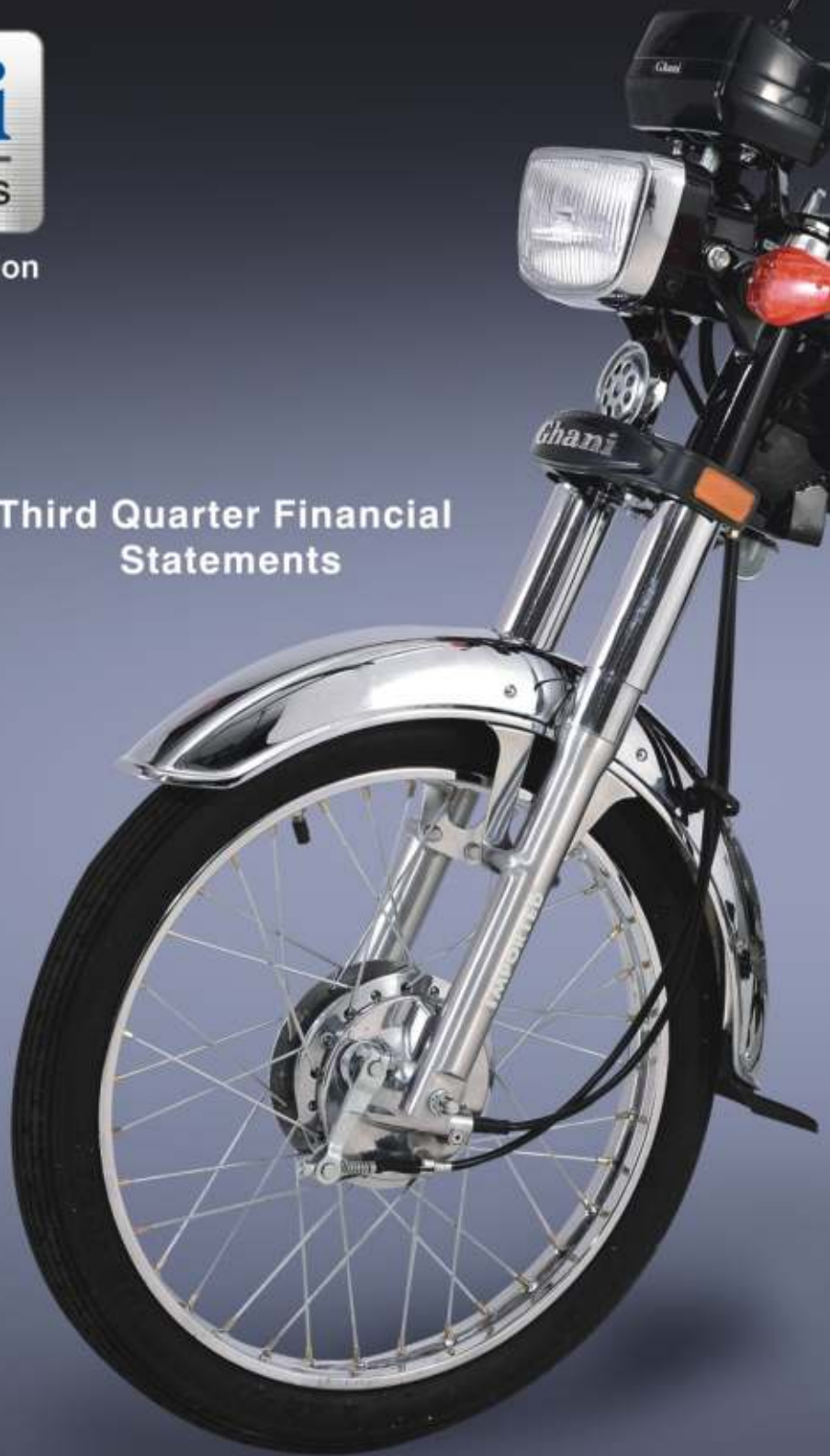


# Ghani

Automobiles

The Power of Perfection

## Third Quarter Financial Statements



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	Chairman
Mr. Muhammad Ayub	Member
Mr. Jubair Ghani	Member

