



THE POWER OF PERFECTION

THIRD 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 Director Director Director Director Director Director Director Director Director Director Director Director
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	
BANKS	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 third quarter and nine months ended March 31, 2021.

FINANCIAL INDICATORS	March 31, 2021	March 31, 2020
	Rupees '000'	
Sales –Net	36,211	68,214
Gross (Loss)/ Profit	(4,726)	(9,470)
Net (Loss)/ Profit	(14,110)	(26,108)
(Loss)/ Earning per share	(0.28)	(0.52)

During the third quarter and nine months ended March 31, 2021, the net revenue of the company has decreased to Rupees 36.2 million as compared to Rupees 68.2 million for the same period of the last year. Gross Loss was recorded as Rupees 4.7 million. Net Loss was reduced to Rupees 14.1 million as compared to Rupees 26.1 million for the corresponding period of the last year. Loss per share was Rupees 0.28 as compared to Rupees 0.52 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). The shareholders, in their Extraordinary General Meeting held on November 26, 2020, have approved merger of GAIL into GVGL. The matter is pending with 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 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



Junaid Ghani
Director

Lahore: April 24, 2021



Aftab Ahmed Khan
Chief Executive Officer

Condensed Interim Statement of Financial Position (Un-audited)

As at 31 March 2021

	(Un-audited) 31 March 2021 Rupees	(Audited) 30 June 2020 Rupees
ASSETS		
<u>Non-Current assets</u>		
Property, plant and equipments	40,423,276	42,463,061
Security deposits	598,700	598,700
	41,021,976	43,061,761
<u>Current assets</u>		
Stock-in-trade	35,509,374	57,941,885
Trade debtors - considered good	65,447,073	60,853,796
Advances	11,898,927	4,730,566
Tax refund due from government	58,362,192	61,610,637
Cash and bank balances	5,649,251	5,193,020
	176,866,817	190,329,904
	217,888,793	233,391,665
EQUITY AND LIABILITIES		
<u>Share capital and reserves</u>		
Authorized share capital 85,000,000 (30 June 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
<u>Reserves</u>		
Accumulated Losses	(355,808,971)	(341,698,894)
Discount on issue of right shares	(150,028,880)	(150,028,880)
Total reserves	(505,837,851)	(491,727,774)
Shareholders' equity	(5,549,051)	8,561,026
<u>Non-current liabilities</u>		
Security deposit payable	39,500,000	39,500,000
	39,500,000	39,500,000
<u>Current liabilities</u>		
Trade and other payables	183,328,098	184,720,893
Unclaimed dividend	609,746	609,746
	183,937,844	185,330,639
Contingencies and commitments	217,888,793	233,391,665

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

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

For the period ended 31 March 2021

	Nine months ended		Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	-----Rupees-----			
Sales - net	36,211,479	68,214,365	10,949,879	20,339,364
Cost of sales	(40,937,676)	(77,684,735)	(14,576,689)	(21,528,248)
Gross Loss	(4,726,197)	(9,470,370)	(3,626,810)	(1,188,884)
General and administrative expenses	(7,398,667)	(14,052,404)	(2,404,962)	(5,955,270)
Selling and distribution expenses	(2,081,025)	(4,205,658)	(642,765)	(1,696,433)
Other income	652,777	2,689,842	12,719	927,232
	(8,826,915)	(15,568,220)	(3,035,008)	(6,724,471)
Operating Loss	(13,553,112)	(25,038,590)	(6,661,818)	(7,913,355)
Finance cost	(13,793)	(46,371)	(3,663)	(13,757)
Loss before taxation	(13,566,905)	(25,084,961)	(6,665,481)	(7,927,112)
Taxation	(543,172)	(1,023,215)	(164,248)	(305,090)
Loss after taxation	(14,110,077)	(26,108,176)	(6,829,729)	(8,232,202)
Earnings per share - basic and diluted	(0.28)	(0.52)	(0.14)	(0.16)

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the period ended 31 March 2021

	Nine months ended		Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	-----Rupees-----			
Loss for the period	(14,110,077)	(26,108,176)	(6,829,729)	(8,232,202)
Total comprehensive (Loss) for the period	(14,110,077)	(26,108,176)	(6,829,729)	(8,232,202)

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

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

For the period ended 31 March 2021

	Share Capital	Capital reserve Discount on right shares	Revenue reserve Accumulated profit/(loss)	Total
	----- Rupees -----			
Balance as at 30 June 2019	500,288,800	(150,028,880)	(308,750,686)	41,509,234
Balance as on 01 July, 2019 - as previously reported	500,288,800	(150,028,880)	(308,750,686)	41,509,234
<u>Total comprehensive income</u>				
Loss/Profit) for the period	-	-	(32,948,208)	(32,948,208)
	-	-	(32,948,208)	(32,948,208)
Balance as at 30 June 2020	500,288,800	(150,028,880)	(341,698,894)	8,561,026
<u>Total comprehensive income</u>				
Net loss for the period	-	-	(14,110,077)	(14,110,077)
	-	-	(14,110,077)	(14,110,077)
Balance as at 31 March 2021	500,288,800	(150,028,880)	(355,808,971)	(5,549,051)

