880)
Accumulated (loss)		(341,698,894)	(292,514,891)
		8,561,026	57,745,029
NON CURRENT LIABILITIES			
Security deposit payable	5	39,500,000	39,500,000
CURRENT LIABILITIES			
Trade and other payables		184,720,893	193,183,024
Unclaimed dividend	6	609,746	609,746
		185,330,639	193,792,770
CONTINGENCIES AND COMMITMENTS		-	-
TOTAL EQUITY AND LIABILITIES		233,391,665	291,037,799
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	8	42,463,061	45,526,323
Security deposits	9	598,700	598,700
		43,061,761	46,125,023
CURRENT ASSETS			
Stores, spares and loose tools		-	699,752
Stock in trade	10	57,941,885	52,233,052
Trade debtors - unsecured but considered good	11	60,853,796	109,263,959
Advances and other receivables	12	4,730,566	23,083,542
Tax Refunds and due from the government	13	61,610,637	56,740,752
Cash and bank balances	14	5,193,020	2,891,719
		190,329,904	244,912,776
TOTAL ASSETS		233,391,665	291,037,799

The annexed notes 1 to 35 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Statement of Profit or Loss

FOR THE YEAR ENDED JUNE 30, 2020

	NOTE	June 30, 2020 Rupees	June 30, 2019 Rupees
Sales	15	70,293,928	148,992,292
Cost of sales	16	(88,193,462)	(168,259,371)
Gross (loss)		(17,899,534)	(19,267,079)
Administrative expenses	17	15,706,163	33,790,412
Distribution and marketing expenses	18	4,364,313	11,999,638
Other expenses	19	-	5,344
Operating (loss)		(20,070,476)	45,795,394
		(37,970,010)	(65,062,473)
Other income	20	6,124,958	44,273,371
(Loss) before interest and tax		(31,845,052)	(20,789,102)
Financial charges	21	(56,362)	(182,227)
(Loss) before taxation		(31,901,414)	(20,971,329)
Taxation			
Current	22	(1,046,795)	(2,776,160)
Deferred		-	-
(Loss) after taxation		(1,046,795)	(2,776,160)
		(32,948,209)	(23,747,489)
(Loss) per share - Basic and diluted	23	(0.66)	(0.47)

The annexed notes 1 to 35 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Statement of Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2020

June 30, 2020 Rupees	June 30, 2019 Rupees
(32,948,209)	(23,747,489)
-	-
(32,948,209)	(23,747,489)

(Loss) for the period

Other comprehensive income

Total comprehensive (loss) for the period

The annexed notes 1 to 35 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Statement of Cash Flows

FOR THE YEAR ENDED JUNE 30, 2020

	June 30, 2020 Rupees	June 30, 2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) for the year before tax	(31,901,414)	(20,971,329)
Adjustment for :		
Depreciation	3,063,263	3,424,721
Loss on sale of fixed assets	-	5,344
Provision for doubtful debts	(16,235,795)	14,966,343
Trade creditors written back	(93,935)	(34,584,310)
Financial charges	56,362	182,227
Operating (loss) before working capital changes	(45,111,519)	(36,977,004)
(Increase) / decrease in current assets		
Store, spares and loose tools	699,752	112,168
Stock in trade	(5,708,833)	22,110,607
Trade debtors	48,410,242	21,970,348
Advances and other receivables	18,352,976	(10,499,251)
Sales tax refundable	(3,113,011)	1,488,749
	58,641,126	35,182,621
(Decrease)/Increase in current liabilities		
Trade and other payables	(8,368,276)	4,492,787
Operating (loss) after working capital changes	5,161,331	2,698,404
Financial charges paid	(56,362)	(182,227)
Taxes paid	(2,803,669)	(2,956,980)
	(2,860,030)	(3,139,207)
NET CASH GENERATED/(USED IN) FROM OPERATING ACTIVITIES	2,301,301	(440,803)
CASH FLOW FROM INVESTING ACTIVITIES		
Sale proceeds from asset disposed off	-	60,000
NET CASH GENERATED FROM INVESTING ACTIVITIES	-	60,000
CASH FLOW FROM FINANCING ACTIVITIES		
Right issue subscriptions received	-	259,920
NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES	-	259,920
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	2,301,301	(120,884)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,891,719	3,012,603
CASH AND CASH EQUIVALENTS AT YEAR END	5,193,020	2,891,719

The annexed notes 1 to 35 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Statement of Changes in Equity

FOR THE YEAR ENDED JUNE 30, 2020

	Share Capital	Discount on Right Shares	Accumulated losses	Total
	----- Rupees -----			
Balance as at July 01, 2018	500,000,000	(150,000,000)	(268,767,402)	81,232,598
Total comprehensive profit for the period				
Right shares issued during the year	288,800	-	-	288,800
Discount on right shares issued during the year	-	(28,880)	-	(28,880)
Total comprehensive (loss) for the period				
(Loss) for the period			(23,747,489)	(23,747,489)
Other comprehensive income			-	-
			(23,747,489)	(23,747,489)
Balance as at June 30, 2019	500,288,800	(150,028,880)	(292,514,891)	57,745,029
Effect of initial application of IFRS-9	-	-	(16,235,795)	(16,235,795)
	500,288,800	(150,028,880)	(308,750,686)	41,509,234
Total comprehensive (loss) for the period				
(Loss) for the period			(32,948,209)	(32,948,209)
Other comprehensive income			-	-
			(32,948,209)	(32,948,209)
Balance as at June 30, 2020	500,288,800	(150,028,880)	(341,698,894)	8,561,026

The annexed notes 1 to 35 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Notes to the Financial Statements

FOR THE YEAR ENDED JUNE 30, 2020

1. GENERAL INFORMATION

1.1 The company is a public listed company incorporated in Pakistan under the Companies Ordinance, 1984 (now Companies Act, 2017) 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

Head office

49 KM Multan Road Bhai Pheru

Production plant

1.2 Material Uncertainty related to Going Concern

The Company has suffered financial and operational difficulties in current year. These financial and operational difficulties resulted as under:

The Company suffered gross loss of Rupees 17.89 million and net loss of Rupees 32.94 million in current year and as at statement of financial position date the accumulated loss is Rupees 341.69 million (2019 : Rupees 292.514 million).

Company is facing financial difficulties due to prevailing financial crises in the country and non recovery from the debtors

The financial statements have been prepared on a going concern basis as the management is satisfied that company has-

- the continuing financial support from the directors and related group companies to procure necessary finance and support for a period of not less than twelve months from the end of the reporting period.
- The Board of Directors have considered the merger of the Company with and into Ghani Value Glass Limited in a meeting held on 16 January 2020 and have accorded their consent to initiate the steps necessary for the said merger. Scheme of merger and approvals from relevant authorities are pending and due to this fact, these financial statement are prepared on historical cost conviction. Accordingly, there is a impact of 253.334 million if the financial statements are prepared on alternate basis i-e Net reliazable value.

Description	Carrying Value	Present Assessed Market Value	Increase/(Decrease)
Property Plant, & Equipment	40,265,849	293,600,000	253,334,152

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provision of and directives issued under the Companies Act, 2017.

Where provision of and directives issued under the Companies Act, 2017 differ from the IFRS, the provision of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention except for certain financial instruments, which are carried at fair values.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the functional and presentation currency of the Company.

2.4 Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions and judgements are continually evaluated and are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are as follows:

- Useful lives of property, plant and equipments and depreciation (note 3.2)
- Taxation (note 3.11)
- provisions for slow moving and obsolete stores, spares and loose tools and stock in trade (note 3.4 & 3.5)

2.5 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the company's financial statements covering annual periods, beginning on or after the following dates:

2.5.1 Standards, amendments and interpretations to approved accounting standards that are effective in current year.

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

New Standards, interpretations and Amendments

The Company has adopted the following accounting standards and the amendments and interpretation of IFRSs which became effective for the current period:

Standard or interpretation

IFRS 16	Leases
IFRIC 23	Uncertainty over income Tax Treatments
IAS 19	Plan Amendment, Curtailment or Settlement (Amendments)
IAS 28	investment in associates and Joint ventures : Long term interest in Associates and Joint ventures (Amendments)
IFRS 4	insurance Contracts : Applying IFRS 9 Financial instruments with IFRS 4 insurance Contracts - (Amendments)

Besides this, the Company has also adopted Annual improvements to IFRS Standards 2015-2017 Cycle.

