



## TABLE OF CONTENTS

Vision & Mission Statement	03
Corporate Information	04
Leading the way	06
Stakeholders	07
Consumers	08
Customers	09
Suppliers	10
Employees	11
Shareholders	12
Communities	13
Strict Adherence to International Quality Standards	14
Ghani's Endeavour for Green Pakistan & Concern for Environment	15
Product Portfolio – Float glass division	16
Product Portfolio – Container glass division	17
Chairman's Review	18
CEO's Review	19
Directors' Report	20
Financial Performance – Six years at Glance	29
Statement of Value Addition and its Distribution	31
Horizontal Analysis	32
Vertical Analysis	33
Statement of Compliance	34
Auditors' Review Report to the Members	36
Auditors' Report to the Members	37
Balance Sheet	41
Profit or Loss Account	42
Statement of Comprehensive Income	43
Statement of Changes in Equity	44
Cash Flow Statement	45
Notes to the Financial Statements	46
Pattern of Shareholding	86
Notice of Annual General Meeting	89
Directors' Report (Urdu)	92
Proxy Form	

## VISION

Nothing in this earth or in the heavens is hidden from ALLAH. To indulge in honesty, integrity and self determination, to encourage in performance and most of all to put our trust in ALLAH, so what we may, eventually through our efforts and belief, become the leader amongst glass manufacturers of South Asian Countries.

## MISSION

To be successful by effectively & efficiently utilizing our philosophies so that we achieve & maintain constantly the High Standards of Product Quality & Customer Satisfaction



## CORPORATE INFORMATION

<b>Board of Directors</b>	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. Jawed Zia (Nominee EOB)	Chairman Chief Executive Officer Deputy Chief Executive Officer Deputy Chief Executive Officer
<b>Audit Committee</b>	Mr. Ayub Sadiq Mr. Zaid Ghani Mr. Hamza Ghani	Chairman Member Member
<b>HR &amp; R Committee</b>	Mr. Ayub Sadiq Mr. Anwaar Ahmad Khan Mr. Zaid Ghani	Chairman Member Member
<b>Chief Financial Officer</b>	Mr. Umer Farooq Khan	
<b>Company Secretary</b>	Hafiz Mohammad Imran Sabir	
<b>Auditors</b>	KPMG Taseer Hadi & Co. Chartered Accountants	
<b>Legal Advisor</b>	Ally Law Associates	
<b>Corporate Consultants</b>	EY Ford Rhodes, Chartered Accountants	
<b>Share Registrar</b>	Corplink (Pvt) Ltd Wings Arcade, 1-K Commercial Area Model Town, Lahore, Pakistan Phones : (042) 35916714, 35916719 Fax : (042) 35869037	
<b>Bankers</b>	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 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	

**Head Office & Registered Office**

40-L Model Town  
Lahore, Pakistan  
UAN : (042) 111 949 949  
Fax : (042) 35172263  
E-mail : [info@ghaniglass.com](mailto: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](mailto: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](mailto:ghanifloat@ghaniglass.com)

## LEADING THE WAY

Ghani has dominated the glass market for long by not only owning the biggest glass manufacturing operations but also by pocketing the largest market share in all its glass products line up in Pakistan. Ghani possesses most technologically advanced and latest plant and machineries, state of the art manufacturing equipment, highly trained professionals and ample space for future expansions. Ghani has all internationally accredited quality certifications of glass production processes. Our team invests heavily in research and development to bring forward the latest innovation and inventions in practice while using the most supreme raw materials and highly skilled and experienced technical staff to maintain stringent quality measures. It is only through these top of the line methods that we are able to gain an edge in the glass market not only locally but also globally.



## STAKEHOLDERS

Together we create synergy

Ghani Glass Limited works tirelessly to ensure all stakeholders, may they be our customers, consumers, suppliers or employees, get the best value for their investments. Our stakeholders are all part of a big picture, meaning all of them work together to bring out the best in everyone's interest. Ghani soundly believes that all stakeholders are one unit and a team and believes in creating synergy by successfully integrating all of them and ensuring a win-win situation.





## CONSUMERS

### Your satisfaction our excellence

Ghani believes in being there with its consumers through thick and thin, may it be a moment of jubilation or a time of sadness. Our wide array of glass products are an integral part of one's life from the start of the day till night. Our enterprise provides high-quality float glass products and value added glass, mirror, tempered glass etc, that are integral to adorning homes as well as offices; be it doors, windows or simple furniture, we have products for every space. The food and beverage glass containers we produce are filled with the most revitalizing drinks, refreshing liquids and energetic food products like jams, mayonnaise and honey, boosting everyday life. Our pharmaceutical glass containers are an essential part of our lives; providing the best form of packing for medicinal syrups, tablets and injections. These products have helped us build a healthier and safer environment in Pakistan. It is the trust of our satisfied consumers, which has helped us grow into Pakistan's No.1 glass brand.





## CUSTOMERS

### Strong relations; delighting a vast array of toppers

Our customerbase consists of both local and international pharmaceutical and food/beverage brands including local suppliers and dealers of our float glass. Our avenues also extend towards exporting our glass products to foreign countries. We ensure to provide the best quality glass products meeting international quality standards at an affordable rate. To top it all off, we extend excellent customer services to our local and foreign customers and term our strong business relations with our customers as one of our biggest assets. Our customer's unwavering faith in us, their level of delightfulness and confidence in our products have made us the leader in our business segments.

# Ghani Shop

Pakistan's No.1 Glass Brand

Ghani... Leaders in Glass



GSK



Abbott  
A Promise for Life



SANOFI



Coca-Cola



MITCHELL'S

NOVARTIS



Reckitt  
Benckiser  
Pharmaceuticals Inc.

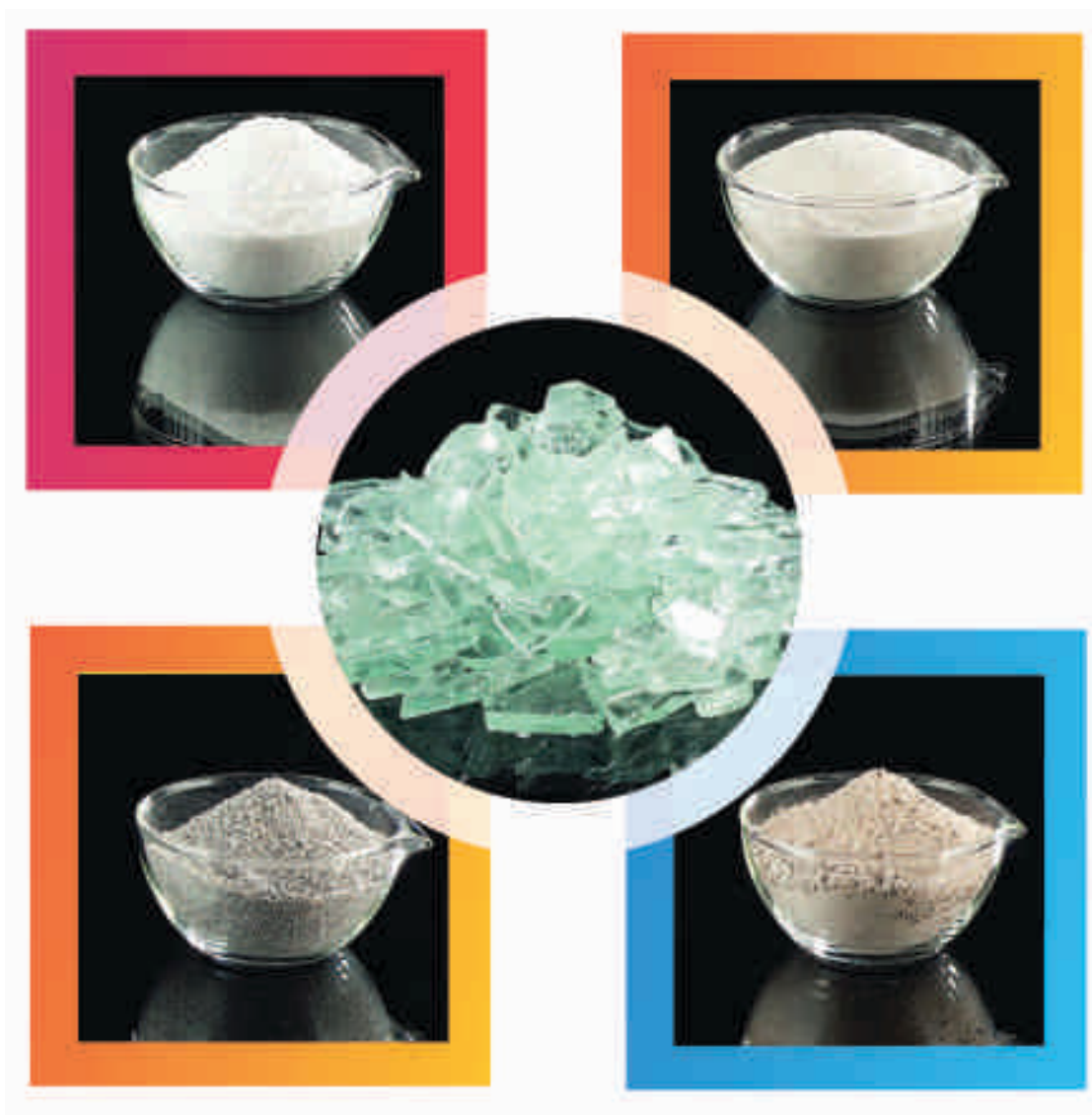


Many more...

## SUPPLIERS

### Exploring the finest; sourcing the best

Over the years, Ghani has attained an edge by reaching economies of scale by sourcing the best suppliers of relevant raw materials required abundantly at our manufacturing facilities. Ghani Glass is one of the biggest buyers of silica, feldspar, dolomite, and limestone among other materials and strongly supports local manufacturers, miners and suppliers, thus supporting the local economy of our motherland. We are also committed to the well-being of the environment and actively support the conservation efforts through recycling and using broken glass (cullet), which is also being acquired locally; not only supporting economy but also the concern for green environment. Moreover, all other suppliers and vendors working with Ghani are one of the best in their relevant fields.



## EMPLOYEES

### Human capital; our real asset

Ghani values its employees to the greatest extent. Our employees are a vital part of our operations and we believe that our success depends on them so we are committed to working as a single unit. The work environment in our offices and production facilities promotes our employee's efficiency so that they can work to their highest potential while also being able to carve out time to fulfill their religious duties. We believe in profits for our employees which eventually leads to profit for the organization. Ghani provides free meals to its employees regardless of their status and also shares the bulk of its uplift and continuous upgradation of our human capital, which has enabled us to get a standing of one of the best employers in the country. We believe we all are the Ghani Family.



## SHAREHOLDERS

### Adding up values; mustering up growth

Ghani Glass Limited has been consistent in achieving the highest industry rating owing to the constant increase in profits for its shareholders. Ghani is proud to have a continuous increase in its profits, which is visible in figures showing an upward trend in the past five years, thus augmenting our shareholders' complete trust and confidence in our shares. Our statistical results show our position as the market leader which is proven by our strong successful track record. Team Ghani always strives hard to add up values for our shareholder by ensuring that the share becomes as strong as possible and ensure security for our shareholders by focusing on constant growth.





## COMMUNITIES

### Striving for the uplift and prosperity of the masses

Ghani staunchly supports and believes in Corporate Social Responsibility, for which Ghani spends over Rs. 100 Million per annum. We are already committed to numerous community support plans, including but not limited to the education sector where we support hardworking and deserving students of remote areas of the motherland. Our commitment goes even further to embrace education seekers in jails, where Ghani is taking adequate steps to provide basic education and religious teachings to the prisoners, alongside providing financial aid to them in order to cut out on the prison tenures. In the health sector, Ghani aids underprivileged patients through free dispensaries in remote areas; a joint venture with Indus Hospitals Punjab is also worth sharing, where free medical and surgical treatments are being offered to thousands of patients. Ghani Social Welfare and Family Support Programs for float glass markets are also noteworthy; comprising of shadi packages for sisters and daughters of labourers, first aid spots, funds for trauma and emergency first aid during work, financial aid for Huffaz and free food in various stations for labourers of glass markets.

## ادارے کی فراہم کردہ خدمات



غنی شادی پیکج



غنی فرسٹ ایڈ اینڈ  
فائر سیفٹی پوائنٹ



غنی فنڈ برائے حادثات



غنی خدمت حفاظ پروگرام



## STRICT ADHERENCE TO INTERNATIONAL QUALITY STANDARDS

Ghani Glass Limited follows stringent qualitative measures to ensure that it would always deliver the best quality and nothing else. Ghani Glass Limited is renowned and recognized for excellent production quality as well as finest workmanship, which is expertly translated into aesthetic qualities, continued trust and successful visions. Globally accepted production regulations and visionary industrial finesse contribute in the final product that we offer to our satisfied customers, who share a history of satisfaction and delight with us.

The internationally accepted quality certifications being followed at Ghani's production facilities include the following:

- 1. ISO 9001 (Quality Management System)**
- 2. ISO 14001 (Environmental Management System)**
- 3. FSSC 22000 (Food Safety System Certification)**  
for food & beverage glass containers in particular.
- 4. ISO 15378 (Good Manufacturing Practices-GMP standard)**  
for pharmaceuticals glass containers manufacturing.
- 5. Supplier Guiding Principle (SGP)**  
for food & beverage glass containers.
- 6. ISO 14644-1 / Class 100,000 / Class 8 (Clean Room Certification)**

While introducing for the first time in the region, Ghani has taken the lead to set up Class100,000 Clean Room Facility along with an automatic shrink wrap packaging, ensuring no man handling and getting the pharmaceutical glass containers to be packed in ready to be filled in packaging.





## GHANI'S ENDEVOUR FOR GREEN PAKISTAN & CONCERN FOR ENVIRONMENT

Ghani encourages and fully supports Green Environment programs, which includes all environment friendly activities and endeavors. Ghani strives its level best to implement all environment related internationally accepted global standards. Nonetheless, Ghani hugely supports the concern for Green Environment and supports recycling of its products in every possible way. All glass products of Ghani are 100% recyclable, thus ensuring no harm to the nature. Not only the environment in particular but also the health standards, including food safety standards, etc. are being followed and maintained at our production facilities to ensure the provision of 100% healthy glass packaging to community.





PRODUCT PORTFOLIO  
**FLOAT GLASS**  
DIVISION



PRODUCT PORTFOLIO

# CONTAINER GLASS

DIVISION



## CHAIRMAN'S REVIEW

### Review Report by the Chairman on Board's overall Performance u/s 192 of the Companies Act 2017

Dear Shareholders,

I am pleased to report on the overall performance and effectiveness of the role played by the board in achieving the company's objectives. The overall performance of the board remained satisfactory during the financial year ended June 30, 2018.

The composition of the board is appropriate, having the right mix of knowledge, expertise and skills to maximize performance;

Board members have a clear understanding of the organization's vision and mission and its core business;

Board members demonstrate appropriate industry knowledge and include a diversity of experiences and backgrounds;

Board members make decisions objectively and collaboratively in the best interests of the organization and feel collectively responsible for achieving organizational success;

Board contributes rightly towards developing strategies and direction of the organization;

Board is able to make timely strategic decisions ensuring that operations are in line with the strategies.

Board has approved pay out in the form of cash dividend for the shareholders aggregating Rs.4 per share i.e. 40% (already paid) during the year ended June 30, 2018.

Lahore  
Date: September 29, 2018



**Zaid Ghani**  
Chairman

## CEO'S REVIEW

I am pleased to inform the shareholders that your Company has sustained its performance during the financial year 2017-18.

In challenging business environment, the company succeeded in maintaining its pace of growth. The Company has witnessed positive trend of persistent growth during the year ended June 30, 2018. The production facilities were operated at the optimal levels to fulfill the needs of our valued customers. In the financial year 2017-18, the upsurge of revenues was linked with further growth in the domestic market that has helped the company to register a growth of 9.1%. Net Revenue of the Company has been recorded as Rupees 14.4 Billion as compared to Rupees 13.2 Billion. Gross Profit has increased by 3.8% comparing with the last year. Profit before tax has touched the number of Rupees 3 Billion. The Company has registered a Net profit of Rupees 2.9 Billion (increased by 24.5%) demonstrating an excellent performance. Earning per share has also increased to Rupees 6.93 as compared to Rupees 6.15 (restated) for the last year.

We have been continuously maintaining our position as the best quality glass producer by adopting latest technology and innovation throughout the manufacturing process. Along with our distinctive debt-free financial position, the strong cash-flows enable us to utilize avenues which would continue to generate sustainable growth in our portfolio and further increase in shareholder value.

Alhamdulillah, the project of float line 1 having production capacity of 450 tons per day (extendable upto 500 tons per day) has successfully started commercial operations.

The Company has been actively playing its effective role in improving society and protecting environment. We are trying to contribute more and more for the betterment of our society by investing in education, healthcare and poverty alleviation. For noble cause of education “**Jamiatul Ghani**” is contributing for the Commercial, Religious and Technical education to the needy and poor of the society. Through “**Almaida Lil Ghani**” more than 1000 needy persons have been serving free meal daily on several locations nationwide. Ghani has started to help the needy orphans of the community through “**Orphan Support Program**”. The management is determined to contribute more for the betterment of humanity in future. The Company has also been investing extensive amount towards economic development of the country by creating opportunities for the people, business community and uplifting the economic well-being of the nation. During the year under review, it has contributed Rupees 11 billion on account of various Government levies, taxes, custom duty, sales tax and reduction in import bill.

Board of Directors of the company have approved interim cash dividends as already paid for the year ended June 30, 2018 aggregating 40% i.e. Rs.4.00 per shares (first interim cash dividend of 20% i.e. Rs.2.00 per share, second interim cash dividend of 10% i.e. Re. 1.00 per share and third interim cash dividend of 10% i.e. Re. 1.00 per share).

The National Economy is moving forward with the achievement of real GDP growth during the last year. The upward trajectory of Real GDP has shown a 13-year high growth of 5.8 percent in the last fiscal year (FY18). This momentum is backed by the positive trends of macroeconomic indicators including controlled inflation, lowest policy rate, rising FDI & remittances, overcoming energy issues, growth in LSM and development in CPEC etc. Agriculture Sector exceeded its target by attaining 3.8% growth. Large Scale Manufacturing (LSM) also recorded last ten years highest growth.

Side by side with these positive indicators, there are also some risks facing by the economy. These challenges include unfavorable balance of payment due to widening gap of Current Account Deficit amid declining exports & decreasing foreign inflows, increasing circular debt, devaluation of Pak Rupee etc.

I wish to thank all our shareholders and stakeholders for their continued support in the implementation of our strategy to deliver on growth and profitability and to achieve the long term sustainability of our business.

Lahore  
Date: September 29, 2018

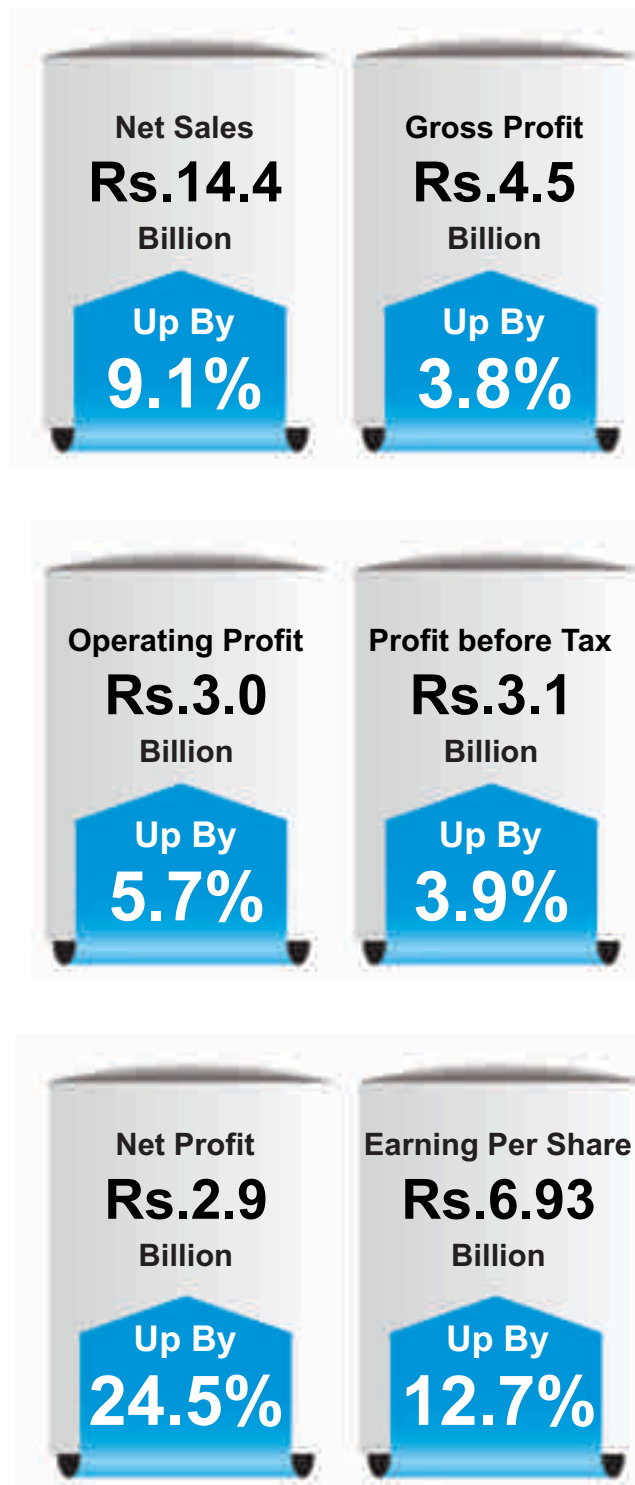


**Imtiaz Ahmed Khan**  
Chief Executive Officer

## DIRECTORS' REPORT

Your Directors takes pleasure in presenting Annual Report on performance and progress of the Company together with the Audited Financial Statements for the year ended June 30, 2018.

### BUSINESS OVERVIEW





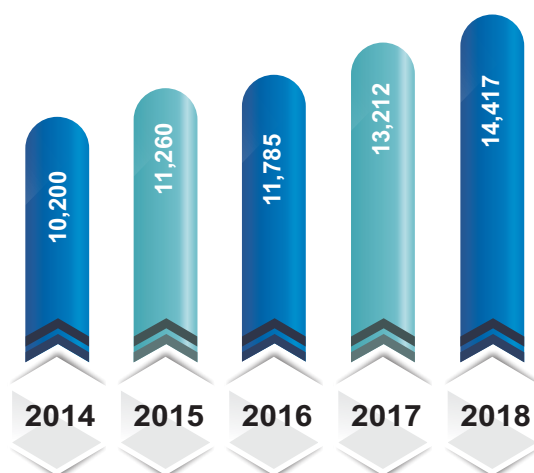
The Company's principal activity is to manufacture and sale of float glass and container glass. The financial performance of your Company during the year ended June 30, 2018 is as follow:

Financial Indicators	2018	2017	% increase
(Rupees in Million)			
Net Sales	14,417	13,212	9.1%
Gross Profit	4,494	4,328	3.8%
Operating Profit	3,012	2,850	5.7%
Profit before Tax	3,051	2,934	3.9%
Profit after Tax	2,866	2,302	24.5%
Earning per Share basic % diluted (Rupees)	6.93	6.15 <i>Restated</i>	12.7%

During the financial year ended June 30, 2018, the Net Sale of the Company has increased to Rupees 14.4 Billion as compared to Rupees 13.2 Billion for the last year. Gross Profit has increased to Rupees 4.5 Billion as compared to Rupees 4.3 Billion showing an increase of 3.8%. Operating Profit has increased to Rupees 3.0 Billion. Profit before tax has been recorded as Rupees 3.1 Billion. Net profit has increased to Rupees 2.9 Billion as compared to Rupees 2.3 Billion for the last year reflecting a rise of 24.5%. Earning per shares has also increased by 12.7%.