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Condensed Interim Cash Flow Statement (Un-audited)

For the period ended 31 March 2021

	Nine months ended	
	31 March 2021 Rupees	31 March 2020 Rupees
<i>Cash flows from operating activities</i>		
Loss before taxation	(13,566,905)	(26,108,176)
<i>Adjustments for non cash and other items:</i>		
- Depreciation	2,039,786	2,297,447
- Finance cost	13,793	46,371
- Provision for taxation	(543,172)	
	1,510,407	2,343,818
Operating profit/(loss) before working capital changes	(12,056,498)	(23,764,358)
<i>(Increase)/decrease in current assets:</i>		
- Stores and spares	-	699,751
- Stock in trade	22,432,511	2,903,896
- Trade debtors	(4,593,277)	5,784,051
- Sales tax refundable	3,248,445	12,303,285
- Advances and deposits	(7,168,362)	3,065,497
	13,919,317	24,756,480
- Trade and other payables	(1,392,795)	(1,665,709)
	(1,392,795)	(1,665,709)
Cash generated from operations	470,024	(673,587)
Finance cost paid	(13,793)	(46,371)
	(13,793)	(46,371)
Net cash generated/(Used) from operating activities	456,231	(719,958)
Net cash used in financing activities		
Net increase /(decrease) in cash	456,231	(719,958)
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	5,649,251	2,171,761

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

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

For the Quarter ended March 31, 2021 (UN-audited)

1. COMPANY AND ITS OPERATIONS

Ghani Automobile Industries Limited is a public listed company incorporated in Pakistan under the Companies Ordinance, 1984 in September 1987 (Repealed by Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange.

- 1.1 The registered office of the Company is located at 274-B, N Block, Model Town Extension, Lahore and factory is located at 49-KM Multan Road (from Lahore).
- 1.2 The principal activity of Company has been changed during year 2004 from manufacture and trade of grey cloth to manufacture, assemble and trade of Automotive Vehicles of all kinds and sorts.

1.3 MERGER OF GHANI AUTOMOBILE INDUSTRIES LIMITED INTO GHANI VALUE GLASS LIMITED

The Board of Directors of Ghani Automobile Industries Limited in their meeting held on November 26, 2020 has accorded their consent to initiate merger by way of amalgamation of Ghani Automobile Industries Limited (the "GAIL") with Ghani Value Glass Limited (the "GVGL") as per provisions of Companies Act 2017 and applicable provisions and rules of Pakistan Stock Exchange the company communicate the decision to the Stock Exchange/Securities and Exchange Commission of Pakistan vide its letter no. GAIL/PSX/2020/19 on November 26, 2020.

In which following matter were resolved:

- i). Subject to sanction of the Lahore High Court M/s. Ghani Automobile Industries Limited be and is hereby merged with and into M/ s. Ghani Value Glass Limited in accordance with the Scheme of Arrangement ("Scheme") for amalgamation to be approved by the Lahore High Court.
- ii). The Scheme of Arrangement ("Scheme") for amalgamation between M/ s. Ghani Automobile Industries Limited and its members and M/s. Ghani Value Glass Limited and its members considered by the meeting and initiated by the Chairman of the meeting for purpose of identification be and is hereby adopted, agreed and approved.
- iii). The SWAP ratio as recommended by the board of directors of M/ s. Ghani Automobile Industries Limited be and is hereby approved and issuance of 1 ordinary share of M/ s. Ghani Value Glass Limited to be issued to the shareholders of M/ s. Ghani Automobile Industries Limited in exchange for every 7.8047 ordinary shares of M/ s. Ghani Automobile Industries Limited held by them be and is hereby approved.
- iv). Mr. Aftab Ahmad Khan, Chief Executive Officer, Mr. Junaid Ghani, Director, Mr. Umer Farooq Khan, CFO and Hafiz Muhammad Imran Sabir, Company Secretary be and are hereby jointly and singly authorized to take all steps necessary, ancillary and incidental by the Company for completion of the amalgamation of M/ s. Ghani Automobile Industries Limited with and into M/ s. Ghani Value Glass Limited including but not limited to:

Make such alteration and modification in the Scheme of Arrangement for amalgamation as may be required from time to time;

Take such other and execute such other documents as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the above resolutions and

Generally to submit all such documents as may be required by the SECP or Lahore High Court Lahore in relation to the amalgamation, executing all such certificates, applications, notices, reports, letters and any other document or instrument including any amendments or substitutions to any of the foregoing as may be required in respect of the amalgamation or any action incidental thereto."