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any material impact on the financial statements.

2.5.2 Changes in accounting policies and disclosures

New and amended standards and interpretations

2.5.2.1 IFRS 16 Leases

During the current period, the Company have adopted IFRS 16 as issued by the international Standards Board (IASB) in January 2016.

IFRS 16 supersedes IAS 17 Leases, IFRIC 4- Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-incentives and SIC-27 Evaluating the Substance of Transactions involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating leases using similar principles as in IAS 17. Therefore IFRS 16 did not have an impact for leases where the Group is the lessor.

The Company currently does not have entered into any long term or short term lease contract as at initial application and till period end, thus, this standard does not have any material impact on the company's financial statements in the period of initial application.

2.5.3 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company.

The following standards, amendments and, interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretation:

Standard or Interpretation		Effective date (Annual period Beginning on or after)
IFRS 14	Regulatory Deferral Accounts	01 January 2019
IFRS 7 & 9	Financial instruments - Amendments regarding pre-replacement issues in the context of the interest rate bench mark reform (IBOR)	01 January 2020
IFRS 10	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an investor and his Associates and Joint Venture (Amendment)	Not yet finalized
IAS 1	Presentation of Financial Statements - (Amendments)	01 January 2020
IAS 1	Classification of Liabilities as Current or Non-current (Amendments to IAS1)	01 January 2022
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors- (Amendments)	01 January 2020
IFRS 3	Definition of Business (Amendments)	01 January 2020

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Accounting

These financial statements have been prepared under the accrual basis of Accounting.

3.2 Property, Plant and Equipments

Property, plant and equipment except for free hold land and capital work in progress which are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Depreciation is charged on reducing balance method over the useful life of the assets at the rates mentioned in Note 8 to these financial statements.

Subsequent costs including major renewals and improvements are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised at the time of replacement. Normal repair and maintenance and day-to-day servicing are charged to the profit or loss account as and when incurred.

Depreciation on addition is charged from the month in which asset become available for use, while no depreciation is charged in the month of disposal.

Where major components of an item of property, plant and equipment have different useful lives, they are accounted for in the books of account as separate items of property, plant and equipment.

The depreciation methods, useful lives and residual values of items of property, plant and equipment are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change or adjustment in depreciation method, useful lives and residual values is accounted for as a change in accounting estimate under IAS 8, 'Accounting policies, changes in accounting estimates and errors' and is applied prospectively in the financial statements by adjusting the depreciation charge for the period in which the amendment or change has been made and for future periods.

Disposal of an item of property, plant and equipment is recognised when significant risk and rewards, incidental to the ownership of that asset, have been transferred to the buyer. Gains and losses on disposals are determined by comparing the carrying amount of that asset with the sales proceeds and are recognised within 'other income / other operating expenses' in the profit or loss account.

3.3 Impairment of Assets

3.3.1 Financial assets

The Company assesses at each reporting date whether there is any objective evidence or indication that financial asset or group of financial assets is impaired. A financial asset or a group of financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (incurred a loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial asset that can be reliably estimated. If any such indication exists, the management estimates the recoverable amount of the asset. Impairment loss is recognized for the amount by which the carrying value of asset exceeds the recoverable amount. Any impairment losses on financial asset including financial assets carried at amortized cost are recognized in statement of profit or loss.

3.3.2 Non-financial assets

The carrying value of non-financial assets other than inventories and deferred tax assets are assessed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the management estimates the recoverable amount of the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

3.4 Stores, Spares and Loose Tools

These are valued at lower of cost and net realizable value. Cost is determined at moving average, except items in transit, which are valued at cost comprising invoice value and charges incurred thereon. Provision for obsolete and slow moving stores, spare parts and loose tools is determined based on management's estimate regarding their future usability.

3.5 Stock in Trade

Raw materials are valued at the lower of weighted average cost and net realizable value except for items in transit which are stated at cost incurred to date. Cost comprises of all cost of procurement, cost of conversion and other cost incurred in bringing the inventories to present location and condition.

Work in process and finished goods are valued at lower of cost (calculated on weighted average basis) and net realizable value. Cost in relation to work in progress and finished goods, represents direct cost of materials direct wages, and an appropriate portion of production overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less cost of completion and the costs necessary to be incurred in order to make a sale. Provision is made in the financial statements for obsolete and slow moving stock in trade based on management's estimate regarding their future usability.

3.6 Trade Debts

Trade debts originated by the Company are recognized and carried at original invoice amount less provision for doubtful debts. An estimated provision is made when collection of the full amount no longer receivable. Bad debts are written off as and when identified.

3.7 Revenue from contracts with customers

a). Sales of goods

Revenue is recognized at a point in time when goods are delivered to customers and bill of lading is prepared for local sales and exports sales respectively. It is the time when control relating to ownership of goods is transferred to the buyer.

b). Rendering of services

Revenue is recognized at a point in time when services are rendered to customers.

Company provides coupon to the dealers related to service costing fifty Rupees each bike neither company has performance obligation nor dealer has the right to claim so performance obligation related to service coupon is recognized revenue on sale of bike to the dealer

3.8 Advances, deposits and other receivables

Advances are recognised at cost, which is the fair value of the consideration given. An assessment is made at each reporting date to determine whether there is an indication that assets may be impaired. If such indication exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognised for the difference between the recoverable amount.

Other receivable are recognised and carried at cost which is the fair value of the consideration to be received in the future for goods and services.

3.9 Related Party Transactions

All transaction with related parties and associated undertakings are entered into at normal commercial terms as mutually agreed between the parties.

3.10 Staff Retirement Benefits

The Company operates an approved contributory provident fund scheme for all its permanent eligible employees. Contributions are made equally by the Company and its employees at the rate of 8.33% of gross salary. Employee retirement benefits are payable to eligible employees on completion of the prescribed qualifying period of service under these funds. Obligation for contributions to the fund are recognized as an expense in the statement of profit or loss when they are due.

3.11 Taxation

Current

Provision for the current tax is based on the taxable income for the period determined in accordance with the provisions of the income Tax Ordinance, 2001. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the taxable profit for the period if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the period for such years.

Deferred

Deferred tax is provided in full using the balance sheet method on all temporary differences arising at the reporting date, between the tax bases of the assets and the liabilities and their carrying amounts' Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which these can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the periods when the differences will reverse, based on tax rates that have been enacted or substantially enacted by the reporting date.

3.12 Foreign Currencies

Transactions in foreign currencies are accounted for in Pak Rupees at the rates of exchange ruling at the date of transactions. Assets and liabilities in foreign currencies except for foreign currency balance covered by forward exchange risk cover are translated into Pak Rupee at the exchange rates prevailing at the balance sheet date. Foreign currency balance covered by forward exchange risk cover is converted at Contracted rates. Any exchange gain/ loss is charged to current year's income.

3.13 Financial Instruments

Financial instruments: assets

i). Classification and measurement

Financial instruments are initially recognised when an entity becomes a party to the contractual provisions of the instrument and are classified into various categories depending upon the type of instrument, which then determines the subsequent measurement of the instrument.

Financial assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within the business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTOCI

A debt instrument is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income. This election is made on an investment by investment basis.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at fair value through profit or loss

A financial asset is mandatorily classified in this category if it is acquired principally for the purpose of selling in the short term, or if it fails test. Derivatives are classified as FVTPL as they do not meet the SPPI criteria.

A financial asset can be classified in this category by choice if so designated by management at inception. This designation is because the relevant assets and liabilities (including derivatives) are managed together and internal reporting is evaluated on a fair value basis.

The Company defines fair value as the price, as at the measurement date, that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.

Financial assets at fair value through other comprehensive income

ii). initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction cost that are directly attributable to the acquisition of financial assets.

iii). Subsequent valuation

Gains and losses arising from changes in the fair value of assets classified as fair value through profit or loss are included in the statement of profit or loss in the period in which they arise.

Gains and losses arising from changes in the fair value of debt instruments classified as fair value through other Comprehensive income are recognised as other comprehensive income until the financial asset is derecognised or impaired, at which time the cumulative gain or loss previously recognised as other comprehensive income is recognised in the statement of profit or loss. Any premium or discount paid on the purchase of securities held at amortized cost is amortized through the statement of profit or loss using the effective interest rate method.

