

***Growth
Innovation
Reach***



**First Quarter Financial
Statements 2019-20**

CORPORATE INFORMATION

Board of Directors	<p>Mr. Zaid Ghani Mr. Imtiaz Ahmad Khan Mr. Anwaar Ahmad Khan Mr. Aftab Ahmad Khan Mrs. Rubina Imtiaz Mrs. Reema Anwaar Mrs. Ayesha Aftab Mr. Junaid Ghani Mr. Jubair Ghani Mr. Hamza Ghani Mr. Moeez Ghani Mr. Ibrahim Ghani Mr. Ayub Sadiq Mr. Shamim Ahmed Mr. Junaid Shamim Mr. Ovais Shamim Mr. Ajmal Khan (Nominee EOBI)</p>	<p>Chairman Chief Executive Officer Deputy Chief Executive Officer Deputy Chief Executive Officer</p>
Audit Committee	<p>Mr. Ayub Sadiq Mr. Zaid Ghani Mr. Ibrahim Ghani</p>	<p>Chairman Member Member</p>
HR & R Committee	<p>Mr. Ayub Sadiq Mr. Anwaar Ahmad Khan Mr. Zaid Ghani</p>	<p>Chairman Member Member</p>
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	EY Ford Rhodes, Chartered Accountants	
Share Registrar	Corplink (Pvt) Ltd Wings Arcade, 1-K Commercial Area Model Town, Lahore, Pakistan Phones : (042) 35916714, 35916719 Fax : (042) 35869037	
Banks	<p>Albaraka Islamic Bank Allied Bank Limited Askari Bank Limited Bank Alfalah Limited, IBD Bank Al-Habib Limited Bank Islami Pakistan Limited Faysal Bank Limited, IBD First Women Bank Limited Habib Metropolitan Bank Limited, IBD MCB Islamic Bank Limited National Bank of Pakistan SME Bank Limited Soneri Bank Limited Standard Chartered Bank Limited, IBD The Bank of Punjab Dubai Islamic Bank Limited Habib Bank Limited Meezan Bank Limited United Bank Limited SAMBA Bank Limited</p>	

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 & (0995) 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,

Assalam-o-AlaikumwaRahmatullahwaBarakatoHu.

The Board of Directors is pleased to present the unaudited Financial Statements of Ghani Glass Limited for the first quarter ended September 30, 2019.

FINANCIAL HIGHLIGHTS

	September 30, 2019	September 30, 2018
	(Rupees in million)	
Revenue - Net	4,312	3,028
Gross Profit	1,052	964
Profit before Tax	641	591
Profit after Tax	580	502
Earning per Share (Rupees)	1.07	0.93

Despite the prevailing challenging business condition, the first quarter earnings remained stable. However, the crumbling demands amid recession of the construction industry and overall slackening business activity, the highest ever stocks have compiled with the Company which is beyond the control of management. During the first quarter ended September 30, 2019, the Net Revenue of the Company was reported at Rupees 4.3 billion. The Company has earned Net profit of Rupees 580 million as compared to Rupees 502 million for the corresponding period of the last year. Earning per share has also increased to Rupees 1.07 as compared to Rupees 0.93 for the same period of the last year.

The country is going through tough economic conditions with the hampering macroeconomic indicators. Pakistan economy remained under pressure in the first quarter 2019-20. After recording negative growth, Large Scale Manufacturing (LSM) continued deteriorating. During the first quarter, headline inflation clocked in at 12.5% YoY basis in September 2019. The overall Balance of Payments (BoP) weakened to US\$ -248mn. During September, the CAD shrank to US\$259mn (1.1% of GDP), down by 57%.

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.

