

# Ghani

Pakistan's No. 1 Glass Brand



FIRST QUARTER  
FINANCIAL STATEMENTS

# 2013

GHANI GLASS LIMITED

# Corporate Information

## Board of Directors

Mr. Aitzaz Ahmad Khan  
Mr. Imtiaz Ahmad Khan  
Mr. Anwaar Ahmad Khan  
Mr. Aftab Ahmad Khan  
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)*

Chairman  
Chief Executive Officer  
Deputy Chief Executive Officer  
Deputy Chief Executive Officer

## Audit Committee

Mr. Aftab Ahmad Khan  
Mrs. Ayesha Aftab  
Mr. Zaid Ghani

Chairman  
Member  
Member

## HR & R Committee

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

Chairman  
Member  
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, 1-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

**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@ghaniglass.com

**GGL Plant-1 & Regional Marketing Office-North**

22 km Haripur Taxila Road, (From Haripur)  
Thesil & District Haripur (KPK)  
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 : (056) 3406810-11  
Fax : (056) 3406795  
Email : ghanifloat@ghaniglass.com

# Directors' Report

Dear Shareholders,

Assala-mo-Alaikum wa Rahmatullah wa Barakatohu

The Board of Directors of Ghani Glass Limited is pleased to present the Financial Statements of the Company for the first quarter ended September 30, 2013.

## FINANCIAL PERFORMANCE

	2013	2012
	(Rupees in million)	
Net Sales	2,183	2,329
Gross Profit	495	677
Profit from Operations	246	469
Finance Cost	82	66
Other Income	13	4
Profit before Tax	173	410
Profit after Tax	130	306
Earning per Shares	1.10	2.86

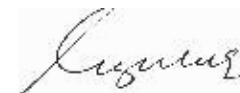
Net Sales has been recorded as Rupees 2.2 billion for the first quarter ended September 30, 2013 as compared to Rupees 2.3 billion in the corresponding period last year. Gross Profit for the period under review was Rupees 495 million as compared to Rupees 677 million in the corresponding period last year. The Company has earned Profit after tax of Rupees 130 million as compared to Rupees 306 million in the corresponding period last year. The net revenue and overall performance of the Company has been impacted by increasing energy costs and decline of selling price to remain competitive in the market.

## ACKNOWLEDGMENT

The Board and the management would like to thank senior executives of Pharmaceutical, Food and Beverage Industries for their continuous support and confidence on our quality products. Thanks are also due to our dealers and customers of float glass for their trust reposed on our quality products. 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 of the Company for their hard work, commitment and loyalty.

On behalf of the Board of Directors



**Imtiaz Ahmad Khan**  
Chief Executive Officer

Lahore: October 23, 2013

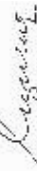
# Balance Sheet

As at 30 September 2013

	(Un-audited) 2013 September Rupees	(Audited) 2013 June Rupees
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Authorised share capital 142,500,000 (2013: 142,500,000) ordinary shares of Rs. 10 each	1,425,000,000	1,425,000,000
Issued, subscribed and paid up capital Reserves	1,173,514,351 5,219,034,542 6,392,548,993	1,173,514,350 5,089,402,712 6,262,917,062
<b>Non-Current liabilities</b>		
Long term finances Security deposits Deferred taxation	1,359,560,201 217,733,904 574,023,216 2,151,317,321	1,148,556,546 217,789,904 530,812,573 1,897,159,023
<b>Current liabilities</b>		
Current portion of non current liabilities Short term morabaha finances Trade and other payables Markup accrued	305,016,763 1,624,169,276 1,084,620,719 39,903,850 3,053,710,608	305,016,763 1,294,163,227 1,169,833,435 18,521,793 2,787,535,218
<b>Contingencies and commitments</b>		
	11,597,576,922	10,947,611,303
<b>ASSETS</b>		
<b>Non-Current assets</b>		
Property, plant and equipment Investment in associate Long term deposits and prepayments	7,040,212,099 402,543,049 31,586,590 7,474,341,738	6,775,583,377 393,777,749 65,586,590 7,234,947,716
<b>Current assets</b>		
Stores, spares and other consumables Stock in trade Trade debtors Advances, deposits and prepayments Income tax recoverable Other receivables Cash and bank balances	836,974,887 1,602,362,726 844,968,982 269,414,035 300,232,234 19,354,778 249,927,542 4,123,235,184	850,414,171 1,301,612,245 678,206,928 255,626,769 286,884,469 19,113,449 320,805,556 3,712,663,587
	11,597,576,922	10,947,611,303