The fair values of quoted investments in active markets are based on current bid prices. In other cases, the company establishes fair value by using appropriate valuation techniques.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Company has either transferred substantially all of the risks and rewards of ownership or the Company deems that it no longer retains control of the risks and rewards of ownership.

iv). impairment of financial assets

The company assesses impairment on all of the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments measured at amortized cost or FVTOCI; and loans and receivables commitments and financial guarantee contracts issued.

No impairment loss is recognised on equity investments. The Company recognizes allowance for ECL at an amount equal to 12 month Expected Credit Loss (ECL) or lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, whereas 12 month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date.

Financial instruments: liabilities

i). initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities mainly include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

ii). Subsequent measurement

Financial liabilities are subsequently measured at amortized cost.

iii). Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.14 Borrowing Cost

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any are capitalised as part of the cost of the relevant asset.

3.15 Off Setting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are off set and the net amount is reported in the financial statements when there is a legally enforceable right to off set the recognised amounts and the Company intends either to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Corresponding income on the asset and change in the liability is also off-set accordingly.

3.16 Segment Reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment.

3.17 Cash and Cash Equivalents

Cash and cash equivalents are carried at cost and are defined as cash in hand and cash at bank. For the purpose of cashflow statement cash and cash equivalents comprise of cash in hand, cash at banks and term deposit receipts less than or equal to three months.

3.18 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the outflow can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.19 Trade and Other Payables

Liabilities for trade and other payables are carried at cost, which is the fair value of consideration to be paid in future for goods and services received, whether or not billed to the Company.

3.20 Earnings Per Share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.21 Dividend and appropriation to reserves

Dividend distributions to the Company's shareholders is recognised as a liability in the period in which dividends approved. Transfer between reserves made subsequent to the reporting date is considered as non-adjusting event and is recognised in the financial statements in the period in which such transfers are made.

3.22 Allowance for expected credit losses (ECL)

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. For the debts' the Company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The company has established a provision matrix that is based on the company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

3.23 Trade debts

Trade debts are initially measured at their transaction price under IFRS 15 and subsequently measured at amortized cost less any allowance for expected credit losses (ECL).

3.24 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized. Contract liabilities are recognized as revenue when the Company performs under the contract.

3.25 Provision for Taxation

The Company takes into account relevant provisions of the current income tax laws while providing for current and deferred taxes.

4. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

June 30, 2020	June 30, 2019		June 30, 2020	June 30, 2019
Number of Shares		NOTE	Rupees	Rupees
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 issued to supplier of Machinery in consideration of other than cash	2,500,000	2,500,000
500,000	500,000	Ordinary shares of Rs. 10 each issued as bonus shares	5,000,000	5,000,000
30,028,880	30,028,880	Ordinary shares of Rs. 10 each fully paid in cash at discount	300,288,800	300,288,800
50,028,880	50,028,880		500,288,800	500,288,800

5. SECURITY DEPOSIT PAYABLE

This represent security deposit received from dealer. The company has the right to use these deposit as per agreement with the dealer and deposit carry no interest. All the fund has been utilized for the purpose of the business.

6. TRADE AND OTHER PAYABLES

	NOTE	June 30, 2020	June 30, 2019
		Rupees	Rupees
Creditors		150,259,005	161,190,663
Advances from customers		3,256,700	2,173,638
Accrued expenses and other liabilities	6.1	27,941,165	29,613,238
Income tax deducted at source		3,264,023	205,485
		184,720,893	193,183,024
6.1 Accrued and Other Liabilities			
Salaries and wages		27,222,872	28,882,973
Auditor's remuneration		547,000	360,000
Utility expenses		171,293	370,265
		27,941,165	29,613,238

7. CONTINGENCIES AND COMMITMENTS

Contingencies

- 7.1** There is a contingent liability of Rupees. 1,727,290/- (2019: Rupees. 1,727,290/-) in respect of income tax for assessment up to assessment year 2001-2002 against order under section 50, 53 and 80 D of repealed Income Tax Ordinance, 1979. The company has filed the appeals to ITAT and CIT against above orders in year 2007, subsequently no further notice has been received till June 30, 2020.
- 7.2** The Punjab Employees Social Security Institution has raised a demand of Rupees. 2,245,057/- (2019: Rupees. 2,245,057/-) as less payment of contribution for the period from 1989 to 1995. The company has not acknowledged this demand and filed appeal under section 57 of the Social Security Ordinance, 1965. After remand of the case by Labour Court, appeal was made in year 2007 and under process with Additional Commissioner, Punjab Employees Social Security Institute, subsequently no further notice has been received till June 30, 2020 for demand of Rupees. 2,245,057/- .
- 7.3** Habib Bank Limited has given a guarantee of Rupees. 729,000/- (2019: Rupees. 729,000/-) in favour of Water and Power Development Authority (WAPDA) on behalf of Ghani Automobile Industries Limited to furnish guarantee for payment of dues against electricity sales to the Company.
- 7.4** Habib Metropolitan Bank Limited has given a guarantee of Rupees.1,200,000/- (2019: Rupees. 1,200,000/-) in favour of Sui Northern Gas Pipeline Limited (SNGPL) on behalf of Ghani Automobile Industries Limited in accordance with contract no. LSO/GAIL -7989 (GI) Dated March 26, 2007 to furnish guarantee for payment of dues against gas sales to the Company.

Commitments

- 7.5** The Company has commitment of Rupees : Nil in respect of raw material as at June 30, 2020. (2019: Rupees 1,378,330/-).

	June 30, 2020	June 30, 2019
	Rupees	Rupees
8.1	42,463,061	45,526,323

NOTE

8. Property, plant and equipments

Operating assets

8.1 Reconciliation of carrying amounts at the beginning and end of the year is as follows:

	Owned							Grand Total		
	Freehold Land	Building on Freehold Land	Plant & Machinery	Furniture & Fixtures	Loose Tools	Electrical Equipment	Electrical Installation		Computers	Vehicles
At June 30, 2018										
Cost	15,017,180	61,049,300	13,129,519	1,451,511	1,561,576	1,031,983	1,897,080	852,586	2,786,889	98,777,624
Accumulated depreciation	-	(34,114,905)	(8,892,717)	(1,122,798)	(988,241)	(774,018)	(973,398)	(811,621)	(2,083,538)	(49,761,236)
Written down value	15,017,180	26,934,395	4,236,802	328,713	573,335	257,965	923,682	40,965	703,351	49,016,388
Year ended June 30, 2019										
Opening net book value	15,017,180	26,934,394	4,236,802	328,714	573,335	257,965	923,682	40,965	703,351	49,016,388
Additions	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-	-	(85,000)
Accumulated dep	-	-	-	-	-	-	-	-	-	19,656
	-	-	-	-	-	-	-	-	-	(65,344)
Depreciation	-	(2,693,439)	(423,680)	(32,871)	(57,333)	(25,797)	(46,184)	(12,290)	(133,126)	(3,424,721)
Closing net book value	15,017,180	24,240,955	3,813,122	295,842	516,001	232,169	877,498	28,676	504,881	45,526,323
At June 30, 2019										
Cost	15,017,180	61,049,300	13,129,519	1,451,511	1,561,576	1,031,983	1,897,080	852,586	2,701,889	98,692,624
Accumulated depreciation	-	(36,808,345)	(9,316,397)	(1,155,669)	(1,045,575)	(799,814)	(1,019,582)	(823,910)	(2,197,008)	(53,166,300)
Written down value	15,017,180	24,240,955	3,813,122	295,842	516,001	232,169	877,498	28,676	504,881	45,526,323
Year ended June 30, 2020										
Opening net book value	15,017,180	24,240,955	3,813,122	295,842	516,001	232,169	877,498	28,676	504,881	45,526,323
Additions	-	(2,424,095)	(381,312)	(29,584)	(51,600)	(23,217)	(43,875)	(8,603)	(100,976)	(3,063,263)
Depreciation	-	2,181,659	3,431,810	266,258	464,401	208,952	833,623	20,073	403,905	42,463,061
Closing net book value	15,017,180	21,816,859	3,431,810	266,258	464,401	208,952	833,623	20,073	403,905	42,463,061
At June 30, 2020										
Cost	15,017,180	61,049,300	13,129,519	1,451,511	1,561,576	1,031,983	1,897,080	852,586	2,701,889	98,692,624
Accumulated depreciation	-	(39,232,441)	(9,697,709)	(1,185,253)	(1,097,175)	(823,031)	(1,063,457)	(832,513)	(2,297,984)	(56,229,563)
Written down value	15,017,180	21,816,859	3,431,810	266,258	464,401	208,952	833,623	20,073	403,905	42,463,061
Rate (%)	0%	10%	10%	10%	10%	10%	5%	30%	20%	