Lahore: October 30, 2019


Imtiaz Ahmed Khan
Chief Executive Officer

On behalf of the Board of Directors


Aftab Ahmad Khan
Director

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at September 30, 2019

	Un-audited 2019 September Rupees	Audited 2019 June Rupees	Note
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
750,000,000 (2019: 750,000,000) ordinary shares of Rs. 10 each	<u>7,500,000,000</u>	<u>7,500,000,000</u>	
Issued, subscribed and paid-up capital Reserves	<u>5,415,426,660</u> <u>10,741,266,341</u>	<u>5,415,426,660</u> <u>10,160,783,026</u>	
Shareholders' equity	<u>16,156,693,001</u>	<u>15,576,209,686</u>	
Non-Current liabilities			
Deferred taxation	<u>1,358,403,718</u>	<u>1,358,403,718</u>	
Current liabilities			
Trade and other payables	<u>5,318,418,811</u>	<u>4,834,618,331</u>	
Contract liability	<u>126,911,906</u>	<u>125,994,585</u>	
Loan from sponsor directors	<u>576,500,000</u>	<u>680,500,000</u>	
Unpaid dividend	<u>170,802,999</u>	<u>220,358,771</u>	
Unclaimed dividend	<u>18,101,290</u>	<u>19,052,071</u>	
Contingencies and commitments	<u>6,210,735,006</u>	<u>5,880,523,758</u>	3
	<u>23,725,831,725</u>	<u>22,815,137,162</u>	
ASSETS			
Non-Current assets			
Property, plant and equipment	<u>12,362,009,357</u>	<u>12,220,358,482</u>	4
Intangible assets	<u>24,958,327</u>	<u>26,297,740</u>	
Investment in associate	<u>1,351,962,649</u>	<u>1,308,869,274</u>	
Long term advances and deposits	<u>35,417,790</u>	<u>31,752,150</u>	
	<u>13,774,348,123</u>	<u>13,587,277,646</u>	
Current assets			
Contract assets	<u>36,921,526</u>	<u>40,457,514</u>	
Stores, spares and other consumables	<u>1,074,377,521</u>	<u>1,057,502,349</u>	
Stock in trade	<u>4,925,106,483</u>	<u>3,704,064,023</u>	
Trade debtors - considered good	<u>2,598,164,222</u>	<u>2,240,195,500</u>	
Advances	<u>537,601,882</u>	<u>596,739,680</u>	
Short term investment	<u>4,071,440</u>	<u>4,066,860</u>	
Tax refund due from government	<u>627,915,112</u>	<u>596,026,565</u>	
Other receivables	<u>88,849,287</u>	<u>262,824,385</u>	
Cash and bank balances	<u>58,476,129</u>	<u>725,982,640</u>	
	<u>9,951,483,602</u>	<u>9,227,859,516</u>	
	<u>23,725,831,725</u>	<u>22,815,137,162</u>	

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



Chief Executive



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

For the period ended 30 September, 2019

	Note	Period ended	
		September 2019	September 2018
		Rupees	Rupees
Revenue - net		4,312,345,114	3,028,026,103
Cost of sales		(3,260,532,883)	(2,064,091,402)
Gross profit		1,051,812,231	963,934,701
General and administrative expenses		(194,134,879)	(127,927,069)
Selling and distribution expenses		(231,730,654)	(180,940,288)
Other expenses		(47,525,240)	(43,817,543)
Other income		22,413,485	6,720,793
		(450,977,288)	(345,964,107)
Operating profit		600,834,943	617,970,594
Finance cost		(2,681,967)	(1,607,383)
Share of profit/(loss) of associate		43,093,375	(25,143,891)
Profit before taxation		641,246,351	591,219,320
Taxation		(60,763,036)	(88,792,551)
Profit after taxation		580,483,315	502,426,769
Earnings per share - basic and diluted	6	1.07	0.93

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

Lahore



Chief Executive



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the period ended 30 September, 2019

	2019 September Rupees	2018 September Rupees
Profit for the period	580,483,315	502,426,769
Other comprehensive income	-	-
	<u>580,483,315</u>	<u>502,426,769</u>

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

Lahore



Chief Executive



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the period ended 30 September, 2019