Lahore

Chief Executive



Director

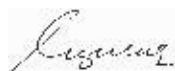


# Profit and Loss Account (Un-audited)

For the period ended 30 September, 2013

	Period ended	
	September 2013	September 2012
	Rupees	Rupees
Sales - net	2,182,575,441	2,329,321,942
Cost of sales	(1,687,847,742)	(1,652,773,623)
<b>Gross profit</b>	<b>494,727,699</b>	<b>676,548,319</b>
General and administrative expenses	(85,775,580)	(77,981,517)
Selling and distribution expenses	(162,609,992)	(107,728,686)
Other operating expenses	(12,810,029)	(26,225,855)
Other operating income	12,539,720	3,976,861
	(248,655,881)	(207,959,197)
<b>Operating profit</b>	<b>246,071,818</b>	<b>468,589,122</b>
Finance cost	(81,994,545)	(65,548,757)
Share of profit / (loss) of associate	8,765,300	6,834,732
<b>Profit before taxation</b>	<b>172,842,573</b>	<b>409,875,097</b>
Taxation	(43,210,643)	(104,292,759)
<b>Profit after taxation</b>	<b>129,631,930</b>	<b>305,582,338</b>
<b>Earnings per share - basic and diluted</b>	<b>1.10</b>	<b>2.86</b>

Lahore



Chief Executive



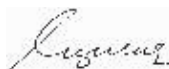
Director

# Cash Flow Statement

For the period ended 30 September, 2013

	2013 September Rupees	2012 September Rupees
<b>Cash generated from operations</b>		
Profit before taxation	172,842,573	409,875,097
Adjustments for non cash and other items:		
Depreciation	154,053,781	160,735,059
Finance cost	81,994,545	65,548,757
Provision for workers' profit participation fund	9,282,630	22,082,896
Share of profit of associate	(8,765,300)	(6,834,732)
Provision for workers' welfare fund	3,527,399	4,142,959
	<u>240,093,055</u>	<u>245,674,939</u>
<b>Operating profit before working capital changes</b>	<b>412,935,628</b>	<b>655,550,036</b>
Effect on cash flow due to working capital changes:		
Decrease / (Increase) in store, spares and other consumable	13,439,284	(18,824,513)
(Increase) in stock in trade	(300,750,481)	(277,409,949)
(Increase) / Decrease in trade debts	(166,762,054)	(45,468,088)
Decrease in advances, deposits and prepayments	(13,787,266)	(60,140,285)
(Increase) in other receivables	(13,589,094)	-
Increase / (Decrease) in trade and other payables	(97,727,213)	(32,015,734)
Increase in lease rental-ijarah finances	-	(1,119,900)
	<u>(579,176,824)</u>	<u>(434,978,469)</u>
<b>Cash generated from operations</b>	<b>(166,241,196)</b>	<b>220,571,567</b>
Finance cost paid	(60,612,488)	(40,637,768)
Workers' profit participation fund paid	(274,666)	(1,413,029)
Income taxes paid	-	(50,985,711)
	<u>(60,887,154)</u>	<u>(93,036,508)</u>
<b>Net cash generated from operating activities</b>	<b>(227,128,350)</b>	<b>127,535,059</b>
Fixed capital expenditure	(418,682,502)	(91,472,143)
Long term deposits	34,000,000	(350,000)
<b>Net cash used in investing activities</b>	<b>(384,682,502)</b>	<b>(91,822,143)</b>
<b>Cash flow from financing activities</b>		
Loan from sponsors - net	-	(35,500,000)
Morabaha finances - net	330,006,049	42,324,834
Long term financing - net	211,003,655	-
Security deposits	(56,000)	-
Dividend paid	(20,866)	(80,451,756)
<b>Net cash (used in) / generated from financing activities</b>	<b>540,932,838</b>	<b>(73,626,922)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(70,878,014)</b>	<b>(37,914,006)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>320,805,556</b>	<b>192,348,288</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>249,927,542</b>	<b>154,434,282</b>

Lahore



Chief Executive



Director

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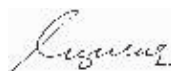
**GHANI GLASS LIMITED**

# Statement of Comprehensive Income

For the period ended 30 September, 2013

	September 2013 Rupees	September 2012 Rupees
Profit for the period	129,631,930	305,582,338
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>129,631,930</b>	<b>305,582,338</b>