8.1.1 Depreciation charge for the year has been allocated as under :

	June 30, 2020	June 30, 2019
	Rupees	Rupees
Cost of goods sold	3,032,630	3,390,474
Distribution and marketing expenses	30,633	34,247
	3,063,263	3,424,721

	NOTE	June 30, 2020 Rupees	June 30, 2019 Rupees
9. SECURITY DEPOSITS			
Against;			
Utilities and security deposits against rental property.	9.1	598,700	598,700
9.1 It includes 20% (2019: 20%) cash margin against local guarantee provided to Sui Northern Gas Limited and already mentioned in note 7.2 of contingent liabilities.			
10. STOCK IN TRADE			
Raw material		35,371,596	30,456,897
Work in process		9,723,359	5,377,890
Finished stock		12,846,930	16,398,265
		57,941,885	52,233,052
11. TRADE DEBTORS			
Trade debtors - unsecured but considered good-Gross		92,055,934	124,230,302
Effect of initial application of IFRS-9		(16,235,795)	-
Provision for doubtful debts		(14,966,343)	(14,966,343)
	11.1	60,853,796	109,263,959
11.1 This represents trade debtors secured against properties.			
12. ADVANCES AND OTHER RECEIVABLES			
Considered good			
Advances:			
Employees	12.1	175,797	106,246
Suppliers	12.2	4,554,769	5,301,506
Letters of credit		-	17,675,790
		4,730,566	23,083,542
12.1 These represent interest free loans and advances provided to employees for personal use as per the terms of employment. These advances are secured against staff provident fund balance.			
12.2 This represents amount advanced to suppliers for supply of raw material.			
13. TAX REFUNDS AND DUE FROM THE GOVERNMENT			
Advance income tax-net		23,145,875	21,389,001
Sales tax refundable		38,464,762	35,351,751
		61,610,637	56,740,752
14. CASH AND BANK BALANCES			
Cash in hand		81,689	217,382
Cash at bank			
- in current accounts	14.2	1,835,758	987,702
- in saving account	14.1	3,275,573	1,686,635
		5,193,020	2,891,719
14.1 Profit rate on bank deposits ranges from 6% to 11% per annum (2018: 8% to 12.25% per annum).The deposits account is placed with bank under Islamic mode.			
14.2 Balance with bank includes Rupees 729,000 (2019: 729,000) in respect of margin paid against bank guarantee in favour of Water and Power Development Authority (WAPDA).			
15. SALES			
Local sales		85,705,904	179,604,935
Less: Sales return		(2,393,655)	(1,107,067)
		83,312,249	178,497,868
Less: Sales tax		(13,018,321)	(29,505,576)
		70,293,928	148,992,292

	NOTE	June 30, 2020 Rupees	June 30, 2019 Rupees
16. COST OF SALES			
Raw material consumed	16.1	74,437,259	142,676,771
Salaries, wages and benefits	16.2	6,638,293	14,203,140
Store consumed		699,752	180,555
Fuel and power		3,586,980	3,991,642
Repair and maintenance		25,186	137,296
Travelling and vehicle running		100,408	302,050
Entertainment		109,798	306,785
Communications and stationery		232,869	351,218
Freight and handling		37,032	88,940
Rent, rates and taxes		41,223	34,704
Depreciation	8.1.1	3,032,630	3,390,474
Other expenses		46,166	515,279
		88,987,596	166,178,854
Work in process			
Opening stock		5,377,890	5,378,788
Closing stock		(9,723,359)	(5,377,890)
		(4,345,469)	898
Cost of goods manufactured		84,642,127	166,179,752
Finished Stock			
Opening stock		16,398,265	18,477,884
Closing stock		(12,846,930)	(16,398,265)
		3,551,335	2,079,619
Cost of sales		88,193,462	168,259,371
16.1 Raw Material Consumed			
Opening balance		30,456,897	50,486,987
Purchases		79,351,958	122,646,681
		109,808,855	173,133,668
Closing stock		(35,371,596)	(30,456,897)
		74,437,259	142,676,771
16.2		This includes Rupees.288,357 (2019: Rupees 830,187) in respect of the retirement benefits.	
17. ADMINISTRATIVE EXPENSES			
Directors remuneration		12,000,000	12,000,000
Staff salaries benefits	17.1	1,427,550	2,177,990
Travelling and vehicle running		16,022	327,632
Entertainment		791,999	901,205
Communications and stationery		305,172	724,253
Auditor's remuneration	17.2	642,000	468,060
Rent, rates and taxes		123,420	18,421
Fee and subscription		355,000	1,961,563
Miscellaneous expenses		45,000	244,945
Provision for bad debts		-	14,966,343
		15,706,163	33,790,412
17.1		This includes Rupees.117,360 (2019: Rupees 152,196) in respect of the retirement benefits.	
17.2 Auditor's remuneration		June 30, 2020 Rupees	June 30, 2019 Rupees
Audit fee:			
Annual		396,000	360,000
Nine Month		151,000	-
Half Yearly Review fee		75,000	76,560
Other Certification		20,000	31,500
		642,000	468,060
18. DISTRIBUTION AND MARKETING EXPENSES			
Salaries, wages and benefits	18.1	2,094,843	4,914,631
Travelling and vehicle running		433,459	2,158,484
Entertainment		22,410	315,523
Advertising and sales promotion		345,070	1,286,733
Rent, rates and taxes		-	115,005
Communications and stationery		148,743	235,311
Freight and handling		1,273,170	2,880,318
Depreciation	8.1.1	30,633	34,247
Other expenses		15,985	59,386
		4,364,313	11,999,638
18.1		This includes Rupees.152,314 (2019: Rupees 242,531) for staff in respect of the retirement benefits.	

19. OTHER EXPENSES	NOTE	June 30, 2020 Rupees	June 30, 2019 Rupees
Loss on disposal of fixed assets		-	5,344
		-	5,344
20. OTHER INCOME			
Income from financial assets			
Profit on bank deposits		102,436	119,457
Income from non-financial assets			
Other income		5,219,957	5,992,399
Sale of spare parts		708,630	728,555
Scrap sales		-	2,848,650
Trade creditors written back		93,935	34,584,310
		6,124,958	44,273,371
21. FINANCIAL CHARGES			
Bank charges		56,362	182,227
		56,362	182,227
22. TAXATION			
Current			
For the year		1,054,409	1,982,024
Prior year		(7,614)	794,136
Deferred tax	22.1	-	-
		1,046,795	2,776,160

22.1 The carry forward tax losses and tax credit of the company have been resulted in deferred tax asset of Rupees. 61.040 millions (2019: Rupees. 50.09/- millions) , However deferred tax asset has not been accounted for in these financial statements being prudent.

23. (LOSS) PER SHARE - Basic and Diluted	June 30, 2020 Rupees	June 30, 2019 Rupees
Basic and diluted earnings per share are same because the Company has not issued any convertible bonds, convertible preferences shares, options, warrants or employee share options. Thus, earnings per share of the Company are as follows:		
(Loss) after tax - Rupees	(32,948,209)	(23,747,489)
Weighted average number of shares - Number	50,028,880	50,028,880
(Loss) per share - Rupees	(0.66)	(0.47)

24. REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES	
	2020	2019	2020	2019	2020	2019
	-----Rupees-----					
Basic	7,200,000	7,200,000	-	-	-	-
House rent	3,240,000	3,240,000	-	-	-	-
Utility allowance	720,000	720,000	-	-	-	-
Others	840,000	840,000	-	-	-	-
Total	12,000,000	12,000,000	-	-	-	-
Numbers	01	01	0	0	0	0

25. TRANSACTION WITH RELATED PARTIES

The related parties comprise associated companies, staff retirement funds, directors and other key management personnel. The Company in the normal course of business carries out transactions with various related parties. The Company enters into transactions with related parties on the basis of mutually agreed terms. Significant balances and transactions with related parties are as follows:

Name of related party	Basis of relationship
Ghani Glass Limited	Common Directorship
Ghani Value Glass Limited	Common Directorship
Ghani Group Services Limited	Common Directorship
Ghani Foundation Trust	Common Directorship

Name of the related party	Relationship	Nature and Description of related party transaction	30-Jun-19	30-Jun-20
Employees Fund	Retirement Benefits	Expense in relation to provident fund	1,224,914	558,031
Ghani Glass	Common Directorship	Sale of Bike	-	147,000
Ghani Ceramics Limited	Common Directorship	Sale of Bike	47,000	59,500
There are no transaction with key management personal other than under the term of employment or otherwise disclosed elsewhere in these Financial Statement.				
			2020	2019
			Units	Units

26. CAPACITY AND UTILIZATION

Total Installed Capacity	25,000	25,000
Available Installed Capacity	25,000	25,000
Actual production	1,782	4,274

Reason For Shortfall

Actual production is lower than the maximum production capacity due to low market demand and energy crisis in the country.