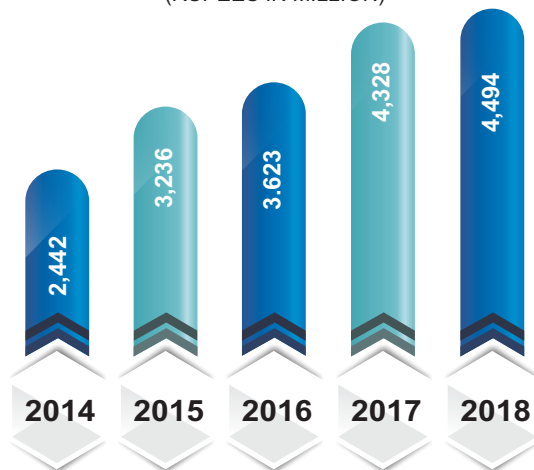
### NET SALES

(RUPEES IN MILLION)



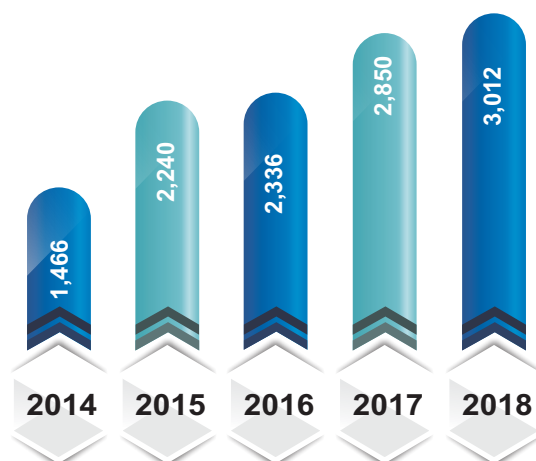
### GROSS PROFIT

(RUPEES IN MILLION)



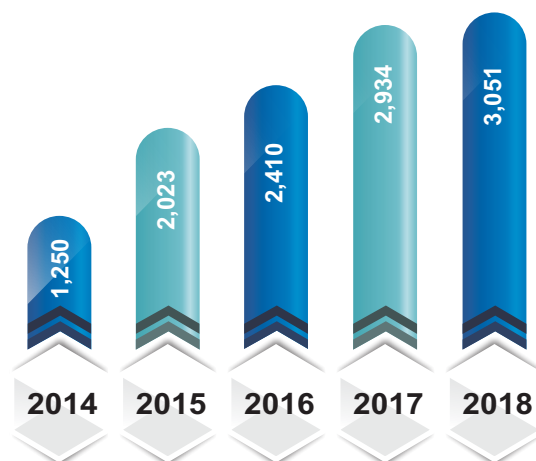
## OPERATING PROFIT

(RUPEES IN MILLION)



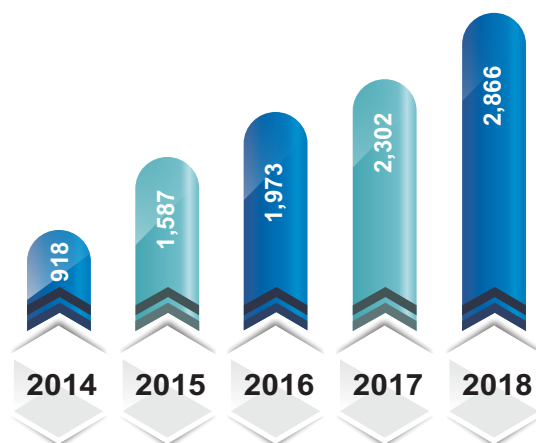
## PROFIT BEFORE TAX

(RUPEES IN MILLION)



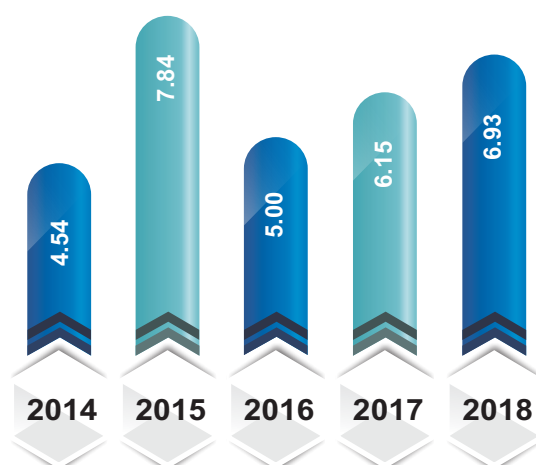
## NET PROFIT

(RUPEES IN MILLION)



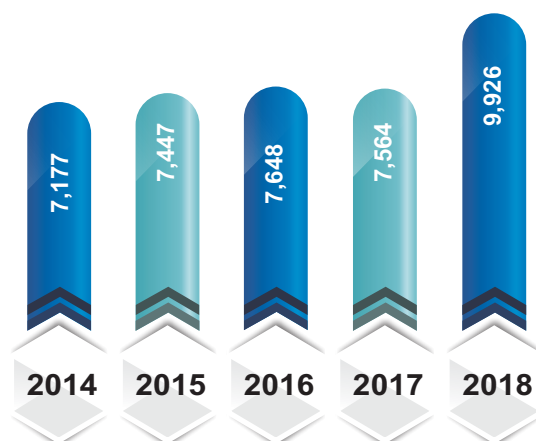
## EARNING PER SHARE

(RUPEES)



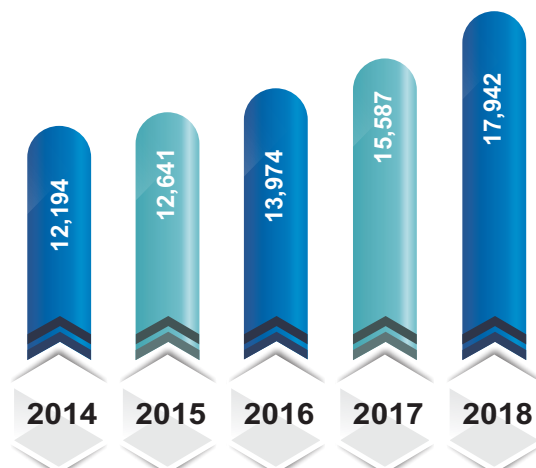
## FIXED ASSETS

(RUPEES IN MILLION)



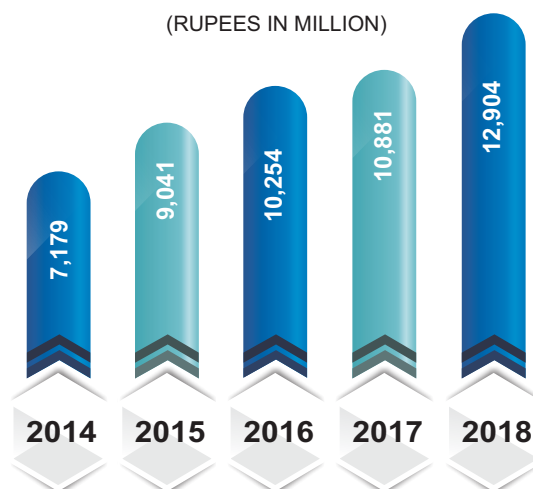
## TOTAL ASSETS

(RUPEES IN MILLION)



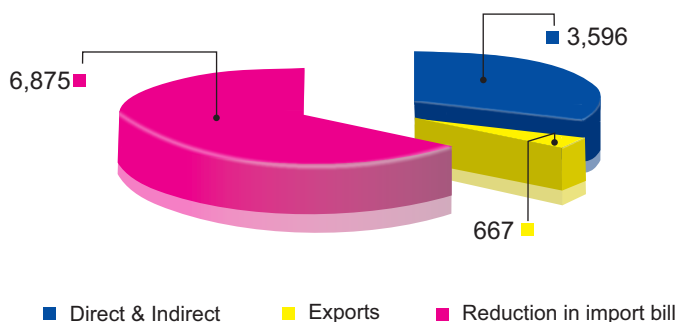
## SHAREHOLDER EQUITY

(RUPEES IN MILLION)



## CONTRIBUTION TO NATIONAL EXCHEQUER

(RUPEES IN MILLION)



## PROJECTS UPDATE

With the special blessings of ALLAH Almighty, the project of float line 1 at our plant at 29 KM Lahore Sheikhpura Road has successfully started commercial production in September 2018. The float line 1 will add to the Company's production capacity by 450 tons per day (*extendable upto 500 tons per day*).

## FUTURE PLANS

In continuation of our adoption of latest technologies, the management has always been striving for the innovation and new developments in company's operations. The management has a plan of BMR and re-built of food and beverage furnace and pharma furnace located at Haripur Hattar, KPK in the current financial year. These would be 100% equity based projects inshaALLAH.

## HUMAN RESOURCE MANAGEMENT & EMPLOYEE RELATIONSHIP

The management has a strong belief that our people are our most valuable and essential asset. The Company's policy to retain its people is the best and unmatched. To continue our legacy of being unparalleled leaders, we put efforts to inspire top talent at all levels & aspire to be a destination of choice. The Company strives to develop its existing employees by keeping them motivated and engaged. Our HR department uses various tools to identify high potential employees and arranges various trainings to further groom them. With the enthusiastic team of high caliber professionals, the management is confident to get the business flourished more within the local as well as international markets.

We continue to have a strong focus on structured development of our processes to fulfill our business needs through clearly defined authority matrices, policies, procedures and systems. Reward and recognition will continue to be tied to transparent performance management systems and procedures.

The purpose of employee engagement and welfare activities is to keep employees engaged and motivated. These activities also serve to inspire and develop our people. The Company has permanent welfare strategy for its employees. The Company provides hygienic meals to its entire workforce at all sites including persons hired through contractors; Seven persons in each year are selected through random balloting and sent to perform Holy Hajj at the expense of the Company; Medical facilities for workers and first aid (for plant workers) are also provided to the employees; There are masajids at each

plant and head office for praying and to learn teachings of Religion; The Company encourages and promotes all employees to participate in sports and various extracurricular activities. In this regard, the Company arranges cricket tournaments for its employees.

## **CORPORATE SOCIAL RESPONSIBILITY**

Ghani Glass Limited is fully cognizant of its responsibility towards society and welfare. The company took several initiatives to meet its Corporate Social Responsibility (CSR) and continued with reasonable financial support for the welfare of its employees, their families, the local community and society at large.

## **EDUCATION**

### **Message Grammar School, Izmir Town, Lahore**

Over 1,250 students are getting highest quality education in this higher secondary school.

### **Chandbagh School and College, Muridke**

Full boarding school with over 1000 students.

### **Al Ghani Trust School, Pasroor**

Over 175 students have been 'providing Financial Support to get free education till Metric level.

### **Jamia tul Ghani**

Your Company has been running “**Jamia tul Ghani**” an Educational Institution where a blend of Commercial, Religious and Technical education has been arranged for the community.

## **FREE FINANCIAL ASSISTANCE**

### **Free Financial Assistance and Education for convicts in Jails**

Prisoners who have completed their punishment but are not free because of being unable to pay off the financial penalty imposed by the court of law have been provided Financial Support;

Regular classes are arranged for prisoners (*adults and children*) for hygiene awareness, basic religion teachings and prayers and Quran teachings;

Training is providing to prisoners on how to become a useful member of the community once out of jail and character building courses.

## **HEALTH SECTORS**

### **Iftikhar Ghani Trust Dispensary**

Over 3000 non affording patients are being treated and provided with free medicines on a monthly basis.

## **FREE FOOD**

### **Almaida Lil Ghani**

A new CSR project naming “**Almaida Lil Ghani**” has been started to provide free meal to the poor and needy people; almost more than 1000 needy persons have been served with free meal daily on four different locations nationwide

## **DIVIDEND PAY OUT**

The Board of Directors has approved interim cash dividends as already paid aggregating 40% i.e. Rs.4 per share for the year ended June 30, 2018 (*first interim cash dividend of 20% i.e. Rs.2.00 per share, second interim cash dividend of 10% i.e. Re.1 per share and third interim cash dividend of 10% i.e. Re.1 per share*).

## **EARNING PER SHARE (EPS)**

The Company's EPS has been recorded as Rs.6.93 per share as compared to Rs.6.15 (*restated*) per share for the last year.

## **STATUTORY AUDITORS OF THE COMPANY**

The present auditors M/s KPMG Taseer Hadi & Company, Chartered Accountants retired and offered themselves for re-appointment. As suggested by the Audit Committee, the Board of Directors has recommended their re-appointment as auditors of the company for the year ending June 30, 2019, at a mutually agreed fee.

## STAFF RETIREMENT BENEFITS

The Company operates a funded contributory provident fund scheme for its employees and contributions, based on salaries of the employees, are made to the fund on monthly basis.

## SHARE PRICE TREND

During the year under review minimum price of share of Rs. 10 each fell down to as low as Rs. 51.60 and rose as high as Rs. 84.75 and closed at Rs. 61.68 as on June 30, 2018.

## BOARD OF DIRECTORS

The Board of Directors, which consists of Seventeen members, has responsibility to independently and transparently monitor the performance of the company and take strategic decisions to achieve sustainable growth in the company.

The total number of directors is 17 as per the following:

a. Male: 14                      b. Female: 3

The composition of board is as follow:

<b>Independent Directors</b>	Mr. Ayub Sadiq
<b>Other Non-Executive Directors</b>	Mr. Zaid Ghani
	Mrs. Rubina Imtiaz
	Mrs. Reema Anwaar
	Mrs. Ayesha Aftab
	Mr. Hamza Ghani
	Mr. Moeez Ghani
	Mr. Ibrahim Ghani
	Mr. Shamim Ahmed
	Mr. Junaid Shamim
	Mr. Ovais Shamim
	Mr. Jawed Zia (nominee EOBI)
<b>Executive Directors</b>	Mr. Imtiaz Ahmad Khan
	Mr. Anwaar Ahmad Khan
	Mr. Aftab Ahmad Khan
	Mr. Junaid Ghani
	Mr. Jubair Ghani

Written notices of the Board meetings along with working papers were sent to the members seven days before meetings. A total of five meetings of the Board of Directors, six meetings of the Audit Committee and two meetings of HR & R Committee were held during the period of one year, from July 01, 2017 to June 30, 2018. The attendance of the Board members was as follow:

<b>Name of the Director</b>	<b>No. of Board of Directors' Meetings attended</b>	<b>No. of Audit Committee Meetings attended</b>	<b>No. of HR &amp; R Committee Meetings attended</b>
Mr. Zaid Ghani	5	6	2
Mr. Imtiaz Ahmad Khan	5	-	-
Mr. Anwaar Ahmad Khan	5	-	2
Mr. Aftab Ahmad Khan	5	-	-
Mrs. Rubina Imtiaz	5	-	-
Mrs. Reema Anwaar	5	-	-
Mrs. Ayesha Aftab****	5	-	1
Mrs. Musfira Jubair**	2	-	-



Mr. Junaid Ghani	4	-	-
Mr. Jubair Ghani	5	-	-
Mr. Hamza Ghani	5	6	-
Mr. Moez Ghani**	3	-	-
Mr. Ibrahim Ghani**	3	-	-
Mr. Ayub Sadiq****	4	6	1
Mr. Shamim Ahmed	3	-	-
Mr. Junaid Shamim**	2	-	-
Mr. Ovais Shamim**	2	-	-
Mr. Muhammad Riazudin (nominee EOBI)***	-	-	-
Mr. Jawed Zia (nominee EOBI)***	-	-	-

\* Mrs. Musfira Jubair has retired on December 14, 2017

\*\* Elected as director in Election of Directors held on December 14, 2017

\*\*\*Mr. Jawed Zia (nominee EOBI) has replaced Mr. Muhammad Riazuddin (nominee EOBI) on October 26, 2017

\*\*\*\* HR & R Committee has been reconstituted on December 18, 2017 wherein Mrs. Ayesha Aftab has been replaced by Mr. Ayub Sadiq

Leave of absence was granted to directors who could not attend some of the meetings.

## COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The requirements of the Code of Corporate Governance set out by Pakistan Stock Exchange in its Listing Regulations, relevant for the year ended June 30, 2018 have been adopted by the company and have been duly complied with.

## STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

The Statement of Compliance with the best practices of Code of Corporate Governance is annexed.

## CODE OF CONDUCT

The board has adopted the Code of Conduct. All employees are informed of this Code and are required to observe these rules of conduct in relation to customers, suppliers and regulators.

## SUBSEQUENT EVENTS (after June 30, 2018)

There have been no material changes since June 30, 2018 except that the start of commercial production of float line 1 and announcement of 30% Right Issue at par value of Rs.10 per share in September 2018. The company has not entered into any commitment, which would materially affect its financial position at the date.

## AUDIT COMMITTEE

An audit committee of the Board has been in existence since the enforcement of the Code of Corporate Governance, which comprises of all three non-executive directors (including one Independent Director as its chairman). During the year, six meetings of the Audit Committee were held. The Audit Committee has its terms of reference which were determined by the Board of Directors in accordance with the guidelines provided in the Listing Regulations.

## RELATIONS WITH STAKEHOLDERS

We are committed to establish mutually beneficial relations with our suppliers, customers and business partners.

## CORPORATE AND FINANCIAL REPORTING FRAMEWORK

In compliance with the Companies Act 2017 and the Code of Corporate Governance, we give below statements on Corporate and Financial Reporting framework:

The financial statements prepared by the management of the Company present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity.

Proper books of account have been maintained by the company.

Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements and any departure there from has been adequately disclosed and explained.

The system of internal control is sound in design and has been effectively implemented and monitored.

There are no significant doubts upon the company's ability to continue as a going concern.

There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.

There has been no departure from the best practices of transfer pricing.

The key operating and financial data for the last six years is annexed.

Information about taxes and levies is given in the notes to the accounts.

The value of investments and bank balances in respect of staff retirement benefits:

**Provident Fund      Rs. 486 million**

The value of investment includes accrued profit.

The principal risks faced by the Company include tough competition, Rupee devaluation, PET plastic pharma containers, increasing gas prices and energy costs etc.

The Company's production has no negative impact on the environment as our plant and operations are complying with international and national environmental standards.

There are no changes that have occurred during the financial year concerning the nature of the business of the company or any other company in which the company has interest.

The company has a policy of not paying remuneration package for Non-Executive and Independent Directors.

The Board ensures adequacy of internal control activities either directly or through its Committees. The Board also reviews the Company's financial operations and position at regular intervals by means of interim accounts, reports, profitability reviews and other financial and statistical information. The Board reviews material budgetary variances and actions taken thereon on periodic basis.

**TRADING OF SHARES BY THE CEO, DIRECTORS, CFO, COMPANY SECRETARY AND THEIR SPOUSES AND MINOR CHILDREN**

Name	No. of Shares purchased	No. of Shares sold
Mrs. Sana Ayub W/o Mr. Ayub Sadiq	-	5000

**PATTERN OF SHARE HOLDINGS UNDER SECTION 227(2)(f) OF THE COMPANIES ACT 2017**

A statement of the pattern of shareholding of certain class of shareholders as at June 30, 2018, whose disclosure is required under the reporting framework, is included in the annexed shareholder's information. The directors, CEO, CFO, Company Secretary and their spouses or minor children did not carry out any trade in shares of the company during the year, except as noted above.

**ACKNOWLEDGMENT**

On behalf of the Board, I would like to thank all the shareholders, dealers and other stakeholders for their valued support and I up hold the confidence they have showed in the management and I pray to Allah SWT for His guidance and beg for His endless mercy for all our endeavors, so that we shall be able to come up with dear rewards for all the stakeholders.

We put on record our doubtless faith in Allah SWT and pray to him for the very best of this company and for all the individuals directly or indirectly attached to it.

**For and on behalf of the Board of Directors**



**Anwaar Ahmed Khan**

Deputy Chief Executive Officer



**Aftab Ahmad Khan**

Director

Lahore

Date: September 29, 2018

# FINANCIAL PERFORMANCE

## SIX YEARS AT GLANCE

	2018	2017	2016	2015	2014	2013
<b>Operating Results</b>	(Rupees in Million)					
Sale	14,417	13,212	11,785	11,260	10,200	10,362
Gross profit	4,494	4,328	3,623	3,236	2,442	2,330
Profit before tax	3,051	2,934	2,410	2,023	1,250	1,067
<b>Financial data</b>						
Fixed assets	7,632	7,099	7,335	7,176	7,168	6,063
Capital work-in-progress	2,294	465	314	271	9	713
Intangible assets	26	24	-	-	-	-
Long term investment/ Advances, and deposits	1,000	877	863	750	479	459
Current assets	6,990	7,122	5,463	4,444	4,538	3,713
Current liabilities	3,926	3,451	2,574	2,567	3,039	2,788
<b>Assets employed</b>	<b>14,016</b>	<b>12,136</b>	<b>11,400</b>	<b>10,074</b>	<b>9,155</b>	<b>8,160</b>
Financed by:						
Ordinary capital	4,166	2,192	2,192	1,232	1,232	1,174
Subscription money against right issue	-	1,281				
Reserves	8,738	7,407	8,062	7,751	5,947	5,089
Shareholders equity	12,904	10,881	10,254	9,041	7,179	6,263
Finances and deposits	0	0	0	0	1,264	1,366
Deferred taxation	1,112	1,256	1,146	1,034	712	531
<b>Funds invested</b>	<b>14,016</b>	<b>12,136</b>	<b>11,400</b>	<b>10,074</b>	<b>9,155</b>	<b>8,160</b>
Earning per share (Rupees)	6.93	6.15	5.00	7.84	4.54	4.32
Break-up-value (Rupees)	30.98	49.63	46.77	73.37	58.26	53.37
<b>Dividend %</b>						
-cash	40	110	95	60	-	-
-Bonus shares	-	-	-	-	-	15
<b>Total</b>	<b>40</b>	<b>110</b>	<b>95</b>	<b>-</b>	<b>-</b>	<b>15</b>

## FINANCIAL PERFORMANCE

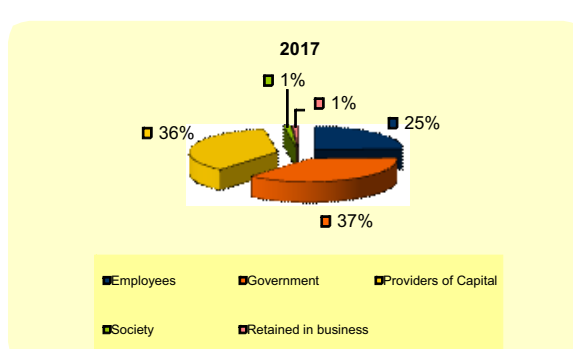
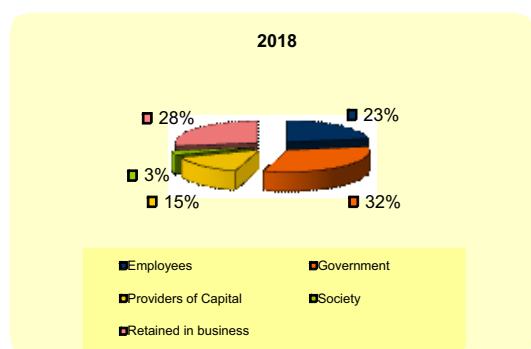
### SIX YEARS AT GLANCE

	2018	2017	2016	2015	2014	2013
Gross profit ratio (%)	31%	33%	31%	29%	24%	22%
Profit before tax ratio (%)	21%	22%	20%	18%	12%	10%
Inventory turnover ratio	11.15	7.86	6.27	6.52	6.17	7.96
Total assets turnover ratio	0.80	0.85	0.84	0.89	0.84	0.95
Fixed assets turnover ratio	1.45	1.75	1.54	1.51	1.42	1.53
Price earning ratio	8.90	13.56	10.30	11.07	7.26	8.85
Return on capital employed (%)	21.84%	24.25%	21.47%	23.34%	17.74%	17.19%
Market value per share (Rupees) <small>at the year end</small>	61.68	83.42	94.38	86.81	54	62.6
Debt Equity ratio	0:100	0:100	0:100	1:10.87	1:2.44	1:2.28
Current ratio	1:0.56	1:0.48	1:0.47	1:0.58	1:0.67	1:0.75
Interest cover ratio	313.48	308.87	65.37	7.16	4.34	4.18
Earning per share (Rupees)	6.93	6.15	5.00	7.84	4.54	4.32

..... restated .....

## STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION

	2018		2017	
<b>Value Addition</b>	(Rupees in Million)			
Sales inclusive of sales tax	16,925		15,521	
Material and services	(8,702)		(7,534)	
Other income	346		176	
	<b>8,569</b>		<b>8,161</b>	
<b>Value Distribution</b>				
<b>Employees</b>				
Salaries, wages and amenities	1,765		1,845	
Workers profit participation fund	164		157	
	<b>1,929</b>	23%	<b>2,002</b>	25%
<b>Government</b>	<b>2,757</b>	32%	<b>2,992</b>	37%
<b>Providers of Capital</b>				
Dividend	1,250		2,960	
Finance Cost	10		10	
	<b>1,259</b>	15%	<b>2,969</b>	36%
<b>Society</b>				
Donation	266		111	
	<b>266</b>	3%	<b>111</b>	1%
<b>Retained in business</b>				
Depreciation	741		743	
Retained profit	1,616		(658)	
	<b>2,357</b>	28%	<b>86</b>	1%
	<b>8,569</b>	100%	<b>8,161</b>	100%



# HORIZONTAL ANALYSIS OF FINANCIAL STATEMENTS

	2018	2017	2016	2015	2014	2013	% increase/(decrease) over preceeding year					
(Rupees in Million)							2018	2017	2016	2015	2014	2013
Balance Sheet												
Total Equity and minority interest *	12,904	10,881	10,254	9,041	7,179	6,263	18.60	6.11	13.42	25.93	14.63	16.14
Total non-current liabilities	1,112	1,256	1,146	1,034	1,975	1,897	-11.46	9.59	10.84	-47.67	4.13	128.79
Total current liabilities	3,926	3,451	2,585	2,567	3,039	2,788	13.76	33.50	0.72	-15.55	9.02	-26.78
Total Equity and Liabilities	17,942	15,587	13,985	12,641	12,194	10,948	15	11	11	4	11	9
Total non-current assets *	10,951	8,465	8,511	8,197	7,656	7,235	29.37	-0.54	3.83	7.07	5.82	12.22
Total current assets	6,990	7,122	5,474	4,444	4,538	3,713	-1.85	30.11	23.19	-2.07	22.22	3.67
Total Assets	17,942	15,587	13,985	12,641	12,194	10,948	15	11	11	4	11	9
Profit and Loss Account												
Net Sales	14,417	13,212	11,785	11,260	10,200	10,362	9.12	12.11	4.66	10.39	-1.56	20.21
Cost of Sales	-9,923	-8,884	-8,162	-8,024	-7,758	-8,032	11.69	9.22	1.72	3.43	-3.42	21.32
Gross Profit	4,494	4,328	3,623	3,236	2,442	2,330	4	19	12	32	5	17
General and Administration Expenses	-652	-579	-446	-327	-304	-275	12.65	29.83	36.36	7.34	10.56	-8.30
Selling and Distribution Expenses	-901	-773	-710	-631	-688	-653	16.48	8.87	12.54	-8.31	5.45	63.38
Other operating Expenses	-228	-209	-185	-77	-79	-79	9.21	12.76	141.11	-3.12	0.29	-10.76
Other operating income	298	83	54	39	96	40	258.97	54.05	39.42	-59.63	141.00	4.92
	-1,482	-1,478	-1,287	-996	-976	-967	0	15	29	2	1	29
Operating Profit	3,012	2,850	2,336	2,240	1,466	1,362	6	22	4	53	8	9
Finance Cost	-10	-10	-37	-328	-374	-336	2.45	-74.55	-88.60	-12.14	11.32	320.75
Share of profit/loss of associate	48	93	112	111	158	41	-47.96	-17.07	0.49	-29.58	284.61	50.13
	38	83	74	-217	-216	-295	(54)	12	(134)	1	(27)	462
Profit before taxation	3,051	2,934	2,410	2,023	1,250	1,067	4	22	19	62	17	(11)
Taxation	-184	-631	-436	-436	-334	-197	-70.78	44.63	0.11	30.62	69.70	458.67
Profit after taxation	2,866	2,302	1,973	1,587	916	871	24	17	24	73	5	(25)

\* 2015 restated



# VERTICAL ANALYSIS OF FINANCIAL STATEMENTS

2018		2017		2016		2015		2014		2013	
(Rs.)	%	(Rs.)	%	(Rs.)	%	(Rs.)	%	(Rs.)	%	(Rs.)	%

## Balance Sheet

Total Equity and minority interest *	12,904	71.92	10,881	69.80	10,254	73.32	9,041	71.52	7,179	58.88	6,263	57.21
--------------------------------------	--------	-------	--------	-------	--------	-------	-------	-------	-------	-------	-------	-------

Total non-current liabilities	1,112	6.20	1,256	8.06	1,146	8.19	1,034	8.18	1,975	16.20	1,897	17.33
Total current liabilities	3,926	21.88	3,451	22.14	2,585	18.48	2,567	20.30	3,039	24.92	2,788	25.46

Total Equity and Liabilities	17,942	100.00	15,587	100.00	13,985	100.00	12,641	100.00	12,194	100.00	10,948	100.00
------------------------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

Total non-current assets *	10,951	61.04	8,465	54.31	8,511	60.86	8,197	64.85	7,656	62.79	7,235	66.09
Total current assets	6,990	38.96	7,122	45.69	5,474	39.14	4,444	35.15	4,538	37.21	3,713	33.91

Total Assets	17,942	100.00	15,587	100.00	13,985	100.00	12,641	100.00	12,194	100.00	10,948	100.00
--------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

## Profit and Loss Account

Net Sales	14,417	100.00	13,212	100.00	11,785	100.00	11,260	100.00	10,200	100.00	10,362	100.00
Cost of Sales	-9,923	(68.83)	-8,884	(67.24)	-8,162	(69.26)	-8,024	(71.26)	-7,758	(76.06)	-8,032	(77.52)

Gross Profit	4,494	31.17	4,328	32.76	3,623	30.74	3,236	28.74	2,442	23.94	2,330	22.48
--------------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

General and Administration Expenses	-652	(4.52)	-579	(4.38)	-446	(3.78)	-327	(2.90)	-304	(2.98)	-275	(3)
Selling and Distribution Expenses	-901	(6.25)	-773	(5.85)	-710	(6.03)	-631	(5.60)	-688	(6.75)	-653	(6)
Other operating Expenses	-228	(1.58)	-209	(1.58)	-185	(1.57)	-77	(0.68)	-79	(0.78)	-79	(1)
Other operating income	298	2.07	83	0.63	54	0.46	39	0.34	96	0.94	40	0
	-1,482	(10.28)	-1,478	(11.18)	-1,287	(10.92)	-996	(8.85)	-976	(9.57)	-967	(9.34)

Operating Profit	3,012	20.89	2,850	21.57	2,336	19.82	2,240	19.89	1,466	14.37	1,362	13.14
------------------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Finance Cost	-10	(0.07)	-10	(0.07)	-37	(0.32)	-328	(2.92)	-374	(3.67)	-336	(3.24)
Share of Profit/Loss of associate	48	0.33	93	0.70	112	0.95	111	0.99	158	1.55	41	0.40
	38	0.27	83	0.63	74	0.63	-217	(1.93)	-216	(2.12)	-295	(2.84)

Profit before taxation	3,051	21.16	2,934	22.21	2,410	20.45	2,023	17.96	1,250	12.26	1,067	10.30
------------------------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Taxation	-184	(1.28)	-631	(4.78)	-436	(3.70)	-436	(3.87)	-334	(3.27)	-197	(1.90)
----------	------	--------	------	--------	------	--------	------	--------	------	--------	------	--------

Profit after taxation	2,866	19.88	2,302	17.43	1,973	16.75	1,587	14.09	916	8.98	871	8.40
-----------------------	-------	-------	-------	-------	-------	-------	-------	-------	-----	------	-----	------

\* 2015 restated

## STATEMENT OF COMPLIANCE

with the Listed Companies (Code of Corporate Governance) Regulations, 2017  
for the Year Ended June 30, 2018

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 17 as per the following:

- a. Male: 14
- b. Female: 3

2. The composition of board is as follows:

<b>Independent Director</b>	Mr. Ayub Sadiq
<b>Other Non - Executive Directors</b>	Mr. Zaid Ghani
	Mrs. Rubina Imtiaz
	Mrs. Reema Anwaar
	Mrs. Ayesha Aftab
	Mr. Hamza Ghani
	Mr. Moez Ghani
	Mr. Ibrahim Ghani
	Mr. Shamim Ahmed
	Mr. Junaid Shamim
	Mr. Ovais Shamim
	Mr. Jawed Zia ( <i>nominee EOB</i> )
<b>Executive Directors</b>	Mr. Imtiaz Ahmad Khan
	Mr. Anwaar Ahmad Khan
	Mr. Aftab Ahmad Khan
	Mr. Junaid Ghani
	Mr. Jubair Ghani

Further, as per the proviso to regulation 6 of the Regulations, grace period has been prescribed in respect of transition phase for the composition of the Board with respect to minimum number of independent directors as specified in the Regulations. Accordingly, requirements of minimum number of directors will be complied in next elections of directors, which are due in December 2020.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.

Further under the Regulations, the maximum number of directorship in listed companies a person can hold has been reduced to five. As per the proviso to regulation 3 of the Regulations, grace period of one year from the effective date of Regulations (1st January 2018) has been prescribed to comply with this requirement.

4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

8. The board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. No director has attended any training program during the current year. In term of timeline given under the regulation 20 of the Regulation, the Company will ensure that at least 50% of the directors on their board have acquired the prescribed certification under Director Training Program by June 30, 2019. Further where exemptions from training is applicable, approval from Security and Exchange Commission of Pakistan will be obtained within the prescribed time.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

a) Audit Committee

Mr. Ayub Sadiq	Chairman
Mr. Zaid Ghani	Member
Mr. Hamza Ghani	Member

b) HR and Remuneration Committee

Mr. Ayub Sadiq	Chairman
Mr. Anwaar Ahmad Khan	Member
Mr. Zaid Ghani	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the committee was as follows:

a) Audit Committee:	6 (with at least 1 meeting every quarter of the financial year)
b) HR and Remuneration Committee:	2


15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with.

Lahore  
Date: September 29, 2018

  
(ZAID GHANI)  
Chairman

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Ghani Glass Limited

**Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulation, 2017**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Ghani Glass Limited for the year ended 30 June 2018 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

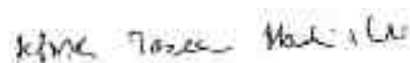
As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2018.

Lahore

Date: September 29, 2018



**KPMG Taseer Hadi & Co**  
**Chartered Accountants**

# AUDITORS' REPORT

To the Members of Ghani Glass Limited

## Report on the audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of **Ghani Glass Limited** ("the Company"), which comprise the statement of financial position as at 30 June 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2018 and of the profit or loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matter(s)

S. No.	Key audit matter(s)	How the matter was addressed in our audit
1. Revenue recognition	<p>Refer to note 21 to the financial statements and the accounting policy in note 3.16 to the financial statements.</p> <p>The Company recognized revenue of Rs. 14,417.17 million from the sale of goods to domestic as well as export customers during the year ended 30 June 2018.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to a risk that revenue is recognized without transferring the risk and rewards.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>▪ Obtaining an understanding of the process relating to recording of sales and testing the design, implementation and operating effectiveness of relevant key internal controls;</li><li>▪ assessing the appropriateness of the Company's accounting policies for recording of sales and compliance of those policies with applicable accounting standards;</li><li>▪ comparing, on a sample basis, sales transactions recorded during the year and around the year end with the sales orders, sales invoices, delivery challans, bill of lading and other relevant underlying documents including contracts with customers to assess whether sales were recorded in appropriate financial reporting period</li><li>▪ inspecting, on a sample basis, credit notes issued around the year end to evaluate whether the adjustments to sales had been accurately recorded in the appropriate financial reporting period; and</li><li>▪ scanning for any manual journal entries relating to sales recorded during the year which were considered to be material or met other specific risk based criteria for inspecting underlying documentation.</li></ul>

S. No.	Key audit matter(s)	How the matter was addressed in our audit
<b>2.</b>	<b>Valuation of Trade debtors</b>	
	<p>Refer to notes 16 and 34.2 to the financial statements and the accounting policy in note 3.7 to the financial statements.</p> <p>As at 30 June 2018, the Company's gross trade debtors were Rs. 1,537.114 million against which provision for doubtful debts of Rs. 60.844 million were recorded</p> <p>We identified the recoverability of trade debtors as a key audit matter because it involves significant management judgment in determining the recoverable amount of trade debts.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>▪ obtaining an understanding of and testing the design and implementation of management's key internal controls relating to credit control, debt collection and making allowances for doubtful debts;</li> <li>▪ assessing, on a sample basis, whether items in the trade debtors' ageing report were classified within the appropriate ageing bracket by comparing individual items in the report with underlying documentation;</li> <li>▪ assessing the assumptions and estimates made by the management for the allowances of doubtful debts with reference to our understanding, through inspecting the underlying documentation, regarding the debtors' financial condition, and post year end cash receipts from long past due debtors; and</li> <li>▪ assessing the historical accuracy of management's</li> </ul> <p>process for making allowances for doubtful debts by evaluating the utilization or release of allowances recorded as at 30 June 2017 and new allowances made in the current year in respect of trade debtors as at 30 June 2018.</p>
<b>3.</b>	<b>Impairment of plant and machinery for neutral glass tubing business</b>	
	<p>Refer to note 10.6.1 to the financial statements and the accounting policy in note 3.2 to the financial statements.</p> <p>The Company acquired plant and machinery for manufacturing of neutral glass tubing in 2015. The carrying amount of the said plant and machinery after charging impairment is Rs. 213.792 million as at the year end.</p> <p>We identified impairment of the said plant and machinery as a key audit matter because of the significant judgement and inherent estimation uncertainty associated with determining the recoverable amount based on an appropriate valuation methodology.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>▪ Evaluating the objectivity, competence and independence of the external professional valuer;</li> <li>▪ obtaining and inspecting the valuation reports prepared by the external independent expert engaged by the Company;</li> <li>▪ involving a valuation specialist engaged by us to assist us in evaluating the appropriateness of valuation methodology and assessing the reasonableness of key estimates and assumptions adopted in the valuations report by the valuer engaged by the Company; and</li> <li>▪ Testing and assessing the completeness, appropriateness and adequacy of the disclosures in Company's financial statements with regard to the valuation performed.</li> </ul>

S. No.	Key audit matter(s)	How the matter was addressed in our audit
<b>4.</b>	<b>Capitalization of Property, Plant and Equipment</b>	
	<p>Refer to note 10 to the financial statements and the accounting policy in notes 3.1 and 3.2 to the financial statements.</p> <p>The Company has made capital expenditure amounting to Rs. 3,248.82 million during the year, which mainly relates to capitalization of new furnace, overhauling of existing furnaces and expansion of existing manufacturing facility.</p> <p>We identified capitalization of property, plant and equipment as a key audit matter because there is a risk that amounts being capitalized may not meet the capitalization criteria with related implications on depreciation charge for the year.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>▪ understanding the design and implementation of management controls over capitalization and performing tests of control over authorization of capital expenditure and accuracy of its recording in the system;</li> <li>▪ testing on a sample basis the costs incurred on projects with supporting documentation and contracts and considering whether the expenditure meets the criteria for capitalization as per the applicable accounting standards; and</li> <li>▪ inspecting supporting documents for the date of capitalization when project was ready for its intended use to assess whether depreciation commenced and further capitalization of costs ceased from that date and assessing the reasonableness of useful life assigned by management compared to the other glass manufacturers in the same industry and also testing the calculation of related depreciation.</li> </ul>

#### **Information other than the financial statements and auditor's report thereon**

Management is responsible for the other information. Other information comprises the information included in the annual report for the year ended **30 June 2018**, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of management and board of directors for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

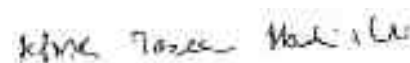
#### **Report on other legal and regulatory requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Kamran I. Yousafi.

Lahore  
Date: September 29, 2018



**KPMG Taseer Hadi & Co**  
**Chartered Accountants**

*As at 30 June 2018*

The annexed notes 1 to 44 form an integral part of these financial statements.

**Deputy Chief Executive**

**Chief Financial Officer**

**Director**

## PROFIT OR LOSS ACCOUNT

For the year ended 30 June 2018

	Note	2018 Rupees	2017 Rupees
Sales - net	21	14,417,169,642	13,212,057,738
Cost of sales	22	(9,922,721,042)	(8,884,003,379)
<b>Gross profit</b>		<b>4,494,448,600</b>	4,328,054,359
General and administrative expenses	23	(651,675,041)	(578,512,749)
Selling and distribution expenses	24	(900,675,995)	(773,249,476)
Other expenses	25	(228,196,309)	(208,947,190)
Other income	26	298,209,074	83,073,289
		(1,482,338,271)	(1,477,636,126)
<b>Operating profit</b>		<b>3,012,110,329</b>	2,850,418,233
Finance cost	27	(9,762,457)	(9,528,536)
Share of profit of associate	12	48,208,146	92,641,510
<b>Profit before taxation</b>		<b>3,050,556,018</b>	2,933,531,207
Taxation	28	(184,444,670)	(631,250,020)
<b>Profit after taxation</b>		<b>2,866,111,348</b>	2,302,281,187
			(Restated)
Earnings per share - basic and diluted	40	<b>6.93</b>	6.15

The annexed notes 1 to 44 form an integral part of these financial statements.

Lahore

Deputy Chief Executive

Chief Financial Officer

Director

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2018

	Note	2018 Rupees	2017 Rupees
<b>Profit for the year</b>		<b>2,866,111,348</b>	<b>2,302,281,187</b>
<b><u>Other comprehensive income</u></b>			
<i>Items that are or may be subsequently reclassified to profit or loss:</i>			
Investment in associate			
- exchange translation - net of tax	12	131,450,696	2,607,953
<b>Total comprehensive income for the year</b>		<b>2,997,562,044</b>	<b>2,304,889,140</b>

The annexed notes 1 to 44 form an integral part of these financial statements.

Lahore



Deputy Chief Executive



Chief Financial Officer



Director

# STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

	Capital reserves			Revenue reserves			Total
	Share capital	Subscription money against right issue	Reserve created under scheme of amalgamation	Merger reserve	Share premium	Exchange translation reserve	
<b>Balance as at 30 June 2016</b>	2,192,480,430	-	365,464,087	427,419,290	75,000,000	125,005,569	10,254,269,090
<b>Total comprehensive income</b>							
Profit for the year	-	-	-	-	-	-	2,302,281,187
Other comprehensive income	-	-	-	-	-	2,607,953	2,607,953
							2,304,889,140
<b>Transaction with owners of the Company recognised directly in equity</b>							
Subscription money against right issue	-	1,281,193,600	-	-	-	-	1,281,193,600
Final dividend 2016 @ Rs. 2.5 per share	-	-	-	-	-	-	(548,120,108)
First interim dividend 2017 @ Rs. 1.5 per share	-	-	-	-	-	-	(328,872,065)
Second interim dividend 2017 @ Rs. 4.5 per share	-	-	-	-	-	-	(986,616,194)
Third interim dividend 2017 @ Rs. 5.0 per share	-	-	-	-	-	-	(1,096,240,215)
<b>Balance as at 30 June 2017</b>	2,192,480,430	1,281,193,600	365,464,087	427,419,290	75,000,000	127,613,522	10,880,503,248
<b>Total comprehensive income</b>							
Profit for the year	-	-	-	-	-	-	2,866,111,348
Other comprehensive income	-	-	-	-	-	131,450,696	131,450,696
							2,997,562,044
<b>Transaction with owners of the Company recognised directly in equity</b>							
Subscription money against right issue received	-	692,038,790	-	-	-	-	692,038,790
First interim dividend 2018 @ Rs. 2.0 per share	-	-	-	-	-	-	(833,142,564)
Second interim dividend 2018 @ Rs. 1.0 per share	-	-	-	-	-	-	(416,571,282)
Third interim dividend 2018 @ Rs. 1.0 per share	-	-	-	-	-	-	(416,571,282)
Issue of right shares	1,973,232,390	(1,973,232,390)	-	-	-	-	-
<b>Balance as at 30 June, 2018</b>	4,165,712,820	-	365,464,087	427,419,290	75,000,000	259,064,218	12,903,818,954

The annexed notes 1 to 44 form an integral part of these financial statements.



Deputy Chief Executive

Lahore



Chief Financial Officer



Director

# CASH FLOW STATEMENT

For the year ended 30 June 2018

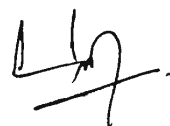
	Note	2018 Rupees	2017 Rupees
<b><u>Cash flows from operating activities</u></b>			
Cash generated from operations	29	4,717,621,783	4,222,109,404
Finance cost paid		(9,762,457)	(9,528,536)
Workers welfare fund paid		(64,649,455)	(47,161,875)
Workers profit participation fund paid		(165,166,666)	(290,088,166)
Income taxes paid		(566,327,298)	(323,649,862)
		(805,905,876)	(670,428,439)
<b>Net cash generated from operating activities</b>		<b>3,911,715,907</b>	<b>3,551,680,965</b>
<b><u>Cash flows from investing activities</u></b>			
Fixed capital expenditure		(3,125,796,854)	(720,923,227)
Intangible assets		(4,817,855)	(4,807,353)
Proceeds from sale of fixed assets		13,700,337	6,565,235
Dividend income received from associate		47,186,192	99,972,749
Proceeds from sale of short term investments		-	(6,738,603)
Long term deposit		(6,434,579)	-
Short term investments		(140,559,455)	-
<b>Net cash used in investing activities</b>		<b>(3,216,722,214)</b>	<b>(625,931,199)</b>
<b><u>Cash flow from financing activities</u></b>			
Dividend paid during the year		(1,780,332,921)	(2,495,332,590)
Subscription money received against right issue		692,038,790	1,281,193,600
<b>Net cash used in financing activities</b>		<b>(1,088,294,131)</b>	<b>(1,214,138,990)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(393,300,438)</b>	<b>1,711,610,776</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>2,419,360,492</b>	<b>707,749,716</b>
<b>Cash and cash equivalents at the end of the year</b>	20	<b>2,026,060,054</b>	<b>2,419,360,492</b>

The annexed notes 1 to 44 form an integral part of these financial statements.

Lahore



Deputy Chief Executive



Chief Financial Officer



Director



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

## 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.
- Techno Glass Limited: 50 Km Lahore Gujranwala road, Tehsil Kamonke, District Gujranwala.

## 1.2 Summary of significant events and transactions in the current reporting period

The Company's financial position and performance was particularly affected by the following events and transactions during the reporting period:

- Addition of fixed assets amounting to Rs. 1,620 millions for revival of furnace at plant 3.
- Issuance of further share capital amounting to Rs. 1,973.2 million.
- Due to the first time application of financial reporting requirements under the Companies Act, 2017 (the Act) including disclosure and presentation requirements of the fourth schedule of the Act, certain additional disclosures and minor reclassifications have been accounted for in the financial statements.
- The Company has declared three interim dividends during the period aggregating at the rate of Rs. 4 per share. For details refer to statement of changes in equity.

