

# Ghani

**LEADERS IN GLASS**

THIRD QUARTER  
FINANCIAL STATEMENTS

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**GHANI GLASS LIMITED**

[www.ghaniglass.com](http://www.ghaniglass.com)

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Aitzaz Ahmad Khan	Chairman
Mr. Imtiaz Ahmad Khan	Chief Executive Officer
Mr. Anwaar Ahmad Khan	Deputy Chief Executive Officer
Mr. Aftab Ahmad Khan	Deputy Chief Executive Officer
Mrs. Ayesha Aftab	
Hafiz Farooq Ahmad	
Mr. Zaid Ghani	
Mr. Junaid Ghani	
Mr. Jubair Ghani	
Mr. Shamim Ahmed	
Mr. Ali Jehangir Siddiqui	
Syed Hasan Akbar Kazmi (Alternate Director)	

### AUDIT COMMITTEE

Mr. Aftab Ahmad Khan	Chairman
Mrs. Ayesha Aftab	Member
Mr. Jubair Ghani	Member

### HR & R COMMITTEE

Mr. Anwaar Ahmad Khan	Chairman
Mrs. Ayesha Aftab	Member
Mr. Zaid Ghani	Member

### CHIEF FINANCIAL OFFICER

Mr. Umer Farooq Khan

### COMPANY SECRETARY

Hafiz Mohammad Imran Sabir

### AUDITORS

KPMG Taseer Hadi & Co.  
Chartered Accountants

### LEGAL ADVISOR

Ally Law Associates

### CORPORATE CONSULTANTS

- Muhammad Siddique Chaudhry
- Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants

### SHARE REGISTRAR

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

### BANKERS

Albaraka Islamic Bank  
Bank Alfalah Limited, IBD  
Burj Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited, IBD  
Meezan Bank Limited  
MCB Bank Limited, IBD  
Soneri Bank Limited, IBD  
Standard Chartered Bank Limited, IBD  
Bank Islami Pakistan Limited  
Askari Bank, IBS  
Faysal Bank Limited, IBD

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**HEAD OFFICE & REGISTERED OFFICE**

40-L Model Town  
Lahore, Pakistan  
UAN : (042) 111 949 949  
Fax : (042) 35172263  
E-mail :info@ghaniglass.com  
http://www.ghaniglass.com

**MARKETING OFFICE**

12 D/5,Chandni Chowk  
KDA Scheme No. 7-8  
Karachi - 74000  
UAN : (021) 111 949 949  
Fax : (021) 34926349  
E-mail : marketing@ghanigroup.com

**GGL PLANT-1 & REGIONAL MARKETING OFFICE-NORTH**

22 km Haripur Taxila Road, (From Haripur)  
Thesil & District Haripur (NWFP)  
Phones :(0995) 639236-40 & (0596) 539063-65  
Fax : (0995) 639067

**GGL PLANT-2**

H- 15, Landhi Industrial Area  
Karachi-74000  
Phone :(021) 35020761-63  
Fax :(021) 35020280

**GGL PLANT-3**

29-km Lahore Sheikhpura Road,  
District Sheikhpura  
Phones : (0563) 406796  
Fax : (0563) 406795  
Email : ghanifloat@ghanigroup.com

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## Directors' Report

Dear Shareholders,

Assalam-o-Alaikum wa Rahmatullah wa BarakatoHu.

The Board of Directors is pleased to present the unaudited Financial Statements of Ghani Glass Limited for the third quarter and nine months ended March 31, 2013.

### FINANCIAL HIGHLIGHTS

	March 31, 2013	March 31, 2012
	(Rupees in '000')	
Net Sales	7,801,696	6,239,751
Gross Profit	1,694,935	1,595,301
Profit from Operations	1,006,396	1,093,262
Finance Cost	247,566	48,240
Profit before Tax	806,944	1,062,223
Profit after Tax	596,693	793,120
Earning per Shares	5.08	6.76

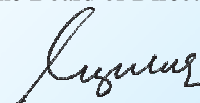
Alhamdulillah your company has achieved a Net Revenue of Rupees 7.802 billion for the nine months ended March 31, 2013 as compared to Rupees 6.239 billion in the corresponding period last year reflecting a growth of 25%. Gross Profit for the period under review has increased to Rupees 1.695 billion as compared to Rupees 1.595 billion in the same period of the last year. The Company's Profit after Tax stood at Rupees 596.693 million as compared to Rupees 793.120 million in the same period of the last year. Despite the heavy burden of finance cost, high cost of depreciation as well as the use of expensive alternate energy resources due to severe shortage of gas and power supply, the operating performance of your company has remained satisfactory during the period under review.