## HR & R COMMITTEE

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

## COMPANY SECRETARY

Hafiz Mohammad Imran Sabir

## CHIEF FINANCIAL OFFICER

Mr. Umer Farooq Khan

## AUDITORS

Hassan Farooq & Company  
Chartered Accountants

## LEGAL ADVISORS

Ally Law Associates

## SHARE REGISTRAR

Corplink (Pvt) Ltd  
Wings Arcade, 1-K Commercial Model Town Lahore, Pakistan  
Phones : (042) 35916714, 35916719 Fax : (042) 35869037

## BANKERS

Albaraka Islamic Bank  
Allied Bank Limited  
Soneri Bank Limited, Islamic Banking  
Habib Metropolitan Bank Limited (IBD)  
Habib Bank Limited  
Meezan Bank Limited  
UBL Ameen Limited  
Bank Alfalah Limited  
Bank Al-Habib  
Faysal Bank Limited  
Bank of Punjab (Taqwa)  
MCB Limited (Islamic Banking)

## REGISTERED OFFICE

274-B, N Block, Model Town Extension, Lahore  
Phones : (042) 3516 8873, 3517 2205  
Fax : (042) 3517 2263  
E-mail : [info@ghaniautomobiles.com](mailto:info@ghaniautomobiles.com)  
<http://www.ghaniautomobiles.com>

## AUTOMOBILE 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, 2019.

FINANCIAL INDICATORS	March 31, 2019	March 31, 2018
	Rupees '000'	
Sales-Net	144,688	145,287
Gross profit / (loss)	(8,619)	2,201
Profit / (Loss) before taxation	(29,387)	(3,989)
Net profit / (loss)	(30,803)	(4,815)
Earning / (loss) per share (Rupees)	(0.62)	(0.10)

During the third quarter and nine months ended March 31, 2019, the company earned net revenue of Rupees 144.7 million. Gross Loss was recorded as Rupees 8.6 million. Net Loss was Rupees 30.8 million as compared to Rupees 4.8 million for the corresponding period of the last year. Loss per share also increased to Rupees 0.62 as compared to Rupees 0.10 for the same period of the last year. Continuous dollar exchange rate deterioration, increasing inflation and increasing policy rate etc. has been negatively impacted the overall auto industry.

## Status of 40% Right Issue

The board has announced 40% Right Issue at discounted price of Rs.9 per share which was subsequently approved by the shareholders through special resolution on June 13, 2018. Right from the announcement of the 40% right issue (on April 30, 2018), the stock market started to plunge owing to political uncertainty. Due to persistent declining in the share price of the company amid underperformance of the Pakistan Stock Exchange, the right issue offered remained unsubscribed by 99.6%. The company has been receiving demands (*directly and through the Service desk of SECP*) from the shareholders who have deposited subscription money against the letter of rights either to return their subscription money or issue right shares. The SECP, responding the request of the management seeking guidance for compensation of minority shareholders, vide its letter No.EMD/233/631/2002-1191 has instructed the company to cancel the right issue, return the deposited money of the minority shareholders other than the directors and issue right shares to the directors against subscription money received from them.

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 (Sallallaho-Alaihe-Wasallum).

On behalf of the Board of Directors



Junaid Ghani  
Director



Aftab Ahmed Khan  
Chief Executive Officer

Lahore: April 30, 2019

# Condensed Interim Statement of Financial Position

As at March 31, 2019 (Un-audited)

	Un-Audited 31 Mar 2019 Rupees	Audited 30 June 2018 Rupees
<b>EQUITY &amp; LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorized Share Capital</b>		
85,000,000 (Jun 2018: 85,000,000) ordinary shares of Rs.10 each	850,000,000	850,000,000
Issued, subscribed and paid up capital	500,000,000	500,000,000
Share subscription money against right issue	793,404	-
Accumulated Losses	(299,570,075)	(268,767,402)
Discount On Right Share	(150,000,000)	(150,000,000)
	51,223,329	81,232,598
<b>Current Liabilities</b>		
Trade and Other Payables	271,784,082	262,774,547
Un-claimed Dividend	609,746	609,746
	272,393,828	263,384,293
	<b>323,617,157</b>	<b>344,616,891</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	46,389,595	49,016,388
Security Deposits	598,700	598,700
	46,988,295	49,615,088
<b>Current Assets</b>		
Stores, Spares and Loose Tools	699,752	811,920
Stock in Trade	71,471,224	74,343,659
Trade Debts - secured and considered goods	131,191,719	146,200,650
Advances And Other Receivables	6,467,282	12,584,291
Tax refund and due from government	62,363,483	58,048,680
Cash and bank balances	4,435,402	3,012,603
	276,628,862	295,001,803
	<b>323,617,157</b>	<b>344,616,891</b>