	Capital reserve		Merger reserve	Share premium	Revenue reserve		Total	
	Share capital	Subscription money against right issue			Reserve created under scheme of amalgamation	Reserve		Exchange translation Reserve
Balance as at 30 June 2018	4,165,712,820	-	365,464,087	427,419,290	75,000,000	259,064,218	7,611,158,639	12,903,818,954
Balance as on 01 July, 2018 - as previously reported	4,165,712,820	-	365,464,087	427,419,290	75,000,000	259,064,218	7,611,158,539	12,903,818,954
Adjustment on initial application of IFRS 9 (refer note 4.1.2)	-	-	-	-	-	-	(10,971,095)	(10,971,095)
Adjustment on initial application of IFRS 15 (refer note 4.1.1)	-	-	-	-	-	-	16,546,581	16,546,581
Restated balance as on 01 July 2018	4,165,712,820	-	365,464,087	427,419,290	75,000,000	259,064,218	7,616,734,025	12,909,394,440
Total comprehensive income								
Profit for the year	-	-	-	-	-	-	3,143,519,736	3,143,519,736
Other comprehensive income	-	-	-	-	-	335,609,515	-	335,609,515
Transaction with owners of the Company recognised directly in equity- contributions and distributions								
Subscription money against right issue received	-	1,249,713,840	-	-	-	-	-	1,249,713,840
First interim dividend 2019 @ Rs.3.0 per share	-	-	-	-	-	-	(1,249,713,846)	(1,249,713,846)
Second interim dividend 2019 @ Rs.1.5 per share	-	-	-	-	-	-	(812,313,999)	(812,313,999)
Issue of right shares	1,249,713,840	(1,249,713,840)	-	-	-	-	-	-
Balance as at 30 June, 2019	5,415,426,660	-	365,464,087	427,419,290	75,000,000	594,673,733	8,698,225,916	15,576,209,686
Total comprehensive income for the period	-	-	-	-	-	-	580,483,315	580,483,315
Balance as at 30 September, 2019	5,415,426,660	-	365,464,087	427,419,290	75,000,000	594,673,733	9,278,709,231	16,156,693,001



Chief Executive



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)

For the period ended 30 September, 2019

Cash flows from operating activities

Profit before taxation

Adjustments for non cash and other items:

Depreciation

Amortization

Capital gain

Financial charges

Gain on sale of fixed assets

Share of profit/(loss) of associate

Workers' profit participation fund

Workers' welfare fund

Operating profit before working capital changes

(Increase)/decrease in current assets:

Contract assets

Stores, spares and other consumables

Stock in trade

Trade debtors

Other receivables

Advances, deposits and prepayments

Increase/(decrease) in current liabilities:

Contract liability

Trade and other payables

Cash generated from operations

Finance cost paid

Taxes paid

Worker's welfare fund and Workers' profit participation fund paid

Net cash (used)/generated from operating activities

Cash flows from investing activities

Fixed capital expenditure

Intangible assets

Proceed from sales of fixed assets

Short Term investments

Long term deposits and prepayments

Net cash used in investing activities

Cash flows from financing activities

Loan from sponsor directors-repayment

Dividend paid

Net cash (used) in financing activities

Net increase/(decrease) in cash and cash equivalents during the period

Cash and cash equivalents at the beginning of the period

Cash and cash equivalents at the end of the period

	September 2019 Rupees	September 2018 Rupees
Profit before taxation	641,246,351	591,219,320
Adjustments for non cash and other items:		
Depreciation	240,336,958	178,344,329
Amortization	1,339,413	669,476
Capital gain	-	150,000
Financial charges	2,681,967	1,607,383
Gain on sale of fixed assets	(2,280,612)	(3,820,851)
Share of profit/(loss) of associate	(43,093,375)	25,143,891
Workers' profit participation fund	34,438,580	31,751,843
Workers' welfare fund	13,086,660	12,065,700
	246,509,591	245,911,771
Operating profit before working capital changes	887,755,942	837,131,091
(Increase)/decrease in current assets:		
Contract assets	3,535,988	-
Stores, spares and other consumables	(16,875,172)	(20,397,931)
Stock in trade	(1,221,042,460)	(643,075,742)
Trade debtors	(357,968,722)	(95,990,524)
Other receivables	173,975,098	92,387,379
Advances, deposits and prepayments	59,137,798	(76,723,910)
Increase/(decrease) in current liabilities:		
Contract liability	917,321	66,564,164
Trade and other payables	486,970,762	75,997,024
	(871,349,387)	(601,239,540)
Cash generated from operations	16,406,555	235,891,551
Finance cost paid	(2,681,967)	(1,607,383)
Taxes paid	(92,651,583)	(138,736,479)
Worker's welfare fund and Workers' profit participation fund paid	(50,695,522)	(30,000)
	(146,029,072)	(140,373,862)
Net cash (used)/generated from operating activities	(129,622,517)	95,517,689
Cash flows from investing activities		
Fixed capital expenditure	(384,186,970)	(1,114,396,415)
Intangible assets	-	(1,096,000)
Proceed from sales of fixed assets	4,479,749	9,005,554
Short Term investments	(4,580)	150,238,900
Long term deposits and prepayments	(3,665,640)	8,981,864
Net cash used in investing activities	(383,377,441)	(947,266,097)
Cash flows from financing activities		
Loan from sponsor directors-repayment	(104,000,000)	-
Dividend paid	(50,506,553)	(415,601,107)
Net cash (used) in financing activities	(154,506,553)	(415,601,107)
Net increase/(decrease) in cash and cash equivalents during the period	(667,506,511)	(1,267,349,515)
Cash and cash equivalents at the beginning of the period	725,982,640	2,026,060,054
Cash and cash equivalents at the end of the period	58,476,129	758,710,539

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



Lahore

Chief Executive



Director



Chief Financial Officer

CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September, 2019 (Un-audited)

1 Corporate and general information

- 1.1 Ghani Glass Limited ("the Company") was incorporated in Pakistan in 1992 as a limited liability company under the Companies Ordinance, 1984 (now Companies Act, 2017). Its shares are quoted on Pakistan Stock Exchange. The Company is engaged in the business of manufacturing and sale of glass containers and float glass.

The geographical locations and addresses of the Company's business units, including production facilities are as under:

- Head office and Registered office: 40 - L Model Town, Lahore;
- Marketing Office: 12 D/5 Chandani Chowk, KDA Scheme No. 7-8, Karachi;
- Plant 1 and Regional Marketing Office (North): 22 Km Haripur Taxila Road, District Haripur;
- Plant 2: H-15 Landhi Industrial Area, Karachi;
- Plant 3: 29 Km Lahore Sheikupura Road, District Sheikupura.
- Plant 4: 50 Km Lahore Gujranwala road, Tehsil Kamonke, District Gujranwala.

2 Basis of accounting

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under historical cost convention except for certain foreign currency translation adjustments and certain financial instruments carried at fair value.

2.3 Standards, interpretations and amendments to published approved accounting periods standards that are effective but not relevant

The new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2019 are considered not to be relevant for the company's financial statements and hence not been detailed here.

3 Contingencies and commitments

There is no significant change in the contingencies and commitments status since the last annual financial statement date.

4 Property, plant & equipment

	Note	Un-audited September 30 2019 Rupees	Audited June 30 2019 Rupees
Net book value at the beginning of the period		10,998,531,887	7,631,524,859
Add: Addition during the period	4.1	291,871,511	4,273,900,814
Add: Capital work in progress		1,314,142,054	1,221,826,595
Less: Disposal during the period		(2,199,137)	(10,526,465)
Less: Depreciation charged during the period		(240,336,958)	(896,367,321)
Net book value at the close of period		<u>12,362,009,357</u>	<u>12,220,358,482</u>
4.1 Details of additions during the period are as follows:			
Owned			
Land		-	-
Building		26,185,939	134,902,953
Plant & machinery		114,609,542	1,020,575,293
Furnace		109,172,116	3,056,254,844
Tools and office equipment		-	1,709,600
Office equipment		12,286,069	14,295,326
Furniture & fixtures		765,250	6,741,496
Vehicles		28,852,595	39,421,302
		<u>291,871,511</u>	<u>4,273,900,814</u>

5 Transactions with related parties

	September 2,019 Rupees	September 2,018 Rupees
Expenses	1,745,721	15,475,406
Sales	273,827,199	125,217,466

6 Earnings per share - basic and diluted

Net profit after tax	580,483,315	502,426,769
Number of ordinary shares	541,542,666	541,542,666
Earning per share	1.07	0.93

7 Date of authorization for issue

These financial statements were authorized for issue on October 30, 2019 by the Board of Directors of the Company.