### ACKNOWLEDGMENT

The Board and the management would like to thank senior executives of Pharmaceutical, Food and Beverage industries for their continuous support and confidence in our quality products. Thanks are also due to our dealers and customers of float glass for their trust reposed in our goods. The Board also appreciates the cooperation of our suppliers, contractors and bankers.

The Board acknowledges and puts on record its sincere appreciation for all employees, staff and workers of the Company for their hard work, commitment and loyalty.

On behalf of the Board of Directors



**Imtiaz Ahmad Khan**  
Chief Executive Officer

Lahore: April 26, 2013

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## Condensed Interim Balance Sheet

As at 31 March 2013 (Un-audited)

	Note	Un-Audited 31 March 2013 Rupees	Audited 30 June 2012 Rupees
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	6,468,914,684	6,001,503,217
Long term investment	6	400,848,905	352,733,710
Long term deposits		105,498,591	92,968,330
		<u>6,975,262,180</u>	<u>6,447,205,257</u>
<b>Current assets</b>			
Stores, spares and other consumables		1,045,494,317	995,013,545
Current maturity of long term deposits and prepayments		576,000	2,112,000
Stock in trade		1,540,346,394	1,281,601,776
Trade debts		738,252,464	528,975,663
Advances, deposits, prepayments and other receivables		307,176,854	337,159,826
Income tax recoverable		406,482,261	231,666,338
Other receivables		12,423,760	12,301,505
Cash and bank balances		307,796,195	192,348,288
		<u>4,358,548,245</u>	<u>3,581,178,941</u>
		<u>11,333,810,425</u>	<u>10,028,384,198</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized share capital			
142,500,000 ordinary shares of Rs 10 each		<u>1,425,000,000</u>	<u>1,425,000,000</u>
Issued, subscribed and paid up capital			
106,683,122 (30 June 2012: 106,683,122) ordinary shares of Rs 10 each		<u>1,173,514,350</u>	<u>1,066,831,227</u>
Reserves		<u>4,815,517,286</u>	<u>4,325,507,111</u>
		<u>5,989,031,636</u>	<u>5,392,338,338</u>
<b>Non-current liabilities</b>			
Long term financing		<u>1,240,217,815</u>	<u>78,052,350</u>
Security deposits		<u>222,289,904</u>	<u>359,450,949</u>
Deferred taxation		<u>559,063,282</u>	<u>391,716,122</u>
		<u>2,021,571,001</u>	<u>829,219,421</u>
<b>Current liabilities</b>			
Current portion of long term financing		<u>298,218,991</u>	<u>52,034,900</u>
Short term morabaha finances		<u>1,680,703,767</u>	<u>1,953,142,772</u>
Ijarah rental payable		-	<u>3,123,823</u>
Loan sponsors		-	<u>65,145,650</u>
Accrued markup		<u>52,953,401</u>	<u>77,853,614</u>
Provision for taxation		<u>42,903,912</u>	-
Trade and other payables		<u>1,248,427,717</u>	<u>1,655,525,680</u>
		<u>3,323,207,788</u>	<u>3,806,826,439</u>
<b>Contingencies and commitments</b>	7	<u>11,333,810,425</u>	<u>10,028,384,198</u>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.



Chief Executive Officer



Director

Lahore

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## Condensed Interim Profit and Loss Account (Un-audited)

For the period ended 31 March 2013

	Note	Quarter ended		Period ended	
		31 March	31 March	31 March	31 March
		2013	2012	2013	2012
		Rupees	Rupees	Rupees	Rupees
Sales	8	2,505,275,536	1,841,236,839	7,801,695,907	6,239,751,895
Cost of sales	9	(1,898,840,261)	(1,305,364,643)	(6,106,760,505)	(4,644,450,754)
<b>Gross profit</b>		<b>606,435,275</b>	<b>535,872,197</b>	<b>1,694,935,402</b>	<b>1,595,301,142</b>
General and administrative expenses		(61,175,566)	(31,289,367)	(218,146,707)	(166,599,138)
Selling and distribution expenses		(205,717,354)	(80,275,071)	(456,312,328)	(286,036,295)
Other expenses		(19,034,343)	(33,168,917)	(59,805,758)	(70,296,914)
Other income		14,608,289	19,605,390	45,725,053	20,893,822
		(271,318,974)	(125,127,965)	(688,539,740)	(502,038,526)
<b>Operating profit</b>		<b>335,116,301</b>	<b>410,744,232</b>	<b>1,006,395,662</b>	<b>1,093,262,616</b>
Share of loss of associate		16,039,504	(2,079,900)	48,115,195	17,200,694
Finance cost		(94,330,098)	(11,643,958)	(247,566,487)	(48,240,020)
<b>Profit before taxation</b>		<b>256,825,707</b>	<b>397,020,374</b>	<b>806,944,370</b>	<b>1,062,223,290</b>
Provision for taxation		(87,417,943)	(123,302,290)	(210,251,072)	(269,103,012)
<b>Profit after taxation</b>		<b>169,407,764</b>	<b>273,718,084</b>	<b>596,693,298</b>	<b>793,120,277</b>
Earnings per share - basic and diluted		1.44	2.33	5.08	6.76