27. NUMBER OF EMPLOYEES

	June 30, 2020	June 30, 2019
Number of employees at year end.	35	42
Average number of employees	35	68

28. PROVIDENT FUND RELATED DISCLOSURES

The company operates an approved funded contributory provident fund scheme for all its permanent and eligible employees. The following information is based on unaudited financial statements of provident fund for the year ended 30 June 2020.

	June 30, 2020 Rupees	June 30, 2019 Rupees
Size of the fund - Total assets	1,261,238	2,151,098
Cost of investments made	133,878	1,034,028
Percentage of investment made	11%	48%
Fair value of investment	133,878	1,034,028

28.1 The break-up of fair value of investments is:

	2020		2019	
	Rupees	%	Rupees	%
Bank account	133,878	100%	1,034,028	100%

These figures are based on the un-audited financial statements of the Provident Fund. Investments out of Provident Fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purposes.

29. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company finances its operations through the mix of equity, debt and working capital management with a view to maintain an appropriate mix between various sources of finance to minimize risk. The overall risk management is carried out by the finance department under the oversight of Board of Directors in line with the policies approved by the Board.

29.1 Categories of financial assets and liabilities

a). Financial assets as per statement of Financial Position

Security deposits	-	598,700	598,700
Trade debtors	-	60,853,796	60,853,796
Advances to Employee	-	175,797	175,797
Cash and bank balances	5,193,020	-	5,193,020
Security deposit payable	-	39,500,000	39,500,000
	5,193,020	101,128,293	106,321,313

30 June 2020		
Cash and Cash equivalent	At amortized cost	Total
-----Rupees-----		

	-	598,700	598,700
	-	60,853,796	60,853,796
	-	175,797	175,797
	5,193,020	-	5,193,020
	-	39,500,000	39,500,000
	5,193,020	101,128,293	106,321,313

Financial assets as per statement of Financial Position

Security deposits	-	598,700	598,700
Trade debtors	-	109,263,959	109,263,959
Advances to Employee	-	106,246	106,246
Cash and bank balances	2,891,719	-	2,891,719
Security deposit payable	-	39,500,000	39,500,000
	2,891,719	149,468,905	152,360,624

30 June 2019		
Cash and Cash equivalent	At amortized cost	Total
-----Rupees-----		

b). Financial liabilities as per statement of Financial Position

Trade and other payables	178,200,170	190,803,901
Unclaimed Dividend	609,746	609,746
	178,809,916	191,413,647

30 June 2020		30 June 2019
At amortized cost	At amortized cost	
Rupees		
178,200,170	190,803,901	
609,746	609,746	
178,809,916	191,413,647	

29.2 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk and
- Market risk (including foreign exchange risk, interest rate risk and price risk)

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's overall risk management programs focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. Risk management is carried out by a treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks. The Board provides written principles for overall risk management, as well as, written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investment of excess liquidity.

a) Credit Risk

Credit risk represents the financial loss that would be recognized at the reporting date if counter party fail completely to perform as contracted / fail to discharge an obligation / commitment that it has entered into with the company. It arises principally from trade debtors, bank balances, security deposits, advances and other receivables.

The carrying amount of the financial assets represents the maximum credit exposure before credit enhancements. The financial assets exposed to credit risk amounted to Rupees 66,739,624/- (2019:Rupees 112,643,242/-) as at June 30, 2020.and are as follows::

	June 30 ,2020 Rupees	June 30, 2019 Rupees
Security deposits	598,700	598,700
Trade debtors	60,853,796	109,263,959
Advances and other receivables	175,797	106,246
Bank balances	5,111,331	2,674,337
	66,739,624	112,643,242

Trade Debtors

The company has not publicized any credit terms for trading on credit. For the purpose of provision of credit the management monitors the credit exposure towards the customers taking into account the customer's financial position, past experience and other factors. The company initiates recovery process through marketing department personnel after a reasonable credit period has expired.

The maximum exposure to credit risk before credit enhancements for trade debts at the reporting date is as follow:

	June 30, 2020 Rupees	June 30, 2019 Rupees
The aging of trade debtors at balance sheet date is		
Past due 1 - 30 days	5,432,655	6,502,804
Past due 30 - 180 days	29,077,649	7,560,573
Past due 180 days	26,343,492	95,200,577
	60,853,796	109,263,954

Security deposits

The company has provided security deposits as per the contractual terms with counter parties as security and does not expect material loss against those deposits.

Bank balances

The company kept its surplus funds with banks having good credit rating as follows:

Banks	Rating		
	Short term	Long term	Agency
Conventional			
Bank Al-Falah Limited	A-1+	AA+	PACRA
Allied Bank Limited	A-1+	AAA	PACRA
Faysal Bank Limited	A-1+	AA+	PACRA
Soneri Bank Limited	A-1+	AA-	PACRA
Habib Bank Limited	A-1+	AAA	PACRA
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA
Shariah Compliant			
Al-Baraka Islamic Bank Limited	A-1	A	PACRA
MCB Islamic Bank Limited	A-1	A	PACRA
UBL Ameen Bank	A-1+	AAA	JCR-VIS
Bank Al Habib Islamic Limited	A-1+	AA+	PACRA
Bank Of Punjab Taqwa	A-1+	AA	PACRA
Meezan Bank Limited	A-1+	AA	JCR-VIS

Concentration of Credit Risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The company believes that it is not exposed to major concentration of credit risk.

b) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to manage liquidity is to maintain sufficient level of liquidity of the Company on the basis of expected cash flows, requirements of holding highly liquid assets and maintaining adequate reserve borrowing facilities to cover liquidity risk. This includes maintenance of balance sheet liquidity ratios through working capital management. Following are the contractual maturities of financial liabilities including interest payments as at June 30, 2020 and June 30, 2019;

June 30, 2020					
Carrying amount	Contractual Cash flows	Six months or less	Six to twelve months	Two to five years	
-----Rupees-----					
Financial liabilities:					
Security deposit payable	39,500,000	39,500,000	-		39,500,000
Trade and other payables	184,720,893	184,720,893	31,205,188	153,515,705	-
Unclaimed dividend	609,746	609,746	609,746	-	-
	224,830,639	224,830,639	31,814,934	153,515,705	39,500,000

June 30, 2019					
Carrying amount	Contractual Cash flows	Six months or less	Six to twelve months	Two to five years	
-----Rupees-----					
Financial liabilities:					
Security deposit payable	39,500,000	39,500,000	-		39,500,000
Trade and other payables	193,183,024	193,183,024	29,818,723	163,364,301	-
Unclaimed dividend	609,746	609,746	609,746	-	-
	233,292,770	233,292,770	30,428,469	163,364,301	39,500,000

The Company has liquid assets of Rupees 144.17 million- (2019: Rupees 174 million).

c) Market Risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of holdings of financial instruments. The objective of market risk management is to manage control market risk exposures within acceptable parameters, while optimizing the return.

- Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. The Company is not exposed to any significant currency risk.

Sensitivity analysis

The Company is exposed to interest rate risk on balances with banks in saving deposits accounts. Deposits in bank savings accounts held at variable interest rate expose the Company to cash flow interest rate risk. The significant interest rate risk exposures are primarily managed by a suitable mix of deposits at June 30,2020, the Company's interest bearing financial assets amounted to Rupees 3,275,573/- (2019: Rupees 1,686,635/-) held in saving bank accounts.