8 General

I. Figures have been rounded to nearest rupee.

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

Lahore



Chief Executive



Director



Chief Financial Officer

ڈائریکٹران کی جائزہ رپورٹ

معزز حصداران

اسلام علیکم ورحمۃ اللہ وبرکاتہ

ڈائریکٹران 30 ستمبر 2019 کو مکمل ہونے والی پہلی سہ ماہی کیلئے غنی گلاس لیمنڈ کے غیر آڈٹ شدہ مالیاتی گوشوارے بخوشی پیش کرتے ہیں۔


30 ستمبر 2018	30 ستمبر 2019	مالیاتی سرخیاں
(روپے "000" میں)		
3,028	4,312	خالص آمدنی
964	1,052	خام منافع
591	641	قبل از ٹیکس منافع
502	580	بعد از ٹیکس منافع
0.93	1.07	فی حصص منافع (پ)


سخت کاروباری حالات کے باوجود پہلی سہ ماہی کی آمدن اچھی رہی۔ تاہم تعمیراتی صنعت کی کساد بازاری اور مجموعی طور پر سست کاروباری سرگرمیوں کے نتیجے میں سکتزنی طلب کے باعث کمپنی کے پاس بلند ترین سطح کے سٹاک جمع ہو گئے ہیں۔ جو کہ انتظامیہ کے اختیار سے باہر ہیں۔ 30 ستمبر 2019 کو ختم ہونے والی سہ ماہی کے دوران کمپنی کی خالص آمدنی 4.3 ارب روپے رہی۔ کمپنی نے پچھلے سال اسی عرصہ میں 502 ملین روپے کے مقابلے میں 580 ملین روپے کا خالص نفع کمایا۔ فی حصص نفع بھی پچھلے اسی عرصہ میں 0.93 روپے کے مقابلے میں 1.07 روپے تک بڑھ گیا۔

2019-20 کی پہلی سہ ماہی کے دوران معیشت بدستور دباؤ کا شکار رہی ہے۔ بڑے پیمانے کی صنعتیں منفی ترقی کے باعث مسلسل کمزوری کا شکار ہیں پہلی سہ ماہی کے دوران ہینڈلائن انفلیشن ستمبر 2019 میں 12.5% تک بڑھ گیا۔ مجموعی طور پر ادائیگیوں کا توازن 248 ملین ڈالر تک کمزور ہو گیا ہے۔ ستمبر کے دوران کرنٹ اکاؤنٹ کا خسارہ 259 ملین ڈالر (جی ڈی پی کا 1.1%) تک سگڑ گیا۔ ملک خراب میکرو اکنامک اعشاریوں کے ساتھ سخت معاشی بدحالی سے گزر رہا ہے۔

اظہار تشکر

بورڈ اور انتظامیہ فارماسیوٹیکل، فوڈ اور مشروبات کی صنعتوں کی طرف سے ہماری مصنوعات کے معیار پر اعتماد اور مسلسل تعاون پر ان کے سینیئر ایگزیکٹو کا شکریہ ادا کرتے ہیں، ہم فلٹ گلاس کے ڈیلروں اور گاہکوں کا بھی ہماری مصنوعات پر کیے گئے اعتماد پر شکریہ ادا کرتے ہیں۔ بورڈ اپنے سپلائرز، کنٹریکٹرز اور بینکروں کا بھی مشکور ہے۔ بورڈ اپنے تمام ملازمین کا ان کی محنت، عہد اور دیانتداری پر ان کا تہ دل سے مشکور ہے۔


آفتاب احمد خان
ڈائریکٹر


امتیاز احمد خان
چیف ایگزیکٹو آفیسر

لاہور: اکتوبر 30، 2019

Ghani

GHANI GLASS LIMITED

Head Office:

40-L, Model Town Extension, Lahore, Pakistan.

UAN: +92-42-111 949 949

Fax: + 92-42-35172263

www.ghaniglass.com