## 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
- Provision 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 Functional and presentation currency

These financial statements are presented in Pak Rupee which is also the Company's functional currency.

## 2.4 Use of Judgement and estimates

The preparation of financial statement in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised. However, assumptions and judgements made by management in the application of accounting policies that have significant effect on financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year. The areas where various assumptions and estimates are significant to Company's financial statements or where judgements were exercised in application of accounting policies are:

	<i>Note</i>
- Residual values and useful lives of depreciable assets	3.1
- Residual values and useful lives of intangible assets	3.3
- Estimates of recoverable amount of Investment in associated company	3.4
- Stores, spares and other consumables	3.5
- Stock-in-trade	3.6
- Trade debts, advances and other receivables	3.7
- Impairment	3.9
- Taxation	3.15
- Provisions and contingencies	3.19

The tax year of the Company is same as its accounting year. The income tax assessments of the Company up to and including tax year 2017 have been completed under the provisions of section 120 of the Income Tax Ordinance, 2001 except for the followings:

Additional Commissioner Inland Revenue (ACIR) amended the deemed assessment order and raised a demand of Rs.137.63 million under section 122(5A) of the Income Tax Ordinance, 2001 for Tax Year 2010. The Company filed an appeal before the Commissioner Inland Revenue Appeals (CIR-A), who after making certain adjustments, upheld the decision of ACIR and reduced the demand to Rs.35.33 million. Being aggrieved with the treatment of CIR-A, both the Company and the Income Tax Department, have filed cross appeals before the Appellate Tribunal Inland Revenue 'ATIR' against the order of the CIR - A on the basis of their respective grounds, which are pending adjudications.

The ACIR amended the deemed assessment order under section 122(5A) of the Income Tax Ordinance, 2001 by reassessing the net loss of the Company at Rs. 645.94 million and tax refundable at Rs. 218.56 million for Tax Year 2012. Being aggrieved with the order passed by the ACIR, the Company filed an appeal before the CIR-A, which is a pending adjudication.

The Deputy Commissioner Inland Revenue ('DCIR') amended the deemed assessment order under section 122(1)/ 122(5) of the Income Tax Ordinance, 2001 and reassessed the taxable income of the Company at Rs.712.92 million and tax refundable at Rs. 170.72 million for Tax Year 2014. Being aggrieved with the order passed by the DCIR, the Company filed an appeal before the CIR -A, which is pending adjudication.

### 3 Significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements, unless otherwise stated.

#### 3.1 Property, plant and equipment

##### Operating fixed assets:

Items of property, plant and equipment, except freehold land, are stated at cost less accumulated depreciation and any impairment loss. Freehold land is stated at cost less any identified impairment loss, if any.

Cost comprises of purchase price including import duties and non-refundable purchase taxes after deducting trade discounts, rebates and includes other costs directly attributable to the acquisition or construction including expenditures on the material, labour and overheads directly relating to constructions, erection and installation of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Depreciation on all property, plant and equipment is charged to profit or loss account using reducing balance method, except for furnace on which depreciation is charged on straight line basis, so as to write off the historical cost of an asset over its estimated useful life at the rates mentioned in note 10.1 after taking their residual value into account.

Depreciation on additions to property, plant and equipment is charged from the month in which the asset is acquired or capitalized, while no depreciation is charged for the month in which the asset is disposed off.

Depreciation methods, residual values and the useful life of the assets are reviewed at least at each financial year end and adjusted if appropriate.

An item of equipment is derecognized upon disposal when no future economic benefits are expected from its use or disposal. Gain or loss on sale of an item of property, plant and equipment is determined by comparing the proceeds from sale with the carrying amount of property, plant and equipment and is recognized in profit or loss account.

#### 3.2 Capital work in progress

Capital work in progress is stated at cost less any identified impairment loss, if any and represents expenditure incurred on property, plant and equipment during the construction and installation. Cost also includes applicable borrowing costs, if any. Transfers are made to relevant property, plant and equipment category as and when assets are available for use.

#### 3.3 Intangible assets

Intangible asset is stated at cost less accumulated amortization for finite intangible asset and identified impairment loss, if any. Finite intangible assets are amortized using straight line method over its estimated useful life at the rates mentioned in the note 11. Amortization on additions to intangible assets is charged from the month in which an asset is available for use and on disposal up to the month of disposal. The estimated useful life and amortization method is reviewed at the end of each annual reporting period, with effect of any changes in estimate being accounted for on a prospective basis.

The Company assesses at each statement of financial position date whether there is any indication that intangible assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amount exceeds the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in income statement. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

### 3.4 Investment in associate

Associates are the entities over which the Company has significant influence but not control, generally represented by a shareholding of between 20% and 50% of the voting right. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss of the associate after the date of acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

The Company's share of its associates post-acquisition profits or losses is recognized in the profit or loss account and its share in post-acquisition movements is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Company's share of loss in associates equals or exceeds its interest in the associate including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associates. Gain on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associate.

Associates, which the Company intends to dispose of within twelve months of the statement of financial position date are not accounted for under the equity method and are shown under non-current assets held for sale at the lower of carrying and fair value. Dilution gains and losses arising in investments in associates are recognized in the profit or loss account.

At each statement of financial position date, the Company reviews the carrying amounts of its investments in associates to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated using the discounted cash flow methodology, in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as expense.

### 3.5 Stores, spares and other consumables

Stores, spares and other consumables are measured at lower of cost and net realizable value. The cost is determined using the weighted average method except items in transit which are valued at cost comprising invoice value plus other charges paid thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business less cost necessarily to be incurred to make the sale. Provision is made in the financial statements for obsolete and slow moving items of stores, spares and other consumables based on management estimates, if any. Items considered obsolete are carried at nil value.

### 3.6 Stock-in-trade

Stock in trade is valued at the lower of cost and net realizable value.

Cost is determined as follows:

- Raw and packing materials - At weighted average cost
- Work-in-process - At weighted average cost and related manufacturing expenses
- Finished goods - At weighted average cost and related manufacturing expenses

Net realizable value signifies the estimated selling price in the ordinary course of business less cost necessarily to be incurred to make the sale. Provision is made in the financial statements for obsolete and slow moving items of stock-in-trade based on management estimates, if any.

Stock in transit is valued at cost comprising invoice value plus other charges paid thereon.

### 3.7 Trade debts, advances and other receivables

Trade debts, advances and other receivables are recognised initially at fair value and subsequently measured at amortised cost, as the case may be, less provision for impairment, if any. A provision for impairment is established when there is an objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Receivables considered irrecoverable are written-off.

### 3.8 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to contractual provisions of the instrument and de-recognized when the Company loses control of contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and liabilities is included in unconsolidated profit or loss account for the year.

#### 3.8.1 Non-derivative financial assets

The Company initially recognizes loans and receivables on the date that they are originated. All other financial assets (including assets designated as at fair value through profit or loss) are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

##### **Financial assets at fair value through profit or loss**

A financial asset is classified as at fair value through profit or loss if it is classified as held-for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss account as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which takes into account any dividend income, are recognised in profit or loss.

##### **Held-to-maturity financial assets**

If the Company has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses. However, the Company has no such financial assets at the year end.

##### **Loans and receivables**

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise of long term deposits, trade debts, short term advances, deposits, other receivables and cash and bank balances.

##### **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss. However, the Company has no such financial assets at the year end.

### 3.8.2 Non-derivative financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Company classifies financial liabilities recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Financial liabilities comprise long term finances, liabilities against assets subject to finance lease, trade and other payables, accrued mark-up and short term borrowings.

### 3.8.3 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has legal enforceable right to set off the recognized amount and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

## 3.9 Impairment

### Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment loss in respect of a financial asset measured at fair value is determined by reference to that fair value. All impairment losses are recognized in profit or loss account. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

Impairment losses on available for sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available for sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss, otherwise it is reversed through other comprehensive income

### Non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax asset, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit" or CGU)

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss account.



### **3.10 Cash and cash equivalents**

Cash and cash equivalents are carried at cost in the statement of financial position. For the purpose of statement of cash flows cash and cash equivalents comprise of cash in hand and with banks.

### **3.11 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

### **3.12 Borrowings and their cost**

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit or loss account over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date.

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of cost of that asset.

### **3.13 Trade and other payables**

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and services received, whether or not billed to the Company. Exchange gains and losses on translation in respect of liabilities on foreign currency are added to the carrying amount of respective liability.

### **3.14 Operating leases**

Leases where a significant proportion of risks and rewards of ownership are retained by the lessor are classified as operating lease. Payments made under the operating lease (net of any incentives received from the lessor) are charged to profit on a straight line basis over the lease term. Rentals payable under operating leases are charged to profit or loss account on a straight line basis over the term of the relevant lease agreement. Ijarah finances are classified as an operating lease according to the guidelines provided in International Financial Accounting Standard (IFAS) 2.

### **3.15 Taxation**

#### **Current**

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for the current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years. The amount of unpaid income tax in respect of the current or prior periods is recognised as a liability. Any excess paid over what is due in respect of the current or prior periods is recognised as an asset.

#### **Deferred**

Deferred tax is accounted for using the statement of financial position liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax assets and liabilities are calculated at the rates that are expected to apply to the period when the asset is realized or liability is settled, based on tax rates that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is charged or credited in the profit or loss account except in the case of items credited or charged in other comprehensive income or equity in which case it is included in equity.

### **3.16 Revenue recognition**

Revenue represents the fair value of the consideration received or receivable for goods sold, net of discounts and sales/rejection, commission on sales and sales tax. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue, and the associated cost incurred, or to be incurred, can be measured reliably.

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have been transferred to the buyer.

Interest income is recognized on time proportionate basis using the effective interest rate method.

Dividend income is recognized when right to receive such dividend is established.

### **3.17 Foreign currency transaction**

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are generally recognized in profit or account.

### **3.18 Employees benefit**

Salaries, wages and benefits are accrued in the period in which the associated services are rendered by employees of the Company and measured on an undiscounted basis. The accounting policy for employee retirement benefits is described below:

#### **3.18.1 Post employment benefits - Defined contribution plan**

The Company operates funded contributory provident fund scheme for all its permanent and eligible employees. For the purpose of scheme, a separate Trust has been established. Equal monthly contributions are made both by the Company and the employees at the rate of 8.33 percent of the gross salary.

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

### **3.19 Provisions and contingencies**

Provisions are recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

Where outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

### **3.20 Earnings per share**

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS with weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

### **3.21 Operating profit**

Operating profit is the result generated from the continuing principal revenue producing activities of the Company as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity accounted investees and income taxes.

### **3.22 Dividend to ordinary shareholders**

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability in the Company's financial statements in the year in which it is approved.

### **3.23 Operating Segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the company that makes strategic decisions.

#### **4 New standards amendments to approved accounting standards and interpretations which became effective during the year ended 30 June 2018**

**4.1** During the year certain amendments to standards or new interpretations became effective, however, the amendments or interpretation did not have any material effect on the financial statement of the Company.

IAS 7, 'Statement of Cash Flows' amendments introduced an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of IASB's Disclosure Initiative, which continues to explore how financial statement disclosure can be improved. In the first year of adoption, comparative information need not be provided. The relevant disclosure has been made in these financial statements.

#### **4.2 Application of Companies Act, 2017**

The Companies Act, 2017 became applicable for accounting period ending on or after 30 June 2018. The new Act specified certain additional disclosures to be included in the financial statements. Accordingly, the Company has presented the required disclosures in these financial statements and represented certain comparatives. However there was no change in the reported amounts of statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows, due to these representations.

#### **4.3 The following amendments, interpretation of approved accounting standards and annual improvement cycle will be effective for accounting periods beginning on or after 01 July 2018:**

- ▢ Classification and Measurement of Share-based Payment Transactions - amendments to IFRS 2 clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.
- ▢ Transfers of Investment Property (Amendments to IAS 40 'Investment Property' -effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on Company's financial statements.
- ▢ Annual Improvements to IFRSs 2014-2016 Cycle [Amendments to IAS 28 'Investments in Associates and Joint Ventures'] (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on Company's financial statements.
- ▢ IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The application of interpretation is not likely to have an impact on Company's financial statements.
- ▢ IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on Company's financial statements.

- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The Company is currently in the process of analysing the potential impact of changes required in revenue recognition policies on adoption of the standard. The management has completed an initial assessment of changes required in revenue recognition policies on adoption of the standard and considers that the impact would not be significant.
- IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018 and 1 January 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Company is currently in the process of analysing the potential impact of changes required in classification and measurement of financial instruments and the impact of expected loss model on adoption of the standard. The management has completed an initial assessment of changes required in classification and measurement of financial instruments on adoption of the standard and has also carried out an initial exercise to calculate impairment required under expected credit loss model and considers that the impact would not be significant.
- IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-statement of financial position lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The application of interpretation is not likely to have an impact on Company's financial statements.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Company's financial statements.
- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on Company's financial statements.
- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:
  - IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
  - IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
  - IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.
  - The above amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on Company's financial statements.

5 Issued, subscribed and paid up capital	Note	2018 Number of Shares	2017 Rupees	2018 Rupees	2017 Rupees
Ordinary shares of Rs.10 each fully paid in cash		105,228,606	105,228,606	1,052,286,060	1,052,286,060
Ordinary shares of Rs.10 each issued under the schemes of amalgamation	5.1	41,992,566	41,992,566	419,925,660	419,925,660
Ordinary shares of Rs.10 each issued as fully paid bonus shares		72,026,871	72,026,871	720,268,710	720,268,710
Ordinary shares of Rs.10 each issued as right shares fully paid in cash	5.3	197,323,239	-	1,973,232,390	-
		<b>416,571,282</b>	<b>219,248,043</b>	<b>4,165,712,820</b>	<b>2,192,480,430</b>

5.1 In accordance with the scheme of amalgamation, the Company has issued 3,984,064 ordinary shares of Rs. 10 each to the shareholders of formerly Ka'as up Musaffa (Private) Limited, 32,258,071 ordinary shares of Rs. 10 each to the shareholders of the formerly Ghani Float Glass Limited and 5,750,431 ordinary shares of Rs. 10 each to the shareholders of formerly Techno Glass Industries Limited.

5.2 127,968 (2017: 127,968) Ordinary shares of the Company are held by Jamia Tul Ghani Ul Islam, associated undertaking.

5.3 The Company in its meeting of Board of Directors held on 20 April 2017, approved issuance of 197,323,239 shares (having face value of Rs. 10 each) at exercise price of Rs. 10 per share. The shares were issued on 27 July 2018.

6 Reserves	Note	2018 Rupees	2017 Rupees
<b><u>Capital</u></b>			
Merger reserves	6.1	427,419,290	427,419,290
Reserve created under scheme of amalgamation	6.2	365,464,087	365,464,087
Share premium	6.3	75,000,000	75,000,000
		<b>867,883,377</b>	<b>867,883,377</b>
<b><u>Revenue</u></b>			
Unappropriated profit		7,611,158,539	6,411,332,319
Exchange translation reserve		259,064,218	127,613,522
		<b>7,870,222,757</b>	<b>6,538,945,841</b>
		<b>8,738,106,134</b>	<b>7,406,829,218</b>

6.1 This represents reserve arising under the scheme of amalgamation of formerly Ghani Float Glass Limited with the Company.

6.2 This represents reserve arising under the scheme of amalgamation of formerly Techno Glass industries Limited with the Company.

6.3 This reserve can be utilized by the Company only for the purposes specified in section 81(2) and 81(3) of the Companies Act, 2017.

7 Deferred taxation	2018			
Movement in deferred taxation is as follows:				
<b><u>Taxable temporary differences</u></b>				
Accelerated tax depreciation	1,259,298,109	(156,764,412)	-	1,102,533,697
Investment in associate	17,167,738	4,069,978	22,121,275	43,358,991
<b><u>Deductible temporary differences</u></b>				
Deferred tax asset arising on provisions	(20,809,925)	(13,329,593)	-	(34,139,518)
	<b>1,255,655,922</b>	<b>(166,024,027)</b>	<b>22,121,275</b>	<b>1,111,753,170</b>



Taxable temporary differences

	Opening	Reversal / Charge to profit or loss	Charged to other comprehensive income	Closing
Accelerated tax depreciation	1,296,274,019	(36,975,910)	-	1,259,298,109
Investment in associate	20,181,947	(3,014,209)	-	17,167,738

Deductible temporary differences

Deferred tax asset arising on provisions	(170,729,425)	149,919,500	-	(20,809,925)
	<u>1,145,726,541</u>	<u>109,929,381</u>	<u>-</u>	<u>1,255,655,922</u>

**8 Trade and other payables**

	Note	2018 Rupees	2017 Rupees
Creditors for goods and services	8.1 & 8.2	481,441,871	336,390,132
Bills payable		197,263,144	78,842,108
Advances from customers - unsecured	8.3	65,659,845	67,313,001
Accrued liabilities	8.4	2,371,489,807	1,852,635,722
Security deposits	8.5	240,634,190	298,352,998
Workers' welfare fund	8.6	61,647,401	62,038,163
Retention money		6,550,455	5,740,486
Employees vehicle deduction contribution		16,124,248	11,392,298
Income tax deducted at source		34,337,069	82,219,813
Payable to provident fund		19,364,597	8,872,825
		<u>3,494,512,627</u>	<u>2,803,797,546</u>

**8.1** This includes amount payable to Ghani Value Glass (an associated undertaking) amounting to Rs. 4,146,400 (2017 : Rs. 9,790,566) against value addition services received.

**8.2** This includes amount payable to Ghani Foundation Trust (an associated undertaking) amounting to Rs. 14,800,000 (2017 : nil) against donations.

**8.3** This includes advances received from following associated undertakings for supply of goods:

	2018 Rupees	2017 Rupees
Health Tek (Private) Limited	153,869	1,637,231
Sami Pharmaceutical (Private) Limited	2,243,821	3,482,672
	<u>2,397,690</u>	<u>5,119,903</u>

**8.4** Oil and Gas Regulatory Authority (OGRA) issued notification for increase in gas tariff disregarding the protocol laid down in OGRA Ordinance, 2002. The Company has filed a suit in the Sindh High Court (the Court) challenging the gas tariff increase. The Court has granted a stay order, subject to security deposit of the differential amount with the Nazir of the Court. The Company has deposited amount of Rs. 111.1 million (2017: Rs. 8.6 million) as cheques with the Nazir of the court for Karachi plant. The Company, on a prudent basis, has also accrued for all the manufacturing units, this amount in these financial statements.



	Note	2018 Rupees	2017 Rupees
<b>8.5 Security deposits</b>			
Security deposits from transporters	8.5.1	4,258,000	3,237,109
Security deposits from customers	8.5.2	236,376,190	294,340,389
Security deposits from other contractors	8.5.3	-	775,500
		<b>240,634,190</b>	<b>298,352,998</b>

**8.5.1** These are interest free security deposits obtained from transport contractors. These deposits are adjustable with the outstanding balance of the contractor and in case of termination of contract a prior notice of six months is required to be filed by the contractor. As per the terms of the agreement, the Company uses these funds for the company's operations.

**8.5.2** These are interest free security deposits obtained from dealers and distributors of float glass and are adjustable or repayable on cancellation or withdrawal of the dealership / distributorship or on cessation of business with the Company. As per the terms of the agreement, the Company uses these funds for the purpose of Company's operations.

**8.5.3** These are interest free security deposits obtained from various contractors and were being utilized in accordance with the terms of agreements. These deposits were adjustable on termination of contract.

	2018 Rupees	2017 Rupees
<b>8.6 Workers' welfare fund</b>		
Balance as at 01 July	62,038,163	57,376,768
Charge for the year	61,647,401	62,038,163
Provision / reversal for prior year	2,611,292	(10,214,893)
Payments made during the year	(64,649,455)	(47,161,875)
	(390,762)	4,661,395
Balance as at 30 June	<b>61,647,401</b>	<b>62,038,163</b>

## 9 Contingencies and commitments

### Contingencies

**9.1** Aggregate amount of bank guarantees issued by banks on behalf of the Company, outstanding as at balance sheet date is of Rs. 1,098.55 million (2017: Rs. 1,148.45 million).

**9.2** Tax contingencies as disclosed in notes 2.4 and 19.1 of the financial statements.

### Commitments

**9.3** Letters of credit for import of materials and stores outstanding as at 30 June 2018 amounting to Rs. 917.48 million (2017: Rs. 1,541.47 million).

## 10 Property, plant and equipment

### Operating assets

#### Capital work in progress

Note	2018 Rupees	2017 Rupees
10.1	7,631,524,859	7,099,365,880
10.6	2,294,047,473	464,569,556
	<u>9,925,572,332</u>	<u>7,563,935,436</u>

### 10.1 Operating assets

	Cost		Rate	Depreciation			Net book value as at 30 June 2018
	As at 01 July 2017	Additions / adjustments / transfers from CWIP		As at 01 July 2017	For the year	On disposals	
			%				
Freehold land	348,317,772	36,368,675	-	-	-	-	384,686,447
Building on freehold land	866,388,680	29,252,807	10	397,341,819	48,510,129	-	445,851,948
Plant and machinery	6,731,238,514	770,579,014	10	3,071,557,973	358,495,876	-	3,430,053,849
Furnace	4,074,669,151	448,731,577	5 - 33.33	1,663,874,457	288,076,566	-	1,951,951,023
Tools and office equipment	23,939,380	1,168,070	10	11,843,061	767,820	-	12,610,881
Electrical equipment	47,455,272	16,072,592	10	15,954,542	4,586,803	-	20,541,345
Furniture and fixtures	29,203,977	11,759,386	10	12,386,993	2,433,785	-	14,820,778
Vehicles	285,720,978	105,407,949	20	134,608,999	38,185,010	(12,303,570)	160,490,439
<b>2018</b>	<b>12,406,933,724</b>	<b>1,419,340,070</b>		<b>5,307,567,844</b>	<b>741,055,989</b>	<b>(12,303,570)</b>	<b>6,036,320,263</b>
							<b>7,631,524,859</b>

	Cost		Rate	Depreciation			Net book value as at 30 June 2017
	As at 01 July 2016	Additions / adjustments / transfers from CWIP		As at 01 July 2016	For the year	On disposals	
			%				
Freehold land	348,317,772	-	-	-	-	-	348,317,772
Building on freehold land	777,956,012	88,432,668	10	352,484,684	44,857,135	-	397,341,819
Plant and machinery	6,393,977,080	337,261,434	10	2,707,662,231	363,895,742	-	3,071,557,973
Furnace	4,053,013,307	21,655,844	5 - 33.33	1,367,196,150	296,678,307	-	1,663,874,457
Tools and office equipment	20,765,380	3,174,000	10	11,025,377	817,684	-	11,843,061
Electrical equipment	44,552,836	2,902,436	10	12,237,688	3,716,854	-	15,954,542
Furniture and fixtures	27,967,337	1,236,640	10	10,571,426	1,815,567	-	12,386,993
Vehicles	241,993,955	59,477,743	20	112,517,359	31,433,401	(9,341,761)	134,608,999
<b>2017</b>	<b>11,908,543,679</b>	<b>514,140,765</b>		<b>4,573,694,915</b>	<b>743,214,690</b>	<b>(9,341,761)</b>	<b>5,307,567,844</b>
							<b>7,099,365,880</b>

10.1.1 Plant and machinery and furnace include mechanical stores having value of Rs. 294.96 million (2017: Rs. 403.24 million).

10.1.2 Land amounting to Rs. 3.6 million in possession of the Company is not held in the name of the Company as transfer of ownership is in process in Government revenue records as at year end.