- Other Price Risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices (other than those arising from interest risk or currency risk). The Company in not exposed to any material price risk.

29.3 Fair Value Of Financial Instruments

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1:

Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2:

Other techniques for which all inputs which have a significant effect on the recorded fair values are observable either, directly or indirectly.

Level 3:

Techniques which uses inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Fair value is determined on the basis of objective evidence at each reporting date.

Fair value of non-financial assets and liabilities

At 30 June 2020, the Company had the following non-financial asset with respect to their level of fair value modelling:

30 June 2020				
-----Rupees-----				
Level 1	Level 2	Level 3	Total	
Free hold land		15,017,180		

There were no transfers between Level 2 and Level 3 during the period ended 30 June 2020.

30 June 2019				
-----Rupees-----				
Level 1	Level 2	Level 3	Total	
Free hold land		15,017,180		

There were no transfers between Level 2 and Level 3 during the year ended 30 June 2019.

Fair value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.

30. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or obtain / repay financing from / to financial institutions.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectations of the shareholders. Debt is calculated as total from banks borrowings. Total capital comprises shareholders' equity as shown in the balance sheet under 'share capital and reserves' and net debt (net of cash and cash equivalent).

The debt - to - equity ratio as at June 30, 2020 and 2019 were as follows:

	June 30,2020 Rupees	June 30, 2019 Rupees
Total debt	-	-
Total equity	8,561,026	57,745,029
Gearing ratio	0.00%	0.00%

31. CORRESPONDING FIGURES

Corresponding figures have been re arranged where ever necessary however there is no major reclassification during the year.

32. EFFECTS OF COVID.19

The outbreak of Novel Coronavirus (COVID-19) continues to progress and evolve. Therefore, it is challenging now to predict the full extent and duration of its business and economic impact. The outbreak of COVID-19 has had a distressing impact on overall demand in the global economy with notable downgrade in growth forecasts. The Company's revenues are expected to bear an impact in the given situation. The extent and duration of such impact remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of COVID-19 and the extent and effectiveness of containment actions taken. Given the ongoing economic uncertainty, a reliable estimate of the impact made is as follows:

Plant was closed from March to July resulted in decrease in revenues and incurred cost of fixed and variable nature.As per comparison with last year overall loss of Rupees 6 million arised due to Covid-19 situation.

33. GENERAL

Figures have been rounded off to the nearest rupee.

34. EVENTS AFTER THE BALANCE SHEET DATE

There are no subsequent events occurring after the date of statement of financial position.

35. AUTHORIZATION TO ISSUE

The financial statements were authorized for issue on 21 September 2020 by the Board of Directors of the Company.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Notice of Annual General Meeting

Notice is hereby given that 33rd Annual General Meeting of the members of **GHANI AUTOMOBILE INDUSTRIES LIMITED** will be held on Tuesday October 20, 2020 at 11:30 a.m., at Factory Premises, 49-KM, Multan Road, Lahore to transact the following business:

Ordinary Business

1. To confirm the minutes of Annual General Meeting of the company held on October 28, 2019 and held again on November 04, 2019 after adjournment under proviso of Section 135(I) of the Companies Act, 2017.
2. To receive, consider and adopt the audited annual accounts of **GHANI AUTOMOBILE INDUSTRIES LIMITED** for the year ended June 30, 2020 together with the Directors' and Auditors' reports thereon.
3. To appoint auditors for the year ending June 30, 2021 and fix their remuneration.

The retiring auditors namely M/s. Hassan Farooq & Company., Chartered Accountants being eligible have offered themselves for re-appointment.

4. To transact any other business with the permission of the Chair.

By order of the Board

Lahore: September 28, 2020

Hafiz Muhammad Imran Sabir
Company Secretary

Notes:

- The share transfer books of the Company will remain closed from October 13, 2020 to October 20, 2020 (both days inclusive). Members whose names appear on the register of members as at the close of business on October 12, 2020 will be entitled to attend the Annual General Meeting.
- A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another member as a proxy to attend and vote on his/her behalf. A corporation being a member may appoint as its proxy any of its official or any other person whether a member of the Company or not. Proxies in order to be effective must be deposited at the Share Registrar of the Company not less than 48 hours before the time for holding the meeting, and must be duly stamped, signed and witnessed.
- Members are requested to promptly notify Company's Shares Registrar M/s. Corplink (Pvt.) Ltd., Wings Arcade, 1-K Commercial, Model Town, Lahore, Ph: 042-35916714, 35916719 Fax: 042-35869037 of any change in their addresses to ensure delivery of mail.
- CDC Accountholders will further have to follow the guidelines as laid down by Circular No. 1, dated January 26, 2000, issued by Securities and Exchange Commission of Pakistan ("SECP").

Revision of withholding tax on dividend income

It is further informed that pursuant to the provisions of Finance Act 2014, effective from July 1, 2014 a new criteria for withholding of tax on dividend income has been introduced by the FBR, as per this criteria, 'Filer' and 'Non-Filer' shareholder shall pay tax on dividend @ 15% and 30% respectively.

Availability of Audited Financial Statements on Company's Website

The audited financial statement of the company for the year ended June 30, 2020 have been placed at the Company's website www.ghaniautomobiles.com

Pattern of Shareholding

OF SHARES HELD BY THE SHAREHOLDERS OF GHANI AUTOMOBILE INDUSTRIES LIMITED AS AT JUNE 30, 2020

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
230	1	100	6,287
898	101	500	435,875
733	501	1,000	722,050
1348	1,001	5,000	4,090,387
550	5,001	10,000	4,600,377
188	10,001	15,000	2,497,737
142	15,001	20,000	2,648,684
77	20,001	25,000	1,818,010
50	25,001	30,000	1,436,475
29	30,001	35,000	976,000
22	35,001	40,000	848,000
18	40,001	45,000	763,702
57	45,001	50,000	2,821,000
12	50,000	54,999	637,000
7	55,001	60,000	419,000
7	60,001	65,000	443,000
7	65,001	70,000	483,440
15	70,001	75,000	1,108,500
10	75,001	80,000	781,734
4	80,001	85,000	340,000
10	85,001	90,000	897,500
1	90,001	95,000	94,000
27	95,001	100,000	2,699,750
7	100,001	105,000	715,500
3	105,001	110,000	325,500
1	110,001	115,000	113,000
2	115,001	120,000	235,500
5	120,001	125,000	621,500
1	125,001	130,000	130,000
3	130,001	135,000	399,000
3	135,001	140,000	418,000
2	140,001	145,000	289,000
5	150,001	155,000	761,000
3	160,001	165,000	493,500
1	175,001	180,000	175,500
1	180,001	185,000	184,000
2	190,001	195,000	384,000
4	195,001	200,000	798,000
1	205,001	210,000	209,000
1	225,001	230,000	226,500
1	230,001	235,000	233,000
2	235,001	240,000	475,000
3	245,001	250,000	750,000
2	255,001	260,000	515,500
1	280,001	285,000	281,000
1	290,001	295,000	291,000
1	305,001	310,000	307,000
1	315,001	320,000	320,000
1	375,001	380,000	380,000
1	410,001	415,000	412,000
1	420,001	425,000	421,000
1	435,001	440,000	436,372
1	445,001	450,000	450,000
1	480,001	485,000	484,000
1	495,001	500,000	500,000
1	535,001	540,000	540,000
1	675,001	680,000	680,000
1	795,001	800,000	800,000
1	1,150,001	1,155,000	1,155,000
1	2,550,001	2,555,000	2,551,000
4511			50,028,880

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	102,082	0.2040%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
2.3.3 NIT and ICP	4,000	0.0080%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	0	0.0000%
2.3.5 Insurance Companies	0	0.0000%
2.3.6 Modarabas and Mutual Funds	125,000	0.2499%
2.3.7 Shareholders holding 10% or more	0	0.0000%
2.3.8 General Public		
a. Local	47,590,465	95.1260%
b. Foreign	1,250	0.0025%
2.3.9 Others (to be specified)		
1- Joint Stock Companies	2,137,083	4.2717%
2- Other Companies	69,000	0.1379%

