



THE POWER OF PERFECTION

FIRST QUARTER
FINANCIAL STATEMENTS
2020-21

Ghani Automobile Industries Limited

Corporate Information

| | | |
|--------------------------------|--|-------------------------------------|
| BOARD OF DIRECTORS | Mr. Obaid Ghani Mr. Aftab Ahmad Khan Mrs. Ayesha Aftab Mrs. Maryam Junaid Ms. Afifa Anwaar Ms. Zahra Aftab Mr. Junaid Ghani Mr. Jubair Ghani Mr. Umair Ghani Hafiz Muhammad Saad Mr. Muhammad Ayub Mr. Nauman Shaukat Mr. Sarfraz Anwar Dr. Amjad Aqeel | Chairman Chief Executive Officer |
| AUDIT COMMITTEE | Hafiz Muhammad Saad Mr. Muhammad Ayub Mr. Jubair Ghani | Chairman Member Member |
| HR & R COMMITTEE | Mr. Nauman Shaukat Mr. Sarfraz Anwar Mr. Junaid Ghani | Chairman Member Member |
| COMPANY SECRETARY | Hafiz 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) | |

Directors' Report

Dear Shareholders,

Assala-mo-Alaikum wa Rahmatullah wa Barakatohu.

The Board of Directors of Ghani Automobile Industries Limited is pleased to present financial statements of the company for the first quarter ended September 30, 2020.

The results for the first quarter ended September 30, 2020 are as follow:

| FINANCIAL INDICATORS | Sept. 30, 2020 | Sept. 30, 2019 |
|--|-----------------------|-----------------------|
| | Rupees '000' | |
| Sales-Net | 12,125 | 16,202 |
| Gross (loss) / profit | (2,330) | (3,493) |
| Net (loss) / profit | (6,370) | (9,142) |
| Earning / (loss) per share (Rupees) | (0.13) | (0.18) |

During the first quarter ended September 30, 2020, the net sale of the Company was recorded as Rupees 12.1 million as compared to Rupees 16.2 million for the corresponding period of last year. Gross Loss was Rupees 2.3 million as compared to Rupees 3.5 million for the same period of the last year. The company suffered net loss of Rupees 6.4 million as compared to Rupees 9.1 million for the corresponding period of the last year. Loss per shares was Rupees 0.13 as compared to Rupees 0.18 for the same period of the last year.

Future Outlook

The Board of Directors, in their meeting held on September 21, 2020 has approved the Scheme of Arrangement ("the Scheme") for the merger of Ghani Automobile Industries Limited (GAIL) with and into Ghani Value Glass Limited (GVGL) subject to the approval of the shareholders and sanction of the Lahore High Court, Lahore.

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

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

On behalf of the Board of Directors



Jubair Ghani
Director



Aftab Ahmed Khan
Chief Executive Officer

Lahore: October 29, 2020

Condensed Interim Statement of Financial Position (Un-audited)

For the Quarter Ended September 30, 2020

| | Un-audited 30 Sep 2020 Rupees | Audited 30 June 2020 Rupees |
|--|-------------------------------------|-----------------------------------|
| EQUITY & LIABILITIES | | |
| SHARE CAPITAL AND RESERVES | | |
| Authorized Share Capital 85,000,000 (Jun 2020: 85,000,000) ordinary shares of Rs.10 each | 850,000,000 | 850,000,000 |
| Issued, subscribed and paid up capital | 500,288,800 | 500,288,800 |
| Accumulated Losses | (348,068,561) | (341,698,894) |
| Discount on issue of right Shares | (150,028,880) | (150,028,880) |
| | 2,191,359 | 8,561,026 |
| NON CURRENT LIABILITIES | | |
| Security Deposit Payable | 39,500,000 | 39,500,000 |
| CURRENT LIABILITIES | | |
| Trade and other payables | 188,092,832 | 184,720,893 |
| Unclaimed dividend | 609,746 | 609,746 |
| | 188,702,578 | 185,330,639 |
| | 230,393,937 | 233,391,665 |
| ASSETS | | |
| NON CURRENT ASSETS | | |
| Property, plant and equipments | 41,770,588 | 42,463,061 |
| Security deposits | 598,700 | 598,700 |
| | 42,369,288 | 43,061,761 |
| CURRENT ASSETS | | |
| Stock in trade | 47,506,872 | 57,941,885 |
| Trade debts - secured and considered good | 66,708,951 | 60,853,796 |
| Advances and other receivables | 3,748,158 | 4,730,566 |
| Tax refunds and due from government | 58,264,117 | 61,610,637 |
| Cash and bank balances | 11,796,552 | 5,193,020 |
| | 188,024,650 | 190,329,904 |
| | 230,393,937 | 233,391,665 |

The annexed notes from 1 to 6 form an integral part of these financial statements