<i>Note</i>	<b>2018 Rupees</b>	2017 Rupees
<b>10.2</b> Depreciation charge for the year has been allocated as follow:		
Cost of sales	<b>713,142,351</b>	733,580,095
General and administrative expenses	<b>27,720,446</b>	9,401,011
Selling and distribution expenses	<b>193,192</b>	233,584
	<b>741,055,989</b>	<b>743,214,690</b>

**10.3** Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

<b>Particulars</b>	<b>Location</b>	<b>Total Area</b>
Freehold land	B-189, Izmir Town, Lahore	1 Kanal 9 Marla
Hattar plant - GGL 1	22 Km Haripur Taxila Road, District Haripur	210 Kanal 7 Marla
Karachi plant - GGL2	H-15 Landhi Industrial Area, Karachi	143 Kanal 13 marla
Sheikhupura plant - GGL 3	29 Km Lahore Sheikhupura Road, District Sheikhupura	387 Kanal 1 Marla
Islamabad Rest House	506 Street 32, E - 11/3, Police Foundation Society, Margalla road, Islamabad	1 Kanal
Warehouse	District Mianwali, Tehsil Isakheel, Qamar Mashani	50 Kanal
Techno glass	50 Km Lahore Gujranwala road, Tehsil Kamonke, District Gujrawala.	24 Kanal

#### 10.4 Disposal of property, plant and equipment

Details of property plant and equipment disposed off during the year are as follows:

2018							2017						
Particulars	Note	Cost	Accumulated depreciation	Written down value	Sale proceeds	Profit/ (Loss)	Particulars	Note	Cost	Accumulated depreciation	Written down value	Sale proceeds	Profit/ (Loss)
<b>Vehicles</b>													
Honda Civic LE-14-2930		2,536,040	(1,522,886)	1,013,154	1,013,154	-	Mr. Umer Farooq Khan						
Toyota Hiace JF-5373		2,080,000	(1,465,400)	614,600	980,000	365,400	Mr. Akram Abbasi						
Honda Civic LEF-07-249		1,560,520	(1,406,924)	153,596	990,000	836,404	Mr. Karamat Ali						
Corolla Gli LEE-13-3855		1,773,720	(1,056,790)	716,930	716,930	-	Mr. Nadeem Azhar						
Honda City LE-14-9490		1,666,600	(975,665)	690,935	690,935	-	Mr. Aziz Naveed Sheikh						
Audi Q7 AFS-049		18,029,000	(600,967)	17,428,033	5,500,000	(11,928,033)	Mr. Tariq Mehmood						
Corolla XII ALC-849		910,000	(840,734)	69,266	770,000	700,734	Mr. Dawood Khan Shakir						
Suzuki Wagon R LEE-14-7307		1,137,760	(826,946)	310,814	310,814	-	Mr. Naseer Ahmad						
Suzuki Cultus LEC-13-2943		1,050,400	(682,542)	367,858	367,858	-	Mr. Shahzad Naseer						
Honda City ARG-104		1,034,800	(862,395)	172,405	865,000	692,595	Mr. Farrukh Aziz Makki						
Suzuki Mehran VE-549		670,800	(468,944)	201,856	201,856	-	Mr. Khurshed Ahmad						
Dong Fong LRT-6249		738,400	(503,750)	234,650	305,500	70,850	Mr. Azhar Ghauri						
Suzuki Mehran LE-14-7736		618,800	(402,795)	216,005	216,005	-	Mr. Jahanzaib Chughtai						
Suzuki Mehran LWJ-1678		410,800	(378,992)	31,808	280,000	248,192	Mr. Dawood Khan Shakir						
Suzuki Liana LEA-6384		624,000	(307,840)	316,160	492,285	176,125	Mr. Farooq Arshad						
		<b>34,841,640</b>	<b>(12,303,570)</b>	<b>22,538,070</b>	<b>13,700,337</b>	<b>(8,837,733)</b>							
Mechanical stores	10.5	123,587,032	-	123,587,032	323,094,460	199,507,428							
		<b>158,428,672</b>	<b>(12,303,570)</b>	<b>146,125,102</b>	<b>336,794,797</b>	<b>190,669,695</b>							
<b>Vehicles</b>													
Honda Civic BCA-14-383		2,536,040	1,183,485	1,352,555	1,325,504	(27,051)	Mr. Abdul Rehman						
Toyota Corolla GLI LE-10-4849		1,470,560	732,804	737,756	1,145,000	407,244	Mr. Shahid Hafeez Malik						
Toyota Corolla Altis LEF-12-2383		2,095,080	1,379,959	715,121	700,818	(14,303)	Mr. Muhammad Mushtaq						
Toyota Vitz LEE-12-621		1,201,200	560,560	640,640	627,827	(12,813)	Mr. Naeem Mehmood						
Honda City LEF-12-940		1,756,560	1,156,988	599,572	587,581	(11,991)	Mr. Muhammad Arshad Khan						
Toyota Vitz LEC-12-5549		1,071,200	499,893	571,307	421,920	(149,387)	Mr. Muhammad Adeel Ilyas						
Suzuki Cultus AUQ-617		931,840	434,859	496,981	487,042	(9,939)	Mr. Naseeb Zareen						
Suzuki Bolan CV-1986		730,000	243,333	486,667	476,933	(9,734)	Mr. Muhammad Tanveer Aslam						
Suzuki Swift AWQ-790		1,072,240	779,447	292,793	286,937	(5,856)	Mr. Sami-ud-Din						
Suzuki Cultus LEC-11-3247		952,640	671,695	280,945	275,742	(5,203)	Mr. Muhammad Waqar						
Suzuki Cultus LEB-08-3696		657,280	565,386	91,894	90,059	(1,835)	Mr. Muhammad Khalil						
Suzuki Cultus LEA-08-5501		657,280	583,764	73,516	72,045	(1,471)	Mr. Muhammad Ijaz						
Suzuki Cultus AMW-401		618,800	549,588	69,212	67,827	(1,385)	Mr. Amir Umer						
		<b>15,750,720</b>	<b>9,341,761</b>	<b>6,408,959</b>	<b>6,565,235</b>	<b>156,276</b>							

10.5 These assets have been disposed off to RAK Ghani Glass Limited, an associated company.

	As at 30 June 2017	Additions during the year	transfers/deletions/ impairment during the year	As at 30 June 2018
			Rupees	
<b>10.6 Capital work in progress</b>				
Plant and machinery	89,277,583	1,923,379,836		2,012,657,419
Civil works	222,119	67,375,935	-	67,598,054
Advances to suppliers	151,874,221	-	(151,874,221)	-
Plant and machinery - acquired through business combination	223,195,633	-	(9,403,633)	213,792,000
	<u>464,569,556</u>	<u>1,990,755,771</u>	<u>(161,277,854)</u>	<u>2,294,047,473</u>
Note				
10.6.1				

	As at 30 June 2016	Additions during the year	Transfers / deletions / impairment during the year	As at 30 June 2017
			Rupees	
Plant and machinery	-	89,277,583	-	89,277,583
Civil works	1,546,543	-	(1,324,424)	222,119
Advances to suppliers	45,044,918	151,874,221	(45,044,918)	151,874,221
Oracle ERP license and implementation	13,373,640	-	(13,373,640)	-
Plant and machinery - acquired through business combination	253,631,401	-	(30,435,768)	223,195,633
	<u>313,596,502</u>	<u>241,151,804</u>	<u>(90,178,750)</u>	<u>464,569,556</u>

10.6.1 This represents cost of acquisition of plant and machinery which was acquired under scheme of arrangement for amalgamation of Techno Glass Industries Limited, sanctioned by the Honourable High Court of Lahore on 15 October 2015 with effect from 01 May 2015. The amalgamation was intended to enter into neutral glass tubing market. The Company planned to incur necessary capital expenditures in order to reviving the plant based on its expertise in glass manufacturing industry which has not yet been materialized. Based on valuation of an independent valuer i.e. RBS Associate (Private) Limited, the recoverable amount of the asset (i.e. fair value less cost to sell) is Rs. 213.79 million (2017 : Rs. 223.19 million) against cost of acquisition of Rs. 253.63 million. Accordingly, the Company, based on production capacity, operational status, location of machinery and other factors, has charged an impairment loss of Rs. 9.40 million (2017: Rs. 30.44 million) to profit or loss account under 'General and admin expenses' for the year. The most significant input in this valuation is market value. The valuation is considered to be Level 3 in the fair value hierarchy due to non observable inputs used in valuation. The different levels in fair value hierarchy are mentioned in note 34.5.

## 11 Intangible assets

### Oracle - Enterprise Resource Planning Software

#### Cost

Cost as at 01 July  
Additions during the year  
Cost as at 30 June

#### Accumulated amortization

Accumulated amortization as at 01 July  
Amortization charged for the year  
Accumulated amortization as at 30 June

#### **Net book value as at 30 June**

2018 Rupees	2017 Rupees
30,180,993	25,373,640
4,817,855	4,807,353
34,998,848	30,180,993
(6,036,199)	-
(3,279,605)	(6,036,199)
(9,315,804)	(6,036,199)
25,683,044	24,144,794
2018 ----- Percentage -----	2017
10%	10%

Rate of amortization

11.1 Amortization charge for the year has been allocated as follows:

	Note	2018 Rupees	2017 Rupees
Cost of sales	22	819,901	1,509,050
General and administrative expenses	23	1,967,763	3,621,719
Selling and distribution expenses	24	491,941	905,430
		3,279,605	6,036,199

## 12 Investment in associate

RAK Ghani Glass LLC, ('RAK Ghani') is a limited liability company registered with the Ras Al Khaimah - Investment Authority in United Arab Emirates. The address of the Company's registered office is P.O Box 6672, Ras Al Khaimah UAE. RAK Ghani Glass is engaged in the business of container glass manufacturing. As at 30 June 2018, the Company held 49.934% (2017: 49.934%) interest in the form of 21,971 (2017: 21,971) fully paid ordinary shares of AED 1,000 each. Mr. Imtiaz Ahmed Khan is the CEO of RAK Ghani. Price Waterhouse Coopers (Sharjah branch) has issued an unqualified opinion on the financial statements, prepared on the going concern basis.

#### Cost of investment

21,971 (2016: 21,971) fully paid ordinary shares of AED 1,000 each

Company's share of profit - post acquisition:

As at 01 July

- Share of profit for the year
- Exchange translation

Dividend declared during the year

2018 Rupees	2017 Rupees
664,050,766	664,050,766
184,377,376	174,220,899
48,208,146	92,641,510
153,571,971	2,607,953
201,780,117	95,249,463
(85,147,457)	(85,092,986)
301,010,036	184,377,376
965,060,802	848,428,142



- 12.1** The table below summarises the financial information of RAK Ghani Glass LLC and reconciliation to the carrying amount of the Company's interest in the associate:

	2018 AED	2017 AED	2018 Rupees	2017 Rupees
Non current assets	61,187,911	54,239,783	2,022,260,459	1,547,461,009
Current assets	41,428,373	47,362,802	1,369,207,744	1,351,260,736
Non current liabilities	(3,686,315)	(3,697,340)	(121,832,711)	(105,485,110)
Current liabilities	(40,452,731)	(38,350,422)	(1,336,962,760)	(1,094,137,540)
Net assets - 100 %	58,477,238	59,554,823	1,932,672,73	1,699,099,09
<b>Percentage ownership interest</b>			49.934%	49.934%
Company's share of net asset			965,060,802	848,428,142
Revenue	81,586,230	86,631,767	2,441,060,002	2,462,074,807
Profit for the year from operations	3,408,602	6,482,158	96,543,730	185,527,917
Company's share of prof	1,702,051	3,236,801	48,208,146	92,641,510

**13 Long term advances and deposits**

	Note	2018 Rupees	2017 Rupees
Security deposits	13.1	26,049,008	24,250,017
Advances to employees	13.2 to 13.4	8,981,864	4,346,276
		35,030,872	28,596,293

- 13.1** These mainly includes interest free security deposits with various utility companies, regulatory authorities and against rental properties.

**13.2 Advances to employees**

	2018 Rupees	2017 Rupees
Advances to employees	22,067,592	12,495,200
Less: short term portion	(13,085,728)	(8,148,924)
	8,981,864	4,346,276

These advances are provided to employees for the purchase of vehicles against salaries under the terms of their employment.

- 13.3** Particulars of advances exceeding Rs. 1 million are as follows:

**Advances given to employees:**

	2018 Rupees	2017 Rupees
Mr. Aziz Naveed Sheikh	2,000,000	24,000
Mr. Aman Ullah	1,900,000	-
Mr. Majid Hashmi	1,346,560	-
Mr. Muhammad Mushtaq	990,000	1,540,000
Mr. Junaid	-	1,346,560

- 13.4** These are secured against salaries payable and the post retirement funds. These are adjstuted from monthly salaries for an agreed period.

**14 Stores, spares and other consumables**

	Note	2018 Rupees	2017 Rupees
Stores and spares [in transit Rs.36.716 million (2017: Rs 65.366 million)]		674,112,766	506,470,578
Provision for slow moving items	14.1	(16,260,677)	(19,928,818)
		657,852,089	486,541,760
Fuel and lubricants		75,778,922	71,378,380
		733,631,011	557,920,140
<b>14.1 Provision for slow moving items</b>			
Balance as at 01 July		19,928,818	4,055,825
(Reversal) / charge for the year		(3,668,141)	15,872,993
Balance as at 30 June		16,260,677	19,928,818

- 14.2** The provision for slow moving items of stores, spares and other consumables for the year has been charged to cost of goods sold.

15	Stock in trade	Note	2018 Rupees	2017 Rupees
	Raw material [In transit: 5.78 million] (2017 : Rs.6.27 million)]		522,409,563	448,611,354
	Work in process		63,892,165	75,981,370
	Finished goods		679,937,079	1,124,888,825
	Packing materials		65,647,676	50,943,890
			<u>1,331,886,483</u>	<u>1,700,425,439</u>
	<i>Provision for slow moving items</i>			
	- Raw material	15.1	(19,770,409)	(19,770,409)
	- Finished goods	15.1	(19,571,007)	-
			<u>(39,341,416)</u>	<u>(19,770,409)</u>
			<u>1,292,545,067</u>	<u>1,680,655,030</u>
15.1	Provision for slow moving items			
	Balance as at 01 July		(19,770,409)	-
	Charge for the year		(19,571,007)	(19,770,409)
	Balance as at 30 June		<u>(39,341,416)</u>	<u>(19,770,409)</u>
16	Trade debtors			
	<i>Local:</i>			
	Secured, considered good		168,858,959	217,988,007
	Unsecured			
	- Considered good	16.1	1,447,947,435	1,583,596,236
	- Considered doubtful		29,616,250	24,945,136
	Provision for doubtful debts	16.2	(29,616,250)	(24,945,136)
			<u>1,447,947,435</u>	<u>1,583,596,236</u>
	<i>Foreign:</i>			
	Secured, considered good	16.3	10,972	61,673,757
	Unsecured			
	- Considered good	16.3	28,322,578	24,843,415
	- Considered doubtful	16.3 & 16.4	31,228,278	24,075,324
	Provision for doubtful debts	16.2	(31,228,278)	(24,075,324)
			<u>28,322,578</u>	<u>24,843,415</u>
			<u>1,645,139,944</u>	<u>1,888,101,415</u>

**16.1** This includes amount receivable from Ghani Value Glass Limited (associated undertaking) amounting to Rs. 17.99 million (2017: Rs. 209.42 million). Amount receivable from Ghani Value Glass falls in the age brackets of 0 - 30 days (2017: 0 - 180 days). The maximum aggregate amount outstanding during the year was Rs. 296.78 (2017 : 286.27)

16.2	Provision for doubtful debts	Note	2018 Rupees	2017 Rupees
	Balance as at 01 July		49,020,460	15,306,479
	Charge for the year	24	11,824,068	33,713,981
	Balance as at 30 June		<u>60,844,528</u>	<u>49,020,460</u>

**16.3** Details of the export debtors according to their jurisdictions is as follows:

	Sales		Balance	
	2018 Rupees	2017 Rupees	2018 Rupees	2017 Rupees
<i>Secured against LC:</i>				
Republic of India	18,437,380	5,036,102	10,972	1,405,516
<i>Unsecured; through contracts:</i>				
Republic of India	114,856,796	184,712,589	12,441,800	34,825,370
The Republic of Kenya	7,714,515	9,958,079	4,261,577	5,707,366
Karachi Export Processing Zone	15,579,597	23,292,804	15	1,840,015
Republic of Korea	-	-	107,676	107,676
The Federal Republic of Nigeria	-	-	59,564	59,563
Republic of Philippines	342,419,126	129,780,533	7,789,895	12,882,783
The State of Qatar	1,040,956	-	1,040,956	-
Democratic Socialist Republic of Sri Lanka	34,662,589	-	7,851,531	4,971,350
Republic of Turkey	31,922,590	23,645,619	24,704,163	15,452,989
United Arab Emirates	1,414,044	-	418,805	418,805
Republic of Yemen	-	2,838,583	60,776	53,716
Republic of Zambia	66,840,246	-	814,098	9,303,116
	616,450,459	374,228,207	59,550,856	85,622,749
	634,887,839	379,264,309	59,561,828	87,028,265

**16.4** The details of defaulting parties out of total export debtors and the default amount are as follows:

	2018 Rupees	2017 Rupees
Murat Matein., <i>Republic of Turkey</i>	15,452,989	15,452,989
Glass King International, <i>Republic of India</i>	3,552,119	-
Pt. Sarakamandiri Semesta, <i>Democratic Socialist Republic of Sri Lanka</i>	4,939,241	4,939,241
T.L. Verma & Co (Pvt) Ltd., <i>Republic of India</i>	3,404,167	-
Market India, <i>Republic of India</i>	2,502,208	2,502,208
Navadurga Sales Corporation, <i>Republic of India</i>	278,393	278,392
Burhani Glass Factory Llc, <i>United Arab Emirates</i>	224,850	224,850
Triple Glass Co. (Pvt) Ltd., <i>Republic of India</i>	185,033	185,033
Medivet Products Limited, <i>The Republic of Kenya</i>	135,824	-
Lilypeck International, <i>United Arab Emirates</i>	113,974	113,903
Shin Shin Glass Co Ltd., <i>Republic of Korea</i>	107,676	107,676
Rajistan Glass House, <i>Republic of India</i>	99,374	99,374
Trofina Foods Middle East Fzc, <i>United Arab Emirates</i>	79,982	79,981
Global Pharmaceutical (Exp), <i>Republic of Yemen</i>	60,776	-
Afrab Chemical Ltd, <i>The Federal Republic of Nigeria</i>	59,564	59,564
Alulanka (Pvt) Ltd., <i>Democratic Socialist Republic of Sri Lanka</i>	32,109	32,109
Priya Sales Corporation, <i>Republic of India</i>	-	4
	31,228,277	24,075,324

**16.4.1** The Company is actively pursuing the amounts receivable from these customers, however, no legal action has been initiated by the Company.

## 17 Advances

### Non-interest bearing

*Employees - unsecured, considered good*

- Advances against business expenses
- Advances against salaries and bikes

Note

2018  
Rupees

2017  
Rupees

13.2

57,697,206  
13,085,728  
70,782,934

58,589,085  
8,148,924  
66,738,009

*Suppliers of goods - unsecured*

- Considered good
- Considered doubtful

Provision for doubtful advances

17.1

456,149,001  
6,306,054  
(6,306,054)  
456,149,001

360,591,971  
6,306,054  
(6,306,054)  
360,591,971

Workers' profit participation fund

17.2

2,743,204  
529,675,139

1,514,154  
428,844,134

### 17.1 Provision for doubtful advances

Balance as at 01 July

Charge for the year

Balance as at 30 June

6,306,054  
-  
6,306,054

6,306,054  
-  
6,306,054

### 17.2 Workers' profit participation fund

Balance as at 01 July

Charge for the year

Payments made during the year

Balance as at 30 June

1,514,154  
(163,937,616)  
165,166,666  
1,229,050  
2,743,204

(131,450,092)  
(157,123,920)  
290,088,166  
132,964,246  
1,514,154

## 18 Short term investments

Investments at fair value through

profit or loss - listed securities (Shariah compliant)

Term deposit receipts

18.1

18.2

5,469,500  
150,000,000  
155,469,500

10,994,500  
-  
10,994,500

18.1 Carrying amount and fair value of short term investments as at 30 June is as follows:

<u>Particulars</u>	<u>Cost</u>		<u>Market Value</u>	
	2018	2017	2018	2017
Lotte Chemical Pakistan Limited [Nil (2017: 200,000) shares]	-	1,236,403	-	1,970,000
Engro Fertilizers Limited [50,000 (2017: 50,000) shares]	3,234,296	3,234,296	3,745,500	2,762,000
K Electric Limited [50,000 (2017: 50,000) shares]	390,301	390,301	284,000	345,000
Ghani Gases Limited [Nil (2017: 225,000) shares]	-	6,738,603	-	5,917,500
Dewan Cement Limited [80,000 (2017: Nil) shares]	2,242,664	-	1,440,000	-
	5,867,261	11,599,603	5,469,500	10,994,500

18.1.1 Market value of the investments disclosed above is categorized as level 1 fair value measurement and is based on quoted share prices available on the stock exchange as at 30 June 2018.

18.2 Carrying amount of term deposit receipts as at 30 June is as follows:

	Notes	2018 Rupees	2017 Rupees
Dubai Islamic Banks	18.2.1	100,000,000	-
Bank Islami	18.2.2	50,000,000	-
		150,000,000	-

**18.2.1** These represent term deposit receipts carrying latest profit at the rate of 5.46% (2017: nil) per annum, maturing on 18 May, 2019.

**18.2.2** These represent term deposit receipts carrying latest profit at the rate of 4.82% (2017: nil) per annum, maturing on 8 July 2018.

<b>19 Other receivables</b>	<i>Notes</i>	<b>2018 Rupees</b>	<b>2017 Rupees</b>
Sales tax refundable	19.1	<b>74,088,900</b>	84,244,322
Due from related parties	19.2	<b>410,000,026</b>	50,051,105
Others		<b>4,804,186</b>	-
<i>Profit accrued on saving accounts:</i>			
- Islamic banks		<b>4,670,175</b>	1,551,464
- Conventional banks		<b>-</b>	382,144
		<b>4,670,175</b>	1,933,608
		<b>493,563,287</b>	136,229,035

**19.1** The Deputy Commissioner Inland Revenue (DCIR) issued order and created sales tax demand amounting to Rs. 2,828,148 pertaining to sales tax periods of 2010, 2011 and 2012. This demand was created on the account of inadmissible adjustments / refunds of sales tax. The Company filed an appeal before the CIR (Appeals), who ordered against the Company. Being aggrieved with the said order, the Company filed an appeal with the ATIR, which is pending adjudication.

The DCIR issued order and rejected the input tax claim of the Company amounting to Rs. 1,479,074 for the tax periods from July 2013 to October 2013 and December 2013. The Company filed an appeal before the CIR (Appeals), who ordered against the Company. Being aggrieved by the said order, the Company filed an appeal with the ATIR, which is pending adjudication.

<b>19.2 Due from related parties</b>	<i>Note</i>	<b>2018 Rupees</b>	<b>2017 Rupees</b>
<i>RAK Ghani Glass Limited, associated company:</i>			
- Dividend receivable	19.2.1	<b>66,037,288</b>	28,076,023
- Receivable against expenses	19.2.2	<b>17,526,495</b>	20,911,012
- Receivable against sale of refactories	10.4	<b>325,329,428</b>	-
		<b>408,893,211</b>	48,987,035
Ghani Automobile Industries Limited	19.2.3	<b>1,106,815</b>	1,064,070
		<b>410,000,026</b>	50,051,105

**19.2.1** This represents dividend receivable from RAK Ghani Glass LLC declared for the year ended 31 December 2017. The balance receivables is outstanding in age bracket of 180 - 360 days.

**19.2.2** This represents receivable against expenses incurred by the Company on behalf of RAK Ghani Glass LLC. This is interest free, unsecured and considered good. The balance receivable is due for more than 360 days.