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

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Chief Executive Officer



Director

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## Condensed Interim Cash Flow Statement (Un-audited)

For the period ended 31 March 2013

	Nine months ended	
	31 March 2013 Rupees	31 March 2012 Rupees
<b>Cash flows from operating activities</b>		
Profit before taxation	806,944,370	1,062,223,290
Adjustments for non cash and other items:		
Depreciation	430,848,789	225,688,396
Financial charges	247,566,487	48,240,020
Share of (profit)/loss of associate	(48,115,195)	(17,200,694)
Workers' profit participation fund	43,337,506	56,626,010
Workers' welfare fund	16,468,252	11,594,113
	690,105,839	324,947,845
<b>Operating profit before working capital changes</b>	<b>1,497,050,209</b>	<b>1,387,171,135</b>
<b>(Increase)/decrease in current assets:</b>		
Stores and spares	(50,480,772)	(10,460,389)
Stock in trade	(258,744,618)	115,025,769
Trade debtors	(209,276,801)	(21,112,933)
Other receivables	(122,255)	(30,066,154)
Advances, deposits and prepayments	29,982,972	(256,342,129)
	(488,641,474)	(202,955,837)
<b>Increase/(decrease) in current liabilities:</b>		
Trade and other payables	143,946,726	85,637,944
	(344,694,748)	85,637,944
<b>Cash generated from operations</b>	<b>1,152,355,461</b>	<b>1,269,853,243</b>
Financial charges paid	(272,466,700)	(48,240,020)
Taxes paid	(174,815,923)	(50,652,904)
Workers' profit participation fund paid	(75,520,504)	(62,343,401)
	(522,803,127)	(161,236,325)
<b>Net cash generated from operating activities</b>	<b>629,552,334</b>	<b>1,108,616,918</b>
<b>Cash flows from investing activities</b>		
Additions in operating fixed assets	(310,495,331)	(135,549,302)
Additions in capital work in progress	(587,764,925)	(2,664,660,048)
Long term deposits	(10,994,261)	95,600
Long term investment	-	(153,278,332)
<b>Net cash used in investing activities</b>	<b>(909,254,517)</b>	<b>(2,953,392,082)</b>
<b>Cash flows from financing activities</b>		
Interest free loans from directors - unsecured	(65,145,650)	51,000,000
Long term financing	1,408,349,556	190,789,140
Ijarah financing	(3,123,823)	(30,012,000)
Securities deposited	(137,161,045)	156,104,700
Murabaha finances	(272,439,005)	1,471,136,083
Murabaha finances against bills	-	(93,830,705)
Dividend paid	(535,329,943)	(98,007,064)
<b>Net cash generated from financing activities</b>	<b>395,150,090</b>	<b>1,647,180,154</b>
<b>Net increase in cash and cash equivalents during the period</b>	<b>115,447,907</b>	<b>(197,595,011)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>192,348,288</b>	<b>367,579,677</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>307,796,195</b>	<b>169,984,666</b>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.



Chief Executive Officer



Director

Lahore

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## Condensed Interim Statement of Other Comprehensive Income (Un-audited)

For the period ended 31 March 2013

	Quarter ended		Nine months ended	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
	Rupees	Rupees	Rupees	Rupees
<b>Profit for the period</b>	<b>169,407,764</b>	273,718,084	<b>596,693,298</b>	793,120,277
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>169,407,764</b>	273,718,084	<b>596,693,298</b>	793,120,277