Lahore



Chief Executive



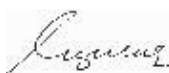
Director

# Statement of Changes in Equity (Un-audited)

For the period ended 30 September, 2013

	Share capital	Capital reserve		Revenue reserve	Total
		Merger reserve	Share premium	Unappropriated profit	
(----- Rupees -----)					
<b>Balance as at 1 July 2012</b>	1,066,831,227	427,419,290	75,000,000	3,823,087,822	<b>5,392,338,339</b>
Bonus shares issued @ 10% for the year 2013	106,683,123			(106,683,123)	-
Total comprehensive income for June,2013	-	-	-	870,578,724	<b>870,578,724</b>
<b>Balance as at 30 June 2013</b>	<u>1,173,514,350</u>	<u>427,419,290</u>	<u>75,000,000</u>	<u>4,586,983,423</u>	<u>6,262,917,063</u>
Profit for the period ended 30 September ,2013	-	-	-	129,631,930	<b>129,631,930</b>
<b>Balance as at 30 September 2013</b>	<u>1,173,514,350</u>	<u>427,419,290</u>	<u>75,000,000</u>	<u>4,716,615,353</u>	<u>6,392,548,993</u>

Lahore



Chief Executive



Director

# Notes to the Financial Statements

For the period ended 30 September, 2013

## 1 THE COMPANY AND ITS OPERATIONS

Ghani Glass Limited ("the company") was incorporated in Pakistan in 1992 as public limited company under the companies Ordinance, 1984 and is listed on Karachi and Lahore Stock Exchange in Pakistan. The registered office of the Company is located at 40-L Model Town, Lahore, Pakistan. The Company is engaged in the business of manufacturing and sale of glass containers and float glass of different types.

- 2 These financial statements are unaudited and being submitted to shareholders, as required under section 245 of the companies Ordinance 1984.

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance 1984. Approved accounting standards comprise of such international Accounting Standards as notified under the provisions of Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with requirements of the said directive take precedence.

## 3 ACCOUNTING POLICIES

The accounting policies applied for the preparation of the these condensed interim financial information are the same as those applied in preparation of the annual audited statements of the Company for the year ended June 30, 2013.

## 4 OPERATING ASSETS

Net book value at the beginning of the period  
Add: Additions during the period  
Add: Capital work in progress  
Less: Depreciation charged during the period

Un-audited September 30 2013 Rupees	Un-audited September 30 2012 Rupees
6,063,072,435	6,001,503,217
736,893,065	76,552,962
394,300,379	14,961,439
154,053,780	160,535,954
<b>7,040,212,099</b>	<b>5,932,481,664</b>

4.1 Details of additions during the period are as follows:

### Owned

Land	3,500,000	2,473,988
Building	112,779,687	696,927
Plant & Machinery	305,873,277	62,779,367
Furnance	303,642,236	7,817,245
Office Equipments	828,587	542,801
Furniture & Fixtures	372,400	86,850
Vehicles	9,896,878	2,155,784
	<b>736,893,065</b>	<b>76,552,962</b>

## 5 CONTINGENCIES AND COMMITMENTS

### 5.1 Contingencies

Aggregate amount of bank guarantees issued by banks outstanding as at balance sheet date amounted to Rs.834.143 million (2013:Rs.702.00 million)

### 5.2 Commitments

Letter of credit import materials and stores outstanding as at balance sheet date amounted to Rs.655.00 million (2013:Rs.766.00 million)

	September 2,013 Rupees	September 2,012 Rupees
<b>6 TRANSACTION WITH RELATED PARTIES</b>		
Purchase of raw material	883,958	686,960
Expenses	524,609	537,613
Sales	71,577,831	98,489,795
<b>7 EARNING PER SHARE-BASIC AND DILUTED</b>		
Net profit after tax	129,631,930	305,582,338
Number of ordinary shares	117,351,435	106,683,123
Earning per share	1.10	2.86

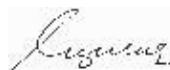
## 8 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 23, 2013 by the Board of Directors of the Company.

## 9 GENERAL

- I. Amounts have been rounded to nearest rupee.
- II. Consequent to substitution of Fourth Schedule to the companies Ordinance 1984 and to more appropriate presentation of financial statements, corresponding figure have been re-arranged and re-classified wherever necessary for the purpose of comparison.

Lahore



Chief Executive



Director

**Ghani**  
**GHANI GLASS LIMITED**

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