**19.2.3** These amounts are incurred in normal course of business and are interest free. Out of total outstanding, amount of Rs. 42,745 is outstanding in age bracket of 90 - 180 days while remaining amount of Rs. 1,064,070 is outstanding for more than 360 days.

**19.2.4** The maximum aggregate amount outstanding at any time during the year calculated by reference to month end balances is as follows;

	2018 Rupees	2017 Rupees
RAK Ghani Glass	83,613,140	121,764,927
Ghani Automobiles	1,106,815	1,064,070

## 20 Cash and bank balances

Note

Cash in hand

2018  
Rupees

2017  
Rupees

9,541,459

4,671,150

### Cash at bank

*Current accounts:*

- Conventional banking, local currency
- Islamic banking, local currency
- Islamic banking, foreign currency

20.1

143,105,727

323,110,325

691,281,014

1,780,804,418

30,293,185

6,834,671

864,679,926

2,110,749,414

*Saving accounts:*

- Conventional banking, local currency
- Islamic banking, local currency

20.2

-

731,932

1,151,838,669

303,207,996

1,151,838,669

303,939,928

2,026,060,054

2,419,360,492

**20.1** This represents foreign currency bank balance of USD 249,532 (2017: USD 65,652).

**20.2** The balances in saving account carry expected profit at the rate of 3.5% to 7% (2017: 3% to 5.9%) per annum.

## 21 Sales-net

Note

2018  
Rupees

2017  
Rupees

Local sales

17,046,891,711

15,887,871,140

Less: Trade discount  
Sales return and rejections  
Sales tax  
Discount on sales

(115,907,711)

(131,331,833)

(79,305,852)

(123,288,968)

(2,508,069,974)

(2,309,144,865)

(593,448,749)

(503,289,102)

(3,296,732,286)

(3,067,054,768)

Local sales - net

13,750,159,425

12,820,816,372

Exports

993,888,333

391,662,676

Less: Export of plant and machinery to associate

(325,329,428)

-

Export sales

668,558,905

391,662,676

Less: Sales return

(1,548,688)

(421,310)

Export sales - net

667,010,217

391,241,366

14,417,169,642

13,212,057,738



22	Cost of sales	Note	2018 Rupees	2017 Rupees
	Raw material consumed	22.1	2,861,733,240	2,715,761,714
	Packing material consumed		669,292,890	668,122,483
	Fuel, gas and electricity		3,334,686,458	2,961,258,707
	Stores and spares consumed	22.2	297,975,915	271,936,292
	Salaries, allowances and other benefits	22.3	1,305,378,608	1,322,759,279
	Depreciation		713,142,351	733,580,095
	Amortization		819,901	1,509,050
	Rent, rates and taxes		38,599,318	35,637,284
	Repair and maintenance		33,790,328	28,550,466
	Travelling and motor running		39,015,801	32,979,583
	Communication and stationery		6,977,169	7,640,757
	Glass coating charges		49,461,431	2,572,513
	Provision for slow moving and obsolete stocks		19,571,007	19,770,409
	Other manufacturing expenses		54,638,239	37,712,777
			<b>9,425,082,656</b>	<b>8,839,791,409</b>
	<i>Work in process:</i>			
	Opening balance		75,981,370	77,934,309
	Closing balance		(63,892,165)	(75,981,370)
			<b>12,089,205</b>	<b>1,952,939</b>
			<b>9,437,171,861</b>	<b>8,841,744,348</b>
	<i>Finished goods:</i>			
	Opening balance		1,124,888,825	1,167,147,856
	Closing balance		(639,339,644)	(1,124,888,825)
			<b>485,549,181</b>	<b>42,259,031</b>
			<b>9,922,721,042</b>	<b>8,884,003,379</b>

**22.1** This includes provision for slow moving and obsolete stock amounting to Rs. 19.57 million (2017: 19.77 million).

**22.2** This includes provision for slow moving store, spares and other consumables amounting nil (2017: 15.87 million).

**22.3** Salaries, allowances and other benefits include Rs. 54.07 million (2017: Rs. 48.7 million) in respect of defined contribution plan.

23	General and administrative expenses	Note	2018 Rupees	2017 Rupees
	Salaries, allowances and other benefits	23.1	242,973,293	314,490,992
	Rent, rates and taxes		25,185,460	24,517,764
	Repair and maintenance		10,720,337	7,627,349
	Travelling and conveyance		12,895,187	16,018,395
	Communication, stationery and supplies		12,779,116	12,838,167
	Utilities		6,393,511	4,652,692
	Auditors' remuneration	23.2	2,595,500	1,885,000
	Depreciation	10.2	27,720,446	9,401,011
	Amortization	11.1	1,967,763	3,621,719
	Impairment on property, plant and equipment	10.6	9,403,633	30,435,768
	Legal and professional expenses		13,709,429	26,998,185
	Charity and donation	23.3	266,482,643	111,366,240
	Other expenses		18,848,723	14,659,467
			<b>651,675,041</b>	<b>578,512,749</b>

**23.1** Salaries, allowances and other benefits include Rs. 9.5 million (2017: Rs. 8.3 million) in respect of defined contribution plan.

23.2	Auditors' remuneration	2018 Rupees	2017 Rupees
	<b>Audit Services</b>		
	Statutory audit	1,800,000	1,500,000
	Half yearly review	255,500	210,000
	Out of pocket expenses	190,000	175,000
	<b>Non-audit services</b>		
	<b>Other certifications</b>	350,000	-
		<b>2,595,500</b>	<b>1,885,000</b>

23.3 The details of the donations exceeding Rs. 500,000 to a single party is as follows:

	Note	2018 Rupees	2017 Rupees
Ghani Foundation Trust	23.3.1	195,200,000	111,366,000
Indus Hospital		60,000,000	-
		<b>255,200,000</b>	<b>111,366,000</b>

23.3.1 The Ghani Foundation Trust is an associated undertaking of the Company. The executive directors of the Company are the trustees of the trust. The Trust is recognised from Income Tax Authorities under section 2(36) of the Income Tax Ordinance, 2001.

	Note	2018 Rupees	2017 Rupees
<b>24 Selling and distribution expenses</b>			
Salaries, allowances and other benefits	24.1	216,916,988	207,859,846
Travelling and conveyance		18,133,735	13,888,246
Repair and maintenance		2,106,603	1,344,382
Rent, rates and taxes		14,798,526	4,899,972
Communication, stationery and supplies		1,469,072	4,299,754
Utilities		598,655	691,818
Sales incentive dealers		235,651,898	178,693,298
Sales promotions		141,751,840	143,362,216
Depreciation		193,192	233,584
Amortization		491,941	905,430
Provision for bad debts		11,824,068	33,713,981
Bad debts written off		55,457	-
Transportation and handling:			
- Local		188,221,561	138,359,786
- Export		67,981,683	43,740,518
Other expenses		480,776	1,256,645
		<b>900,675,995</b>	<b>773,249,476</b>

24.1 Salaries, allowances and other benefits include Rs. 9.62 million (2017: Rs. 10.5 million) in respect of defined contribution plan.

25	Other operating expenses	Note	2018 Rupees	2017 Rupees
	Workers' profit participation fund	17.2	163,937,616	157,123,920
	Workers' welfare fund	8.6	64,258,693	51,823,270
			<b>228,196,309</b>	<b>208,947,190</b>

## 26 Other income

### Income / (loss) from financial assets

	Note	2018 Rupees	2017 Rupees
Profit on savings accounts- Islamic Banking		71,236,987	20,814,891
Gain realized on disposal of short term investments		3,915,545	618,833
Unrealized fair value gain on re-measurement of short term investment		119,836	(573,103)
Exchange gain - <i>net</i>		20,193,877	4,222,364
Liabilities no longer payable written back		-	17,989,075
Dividend income	26.1	425,000	-
		<b>95,891,245</b>	<b>43,072,060</b>

### Income from non-financial assets

Surplus on sale of fixed assets	190,669,695	156,276
Scrap sales	3,213,785	34,930,383
Proceeds from sale of by-product	6,868,835	2,795,570
Miscellaneous income	1,565,514	2,119,000
	<b>202,317,829</b>	<b>40,001,229</b>
	<b>298,209,074</b>	<b>83,073,289</b>

**26.1** The dividend are from the companies listed on the All Shares Islamic Index of Pakistan Stock Exchange.

**27** This amount comprises of bank charges and commissions.

## 28 Taxation

### *Income tax*

- Current year	391,057,533	540,470,207
- Prior year	(40,588,836)	(19,149,568)
	<b>350,468,697</b>	<b>521,320,639</b>

### *Deferred tax*

- Current year	(7,395,147)	(59,279,534)
- Prior year	(158,628,880)	169,208,915
	<b>(166,024,027)</b>	<b>109,929,381</b>
	<b>184,444,670</b>	<b>631,250,020</b>

### **28.1 Tax charge reconciliation**

Accounting profit	<b>3,050,556,018</b>	<b>2,933,531,207</b>
Tax expense at the rate of 30% (2017: 31%)	<b>915,166,805</b>	<b>909,394,674</b>
<i>Tax effect of:</i>		
- Income under final tax regime	(53,581,400)	(55,631,544)
- Tax rate and proration rate adjustment	(158,628,880)	11,121,715
- Tax credits	(591,388,638)	(513,702,772)
- Prior year	(100,499,317)	150,059,346
- Super tax adjustment	93,431,307	95,485,067
- Permanent differences	79,944,793	34,523,534
	<b>184,444,670</b>	<b>631,250,020</b>

**28.2** The provision for current year tax represents tax on taxable income at the rate of 30%, net of tax credits. As per management's assessment, the provision for tax made in the financial statements is sufficient. A comparison of last three years' of income tax provisions with tax assessment is presented below:

Tax Years	Tax provision as per financial statements	Tax as per assessment / return
2015	113,964,417	139,910,481
2016	344,904,344	325,754,775
2017	540,470,207	499,881,371

**29 Cash generated from operations**

Profit before taxation

**2018  
Rupees****2017  
Rupees****3,050,556,018**

2,933,531,207

*Adjustments for non cash and other items:*

Depreciation

**741,055,989**

743,214,690

Amortization

**3,279,605**

6,036,199

Impairment charged on capital work in progress

**9,403,633**

30,435,768

Finance cost

**9,762,457**

9,528,536

Provision for doubtful trade debts

**11,824,068**

33,713,981

Provision for slow moving items of store, spares and other consumables

**(3,668,141)**

15,872,993

Provision for slow moving material of stock in trade

**19,571,007**

19,770,409

Exchange gain - *net***-**

(4,222,364)

Provision for workers' welfare fund - *net***64,258,693**

51,823,270

Provision for workers' profit participation fund

**163,937,616**

157,123,920

Share of profit of associate

**(48,208,146)**

(92,641,510)

Unrealized fair value loss on

re-measurement of short term investments

**(3,915,545)**

573,103

Dividend Income

**-**

-

Unrealized exchange gain

**(5,007,253)**

-

Loss on sale of property, plant and equipment

**-**

(156,276)

**962,293,983**

971,072,719

**Operating profit before working capital changes****4,012,850,001**

3,904,603,926

*(Increase)/ decrease in working capital:*

Store, spares and other consumables

**(172,042,730)**

90,346,815

Stock in trade

**368,538,955**

180,339,594

Trade debtors

**231,137,403**

(247,247,266)

Advances

**(99,601,955)**

(146,600,233)

Other receivables

**(314,365,734)**

14,140,991

Trade and other payables

**691,105,843**

426,525,577

**704,771,782**

317,505,478

**Cash generated from operations****4,717,621,783**

4,222,109,404

**30 Provident fund related disclosures**

The Company operates funded contributory provident fund scheme for all eligible employees. The following information is based on the audited financial statements of the provident fund for the year ended 30 June 2018:

	<b>2018 Rupees</b>	<b>2017 Rupees</b>
Size of the fund - total assets	<b>497,109,406</b>	435,330,233
Cost of investments made	<b>476,989,159</b>	398,239,743
Percentage of investments made	<b>96%</b>	91%
Fair value of investments	<b>486,411,876</b>	425,986,135

**30.1 The break-up of fair value of investments is as follows:**

	<b>2018</b>		<b>2017</b>	
	<b>Rupees</b>	<b>%</b>	<b>Rupees</b>	<b>%</b>
Shares in listed companies	<b>21,341,342</b>	4%	<b>27,879,892</b>	7%
Term deposit receipts	<b>216,724,576</b>	45%	<b>192,907,638</b>	45%
Mutual funds	<b>80,870,243</b>	17%	<b>94,796,862</b>	22%
Saving accounts	<b>167,475,715</b>	34%	<b>110,401,743</b>	26%
	<b>486,411,876</b>	100%	<b>425,986,135</b>	100%

Investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act 2017 and the rules formulated for this purpose.

**31 The credit facilities available to the Company at year ended 30 June 2018 are as follows:**

	2018		2017	
	Available limit	Utilised credit	Available limit	Utilised credit
	----- Rupees in million -----		----- Rupees in million -----	
Murabaha	1,000	-	1,700	-
Running Musharakah	450	-	-	-
Tijarah	425	-	425	-
Istisna	425	-	425	-
Al-bai finance	425	-	425	-
Salam	950	-	950	-
Ijarah	50	-	50	-
	3,725	-	3,975	-
	3,450	2,016	2,750	2,690

Letter of credits / guarantees

Mortgage and charges on above facilities amounting to Rs. 6,721 million (2017 : 6,346 million)

**32 Remuneration of Directors, Chief Executive and Executives**

The aggregate amounts charged in the financial statements for the year for remuneration, including all benefits to the chief executive, directors and executives of the Company are as follows:

	Chief Executive		Executive Directors		Non-Executive Directors		Executives	
	2018 Rupees	2017 Rupees	2018 Rupees	2017 Rupees	2018 Rupees	2017 Rupees	2018 Rupees	2017 Rupees
Managerial remuneration	64,678,080	53,898,396	171,903,672	143,253,072	-	-	64,265,460	143,387,107
Bonus	29,105,136	24,703,430	77,356,652	65,657,658	-	-	37,299,473	47,968,963
Medical expenses	177,208	24,085	858,645	1,352,209	-	-	2,709,245	5,561,714
Retirement benefits	5,389,840	4,489,740	14,325,306	11,932,992	-	-	8,289,240	11,944,146
House rent	2,304,000	2,304,000	4,608,000	4,608,000	-	-	-	-
	101,654,264	85,419,651	269,052,275	226,803,931	-	-	112,563,418	208,861,930
<b>Number of persons</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>4</b>	<b>11</b>	<b>9</b>	<b>29</b>	<b>68</b>

**32.1** The chief executive and certain directors and executives are provided with Company maintained cars, drivers, mobile phones for official use and medical facility. No meeting fee was paid to non executive directors during the year.

**32.2** Comparative figures reflect executives' remuneration and number based on enacted provisions of repealed Companies Ordinance, 1984 for the year ended 30 June 2017.

### 33 Transactions with related parties

The related parties comprise of associated companies, other related companies, the Company's directors and key management personnel and employees retirement benefit fund. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables and remuneration to key management personnel as disclosed in note 32. Other significant transactions with related parties are as follows:

Related party	Relationship	Basis of relationship	Nature of transactions	2018 Rupees	2017 Rupees
Ghani Automobile Industries Limited	Associated company	Common directorship	Expense incurred	42,745	-
Ghani Value Glass Limited	-do-	Common directorship	Sale of goods Purchases Other expenses	564,840,998 12,857,611 57,238,435	458,097,945 9,822,243 26,811
RAK Ghani Glass LLC	-do-	Shareholding of 49.934% by GGL	Dividend received Sale of goods Expenses on behalf of GGL by RGG Expenses on behalf of RGG by Sale Mechanical stores sold Stores and spares sold	52,193,445 - 4,223,100 1,067,088 325,329,428 123,587,032 2,234,968	99,972,749 677,500 354,958 - - - -
Health Tek (Private) Limited	-do-	Common directorship	Sale of goods	7,349,852	12,719,857
Sami Pharmaceutical (Private) Limit	-do-	Common directorship	Sale of goods	201,453,542	174,735,502
Ghani Foundation trust	-do-	Directors being trustees	Donations	195,200,000	111,366,240
Provident fund	-do-	Employee retirement fund	Payment to provident fund	168,579,285	168,380,529



## 34 Financial instruments

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly.

### 34.1 Risk management framework

The Board of Directors has overall responsibility for establishment and over sight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

The audit committee oversees compliance by management with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

### 34.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fail completely to perform as contracted and arises principally from trade and other receivables, bank balances, advances, deposits and balances with banks. Out of the total financial assets of Rs. 4,294.26 million (2017: Rs. 4,407.18 million), the financial assets which are subject to credit risk amounted to Rs. 4,279.25 million (2017: Rs. 4,391.52 million).

To manage exposure to credit risk in respect of trade receivables, management reviews credit worthiness, references, establish purchase limits taking into account the customer's financial position, past experience and other factors. The management has set a maximum credit period of 10 to 60 days to reduce the credit risk. Limits are reviewed periodically and the customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or has similar economic features that would cause their abilities to meet the contractual obligation to be similarly affected by the changes in economic, political or other conditions.

#### 34.2.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is:

		2018 Rupees	2017 Rupees
<b><u>Loans and receivables</u></b>	<b><i>Note</i></b>		
Long term advances and deposits	13	26,049,008	24,250,017
Trade debts - net	16	1,645,139,944	1,888,101,415
Short term Investments		150,000,000	-
Advances	17	22,067,592	12,495,200
Other receivables	19	419,474,387	51,984,713
Bank balances	20	2,016,518,595	2,414,689,342
		<b>4,279,249,526</b>	<b>4,391,520,687</b>
Secured		168,869,931	279,661,764
Unsecured		4,110,379,595	4,111,858,923
		<b>4,279,249,526</b>	<b>4,391,520,687</b>

### 34.2.2 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical default rates and present ages.

The Company identified cancellation of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counter party is as follows:

	2018 Rupees	2017 Rupees
Customers	1,645,139,944	1,888,101,415
Banking companies and financial institutions	2,166,518,595	2,414,689,342
Others	467,590,987	88,729,930
	<b>4,279,249,526</b>	<b>4,391,520,687</b>

#### 34.2.2(a) Counterparties without external credit ratings

These mainly include customers which are counter parties to trade debtors. The Company is exposed to credit risk in respect of trade debtors. The trade debts as at the balance sheet date are classified as follows:

	2018 Rupees	2017 Rupees
Foreign	59,561,828	110,592,496
Domestic	1,646,422,644	1,826,529,379
Provision for doubtful debts	(60,844,528)	(49,020,460)
	<b>1,645,139,944</b>	<b>1,888,101,415</b>

The aging of trade debts at the reporting date is:

	2018		2017	
	Gross	Impaired	Gross	Impaired
Not past due	475,633,002	-	759,201,044	-
Past due 30 days	512,695,946	-	256,687,416	-
Past due 60 days	187,211,149	-	169,858,648	-
Past due 90 days	109,108,277	-	269,554,261	-
Past due 180 days	353,964,860	-	372,368,640	-
Past due above one year	67,371,238	(60,844,530)	109,451,866	(49,020,460)
	<b>1,705,984,472</b>	<b>(60,844,530)</b>	<b>1,937,121,875</b>	<b>(49,020,460)</b>

Based on past experience the management believes that no impairment allowance is necessary except for the allowance provided in respect of trade receivables past due as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time.

### 34.2.2(b) Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to cash deposits and investments. These counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

Bank	Rating		Rating Agency	2018 Rupees	2017 Rupees
	Short term	Long term			
Al-Baraka Bank (Pakistan) Limited	A	A1	PACRA	149,910,948	132,499,984
Allied Bank Limited	AAA	A1+	PACRA	21,915,120	19,243,972
Askari Bank Limited	AA+	A1+	PACRA	289,312,372	68,279,929
Bank Al-Falah Limited	AA+	A1+	PACRA	83,269,894	36,473,381
Bank Al-Habib Limited	AA+	A1+	PACRA	24,455,180	2,942,437
Bank Islami Pakistan Limited	A+	A1	PACRA	70,232,187	2,102,569
Faysal Bank Limited	AA	A1+	PACRA	10,859,255	11,998,133
First Women Bank Limited	A-	A2	PACRA	585,712	585,712
Habib Metropolitan Bank Limited	AA+	A1+	PACRA	228,701,824	1,664,181,422
MCB Bank Limited	AAA	A1+	PACRA	46,977,526	20,031,443
MCB Islamic Bank Limited	A	A1	PACRA	19,244,212	7,361,743
National Bank of Pakistan	AAA	A1+	PACRA	4,935,077	4,063,590
SME Bank Limited	B-	B	PACRA	313,734	313,734
Soneri Bank Limited	AA-	A1+	PACRA	55,990,784	117,412,373
Standard Chartered Bank (Pakistan) Limited	AAA	A1+	PACRA	3,898,297	439,597
The Bank of Punjab	AA	A1+	PACRA	90,205,205	60,398,185
Dubai Islamic Bank Limited	AA-	A-1	JCR-VIS	359,060,723	38,514,358
Habib Bank Limited	AAA	A-1+	JCR-VIS	524,621,028	143,787,821
Meezan Bank Limited	AA+	A-1+	JCR-VIS	81,975,739	47,506,349
United Bank Limited	AAA	A-1+	JCR-VIS	31,340,898	36,552,610
Samba Bank Limited	AAA	A-1	JCR-VIS	68,712,890	-
				<b>2,166,518,605</b>	<b>2,414,689,342</b>

### 34.3 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets, or that such obligation will have to be settled in a manner unfavourable to Company.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. For this purpose the Company has sufficient running finance facilities available from various commercial banks to meet its liquidity requirements. Further liquidity position of the Company is closely monitored through budgets, cash flow projections and comparison with actual results by the Board.

#### 34.3.1 Exposure to liquidity risk

Following is the maturity analysis of financial liabilities:

	Carrying amount	Contractual cash flows	Less than 6 months	Between 6 to 12 months	Between 1 to 5 years
			Rupees		
Trade and other payables	3,378,391,465	3,378,391,465	3,137,757,275	240,634,190	-
Unpaid dividend	419,562,727	419,562,727	419,562,727	-	-
Unclaimed dividend	11,917,703	11,917,703	11,917,703	11,917,703	-
<b>2018</b>	<b>3,809,871,895</b>	<b>3,809,871,895</b>	<b>3,569,237,705</b>	<b>252,551,893</b>	<b>-</b>

	Carrying amount	Contractual cash flows	Less than 6 months	Between 6 to 12 months	Between 1 to 5 years
	----- Rupees -----				
Trade and other payables	2,642,872,434	2,642,872,434	2,344,519,436	298,352,998	-
Unpaid dividend	538,244,050	538,244,050	419,562,727	-	-
Unclaimed dividend	7,284,173	7,284,173	11,917,703	11,917,703	-
2017	<u>3,188,400,657</u>	<u>3,188,400,657</u>	<u>2,775,999,866</u>	<u>310,270,701</u>	<u>-</u>

### 34.3.2 Concentration risk

Concentration of credit risk exists when the changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial assets is broadly diversified and all other transactions are entered into with credit-worthy counterparties there-by mitigating any significant concentrations of credit risk.

	2018 (Rupees in thousands)	2017
Food and beverages	328,167,966	346,220,427
Pharmaceuticals	796,586,161	584,085,278
Dealer and distributors	520,385,817	957,795,710
Others	441,541,979	64,479,913
Financial institutions	<u>2,192,567,603</u>	<u>2,438,939,359</u>
	<u>4,279,249,526</u>	<u>4,391,520,687</u>

### 34.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### 34.4.1 Currency risk

The Company is exposed to currency risk on foreign trade debts, advances from customers, foreign currency bank accounts and outstanding letter of credits that are denominated in a currency other than the functional currency primarily U.S. Dollars (USD).