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

Lahore



Chief Executive Officer



Director

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

For the period ended 31 March 2013

	Share Capital Rupees	Capital reserve		Revenue reserve	Total Rupees
		Merger Reserve Rupees	Share Premium Rupees	Accumulated Profit Rupees	
<b>Balance as at 30 June 2011</b>	1,066,831,227	427,419,290	75,000,000	3,302,419,920	<b>4,871,670,437</b>
Final dividend for the year ended 30 June 2011 @ Rs. 1 per share	-	-	-	(106,683,122)	<b>(106,683,122)</b>
Total comprehensive income for the nine months period ended 31 March 2012	-	-	-	793,120,277	<b>793,120,277</b>
<b>Balance as at 31 March 2012</b>	<u>1,066,831,227</u>	<u>427,419,290</u>	<u>75,000,000</u>	<u>3,988,857,075</u>	<b>5,558,107,592</b>
Interim cash dividend for the year ended 31 March 2012 @ Rs. 5 per share	-	-	-	(533,415,614)	<b>(533,415,614)</b>
Total comprehensive income for the three months period ended 30 June 2012	-	-	-	367,646,361	<b>367,646,361</b>
<b>Balance as at 30 June 2012</b>	<u>1,066,831,227</u>	<u>427,419,290</u>	<u>75,000,000</u>	<u>3,823,087,822</u>	<b>5,392,338,339</b>
Total comprehensive income for the nine months period ended 31 March 2013	-	-	-	596,693,298	<b>596,693,298</b>
<b>Balance as at 31 March 2013</b>	<u>1,066,831,227</u>	<u>427,419,290</u>	<u>75,000,000</u>	<u>4,419,781,120</u>	<b>5,989,031,637</b>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

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Chief Executive Officer



Director

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## Notes to the Condensed Interim Financial Information (Un-audited)

For the period ended 31 March 2013

### 1 Status and nature of business

Ghani Glass Limited ("the Company") was incorporated in Pakistan in 1992 as a public limited company under the Companies Ordinance, 1984 and is listed on Karachi and Lahore Stock Exchanges in Pakistan. The registered office of the Company is located at 50-L Model Town, Lahore, Pakistan. The Company is engaged in the business of manufacturing and sale of glass containers and sheet glass of different types.

### 2 Basis of preparation

The condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 June 2012.

### 3 Estimates

The preparation of the condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The significant judgments made by management is in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements for the year ended 30 June 2012.

### 4 Accounting policies

4.1 The accounting policies and methods of computation adopted in the preparation of the condensed interim financial information are the same as those applied in preparation of preceding annual financial statements for the year ended 30 June 2012.

4.2 In addition to above, following amendments to the International Financial Reporting Standards/ International Accounting Standards are mandatory for the first time for the financial year beginning on or after 1 January 2013, however, the adoption of these amendments is either not yet effective or the amendments did not have any significant impact on the financial information of the Company.

- IFRS 7 (amendment) - Disclosures - Transfers of Financial Assets
- IAS 12 (amendment) - Deferred Tax on Investment Property
- IAS 24 (Revised) - Related Party Disclosures
- IAS 32 (amendment) - Financial Instruments: Presentation - Classification of Right Issues
- IFRIC 14 (amendment) - The Limit on a Defined Benefit Assets - Minimum Funding Requirements
- IFRIC 19 - Extinguishing financial liabilities with equity instruments

	<i>Note</i>	<b>Un-audited March 2013 Rupees</b>	<b>Audited 30 June 2012 Rupees</b>
<b>5 Property, plant and equipment</b>			
Operating assets	5.1	5,881,149,759	6,001,503,217
Capital work in progress	5.2	587,764,925	-
		<u>6,468,914,684</u>	<u>6,001,503,217</u>
<b>5.1 Operating assets</b>			
Net book value at the beginning of the period		6,001,503,217	2,622,133,721
Add: Additions during the period		310,495,331	3,696,443,648
Less: Disposals during the period (at book value)		-	(3,568,425)
Add: Accumulated depreciation on disposals		-	2,530,687
Less: Depreciation charged during the period		(430,848,789)	(316,036,414)
Less: Impairment charge during the period		-	-
		<u>5,881,149,759</u>	<u>6,001,503,217</u>
<b>5.2 Capital work in progress</b>			
Opening balance at the beginning of the period		-	-
Add: Additions during the period		587,764,925	-
Less: Transfers to Fixed assets		-	-
Balance at the end of the period		<u>587,764,925</u>	<u>-</u>
<b>6 Investment in associate</b>			
<b>Rak Ghani Glass LLC</b>			
16,456 (June 2012: 16,456) fully paid ordinary shares of AED 1,000 each	6.1	<u>400,848,905</u>	<u>352,733,710</u>
<b>6.1 Movement in equity instruments of associated company is as follows:</b>			
Balance as at 01 July		352,733,710	293,842,846
Shares issued against advance		-	136,077,638
		<u>352,733,710</u>	<u>429,920,484</u>
Share of (losses)/profit		48,115,195	(77,186,774)
Balance as at 31 March		<u>400,848,905</u>	<u>352,733,710</u>

The Company's share of the result of its associated company, which is unlisted and incorporated in UAE, and its shares of the assets, liabilities and revenue is as follows:

Percentage interest held	Rupees			
	Assets	Liabilities	Revenue	Profit
37.40%	1,270,191,193	687,539,059	653,088,208	48,115,195

## 7 Contingencies and commitments

### 7.1 Contingencies

7.1.1 There is no material change in contingencies from the preceding annual published financial statements of the Company for the year ended 30 June 2012.