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

# Condensed Interim Profit or Loss Account

For the Period Ended March 31, 2019 (Un-audited)

	Quarter		Nine months	
	January To March		July To March	
	2019	2018	2019	2018
	.....Rupees.....			
Sales-Net	63,652,331	50,885,098	144,687,500	145,287,138
Cost of sales	67,042,410	48,745,675	153,306,043	143,085,763
Gross (Loss) / profit	(3,390,079)	2,139,423	(8,618,543)	2,201,375
Administrative expenses	4,025,193	1,438,296	13,992,807	11,734,283
Distribution and marketing expenses	2,032,686	2,709,216	9,113,007	11,725,875
Other expenses	4,255	-	5,344	-
	6,062,134	4,147,511	23,111,158	23,460,158
Operating (Loss)	(9,452,213)	(2,008,088)	(31,729,701)	(21,258,783)
Other income	381,190	1,005,056	2,521,505	17,495,769
Other Operating Income	381,190	1,005,056	2,521,505	17,495,769
Operating (Loss) before finance costs	(9,071,023)	(1,003,032)	(29,208,196)	(3,763,014)
Finance Cost	(10,651)	(96,194)	(178,351)	(226,205)
(Loss) before taxation	(9,081,674)	(1,099,226)	(29,386,547)	(3,989,219)
Taxation				
Current	(403,186)	(825,649)	(1,416,126)	(825,649)
Deferred	-	-	-	-
	(403,186)	(825,649)	(1,416,126)	(825,649)
Net (Loss) after taxation	(9,484,860)	(1,924,875)	(30,802,673)	(4,814,868)
Earning / (Loss) Per Share - Basic	(0.19)	(0.04)	(0.62)	(0.10)

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

# Condensed Interim Statement of Comprehensive Income

For the Period Ended March 31, 2019 (Un-audited)

	Quarter ended		Nine months	
	January - March		July - March	
	2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees
(Loss) For the Period	(9,484,860)	(1,924,875)	(30,802,673)	(4,814,868)
Other comprehensive income	-	-	-	-
<b>Total Comprehensive (Loss)</b>	<b>(9,484,860)</b>	<b>(1,924,875)</b>	<b>(30,802,673)</b>	<b>(4,814,868)</b>

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

# Condensed Interim Cash Flow Statement

For the Period Ended March 31, 2019 (Un-audited)

	March 2019 Rupees	March 2018 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(loss) for the period before tax	(29,386,547)	(3,989,218)
Adjustment for:		
Depreciation	2,541,793	2,903,764
Financial charges	178,351	226,205
	2,720,144	3,129,969
Operating profit / (loss) before working capital changes	(26,666,403)	(859,249)
(Increase) / decrease in current assets		
Store, spares and loose tools	112,168	-
Stock in trade	2,872,435	(3,478,849)
Trade debtors	15,008,931	(5,133,335)
Advances and other receivables	6,117,009	(12,483,372)
Taxes refundable	(4,314,803)	-
	19,795,740	(21,095,556)
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	9,009,535	136,561,168
	2,138,872	114,606,363
Financial charges paid	(178,351)	(226,205)
Tax paid	(1,416,126)	(825,649)
	(1,594,477)	(1,051,854)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	544,395	113,554,509
Acquisition of Fixed Assets	85,000	-
Sale proceeds from asset disposed off	-	(524,680)
Increase in security deposits	-	15,000
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	85,000	(509,680)
Share subscription money against right issue	793,404	-
Loan repaid to Directors / Shareholders	-	(112,105,000)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	793,404	(112,105,000)
Net increase / (decrease) in cash	1,422,799	939,829
Cash and cash equivalents at the beginning of the period	3,012,603	2,055,272
Cash and cash equivalents at the end of the period	4,435,402	2,995,101