##### 34.4.1(a) Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

##### On balance sheet:

	2018 Rupees	2017 Rupees
Foreign debtors	10,972	61,673,757
Bank balance - foreign currency	30,293,185	6,834,671
Foreign advances from customers	(27,887,442)	(22,706,517)
	<u>2,416,715</u>	<u>45,801,911</u>

##### Off balance sheet:

Outstanding letter of credits	(1,166,149,215)	(1,541,470,802)
	<u>(1,163,732,500)</u>	<u>(1,495,668,891)</u>

##### 34.4.1(b) Exchange rate applies during the year

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	2018	2017	2018	2017
USD to PKR	109.86	104.61	121.40	104.75

##### 34.4.1(c) Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the foreign currencies with all other variables held constant, pre-tax profit for the year would have been higher by the amount shown below, mainly as a result of net foreign exchange gain on translation of foreign debtors, foreign currency bank accounts, foreign advances from customers and outstanding letter of credits.

	2018 Rupees	2017 Rupees
US Dollar	116,373,250	149,566,889

The weakening of the PKR against foreign currencies would have had an equal but opposite impact on the pre-tax profit.

#### 34.4.1(d) Currency risk management

Since the maximum amount exposed to currency risk is only 0.86% (2017: 0.96%) of the Company's total assets, any adverse / favourable movement in functional currency with respect to US dollar will not have any material impact on the operational results.

#### 34.4.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

#### 34.4.2(a) Interest / mark-up bearing financial instruments

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

	2018	2017	2018	2017
	Effective rate (in Percentage)		Carrying amount (Rupees)	
Variable rate instruments	3.5% to 7%	3% to 5.9%	1,301,838,669	303,939,928

#### 34.4.2(b) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	100 bps	
	Increase	Decrease
	Rupees	
Effect on profit - 30 June 2018	130,183,867	(130,183,867)
Effect on profit - 30 June 2017	30,393,993	(30,393,993)

The sensitivity analysis prepared is not necessarily indicative of the effects on loss for the year and assets / liabilities of the Company.

#### 34.4.2(c) Interest rate risk management

The Company manages the risk through risk management strategies where significant changes in gap position can be adjusted. The Company's significant borrowings will be based on variable rate pricing that depends on Karachi Inter Bank Offer Rate (KIBOR) on as indicated in respective notes.

#### 34.3.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk. Whether those factors are caused by factors specific to individual financial instruments or its issuer, or all factors effecting all similar financial instruments trading in the market.

#### 34.3.3(a) Exposure to currency risk

At the date of balance sheet, the Company's investment in equity securities are exposed to price risk, which are as follows :

	Note	2018 Rupees	2017 Rupees
Investment in equity securities	18	5,469,500	10,994,500

#### 34.3.3(b) Sensitivity analysis:

A 10% increase/ (decrease) in share price as at year end would have increased/ (decreased) the Company's fair value gain on investment as follows:

	Equity Investment	
	2018 Rupees	2017 Rupees
Effect of increase	546,950	1,099,450
Effect of decrease	(546,950)	(1,099,450)

#### 34.3.3(c) Price risk management

The Company manages price risk by monitoring exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies. The carrying value of investments subject to equity price risk are based on quoted market prices as at reporting date. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from reported market value. Fluctuations in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

### 34.5 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (i.e. derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (i.e. unadjusted) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying value			Fair value		
	Fair value through profit or loss	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2
						Level 3
<b>30 June 2018</b>						
<b>Financial assets - measured at fair value</b>						
Short term investments - Listed securities	5,469,500	-	-	5,469,500	5,469,500	-
<b>Financial assets - not measured at fair value</b>						
Long term deposits	-	26,049,008	-	26,049,008	-	-
Trade debts	-	1,645,139,944	-	1,645,139,944	-	-
Short term investments	-	150,000,000	-	150,000,000	-	-
Advances against salaries and bikes	-	22,067,592	-	22,067,592	-	-
Other receivables	-	419,474,387	-	419,474,387	-	-
Cash and bank balance	-	2,026,060,054	-	2,026,060,054	-	-
	-	<b>4,288,790,985</b>	-	<b>4,288,790,985</b>	-	-
<b>Financial liabilities - measured at fair value</b>						
	-	-	-	-	-	-
<b>Financial liabilities not measured at fair values</b>						
Trade and other payables	-	-	3,378,391,465	3,378,391,465	-	-
Unpaid dividend	-	-	419,562,727	419,562,727	-	-
Unclaimed dividend	-	-	11,917,703	11,917,703	-	-
	-	-	<b>3,809,871,895</b>	<b>3,809,871,895</b>	-	-



30 June 2017

Financial assets - measured at fair value

Short term investments - Equity securities

10,994,500	-	-	10,994,500	10,994,500	-	-
------------	---	---	------------	------------	---	---

Financial assets - not measured at fair value

Long term deposits

Trade debts

Advances against salaries and bikes

Other receivables

Cash and bank balance

-	24,250,017	-	24,250,017	-	-	-
-	1,888,101,415	-	1,888,101,415	-	-	-
-	12,495,200	-	12,495,200	-	-	-
-	51,984,713	-	51,984,713	-	-	-
-	2,419,360,492	-	2,419,360,492	-	-	-
-	4,396,191,837	-	4,396,191,837	-	-	-

Financial liabilities - measured at fair valueFinancial liabilities not measured at fair values

Trade and other payables

Unpaid dividend

Unclaimed dividend

-	-	2,642,872,434	2,642,872,434	-	-	-
-	-	538,244,050	538,244,050	-	-	-
-	-	7,284,173	7,284,173	-	-	-
-	-	3,188,400,657	3,188,400,657	-	-	-

Fair value through profit or loss	Carrying value			Fair value		
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3
----- Rupees -----						

### 35 Capital management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

- (i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, arrange new lines of credit or sell assets to reduce debt.

Neither there were any changes in the Company's approach to capital management during the year nor the Company is subject to externally imposed capital requirements.

### 36 Operating segments

The Company's chief decision maker reviews the Company's performance on single segment accordingly the financial information has been prepared on the basis of a single reportable segment.

**36.1** Sales from float glass, food and beverages products and pharmaceutical products represent 53.71%, 16.52% and 29.77% (2017: 49.29%, 14.85% and 35.86%) of total revenue of the Company respectively.

**36.2** The sales percentage by geographical region is as follows:

	2018 %	2017 %
Pakistan	95.44	96.96
Afghanistan	0.18	0.04
India	0.93	1.45
Kenya	0.06	0.08
Turkey	0.22	0.18
Philippines	2.31	1.05
Zambia	0.46	-
Sri Lanka	0.24	-
Others	0.16	0.24
	<b>100.00</b>	<b>100.00</b>

**36.3** All non-current assets of the Company as at 30 June 2018 are located in Pakistan.

37 Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities		Equity			Total
	Unpaid dividend	Unclaimed dividend	Share capital	Subscription money against right issue	Reserves	
	----- Rupees -----					-----
Balance as at 01 July 2017	538,244,050	7,284,173	2,192,480,430	1,281,193,600	7,406,829,218	11,426,031,471
<b><u>Changes from financing activities</u></b>						
Dividend declared	1,666,285,128	-	-	-	(1,666,285,128)	-
Dividend paid	(1,780,332,921)	-	-	-	-	(1,780,332,921)
Subscription money received	-	-	-	692,038,790	-	692,038,790
Right shares issued	-	-	1,973,232,390	(1,973,232,390)	-	-
<b>Total changes from financing cash flows</b>	<b>424,196,257</b>	<b>7,284,173</b>	<b>4,165,712,820</b>		<b>5,740,544,090</b>	<b>10,337,737,340</b>
<b><u>Other changes</u></b>						
Dividend unclaimed at year end	(3,393,235)	3,393,235	-	-	-	-
<b>Total liability related other changes</b>	<b>(3,393,235)</b>	<b>3,393,235</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity related other charges</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,997,562,044</b>	<b>2,997,562,044</b>
<b>Closing as at 30 June 2018</b>	<b>420,803,022</b>	<b>10,677,408</b>	<b>4,165,712,820</b>		<b>8,738,106,134</b>	<b>13,335,299,384</b>

### 38 Number of employees

The average and total number of permanent and contractual employees during the year as at 30 June 2018 and as at 30 June 2017 are as follows:

#### Number of employees as at 30 June

Factory employees  
Employees at head office

#### Average number of employees during the year

Factory employees  
Employees at head office

No of employees	
2018	2017
1,923	1,860
260	244
<b>2,183</b>	<b>2,104</b>
1,892	1,832
252	237
<b>2,144</b>	<b>2,069</b>

### 39 Plant capacity and annual production

The production capacity and the actual production achieved during the year are as follows:

	Production capacity (Tons)		Actual production (Tons)	
	2018	2017	2018	2017
Float glass	200,750	200,750	145,231	145,508
Hollow glass	180,675	180,675	138,454	148,383
	<b>381,425</b>	<b>381,425</b>	<b>283,685</b>	<b>293,891</b>

**39.1** Actual production was sufficient to meet the market demand. The decrease in production capacity during the year is due to the closing of furnace F-1 and F2 in Hattar Plant for four months and furnace F-3 in Karachi Plant for six months. The furnaces were closed for overhauling.

### 40 Earnings per share - basic and diluted

Profit attributable to owners of the Company

Weighted-average number of ordinary shares at 30 June

Basic earnings per share

	2018	2017
<b>Rupees</b>	<b>2,866,111,348</b>	2,302,281,187 (Restated)
<b>Number of shares</b>	<b>413,463,204</b>	374,554,678
<b>Rupees</b>	<b>6.93</b>	6.15

**40.1** Weighted average number of shares have been restated due to the impact of issuance of right shares, as detailed in note 5.

### 41 Date of authorization for issue

The financial statements were approved and authorized for issue on September 29, 2018 by the Board of Directors of the Company.

### 42 Subsequent event

The Board of Directors has proposed a final dividend of Rs. nil per share (2017: Rs nil per share) amounting to Rs. nil million (2017: Rs. nil) for the year ended 30 June 2018 at their meeting held on September 29, 2018 for approval of the members at the Annual General Meeting to be held on October 27, 2018.

### 43 Reclassification

Corresponding figures have been re-classified and re-arranged, wherever necessary, for the purpose of comparison and fair presentation.

### 44 General

Figures have been rounded off to nearest rupee.



Deputy Chief Executive



Chief Financial Officer



Director

Lahore

## PATTERN OF SHAREHOLDING

of Shares Held by the Shareholders of Ghani Glass Limited as at June 30, 2018

Shareholding			
No. of Shareholders	From	To	Total Shares Held
427	1	100	12,689
437	101	500	160,356
338	501	1,000	301,287
610	1,001	5,000	1,556,867
156	5,001	10,000	1,134,254
53	10,001	15,000	672,661
35	15,001	20,000	626,813
29	20,001	25,000	664,571
18	25,001	30,000	499,237
9	30,001	35,000	289,652
14	35,001	40,000	543,968
7	40,001	45,000	299,378
12	45,001	50,000	567,630
7	50,001	55,000	374,905
5	55,001	60,000	291,728
3	60,001	65,000	181,354
8	65,001	70,000	538,120
1	70,001	75,000	72,675
5	75,001	80,000	380,287
1	80,001	85,000	81,999
2	85,001	90,000	173,646
4	90,001	95,000	375,071
2	95,001	100,000	200,000
2	100,001	105,000	201,238
1	105,001	110,000	110,000
2	110,001	115,000	227,464
1	115,001	120,000	115,200
2	125,001	130,000	254,298
2	130,001	135,000	263,351
1	135,001	140,000	139,073
1	150,001	155,000	155,000
2	180,001	185,000	366,087
2	185,001	190,000	374,382
1	190,001	195,000	193,646
1	220,001	225,000	224,010
1	245,001	250,000	246,098
1	300,001	305,000	301,000
1	305,001	310,000	307,775
1	330,001	335,000	334,500
1	350,001	355,000	353,372
2	355,001	360,000	714,351
1	405,001	410,000	409,010
1	495,001	500,000	500,000
1	645,001	650,000	646,208
1	820,001	825,000	821,723
1	1,115,001	1,120,000	1,118,794
1	1,450,001	1,455,000	1,453,933
1	1,755,001	1,760,000	1,759,272
1	2,035,001	2,040,000	2,039,130
1	2,260,001	2,265,000	2,261,000
1	2,700,001	2,705,000	2,701,036
1	2,905,001	2,910,000	2,907,000
1	2,960,001	2,965,000	2,964,129
1	3,235,001	3,240,000	3,235,570
1	3,605,001	3,610,000	3,606,452
1	4,125,001	4,130,000	4,126,741
1	4,210,001	4,215,000	4,210,507
1	4,330,001	4,335,000	4,331,164
1	4,545,001	4,550,000	4,550,000
1	4,700,001	4,705,000	4,700,619
1	4,925,001	4,930,000	4,928,824
2	5,215,001	5,220,000	10,432,900
1	5,955,001	5,960,000	5,959,498
1	6,005,001	6,010,000	6,009,175
2	6,170,001	6,175,000	12,345,060
1	6,580,001	6,585,000	6,582,126
1	6,905,001	6,910,000	6,909,530
1	7,670,001	7,675,000	7,670,030
1	7,695,001	7,700,000	7,698,672
1	7,970,001	7,975,000	7,974,168
1	8,735,001	8,740,000	8,737,687
1	9,170,001	9,175,000	9,170,583
1	9,220,001	9,225,000	9,224,494
1	9,305,001	9,310,000	9,308,105
1	9,830,001	9,835,000	9,832,125
1	9,885,001	9,890,000	9,888,027
1	10,035,001	10,040,000	10,036,575
1	13,265,001	13,270,000	13,266,575
1	13,675,001	13,680,000	13,675,489
1	15,280,001	15,285,000	15,280,881
1	15,550,001	15,555,000	15,551,693
1	31,630,001	31,635,000	31,634,943
1	38,495,001	38,500,000	38,496,302
1	40,480,001	40,485,000	40,480,997
1	42,250,001	42,255,000	42,254,542

2,254

416,571,282

Categories of shareholders	Share held	Percentage
Directors, Chief Executive Officers, and their spouse and minor children	260,354,001	62.4993%
Associated Companies, undertakings and related parties.	168,058	0.0403%
NIT and ICP	891	0.0002%
Banks Development Financial Institutions, Non Banking Financial Institutions.	333	0.0001%
Insurance Companies	-	0.0000%
Modarabas and Mutual Funds	3,083,762	0.7403%
Share holders holding 10% or more	141,114,698	33.8753%
General Public		
a. Local	95,212,407	22.8562%
b. Foriegnl	7,122	0.0017%
Others (to be specified)		
Joint Stock Companies	14,867,712	3.5691%
Pension Funds	143,277	0.0344%
Foreign Companies	120,000	0.0288%
Other Companies	42,613,719	10.2296%



## PATTERN OF SHAREHOLDING

As on June 30, 2018

Sr. No.	Name	No. of Shares Held	Percentage
<b>Associated Companies, Undertakings and Related Parties (Name Wise Detail):</b>			
1	JAMIA-TUL-GHANI	127,968	0.0307%
2	GHANI MINES (PVT) LIMITED - (CDC)	40,090	0.0096%
<b>Mutual Funds (Name Wise Detail)</b>			
1	CDC - TRUSTEE AKD INDEX TRACKER FUND (CDC)	23,233	0.0056%
2	CDC - TRUSTEE AKD OPPORTUNITY FUND (CDC)	47,500	0.0114%
3	CDC - TRUSTEE JS PENSION SAVINGS FUND - EQUITY ACCOUNT (CDC)	200	0.0000%
4	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST (CDC)	2,964,129	0.7116%
<b>Directors and their Spouse and Minor Children (Name Wise Detail):</b>			
1	MR. IMTIAZ AHMAD KHAN	33,394,215	8.0164%
2	MRS. ROBINA IMTIAZ	5,959,498	1.4306%
3	MR. JUNAID GHANI	13,983,343	3.3568%
4	MR. ANWAAR AHMAD KHAN	42,827,466	10.2809%
5	MRS. REEMA ANWAAR	11,006,821	2.6422%
6	MR. AFTAB AHMAD KHAN	56,032,690	13.4509%
7	MRS. AYESHA AFTAB	15,280,881	3.6683%
8	MR. ZAID GHANI	13,912,783	3.3398%
9	MR JUBAIR GHANI	16,946,105	4.0680%
10	MR. SHAMIM AHMAD - (CDC)	2,701,036	0.6484%
11	MR. HAMZA GHANI	184,223	0.0442%
12	MR. AYUB SADIQ	1,615	0.0004%
13	MRS. MUSFIRA JUBAIR	2,359	0.0006%
14	MR. MUHAMMAD RIAZUDDIN (EOBI Nominee)	-	0.0000%
15	MR. MOEEZ GHANI (CDC)	5,398,314	1.2959%
16	MR. IBRAHIM GHANI	9,899,721	2.3765%
17	MR. UMAIR GHANI (MINOR) (CDC)	5,216,450	1.2522%
18	MRS. SANA AYUB W/O AYUB SADIQ (CDC)	59,600	0.0143%
19	MR. JUNAID SHAMIM	190	0.0000%
20	MR. OVAIS SHAMIM	9,170,583	2.2014%
21	MRS. AMNA OVAIS	4,700,619	1.1284%
22	MRS. MUNEERA JUNAID	13,675,489	3.2829%
<b>Executives:</b>		-	-
<b>Public Sector Companies &amp; Corporations:</b>		-	-
<b>Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:</b>		192,310	0.0462%
<b>Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)</b>			
1	MR. AFTAB AHMAD KHAN	56,032,690	13.4509%
2	EMPLOYEES OLD AGE BENEFITS INSTITUTION (CDC)	42,254,542	10.1434%
3	MR. ANWAAR AHMAD KHAN	42,827,466	10.2809%
4	MR. IMTIAZ AHMAD KHAN	33,394,215	8.0164%

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 26th Annual General Meeting of the members of **GHANI GLASS LIMITED** will be held on Saturday October 27, 2018 at 11:00 a.m., at Hotel Sunfort, 72-D/1, Commercial Zone, Liberty Market, Gulberg-III, Lahore to transact the following business:

### Ordinary Business

1. To confirm the minutes of Extraordinary General Meeting held on December 14, 2017.
2. To receive, consider and adopt the audited annual accounts of **GHANI GLASS LIMITED** for the year ended June 30, 2018 together with the Directors' and Auditors' reports thereon.
3. To approve the interim cash dividends as already paid as final cash dividend for the year ended June 30, 2018 aggregating 40% i.e. Rs.4.00 per shares (*first interim cash dividend of 20% i.e. Rs.2 per share, second interim cash dividend of 10% i.e. Re.1 per share and third interim cash dividend of 10% i.e. Re.1 per share*).
4. To appoint auditors for the year ending June 30, 2019 and fix their remuneration.

The retiring auditors namely M/s. KPMG Taseer Hadi & Co., Chartered Accountants, being eligible, have offered themselves for re-appointment.

### Special Business

#### Increase in Authorized Capital

5. To consider and if deemed fit, pass the following special resolutions, with or without modification, as proposed by the directors, to increase the authorized capital of the company:

**"RESOLVED** that the Authorized Share Capital of the Company be and is hereby increased from Rs.6,000,000,000 (Rupees six billion only) divided into 600,000,000 ordinary shares of Rs.10 each to Rs.7,500,000,000 (Rupees seven billion five hundred million only) divided into 750,000,000 ordinary shares of Rs.10/- each."

**"FURTHER RESOLVED** that existing clause V of Memorandum of Association and clause 4 of Article of Association of the Company be and is hereby amended accordingly."

#### Memorandum of Association

- V. The Authorized Capital of the Company is Rs.7,500,000,000 (Rupees seven billion five hundred million only) divided into 750,000,000 ordinary shares of Rs.10/- each with powers to increase, reduce, subdivide, consolidate or reorganize its Capital and to divide the shares in the Capital for the time being into several classes in accordance with the provisions of the Companies Act, 2017.

#### Articles of Association

4. The Authorized Capital of the Company is Rs.7,500,000,000 (Rupees seven billion five hundred million only) divided into 750,000,000 ordinary shares of Rs.10/- each with powers to increase, reduce, subdivide, consolidate or reorganize its Capital and to divide the shares in the Capital for the time being into several classes in accordance with the provisions of the Companies Act, 2017.

**"FURTHER RESOLVED** That the Chief Executive Officer and/or Company Secretary be and are hereby authorized to comply with the legal formalities and to file the requisite documents in the office of the SECP Lahore as required under the statutory provisions of Companies Act, 2017."

#### Opening of Marketing Office in UAE owned and managed by wholly owned limited liability subsidiary company to be incorporated in UAE

6. To consider and if deemed fit, pass the following special resolutions u/s 199 of the Companies Act, 2017, with or without modification, as recommended by the Board of directors, to open marketing office in UAE, owned and managed by wholly owned limited liability subsidiary company.

**"RESOLVED** that subject to the requisite regulatory approvals and compliance of the law and regulations of the United Arab Emirates (UAE), the Company be and is hereby authorized and empowered to open its marketing office in UAE, owned and managed by wholly owned limited liability subsidiary company to be incorporated under the laws of UAE for the purpose for marketing activities for the International Customers."

**"FURTHER RESOLVED** that approval be and is hereby given to make equity investment of AED 10 million (equal to PKR 336.5 million / USD 2.7 million approximately) in the proposed wholly owned limited liability

subsidiary company to be incorporated under the laws of UAE.”

“**FURTHER RESOLVED** that Mr. Imtiaz Ahmad Khan, Chief Executive Officer and/or Mr. Anwaar Ahmad Khan, Deputy Chief Executive Officer and/or Mr. Aftab Ahmad Khan, Deputy Chief Executive Officer approval be and are hereby authorized jointly and/or severally to get the wholly owned limited liability subsidiary company incorporated in UAE by making aforesaid equity investment and establish the marketing office in UAE.”

7. Any other business with the permission of the chair.

Lahore: October 5, 2018

By order of the Board

**Hafiz Muhammad Imran Sabir**  
Company Secretary

**Notes:**

- The share transfer books of the Company will remain closed from October 21, 2018 to October 27, 2018 (both days inclusive). Members whose names appear on the register of members as at the close of business on October 20, 2018 will be entitled to attend the Annual General Meeting.
- A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another member as a proxy to attend and vote on his/her behalf. A corporation being a member may appoint as its proxy any of its official or any other person whether a member of the Company or not. Proxies in order to be effective must be deposited at the Share Registrar of the Company not less than 48 hours before the time for holding the meeting, and must be duly stamped, signed and witnessed.
- Members are requested to promptly notify Company's Shares Registrar M/s. Corplink (Pvt.) Ltd., Wings Arcade, 1-K Commercial, Model Town, Lahore, Ph: 042-35916714, 35916719 Fax: 042-35869037 of any change in their addresses to ensure delivery of mail.
- CDC Accountholders will further have to follow the guidelines as laid down by Circular No. 1, dated January 26, 2000, issued by Securities and Exchange Commission of Pakistan (“SECP”).

**Revision of withholding tax on dividend income**

It is further informed that pursuant to the provisions of Finance Act 2017, effective from July 1, 2017 a new criteria for withholding of tax on dividend income has been introduced by the FBR, as per this criteria, 'Filer' and 'Non-Filer' shareholder shall pay tax on dividend @ 15% and 20% respectively.

**Mandatory Payment of Cash Dividend Through Electronic Mode**

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the following information to the Company's Share Registrar at the address given herein above. In case of shares held in CDC, the same information should be provided directly to the CDS participants for updating and forwarding to the Company.

Folio No/Investor Account /CDC sub Account No:

Title of Account:

CNIC No:

IBAN No:

Bank Name:

Branch address:

Cell No:

Name of Network (if protected):

Email Address:

\_\_\_\_\_  
Signature of Shareholder

**Unclaimed Dividend / Shares**

Shareholders who could not collect their dividend/physical shares are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares, if any. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend and shares outstanding for a period of 3 years or more from the date due and payable shall be deposited to the credit of Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP.