### 7.2 Commitments

7.2.1 Aggregate amount of bank guarantees issued by banks outstanding as at balance sheet date amounting to Rs. 698.326 million (30 June 2012: Rs.641 million).

7.2.2 Letters of credit for import of materials and stores outstanding as at balance sheet date amounting to Rs. 696.441 million (30 June 2012: Rs. 1,579 million).

	Quarter ended		Nine months ended	
	Un-Audited 31 March 2013 Rupees	Un-Audited 31 March 2012 Rupees	Un-Audited 31 March 2013 Rupees	Un-Audited 31 March 2012 Rupees
<b>8 Sales</b>				
Local sales	2,741,697,243	2,322,275,730	8,379,758,773	6,728,331,753
Export sales	193,708,961	112,887,440	779,086,693	581,379,036
Gross sales	2,935,406,204	2,435,163,170	9,158,845,466	7,309,710,789
Less: Trade discount/commission	49,978,435	45,492,994	204,371,524	111,018,882
Special excise duty	-	-	-	-
Sales tax	380,152,233	327,321,317	1,152,778,035	958,940,012
	430,130,668	372,814,311	1,357,149,559	1,069,958,894
	2,505,275,536	2,062,348,859	7,801,695,907	6,239,751,895
			Un-audited 31 March 2013 Rupees	Un-audited 31 March 2012 Rupees
<b>9 Cost of good sold</b>				
Raw material consumed			2,291,720,730	1,493,885,029
Fuel, gas and electricity			2,238,601,479	1,919,037,756
Stores and spares consumed			221,127,762	151,122,047
Salaries, allowances and other benefits			558,246,257	458,163,225
Packing expenses			468,662,744	352,620,053
Depreciation			396,380,886	208,581,216
Rent, rates and taxes			20,601,346	6,824,341
Ijarah rental expenses			114,028,896	-
Repair and maintenance			30,385,286	8,987,663
Travelling and motor running			17,800,842	13,352,961
Communication and stationery			2,841,067	2,456,970
Other manufacturing expenses			32,249,215	19,647,887
			6,392,646,510	4,634,679,148
<b>Work in process</b>				
Opening balance			117,714,991	57,576,270
Closing balance			(114,587,862)	(70,897,863)
			3,127,129	(13,321,593)
			6,395,773,639	4,621,357,555
<b>Finished goods</b>				
Opening balance			511,021,956	372,700,866
Closing balance			(800,035,090)	(349,607,667)
			(289,013,134)	23,093,199
			6,106,760,505	4,644,450,754

		Un-audited 31 March 2013 Rupees	Un-audited 31 March 2012 Rupees
<b>10</b>	<b>Transactions with related parties</b>		
	<b>Name</b>	<b>Nature of Transaction</b>	
	<i>Associates</i>		
	Ghani Value Glass Limited	Sales	211,865,895
		Other expenses	3,440,616
	Ghani Gases Limited	Sales	3,879,691
		Other expenses	-
	Ghani Automobiles Industries Limited	Reimbursement of utility bills	362,058
	Rak Ghani Glass LLC	Sales	-
		Advance for issuance of shares	-
		Other expenses	55,438,343
	<i>Other related parties</i>		
	<i>Post employment benefit plan</i>		
	Provident fund	Contributions	40,985,974

All transactions with related parties have been carried out on commercial terms and conditions.

#### 11 Date of authorization

This unaudited condensed interim financial information for nine months ended 31 March 2013 was authorized for issue by the Board of Directors on 26 April, 2013.

#### 12 General

Figures have been rounded off to nearest rupee.

Lahore



Chief Executive Officer



Director

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GHANI GLASS LIMITED

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**Ghani**  
LEADERS IN GLASS  
GHANI GLASS LIMITED

**Head Office:**

40-L, Model Town, Lahore, Pakistan.  
UAN: +92-42-111 949 949  
Fax: +92-42-35172263  
[www.ghaniglass.com](http://www.ghaniglass.com)

**Marketing Office:**

12-D/5 Chandni Chowk,  
KDA Scheme, 7/8, Karachi, Pakistan.  
UAN: +92-21-111 949 949  
Fax: +92-21-34926349