Pattern of Shareholding

AS ON JUNE 30, 2020

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):		-	-
Mutual Funds (Name Wise Detail)			
1	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND (CDC)	125,000	0.2499%
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MR. AFTAB AHMAD KHAN	59,082	0.1181%
2	MRS. AYESHA AFTAB	1,050	0.0021%
3	MR. JUNAID GHANI	700	0.0014%
4	MR. NAUMAN SHOUKAT	1,400	0.0028%
5	MR. JUBAIR GHANI	1,750	0.0035%
6	MISS ZAHRA AFTAB	700	0.0014%
7	MR. AMJAD AQEEL	700	0.0014%
8	MR. UMAIR GHANI	500	0.0010%
9	MRS. AFIFA ANWAAR	700	0.0014%
10	MRS. MARYAM JUNAID	700	0.0014%
11	MR. SARFARAZ AMWAR	700	0.0014%
12	HAFIZ MUHAMMAD SAAD	700	0.0014%
13	MR. MUHAMMAD AYUB	700	0.0014%
14	MR. OBAID GHANI	32,200	0.0644%
15	MRS. MUSFIRA JUBAIR W/O JUBAIR GHANI	500	0.0010%
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		-	-
Shareholders holding five percent or more voting interest in the listed company (Name Wise)			
S. No.	NAME	HOLDING	%AGE
1	MST. ERUM (CDC)	2,551,000	5.0991%
All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor			NIL

مسز عائشہ آفتاب	زمانہ ڈائریکٹران
مس زہرہ آفتاب	
مسز مریم جنید	
مس عقیفہ انوار	

ایک سال کے عرصہ (01 جولائی 2019ء تا 30 جون 2020ء) میں بورڈ آف ڈائریکٹرز کے پانچ، آڈٹ کمیٹی کے چھ اور ایچ آر اور آر کمیٹی کے دو اجلاس ہوئے۔ جن میں بورڈ کے ارکان کی حاضری کی تفصیل درج ذیل ہے۔

ڈائریکٹر کا نام	بورڈ آف ڈائریکٹرز کے اجلاسوں میں حاضری	آڈٹ کمیٹی کے اجلاسوں میں حاضری	ایچ آر اور آر کمیٹی کے اجلاسوں میں حاضری
مسٹر آفتاب احمد خان	5	-	-
مسز عائشہ آفتاب	5	-	-
مسٹر جمید غنی	5	-	2
مسٹر عبید غنی	5	-	-
مسٹر جمیر غنی	5	6	-
مس زہرہ آفتاب	5	-	-
ڈاکٹر امجد عقیل	4	-	-
مسز مریم جنید	5	-	-
مسٹر عبید غنی	5	-	-
مس عقیفہ انوار	5	-	-
حافظ محمد سعد	5	6	-
مسٹر محمد ایوب	5	6	-
مسٹر نعمان شوکت	5	-	2
مسٹر سرفراز انور	5	-	2

آڈیٹران

آڈیٹران حسن فاروق اینڈ کمپنی چارٹرڈ اکاؤنٹنٹ سالانہ اجلاس عام کے اختتام پر ریٹائرڈ ہو گئے ہیں۔ اہلیت کی بنیاد پر دوبارہ تقرری کیلئے اپنی خدمات پیش کر چکے ہیں۔ آڈٹ کمیٹی کی تجویز پر بورڈ نے سال 2021 کیلئے حسن فاروق اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو کمپنی کا آڈیٹر مقرر کرنے کی سفارش کی ہے۔

اظہار تشکر

بورڈ ملازمین کے کام، جذبہ اور ایمانداری کو تہ دل سے سراہتے ہوئے اظہار تشکر کرتا ہے۔ ہم اللہ تعالیٰ سے دعا گو ہیں کہ وہ ہم پر اپنی رحمتوں کو نزول فرماتے ہوئے ہمیں اپنے پیارے نبی کے بتائے ہوئے راستے پہ چلائے آمین۔



آفتاب احمد خان
چیف ایگزیکٹو آفیسر



جمیر غنی
ڈائریکٹر

لاہور: 21 ستمبر 2020

10۔ قابل ادائیگی اور ادائیگیاں: آڈٹ کاؤنٹس کا نوٹ نمبر: 6، 7، 13

اہم رجحانات اور عوامل جو کہ مستقبل کی ترقی اور کمپنی کی کارکردگی اور حیثیت پر اثر انداز ہو سکتے ہیں
 کرونا وائرس (کووڈ 19) کے منفی اثرات، روپے کی قدر میں کمی، خام مال کی بڑھتی قیمتوں، سخت مقابلہ وغیرہ ایسے عوامل ہیں جو کہ مستقبل کی ترقی اور کمپنی کے کاروبار کی کارکردگی اور حیثیت پر اثر انداز ہو سکتے ہیں۔

کمپنی کے کاروبار کے ماحولیات پر اثرات

کمپنی کے آپریشنز کا ماحولیات پر کوئی منفی اثر نہیں ہے۔

کمپنی کے کاروبار کی نوعیت میں تبدیلی

گزشتہ سال کے دوران کمپنی کے کاروبار کی نوعیت میں کوئی تبدیلی نہیں ہوئی۔

نان ایگزیکٹو اور آزاد ڈائریکٹران کی تنخواہ کی پالیسی

کمپنی کی پالیسی ہے کہ نان ایگزیکٹو اور آزاد ڈائریکٹران کو کوئی تنخواہ نہیں دی جائے گی

اندرونی مالیاتی کنٹرول سے متعلق ڈائریکٹروں کی ذمہ داری

بورڈ براہ راست یا اپنی کمیٹیوں کے ذریعے اندرونی کنٹرول کی سرگرمیوں کو یقینی بناتا ہے۔ بورڈ وقفے وقفے سے عبوری اکاؤنٹس، رپورٹس، منافع کا جائزہ اور دیگر مالیاتی اور شمارتیاتی

معلومات کے ذریعے کمپنی کے مالیاتی امور اور حیثیت کا بھی جائزہ لیتا ہے۔

سٹاف کے ریٹائرمنٹ فوائد

کمپنی اپنے ملازمین کیلئے فنڈڈ پراویڈنٹ فنڈ سکیم چلاتی ہے اور تنخواہوں کی بنیاد پر فنڈ میں ماہانہ حصہ شامل کرتی ہے۔

کوڈ آف کنڈکٹ

مستقل کے تقاضوں کو مد نظر رکھتے ہوئے کوڈ آف کنڈکٹ مرتب کیا گیا ہے اور ملازمین میں تقسیم کیا گیا ہے۔

نمونہ حصص داری

کمپنی ایکٹ 2017 کے مطابق نمونہ حصص داری برطابق 30 جون 2020 منسلک کیا گیا ہے۔ ڈائریکٹران، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری اور ان کی بیوی اور چھوٹے بچوں نے کمپنی کی حصص کی جو خرید و فروخت کی ہے وہ نمونہ حصص داری میں بیان کی گئی۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز کی طرف سے دی گئی رہنمائی اور حمایت پر ان کا شکریہ ادا کرتا ہوں۔

ڈائریکٹران کی کل تعداد 14 ہے۔ جس کی تفصیل درج ذیل ہے۔ مرد: 10، خواتین: 4

ڈاکٹر امجد عقیل	آزاد ڈائریکٹران
حافظ محمد سعد	
مسٹر محمد ایوب	
مسٹر نعمان شوکت	
مسٹر سرفراز انور	
مسز عائشہ آفتاب	نان ایگزیکٹو ڈائریکٹران
مسز جنید غنی	
مسز عبید غنی	
مسز جمیر غنی	
مسز عمیر غنی	
مسز زہرہ آفتاب	
مسز مریم جنید	
مسز عقیقہ انوار	ایگزیکٹو ڈائریکٹران
مسز آفتاب احمد خان	

ڈائریکٹران کی جائزہ رپورٹ

معزز حصص داران

السلام علیکم ورحمۃ اللہ وبرکاتہ

غنی آٹوموبیل کے بورڈ آف ڈائریکٹرز 30 جون 2020 کو مکمل ہونے والے سال کیلئے سالانہ رپورٹ اور آڈٹ شدہ مالی گوشوارے ہمراہ آڈیٹرز کی رپورٹ بخوشی پیش کرتے ہیں۔

مالیاتی کارکردگی

30 جون 2020 کو مکمل ہونے والے مالیاتی سال کیلئے آپریٹنگ نتائج مختصراً حسب ذیل ہیں۔