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

# Condensed Interim Statement of Changes in Equity

For the Period Ended March 31, 2019

	Share Capital	Subscription money against right issue	Discount on right Shares	Accumulated Loss profit/(loss)	Total
	Capital Rupees	Rupees	Rupees	Rupees	Rupees
Balance as on June 30, 2017 Restated	500,000,000		(150,000,000)	(260,814,212)	89,185,788
(Loss) for the year	-		-	(7,953,190)	(7,953,190)
Balance as on June 30, 2018	500,000,000		(150,000,000)	(268,767,402)	81,232,598
Share subscription money against right issue		793,404			793,404
(Loss) for the period				(30,802,673)	(30,802,673)
Balance as on March 31, 2019	500,000,000	793,404	(150,000,000)	(299,570,075)	51,223,329

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR



# Notes to the Condensed Interim Financial Statement (un - Audited)

FOR THE PERIOD ENDED MARCH 31, 2019

## 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 (now Companies Act, 2017). 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 Bhai Pheru. The shares of the Company are quoted on Stock Exchanges in Pakistan. 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.

## 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 unconsolidated annual audited financial statements, and should be read in conjunction with Company's unconsolidated annual audited financial statements for the year ended June 30, 2018.

**2.3** The Securities and Exchange Commission of Pakistan (SECP), vide its S.R.O 229(I)/2019 dated 14 February 2019 has deferred the applicability of IFRS 9 (Financial Instruments) for reporting period ended on 31 March 2019. IFRS 9 will now be applicable for reporting periods/year ending on or after 30 June 2019.

**2.4** 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 un-audited.

## 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, 2018, except for the following;

### 3.1 Change in significant accounting policy

During the period, the Company has adopted IFRS 15 'Revenue from Contracts with Customers'. The details of new significant accounting policy adopted and the nature and effect of the change from previous accounting policy is set out below:

The Company manufactures and contracts with customers for the sale of goods which generally includes single performance obligation. Management has concluded that revenue from sale of goods be recognized at the point in time when control of the asset is transferred to the customer, which is when the goods are delivered to or accepted by the customer. However, the adoption of IFRS 15 which has replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations, did not have a material impact on the amounts of revenue recognized in these condensed interim financial statements.

#### 4. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

March 31, 2019	Audited June 30, 2018		Un audited March 31, 2019	Audited June 30, 2018
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
30,000,000	30,000,000	Ordinary shares of Rs. 10 each fully paid in cash at discount	300,000,000	300,000,000
50,000,000	50,000,000		500,000,000	500,000,000

#### 5. CONTINGENCIES AND COMMITMENTS

##### Contingencies

There is no change in contingent liabilities since the date of annual published audited financial statements for the year ended June 30, 2018.

##### Commitments

Commitments outstanding for letters of credit relating to raw materials as at March 31, 2019 aggregated to Rupees Nil (June 30, 2018: Rupees. 5,476,704/-).

#### 6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (WDV) - opening balance  
Add: Additions during the period/year

Less: Disposals during the period/year  
Depreciation charge for the period/year  
Operating fixed assets (WDV) - closing balance

Un audited March 31, 2019	Audited June 30, 2018
Rupees	Rupees
49,016,388	52,882,175
-	601,653
49,016,388	53,483,828
85,000	599,713
2,541,793	3,867,727
46,389,595	49,016,388
-	85,000
-	377,053
-	44,600
-	3,000
-	92,000
-	601,653
-	1,591,000
85,000	-
85,000	1,591,000

##### 6.1 Additions to Fixed Assets - At Cost

Land  
Building  
Electrical equipment  
Computer  
Vehicles

##### 6.2 Deletion to Fixed Assets - At Cost

Plant and machinery  
Vehicles

#### 7. TRANSACTIONS WITH RELATED PARTIES

The related parties comprised of associated undertakings, directors and key personnel. There were no transactions with related parties during the period.