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Ghani Automobile Industries Limited

Condensed Interim Statement of Profit or Loss (Un-audited)

For the Quarter Ended September 30, 2020

| | 30 September-2020 Rupees | 30 September-2019 Rupees |
|--------------------------------------|-----------------------------|-----------------------------|
| Sales-net | 12,125,476 | 16,201,716 |
| Cost of sales | 14,455,102 | 19,695,105 |
| Gross Loss | (2,329,626) | (3,493,389) |
| Administrative expenses | 3,741,932 | 5,048,150 |
| Distribution and marketing expenses | 644,863 | 1,076,041 |
| | 4,386,795 | 6,124,191 |
| Operating (loss) | (6,716,421) | (9,617,580) |
| Other Income | 472,155 | 517,772 |
| Other Operating Income | 472,155 | 517,772 |
| Operating (loss) before finance cost | (6,244,266) | (9,099,808) |
| Finance Cost | (4,146) | (42,461) |
| (Loss) before taxation | (6,248,412) | (9,142,269) |
| Taxation | (121,255) | - |
| (Loss) after taxation | (6,369,667) | (9,142,269) |
| (Loss) per share - Basic and diluted | (0.13) | (0.18) |

The annexed notes from 1 to 6 form an integral part of these financial statements



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the Quarter Ended September 30, 2020

| | September 2020 Rupees | September 2019 Rupees |
|----------------------------|-----------------------------|-----------------------------|
| (Loss) For the period | (6,369,667) | (9,142,269) |
| Total Comprehensive (Loss) | <u>(6,369,667)</u> | <u>(9,142,269)</u> |

The annexed notes from 1 to 6 form an integral part of these financial statements



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Condensed Interim Cash Flow Statement (Un-audited)

For the Quarter Ended September 30, 2020

| | September 2020 Rupees | September 2019 Rupees |
|--|-----------------------------|-----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit / (loss) for the period before tax | (6,369,667) | (9,142,269) |
| Adjustment for : | | |
| Depreciation | 692,473 | 765,816 |
| Financial charges | 4,146 | 42,461 |
| | <u>696,619</u> | <u>808,277</u> |
| Operating profit / (loss) before working capital changes | (5,673,048) | (8,333,992) |
| (Increase) / decrease in current assets | | |
| Store, spares and loose tools | - | 104,312 |
| Stock in trade | 10,435,013 | (17,235,014) |
| Trade debtors | (5,855,155) | 14,194,582 |
| Sales tax refundable | 3,346,520 | (1,636,283) |
| Advances and other receivables | 982,408 | 16,733,166 |
| | <u>8,908,786</u> | <u>12,160,763</u> |
| Increase / (decrease) in current liabilities | | |
| Creditors, accrued and other liabilities | 3,371,939 | (5,207,802) |
| | <u>6,607,678</u> | <u>(1,381,031)</u> |
| Financial charges paid | (4,146) | (42,461) |
| | <u>(4,146)</u> | <u>(42,461)</u> |
| Net increase / (decrease) in cash | 6,603,532 | (1,423,492) |
| Cash and cash equivalents at the beginning of the period | 5,193,020 | 2,891,719 |
| Cash and cash equivalents at the end of the period | <u><u>11,796,552</u></u> | <u><u>1,468,227</u></u> |

The annexed notes from 1 to 6 form an integral part of these financial statements



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Condensed Interim Statement of Changes in Equity (Un-audited)

For the Quarter Ended September 30, 2020

| | Note | Share Capital | Discount on | Accumulated Loss | Total |
|---|------|--------------------|----------------------|----------------------|------------------|
| | | Capital | right Shares | profit/(loss) | |
| | | Rupees | Rupees | Rupees | Rupees |
| Balance as on June 30, 2019 | 1 | 500,288,800 | (150,028,880) | (308,750,686) | 41,509,234 |
| (Loss) for the year | | - | - | (32,948,208) | (32,948,208) |
| Balance as on June 30, 2020 | | 500,288,800 | (150,028,880) | (341,698,894) | 8,561,026 |
| Net (loss) for the period | | - | - | (6,369,667) | (6,369,667) |
| Balance as on September 30, 2020 | | 500,288,800 | (150,028,880) | (348,068,561) | 2,191,359 |



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Condensed Interim Notes to the Financial Statements (Un-audited)

For the Quarter Ended September 30, 2020

1 COMPANY AND ITS OPERATIONS

The company is a public listed company incorporated in Pakistan under the Companies Ordinance, 1984 in September 1987. The registered office and factory of the company is situated at 274-B, N Block Model Town, Extension, Lahore and 49 KM Multan Road Bhai Pheru respectively. The shares of the company are quoted on Pakistan Stock Exchange. The name of the company has been changed from Ghani Textile Limited to Ghani Automobile Industries Limited with effect from March 31, 2004.