2019	2020	
(روپے '000 میں)		
148,992	70,294	خالص فروخت
(19,267)	(17,899)	خام نفع / (نقصان)
(20,971)	(31,901)	قبل از ٹیکس منافع / (نقصان)
(23,747)	(32,948)	بعد از ٹیکس منافع / (نقصان)
(0.47)	(0.66)	فی حصص (نقصان) / منافع بنیادی اور تحلیل شدہ (پا)

رواں برس خالص فروخت پچھلے سال 148.99 ملین روپے کے مقابلے میں 70.3 ملین روپے رہی۔ کمپنی کو 17.9 ملین روپے کے خام نقصان کا سامنا کرنا پڑا۔ زیر جائزہ سال کے دوران کمپنی کا خالص نقصان 32.9 ملین روپے ریکارڈ کیا گیا۔ نتیجہً فی حصص نقصان بھی 0.66 روپے تک بڑھ گیا۔ 2019-20 پوری دنیا میں کوڈ 19 کی انہونی آفت کے چھوٹنے کی وجہ سے مشکل سال ثابت ہوا ہے۔ اس آفت نے دنیا کی معیشتوں کو ہلاک رکھ دیا۔ اُس وقت کے سازگار میکرو اکنامک اور استحکام کے لئے ضروری اقدامات کی رفتار کو لاک ڈاؤن کے آغاز نے متاثر کیا۔ پاکستانی معیشت بھی مشکل حالات سے دوچار ہے جس کے اثرات بدتر ہو سکتے ہیں۔ اور دو تہائیوں کو خراب کرنے، ترقی کی رفتار میں کمی اور سپلائی چین کو متاثر کرنے کے پیشہ خیمہ ہو سکتے ہیں۔ حکومت کا لائحہ عمل بشمول پالیسی ریٹ میں 13.25% سے 7% تک کی معاشی خطرات کو کم کرنے کیلئے مالیاتی اقدامات کا حصہ ہے۔

2019-20

غنی آٹوموبیل انڈسٹریز لمیٹڈ کا غنی ویلیو گلاس میں مجوزہ انضمام:

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز نے غنی آٹوموبیل انڈسٹریز لمیٹڈ کے غنی ویلیو گلاس لمیٹڈ میں مجوزہ انضمام کی سکیم کی منظوری دے دی ہے۔ یہ سکیم حصص داران اور ہائی کورٹ لاہور کی منظوری کے ساتھ مشروط ہے۔ غنی آٹوموبیل کو گزشتہ سالوں سے آپریشنل اور مالیاتی خسارے کا سامنا ہے۔ اس انضمام کی بدولت آٹوموبیل کاروبار کو مالیاتی استحکام حاصل ہوگا۔ دونوں کمپنیوں کے اثاثوں اور ذمہ داریوں کے انضمام سے حصص داران کو اچھی اقدار حاصل ہوں گی۔

کارپوریٹ گورننس

بورڈ کارپوریٹ گورننس کے اعلیٰ معیار کا قائم رکھنے کیلئے پرعزم ہے اور کارپوریٹ گورننس جو کہ سٹاک ایکسچینج کے قواعد درج ہے کی مکمل تعمیل کی یقین دہانی کرتا ہے۔ آپ کے

ڈائریکٹران بیان کرنے میں خوشی محسوس کرتے ہیں۔ کہ

1- کمپنی کی انتظامیہ تیار کردہ مالی گوشواروں میں اس کے واضح امور، عملدرآمد کے نتائج، کیش فلوا کی بیویٹی میں تبدیلیاں پیش کی گئی ہیں۔

2- کمپنی کی اکاؤنٹس بکس باقاعدگی سے تیار کی گئی ہیں۔

3- مالی گوشواروں اور اکاؤنٹنگ تخمینوں کی تیاری میں متعلقہ موزوں اکاؤنٹنگ پالیسیاں بروئے کار لائی گئی ہیں اور یہ مناسب فیصلوں پر مبنی ہیں۔

4- انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (آئی ایف آریس) پاکستان میں نافذ العمل ہیں اور مالی گوشواروں کی تیاری اور کسی بھی روایتی میں باقاعدہ سے اس پر عمل کیا جاتا ہے۔

5- انٹرنل آڈٹ اور دوسرے طریقوں سے کنٹرول کے سسٹم کا مسلسل جائزہ لیا جاتا ہے۔ اس جائزہ کا مقصد انٹرنل سسٹم کو اور زیادہ بہتر بنانا ہے۔

6- جاری ادارہ کی حیثیت سے کمپنی کی اہلیت میں کوئی نمایاں خرابی نہیں۔

7- لسٹنگ ریگولیشنز کے مطابق کارپوریٹ گورننس کے اعلیٰ طریقوں میں کوئی بے ضابطگی عمل میں نہیں آئی۔

8- گزشتہ چھ سال کا آپریٹنگ اور فنانشل ڈیٹا مختصر رپورٹ میں شامل کیا گیا ہے۔

9- مالی حالت کی وجہ سے کمپنی سٹر ہولڈرز کو ڈیوڈنڈ دینے سے قاصر ہے۔

نمائندگی کا فارم (پراکسی فارم)

میں رہم

کے

غنی آٹوموبیل انڈسٹریز لمیٹڈ کے رکن اور عام شیئر کے حامل کی حیثیت کے

(شیئرز کی تعداد)

رجسٹر کا فولیو نمبر

اور ریسی ڈی سی فولیو کا آئی ڈی نمبر

اور ذیلی اکاؤنٹ نمبر، اور ڈی ایچ ایف کے

کے

یا

کو کمپنی کے 33 ویں سالانہ اجلاس عام جو منگل، 20 اکتوبر 2020 صبح 11:30 بجے نیٹری واقع 49 کلومیٹر، ملتان روڈ، لاہور میں منعقد ہوگا، میں میرے/ہمارے لئے اور میری/ہماری طرف سے بحیثیت اپنا پراکسی، ووٹ دینے کے لئے نامزد کرتا ہوں/کرتے ہیں۔

گواہ: 2

گواہ: 1

دستخط

نام

پتہ

سی این آئی سی نمبر

نوٹ: پراکسی فارم/نمائندگی فارم کو موثر ہونے کے لیے سالانہ اجلاس سے کم از کم 48 گھنٹے پہلے موصول ہونا ضروری ہے۔ اور اس پر دستخط، ریویو ٹیکٹ اور شہادت ہونا ضروری ہے۔

ویڈیو کانفرنسنگ کی سہولت کے فارم کی درخواست

میں رہم

غنی آٹوموبیل انڈسٹریز لمیٹڈ کے رکن اور رجسٹر کے

صفحہ نمبر سی ڈی سی اکاؤنٹ نمبر کے مطابق عام شیئر (ز) کے حامل کی حیثیت سے۔ میں ویڈیو کانفرنسنگ کی سہولت حاصل کرنا چاہتا ہوں/چاہتے ہیں۔

تاریخ:

دستخط رکن/شیئر ہولڈر

GHANI AUTOMOBILE INDUSTRIES LIMITED

274-B, N Block, Model Town Extension, Lahore

FORM OF PROXY

Folio No. _____

No. of Shares _____

I/WE _____

of _____

Being a member of GHANI AUTOMOBILE INDUSTRIES LIMITED _____

Here by appoint Mr. _____

of _____

failing him Mr. _____ of _____

(Being a member of the company) as my/our proxy to attend, act and vote for me/us on my/our behalf at 33rd Annual General Meeting of the members of GHANI AUTOMOBILE INDUSTRIES LIMITED will be held on Tuesday October 20, 2020 at 11:30 a.m., at Factory Primses, 49-KM, Multan Road, Lahore and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2020

Witness's Signature

Signature _____

Name: _____

Address: _____

Signature and
Revenue Stamp

NOTES:

Proxies, in order to be effective, by the company not later than 48 hours before the meeting and must be duly stamped, signed and witnessed.

Request for Video Conferencing Facility Form

I/We, _____ of _____ being a member of

Ghani Automobile Industries Limited, holder of _____

Ordinary Share(s) as per Register Folio No/CDC A/c No. _____

hereby opt for video conference facility at _____.

_____ Date: _____









Ghani Automobile Industries Limited









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Ghani

Ghani Automobile Industries Limited

Registered Office:

274-B, N Block, Model Town Extension, Lahore-Pakistan

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