## 8. CORRESPONDING FIGURES

In order to comply with requirement of International Accounting Standards 34- 'Interim Financial Reporting the condensed Interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of proceeding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of proceeding financial year.

## 9. AUTHORIZATION TO ISSUE

This condensed interim financial information was authorized for issue on April 30, 2019 in the Board of Directors meeting.



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**CHIEF EXECUTIVE OFFICER**



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**CHIEF FINANCIAL OFFICER**



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**DIRECTOR**

## ڈائریکٹران کی جائزہ رپورٹ

معزز حصہ داران

اسلام علیکم ورحمۃ اللہ وبرکاتہ

غنی آٹوموبیل انڈسٹریز لمیٹڈ کے ڈائریکٹران 31 مارچ 2019 کو مکمل ہونی والی سہ ماہی اور نو مہینوں کیلئے مالیاتی گوشوارے، بخوشی پیش کرتے ہیں۔

مالیاتی اعشاریے	31 مارچ 2019	31 مارچ 2018
(روپے '000' میں)		
آمدنی	144,688	145,287
خام نقصان	(8,619)	(2,201)
قبل از ٹیکس نقصان	(29,387)	(3,989)
خالص نقصان	(30,803)	(4,815)
فی حصص نقصان (روپے)	(0.62)	(0.10)

31 مارچ 2019 کو مکمل ہونے والی سہ ماہی اور نو مہینوں کے دوران کمپنی کی خالص آمدنی 144.7 ملین روپے رہی۔

خام نقصان 8.6 ملین روپے ریکارڈ کیا گیا۔ خالص نقصان پچھلے سال اسی عرصہ میں 4.8 ملین روپے کے مقابلے میں 30.8 ملین روپے رہا۔ فی حصص نقصان بھی پچھلے سال اسی عرصہ میں 0.10 روپے کے مقابلے میں 0.62 روپے تک بڑھ گیا۔ مسلسل شرح مبادلہ کی خرابی، بڑھتی ہوئی مہنگائی اور بڑھتی ہوئی شرح سود کی وجہ سے موٹر سائیکل کی صنعت پر مجموعی طور پر منفی اثرات مرتب ہوئے ہیں۔

40% رائٹ ایٹو

بورڈ نے 9 روپے کی رعایتی قیمت پر 40% رائٹ ایٹو کا اعلان کیا تھا جو کہ سینئر ہولڈرز نے 13 جون 2018 کو قیوداد خاص کے ذریعے منظور کیا تھا۔ 30 اپریل 2018 یعنی رائٹ ایٹو کے اعلان کے دن سے سیاسی عدم استحکام کی وجہ سے شاہ مارکیٹ گراؤٹ کا شکار ہونا شروع ہوگئی شاہ مارکیٹ کی تنزلی کی بدولت کمپنی کے حصص کی قدر میں مسلسل گراؤٹ کی وجہ سے رائٹ ایٹو 99.6% تک غیر تسلیم شدہ رہا۔ کمپنی کو ان حصص داران جنہوں نے لیٹ آف رائٹ کے پیسے جمع کروائے تھے کی طرف سے شکایت موصول ہو رہی تھی جن میں حصص داران کا مطالبہ تھا کہ یا تو ان کے پیسے واپس کئے جائیں یا تو ان کو رائٹ حصص جاری کئے جائیں۔ ایس ای سی پی (SECP) نے انتظامیہ کی درخواست پر اپنے خط نمبر END/233/631/2002/1191 کے تحت رائٹ حصص کو ختم کرنے، حصص داران (ڈائریکٹران کے علاوہ) کو ان کے پیسے واپس کرنے اور ڈائریکٹران کو رائٹ حصص جاری کرنے کی ہدایت کی ہے۔

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

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



جنید غنی  
ڈائریکٹر



آفتاب احمد خان  
چیف ایگزیکٹو آفیسر

لاہور: 30 اپریل 2019



**The Power of Perfection**

## **GHANI AUTOMOBILE INDUSTRIES LIMITED**

**Registered Office:**

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