The Company is principally engaged in manufacture, assemble and trade of Automotive Vehicles of all kinds and sorts. Before 2004, the Company's business was to manufacture and trade of grey cloth.

Geographical location and address of business unit /plant:

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

2 STATEMENT OF COMPLIANCE

This interim financial information of the Company for the quarter ended September 30, 2020 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provision of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

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

3 BASIS OF PREPARATION

3.1 This interim financial information does not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements as at June 30, 2020.

The accounting policies adopted for the preparation of this interim financial information are same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2020.

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

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

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

IFRS 9-Financial instruments

IFRS 15-Revenue from Contracts with Customers

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

IFRIC 22- Foreign Currency Transactions and Advance Consideration

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

3.2 Accounting Conventions

The accounting policies and method of computation adopted for the preparation of these interim financial statements are the same as applied in the preparation of the preceding annual published financial statements of the company for the year ended June 30, 2020.

| | SEP 2020 Rupees | JUNE 2020 Rupees |
|--|-----------------------|------------------------|
| 4 ISSUED, SUBSCRIBED AND PAID UP CAPITAL | | |
| 19,250,000 (Jun 2020: 19,250,000) ordinary shares of Rupees 10 each fully paid in cash | 192,500,000 | 192,500,000 |
| 250,000 (Jun 2020: 250,000) ordinary shares of Rupees 10 each fully paid other than cash | 2,500,000 | 2,500,000 |
| 500,000 (Jun 2020: 500,000) ordinary shares of Rupees 10 each issued as bonus shares | 5,000,000 | 5,000,000 |
| 30,028,880 (Jun 2020: 30,028,880) ordinary shares of Rupees 10 each issued as bonus shares | 300,028,880 | 300,028,880 |
| | <u>500,028,880</u> | <u>500,028,880</u> |

5 CONTINGENCIES AND COMMITMENTS

Contingencies

5.1 There is no significant change in the contingencies and commitments status since the last annual balance sheet date.

5.2 Commitments

Commitments as on September 30, 2020 are same as June-30, 2020

6 DATE OF AUTHORIZATION FOR ISSUE

These financial information was authorized for issue by the Board of Directors of the company on October 29, 2020



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

ڈائریکٹران کی جائزہ رپورٹ

معزز حصد اران

اسلام علیکم ورحمۃ اللہ وبرکاتہ

غنی آٹوموبیل انڈسٹریز لمیٹڈ کے ڈائریکٹران 30 ستمبر 2020 کو مکمل ہونے والی پہلی سہ ماہی کیلئے مالیاتی گوشوارے بخوشی پیش کرتے ہیں۔
30 ستمبر 2020 کو مکمل ہونے والی پہلی سہ ماہی کے لیے مالیاتی نتائج مندرجہ ذیل رہے:

| 30 ستمبر 2019 | 30 ستمبر 2020 | مالیاتی اعشاریے |
|-----------------|---------------|---------------------------|
| (روپے '000 میں) | | |
| 16,202 | 12,125 | خالص آمدنی |
| (3,493) | (2,330) | خام نقصان / نفع |
| (9,142) | (6,370) | خالص نقصان / نفع |
| (0.18) | (0.13) | فی حصص نقصان / نفع (روپے) |

زیر جائزہ عرصہ کے دوران کمپنی کی خالص آمدنی گذشتہ برس اسی عرصے میں 16.2 ملین روپے کے مقابلے میں 12.1 ملین روپے ریکارڈ کی گئی۔ پچھلے سال اسی عرصہ کے دوران 3.5 ملین روپے کے خام نقصان کے مقابلے میں 2.3 ملین روپے کا خام نقصان ہوا۔ کمپنی کو پچھلے سال اسی عرصہ میں 9.1 ملین روپے کے مقابلے میں 6.4 ملین روپے کے خام نقصان کا سامنا کرنا پڑا۔ فی حصص نقصان پچھلے سال اسی عرصہ میں 0.18 روپے کے مقابلے میں 0.13 روپے رہا۔

مستقبل کے منصوبے:

بورڈ آف ڈائریکٹران نے اپنے اجلاس منعقدہ 21 ستمبر 2020 میں غنی آٹوموبیل انڈسٹریز لمیٹڈ اور غنی ویلیو گلاس لمیٹڈ کے انضمام کی سکیم کی منظوری دے دی ہے۔ یہ انضمام حصد اران کی منظوری اور لاہور ہائی کورٹ کی منظوری سے مشروط ہے۔

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

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



جُغیر غنی

ڈائریکٹر



آفتاب احمد خان

چیف ایگزیکٹو آفیسر

لاہور: اکتوبر 29، 2020

Ghani

Ghani Automobile Industries Limited

Registered Office:

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

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