2. STATEMENT OF COMPLIANCE

2.1 These condensed interim unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with Company's annual audited financial statements for the year ended June 30, 2020.

2.3 These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 ('The Act') and are unaudited but subject to limited scope review by external auditors as required by the Act and Code of Corporate Governance.

3. SIGNIFICANT ACCOUNTING POLICIES

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.

4. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Unaudited March 31, 2021	Audited June 30, 2020		Unaudited March 31, 2021	Audited June 30, 2020
		Number	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 fully paid other than cash	2,500,000	2,500,000
500,000	500,000	Ordinary shares of Rs. 10 each fully paid bonus shares	5,000,000	5,000,000
30,028,880	30,028,880	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. CONTINGENCIES AND COMMITMENTS

Contingencies

5.1 There is no charge of contingent liabilities since the date of published audited financial statements for the year ended June 30, 2020.

5.2 Commitments as at March 31, 2021 was rupees 2.5(M) (March 31, 2020 Rs.Nil)

6. TRANSACTIONS WITH RELATED PARTIES

The related parties comprised of associated undertakings, directors and key personnel. Transactions with related parties during the period were director remuneration included in administrative expenses amounting to Rupees. 4,260,000 (2020: Rupees. 6,000,000).

7. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34-'Interim Financial Reporting', corresponding figures in the condensed interim statement of financial position comprise of balances as per the audited annual financial statements of the Company for year ended June 30,2020 and the corresponding figures in the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity comprise of balances of comparable period as per the unaudited condensed interim financial statements of the Company for the quarter March, 31, 2021.

8. AUTHORIZATION TO ISSUE

This condensed interim financial information was authorized for issue on 24 April, 2021 in the Board. of Directors meeting.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

ڈائریکٹران کی جائزہ رپورٹ

معزز حصصداران

اسلام علیکم ورحمۃ اللہ وبرکاتہ

بورڈ آف ڈائریکٹرز 31 مارچ 2021 کو مکمل ہونے والی سہ ماہی اور نو مہینوں کیلئے غنی آٹوموبیل انڈسٹریز لمیٹڈ کے مالیاتی گوشوارے بمعہ آڈیٹران کی جائزہ رپورٹ بخوشی پیش کرتے ہیں۔

31 مارچ 2020	31 مارچ 2021	مالیاتی اعشاریے
(روپے '000 میں)		
68,214	36,211	خالص آمدنی
(9,470)	(4,726)	خام نقصان / نفع
(26,108)	(14,110)	خالص نقصان / نفع
(0.52)	(0.28)	فی حصص نقصان / نفع (روپے)

31 مارچ 2021 کو مکمل ہونے والی سہ ماہی اور نو مہینوں کے دوران، کمپنی کی خالص آمدنی پچھلے سال اسی عرصہ کے دوران 68.2 ملین روپے سے کم ہو کر 36.2 ملین روپے ہو گئی ہے۔ خام نقصان 4.7 ملین روپے ریکارڈ ہوا۔ خام نقصان گزشتہ سال اسی عرصہ کے دوران 26.1 ملین روپے کے مقابلے میں 14.1 ملین روپے رہا نقصان فی حصص گزشتہ برس اسی عرصہ میں 0.52 روپے سے کم ہو کر 0.28 روپے رہا۔

مستقبل پر نظر

21 ستمبر 2020 کو ہونے والے اجلاس میں بورڈ آف ڈائریکٹرز نے غنی آٹوموبیل انڈسٹریز لمیٹڈ (GAIL) اور غنی ویلیو گلاس لمیٹڈ (GVGL) کے انضمام کیلئے سکیم آف اریجنٹس کی منظوری دی ہے۔ 26 نومبر 2020 کو ہونے والے غیر معمولی اجلاس میں حصصداران نے GAIL اور GVG کے انضمام کی منظوری دی ہے۔ یہ معاملہ لاہور ہائی کورٹ، لاہور میں زیر سماعت ہے۔

ہم ڈائریکٹران کی طرف سے اپنے گاہکوں، ملازمین، سپلائرز، حصصداران اور مالیاتی اداروں کے کمپنی کی نظامیہ پرکئے گئے اعتماد پران کے مشکور ہیں۔ ہمیں چاہیے کہ ہم اللہ کے احکامات اور نبی ﷺ کی سنت کی مکمل پیروی کیلئے مسلسل جدوجہد کریں۔



جنید غنی

ڈائریکٹر



آفتاب احمد خان

چیف ایگزیکٹو آفیسر

لاہور: 24 اپریل 2021

Ghani

Ghani Automobile Industries Limited

Registered Office:

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