## Video Conference Facility

In terms of the Companies Act, 2017, members residing in a city holding at least 10% of the total paid up share capital may demand the facility of video-link for participating in the annual general meeting. The request for video-link facility shall be received by the Share Registrar at the address given herein above at least 7 days prior to the date of the meeting on the Standard Form placed in the annual report which is also available on the website of the Company.

## Transmission of Annual Financial Statements through e-mail

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan (SECP) vide SRO 787(I)/2014 dated September 8, 2014, those shareholders who desire to receive Annual Financial Statements in future through e-mail instead of receiving the same by Post are advised to give their formal consent along with their e-mail address duly signed by the shareholder along with copy of his CNIC to our share registrar's office, M/s. Corplink (Pvt) Ltd, Wings arcade, 1-k, commercial, Model Town, Lahore. Please note that giving e-mail address for receiving of Annual Financial Statements instead of the same by Post is optional, in case you do not wish to avail this facility, please ignore this notice, Financial Statement will be sent to you at your registered address.

## Exemption from deduction of Income Tax/Zakat

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax exemption certificate or necessary documentary evidence as the case may be. Members desiring non-deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

## Availability of Audited Financial Statements on Company's Website

The audited financial statement of the company for the year ended June 30, 2018 have been placed at the Company's website [www.ghaniglass.com](http://www.ghaniglass.com).

## Statement u/s 134(3) of the Companies Act, 2017

### Item No.5

#### **Increase in Authorized Capital**

The Board of Directors in their meeting held on September 29, 2018 has recommended to increase Authorized Capital of the Company from Rs.6,000,000,000 (Rupees six billion only) divided into 600,000,000 ordinary shares of Rs.10 each to Rs.7,500,000,000 (Rupees seven billion five hundred million only) divided into 750,000,000 ordinary shares of Rs.10/- each for raising equity in future.

### Item No.6

#### **Opening of Marketing Office in UAE owned and managed by wholly owned limited liability subsidiary company to be incorporated in UAE**

The Board of Directors in their meeting held on September 29, 2018 has recommended opening of marketing office of the company (for its International Customers) in UAE, owned and managed by wholly owned limited liability subsidiary company to be incorporated in UAE by making equity investment of AED 10 million (equal to PKR 336.5 million / USD 2.7 million approximately).

#### **Statement under Regulation 3 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017**

Requirement	Information
Name of associated company or associated undertaking	N/A
Basis of relationship	Wholly owned subsidiary
Maximum amount of Investment to be made	AED 10 million (equal to PKR 336.5 million / USD 2.7 million approximately)
Purpose	To open marketing office in UAE
Benefits likely to accrue to the investing company and its members	Better Marketing, improved relations with the International Customers, exploring new International markets.
Period of investment	Long term strategic investment
Source of Funds to be utilized for investment	Company's own sources
Direct or Indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	The directors, sponsors, majority shareholders and their relatives, if any, are not interested, directly or indirectly, in the above businesses except to the extent of their shareholding as has been detailed in the pattern of Shareholding annexed to the Directors Report

## آڈٹ کمیٹی:

جب سے کوڈ آف کارپوریٹ گورننس وجود میں آیا ہے تب سے کمپنی کی آڈٹ کمیٹی موجود ہے جو کہ تین نان ایگزیکٹو ڈائریکٹران (بشمول ایک آزاد ڈائریکٹر) پر مشتمل ہے۔ پچھلے سال کے دوران آڈٹ کمیٹی کے چھ اجلاس منعقد ہوئے۔ آڈٹ کمیٹی اپنے قوانند و ضوابط رکھتی ہے جو کہ بورڈ آف ڈائریکٹرز کے لسٹنگ قواعد کی روشنی میں مرتب کیے ہیں۔

## شراکت داروں سے تعلقات:

ہم نے اپنے سپلائرز، گاہکوں اور کاروباری شراکت داروں کے ساتھ باہمی مفید تعلقات استوار کرنے کا عہد کیا ہے۔

## کارپوریٹ: فنانسل رپورٹنگ ڈھانچہ:

کارپوریٹ گورننس کی تعمیل میں کارپوریٹ فنانسل رپورٹنگ ڈھانچے پر درج ذیل اسٹیٹمنٹ جاری کی جاتی ہے۔

مالیاتی گوشوارے بمعہ وضاحتی نوٹس کو انتظامیہ نے کمپنیز ایکٹ 2017 کی روشنی میں تیار کیا ہے۔ کمپنی کی انتظامیہ کے تیار کردہ مالیاتی گوشواروں میں اس کے واضح امور عملدار آمد کے نتائج، کیش فلو اور ایکٹیوٹی میں تبدیلیاں پیش کی گئی ہیں۔

کمپنی کی مالیاتی کتابیں باقاعدگی سے تیار کی گئی ہیں۔

مالیاتی گوشواروں اور اکاؤنٹنگ تخمینوں کی تیاری میں متعلقہ موزوں اکاؤنٹنگ پالیسیاں بروئے کار لائی گئی ہیں اور یہ مناسب فیصلوں پر مبنی ہیں۔

بین الاقوامی اکاؤنٹنگ معیارات اور مالیاتی رپورٹنگ معیارات (آئی ایف آر ایس) جو کہ پاکستان میں نافذ العمل ہیں کے مطابق مالیاتی گوشوارے تیار کیے گئے ہیں۔

انٹرنل کنٹرول کے نظام کا جائزہ لیا گیا ہے اور اس کو مزید مضبوط کرنے کے لیے ضروری اقدامات کیے گئے ہیں۔

کمپنی کی جاری ادارہ حیثیت میں کوئی قابل قدر شکوک نہیں ہے۔

سٹنگ ریگولیشن کے مطابق کارپوریٹ گورننس کے اعلیٰ طریقوں سے کوئی انحراف نہیں ہوا۔

ٹرانسفر پراسسنگ کے اعلیٰ طریقوں سے کوئی انحراف نہیں ہوا۔

پچھلے چھ سالوں کا اہم آپریٹنگ ڈیٹا رپورٹ میں شامل کیا گیا ہے۔

ٹیکس اور دیگر ادائیگیوں کے متعلق معلومات وضاحتی نوٹ میں فراہم کی گئی ہے۔

سٹاف ریٹائرمنٹ فوائڈ کی مد میں سرمایہ کاری اور بینک ٹیلنس کی تفصیل:

پراویڈنٹ فنڈ 426 ملین روپے (سرمایہ کاری کی قدر میں قابل حصول نفع شامل ہے)۔

کمپنی کے لیے بڑے خطرات میں سخت مقابلہ، روپے کی قدر میں کمی، پلاسٹک فارما بوتلیں، گیس اور توانائی کی قیمتوں میں اضافہ شامل ہے۔

کمپنی کا پلانٹ ملکی اور بین الاقوامی ماحول کی معیار کے مطابق ہے لہذا اس سے ماحول میں کوئی منفی اثرات مرتب نہیں ہوتے۔

گزشتہ سال کے دوران کمپنی کے کاروبار کی نوعیت میں کوئی تبدیلی نہیں آئی۔

کمپنی کی پالیسی ہے کہ نان ایگزیکٹو اور آزاد ڈائریکٹر کو کوئی تنخواہ نہیں دی جائے گی۔

بورڈ براہ راست یا اپنی کمیٹیوں کے ذریعے اندرونی کنٹرول کی سرگرمیوں کو یقینی بناتا ہے۔ بورڈ وقفے وقفے سے عبوری اکاؤنٹس، رپورٹس، منافع کا جائزہ اور دیگر مالی اور شماراتی معلومات کے ذریعے

کمپنی کے مالیاتی امور اور حیثیت کا بھی جائزہ لینا ہے۔

سی ای او، ڈائریکٹران، سی ایف او، کمپنی سیکرٹری ان کی بیویاں/خاوند اور چھوٹے بچوں کی کمپنی کے حصص میں لین دین۔

نام	خریدے گئے حصص کی تعداد	بیچے گئے حصص کی تعداد
مسز ثناء ایوب زوجہ مسٹر ایوب صادق	-	5000

کمپنیز ایکٹ 2017 کی شق (227)(F) کے تحت نمونہ حصص داری:

30 جون 2018 کے مطابق حصہ داروں کی مخصوص جماعت جن کے لیے رپورٹنگ ڈھانچے کے تحت حصہ داری کا اظہار ضروری ہے کی تفصیل لف کی گئی ہے۔ دوران سال ڈائریکٹران، سی ای او، سی ایف او، کمپنی سیکرٹری ان کی بیویاں/خاوند اور چھوٹے بچوں نے کمپنی کی حصص میں اوپر دیئے گئے لین دین کے علاوہ کوئی اور ٹریڈنگ نہیں کی۔

اظہار تشکر:

بورڈ کی طرف سے میں تمام حصہ داران، ڈیلروں اور دوسرے شراکت داروں قابل قدر حمایت اور انتظامیہ پر کیے گئے اعتماد پر ان کا شکریہ ادا کرتا ہوں۔ میں اللہ تعالیٰ کی بارگاہ میں دعا گو ہوں کہ اللہ

ہماری رہنمائی فرمائے اور ہماری کوششوں میں اپنا حتم شامل فرمائے تاکہ ہم اپنے تمام شراکت داروں کے لیے اچھے نتائج لانے میں سرخرو ہوں۔

ہم اپنا تمام توجہ و سروس اللہ پر رکھتے ہیں اور اس کمپنی اور اس سے منسلک تمام افراد کی بہتری کے لیے دعا گو ہیں۔



آفتاب احمد خان

ڈائریکٹر



انوار احمد خان

ڈپٹی چیف ایگزیکٹو آفیسر

لاہور: 29 ستمبر 2018

بورڈ کے اجلاس سے سات روز قبل تحریری نوٹس اور ورکنگ پیپرز تمام بورڈ ممبران کو بھیجے گئے ہیں۔ ایک سال (1 جولائی 2017 سے 30 جون 2018) کے دوران بورڈ کے پانچ آڈٹ کمیٹی کے چھ اور ایچ آر اور آر کمیٹی کے دو اجلاس ہوئے جن میں بورڈ ارکان کی حاضری درج ذیل رہی۔

ڈائریکٹر کا نام	بورڈ کے اجلاسوں میں حاضری	آڈٹ کمیٹی کے اجلاسوں میں حاضری	ایچ آر اور آر کمیٹی کے اجلاسوں میں حاضری
مسٹر زید علی	5	6	2
مسٹر امتیاز احمد خان	5	-	-
مسٹر انوار احمد خان	5	-	2
مسٹر آفتاب احمد خان	5	-	-
مسٹر روبینہ امتیاز	5	-	-
مسٹر یما انوار	5	-	-
مسز عائشہ آفتاب ****	5	-	1
مسز مصفرہ جبیر *	2	-	-
مسٹر جنید غنی	4	-	-
مسٹر جمیل غنی	5	-	-
مسٹر حمزہ غنی	5	6	-
مسٹر معین غنی **	3	-	-
مسٹر ابراہیم غنی	3	-	-
مسٹر ایوب صادق ****	4	6	1
مسٹر شمیم احمد	3	-	-
مسٹر جنید شمیم **	2	-	-
مسٹر اویس شمیم **	2	-	-
مسٹر محمد ریاض الدین (نامزد EoPI) ***	-	-	-
مسٹر جاوید ضیا (نامزد EoPI) ***	-	-	-

\* مسز مصفرہ جبیر 14 دسمبر 2017 کو ریٹائر ہوئیں۔

\*\* 14 دسمبر 2017 کو ہونے والے الیکشن میں ڈائریکٹر منتخب ہوئے۔

\*\*\* 26 اکتوبر 2017 کو مسٹر محمد ریاض الدین (EoBi کے نامزد) کی جگہ مسٹر جاوید ضیا (EoBi کے نامزد) نے لے لی۔

\*\*\*\* ایچ آر اور آر کمیٹی کی 18 دسمبر 2017 کو تشکیل نو ہوئی جس میں مسز عائشہ آفتاب کی جگہ مسٹر ایوب صادق نے لے لی۔

ڈائریکٹر ان جو کہ اجلاسوں میں شریک نہ ہو سکے کو رخصت عنایت کی گئی۔

**کوڈ آف کارپوریٹ گورننس کی تعمیل:**

کوڈ آف کارپوریٹ گورننس جو کہ سٹاک ایکسچینج کے قواعد میں درج ہے کی تعمیل کے لیے ضروری اقدامات کیے گئے ہیں۔

کوڈ آف کارپوریٹ گورننس کی اعلیٰ عملی تعمیل کے بارے میں بیان:

کوڈ آف کارپوریٹ گورننس جو کی اعلیٰ تعمیل کی اسٹیٹمنٹ لف کی گئی ہے۔

**کوڈ آف کنڈکٹ:**

بورڈ کوڈ آف کنڈکٹ اختیار کر چکا ہے۔ تمام ملازمین کو اس کوڈ کے متعلق باخبر کیا گیا ہے اور گاہکوں، سپلائرز اور ریگولیٹرز کے حوالے سے تواضع کا پابند کیا گیا ہے۔

**30 جون 2018 کے بعد رونما ہونے والے واقعات:**

30 جون 2018 کے بعد ستمبر میں فلوٹ لائن پر تجارتی پیداوار کے آغاز اور 30% رائٹ ایشو کے اعلان کے علاوہ کوئی نمایاں تبدیلی نہیں آئی اور کوئی ایسا معاہدہ نہیں ہوا جس سے کاروبار کی مالیاتی

حیثیت متاثر ہو۔



مفت خوراک:

ماندہ للغنی: ایک نیا منصوبہ ماندہ للغنی کے نام سے شروع کی گیا ہے جہاں روزانہ تقریباً 1000 سے زیادہ پورے ملک میں مختلف مقامات پر مفت کھانا فراہم کیا جاتا ہے۔  
ڈیوڈنڈ (منافع منقسمہ):

بورڈ آف ڈائریکٹرز نے برائے سال 2017-18 میں عبوری منافع منقسمہ بحساب 40% یعنی 4 روپے فی حصص کی منظوری دی جو کہ پہلے ہی ادا کیا جا چکا ہے۔ (پہلا عبوری منافع منقسمہ بحساب 20% یعنی 2 روپے فی حصص، دوسرا عبوری منافع منقسمہ بحساب 10% یعنی 1 روپیہ فی حصص اور تیسرا عبوری منافع منقسمہ بحساب 10% یعنی 1 روپیہ فی حصص) فی حصص نفع:

کمپنی نے پچھلے سال 6.15 روپے فی حصص (Restected) نفع کے مقابلے میں 6.93 روپے فی حصص ریکارڈ کیا ہے۔  
کمپنی کے آڈیٹران:

موجودہ آڈیٹران میسرز کے پی ایم جی تاثیرہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹ ریٹائر ہو گئے ہیں اور انہوں نے دوبارہ اپنی خدمات پیش کی ہیں۔ آڈٹ کمیٹی کی رائے پر بورڈ نے 30 جون 2019 کو ختم ہونے والے سال کے لیے باہمی مشاہرے پر کمپنی کے آڈیٹران کی دوبارہ تقرری کی تجویز پیش کی ہے۔

ملازموں کے ریٹائرمنٹ فوائد:

کمپنی اپنے ملازمین کے لیے فنڈڈ پرائیویٹ فنڈسکیم چلاتی ہے اور تنخواہوں کی بنیاد پر فنڈ میں اپنا ماہانہ حصہ شامل کرتی ہے۔  
حصص کی قیمتوں کا رجحان:

پچھلے سال کے دوران 10 روپے کے حصص کی کم سے کم قیمت 51.60 روپے رہی اور ایک وقت یہ حصص 84.75 تک بلند ہو گیا اور 30 جون 2017 کے اختتام پر 61.68 روپے پر بند ہوا۔  
بورڈ کے ڈائریکٹران:

بورڈ کے ڈائریکٹران جن کی تعداد سترہ ہے کمپنی کی کارکردگی اور مستقل بڑھوتری حاصل کرنے سے متعلق دور رس فیصلوں کی آزادانہ اور شفاف نگرانی کے ذمہ دار ہیں۔

ڈائریکٹروں کی کل تعداد 17 ہے

الف۔ مرد: 14

ب۔ خواتین: 3

بورڈ کے ممبران درج ذیل ہیں۔

آزاد ڈائریکٹران	مسٹر ایوب صادق
نان ایگزیکٹو ڈائریکٹر	مسٹر زید غنی
	مسٹر روبینہ امتیاز
	مسٹر یمہ انوار
	مسٹر عائشہ آفتاب
	مسٹر حمزہ غنی
	مسٹر معین غنی
	مسٹر ابراہیم غنی
	مسٹر شمیم احمد
	مسٹر جنید شمیم
	مسٹر اولیس شمیم
	مسٹر جاوید ضیا (نامزد (EOBI)
ایگزیکٹو ڈائریکٹر	مسٹر امتیاز احمد خان
	مسٹر انوار احمد خان
	مسٹر آفتاب احمد خان
	مسٹر جنید غنی
	مسٹر جمیر غنی

30 جون 2018 کو اختتام پذیر سال کے دوران کمپنی کی خالص آمدنی پچھلے سال 13.2 ارب روپے سے بڑھ کر 14.4 ارب روپے ہو گئی۔ خام نفع پچھلے سال 4.3 ارب روپے کے مقابلے میں 4.5 ارب روپے رہا جو کہ 3.8% اضافہ کی عکاسی کرتا ہے۔ آپریٹنگ نفع 3.1 ارب روپے تک بڑھ گیا۔ قبل از ٹیکس نفع بھی 3 ارب روپے ریکارڈ کیا گیا۔ خالص نفع میں پچھلے سال 2.3 ارب روپے کے مقابلے میں 2.9 ارب روپے تک کا اضافہ ہوا جو کہ 24.5% بڑھوتری کا عکاس ہے۔ فی حصص نفع میں بھی 12.7% کا اضافہ ہوا۔

### منصوبوں کی خبریں:

اللہ رب العزت کی خصوصی رحمت سے ہمارے پلانٹ واقع 29 کلومیٹر لاہور شیخوپورہ روڈ پر فلوٹ لائن 1 کے منصوبے پر تجارتی پیداوار کا آغاز ستمبر 2018 سے ہو گیا ہے۔ فلوٹ لائن 1 سے کمپنی کی پیداواری صلاحیت میں یومیہ 450 ٹن (یومیہ 500 ٹن کی گنجائش کے ساتھ) تک کا اضافہ ہوگا۔ مستقبل کے منصوبے

انتظامیہ ہمیشہ سے جدید ٹیکنالوجی کے حصول کو جاری رکھتے ہوئے کمپنی کے آپریشن میں جدت اور نئی ترقیوں کے لیے کوشاں رہی ہے۔ انتظامیہ موجودہ سال کے دوران فوڈ اور پورٹیج فرنس اور فارما فرنس واقع ہری پور ہتار خیبر پختونخواہ کی بی ایم آر (BMR) اور تعمیر نو کا منصوبہ رکھتی ہے۔ یہ منصوبے 100% ایکٹو پیٹی کی بنیاد پر ہوں۔

### انسانی وسائل کی مینجمنٹ اور ملازمین کے ساتھ رشتہ

انتظامیہ کا پختہ یقین ہے کہ ہمارے ملازمین ہمارا سب سے قیمتی اور ضروری اثاثہ ہیں۔ ملازمین کو برقرار رکھنے کی کمپنی کی پالیسی سب سے بہترین اور بے نظیر ہے۔ اپنے قائدانہ مقام کو برقرار رکھنے کے لیے ہم ہر سطح پر سب سے بلند صلاحیت کی حوصلہ افزائی اور لوگوں کے لیے کمپنی کو سب سے پسندیدہ منزل کی خواہش بنانے کے لیے کوشاں ہیں۔ کمپنی اپنے موجودہ ملازمین کی کارکردگی اور حوصلہ افزائی کے ذریعے ترقی کے لیے کوشاں ہے۔ ہمارا انسانی وسائل کا شعبہ باصلاحیت ملازمین کی نشاندہی کے لیے مختلف ذرائع استعمال کرتا ہے اور ان کے مزید نکھار کے لیے مختلف تربیتی فراہم کرتا ہے۔ انتظامیہ اپنے اعلیٰ صلاحیت کے پروفیشنل کی پُر جوش جماعت کے ساتھ پُر اعتماد ہے کہ اللہ کی رحمت سے ہمارا کاروبار ملکی اور بین الاقوامی منڈیوں میں مزید پھیلے پھولے گا۔

ہم واضح اختیاراتی قابلوں، پالیسیوں، طریقوں اور نظاموں کے ذریعے کاروبار کی ضروریات کو پورا کرنے کے لیے ڈھانچے اور طریقوں کی ترقی کے لیے مضبوطی کے ساتھ عمل پیرا ہیں۔ شفاف صلاحیتی نظام کے نظاموں اور طریقوں کے ساتھ انعام و تسلیم کا عمل جاری و ساری ہے۔

ملازمین کے مصروفیات اور فلاحی سرگرمیوں کا مقصد ان کی رغبت اور ترقی ہے۔ یہ سرگرمیاں ہمارے لوگوں کی ترقی اور حوصلہ افزائی کرتی ہیں۔ کمپنی اپنے ملازمین کے لیے مستقل فلاحی حکمت عملی رکھتی ہے۔

○ کمپنی اپنے تمام کارکنان بشمول کنٹریکٹ کارکنان کو حفظانِ صحت کے اصولوں کے مطابق مفت کھانا مہیا کرتی ہے۔

○ ہر سال کمپنی کے خرچ پر قرضہ اندازی کے ذریعے منتخب کیے گئے سات لوگوں کو جج پر بھیجا جاتا ہے۔

○ کارکنوں کو طبی سہولیات اور پلانٹ پر کام کرنے والوں کے لیے ابتدائی طبی امداد مہیا ہے۔

○ کمپنی اپنے تمام کارکنوں/ملازمین کو کھیلوں اور دیگر صحت مند سرگرمیوں میں حصے لینے کی حوصلہ افزائی کرتی ہے۔ اس ضمن میں ملازمین کے لیے ایک کرکٹ مقابلے کا اہتمام کیا جاتا ہے۔

○ ہر پلانٹ اور ہیڈ آفس میں عبادت اور دینی تعلیم حاصل کرنے کے لیے مساجد بنائی گئی ہیں۔

### اداراتی معاشرتی ذمہ داری:

غنی گلائیڈ معاشرتی فلاح کی اپنی ذمہ داریوں سے مکمل طور پر آگاہ ہے۔ کمپنی اپنی اداراتی معاشرتی ذمہ داری پوری کرنے کے لیے مختلف کوششوں کا آغاز کر چکی ہے اور اپنے ملازمین اور ان کے خاندان اور مقامی آبادیوں اور پورے معاشرے کی بہبود کے لیے مسلسل مالی امداد فراہم کر رہی ہے۔

### شعبہ تعلیم

میٹریک گرامر سکول، از میرٹاؤن، لاہور 1250 سے زیادہ طلبہ اس ہائر سیکنڈری سکول میں اعلیٰ معیاری تعلیم حاصل کر رہے ہیں:

چاند باغ سکول اور کالج، مرید کے: 1000 سے زیادہ طلبہ کے لیے مکمل اقامت کے ساتھ سکول کا انتظام ہے۔

الغنی ٹرسٹ سکول، پسرور: 175 سے زیادہ طلبہ کو میٹرک تک مفت تعلیم کے لیے مالی امداد فراہم کی جارہی ہے۔

جامعۃ الغنی: کمپنی جامعۃ الغنی چلا رہی ہے۔ یہ ایک ایسا تعلیمی ادارہ ہے جہاں معاشرے کے لیے تجارتی، دینی اور تکنیکی تعلیم فراہم کی جاتی ہے۔

### مفت مالی امداد:

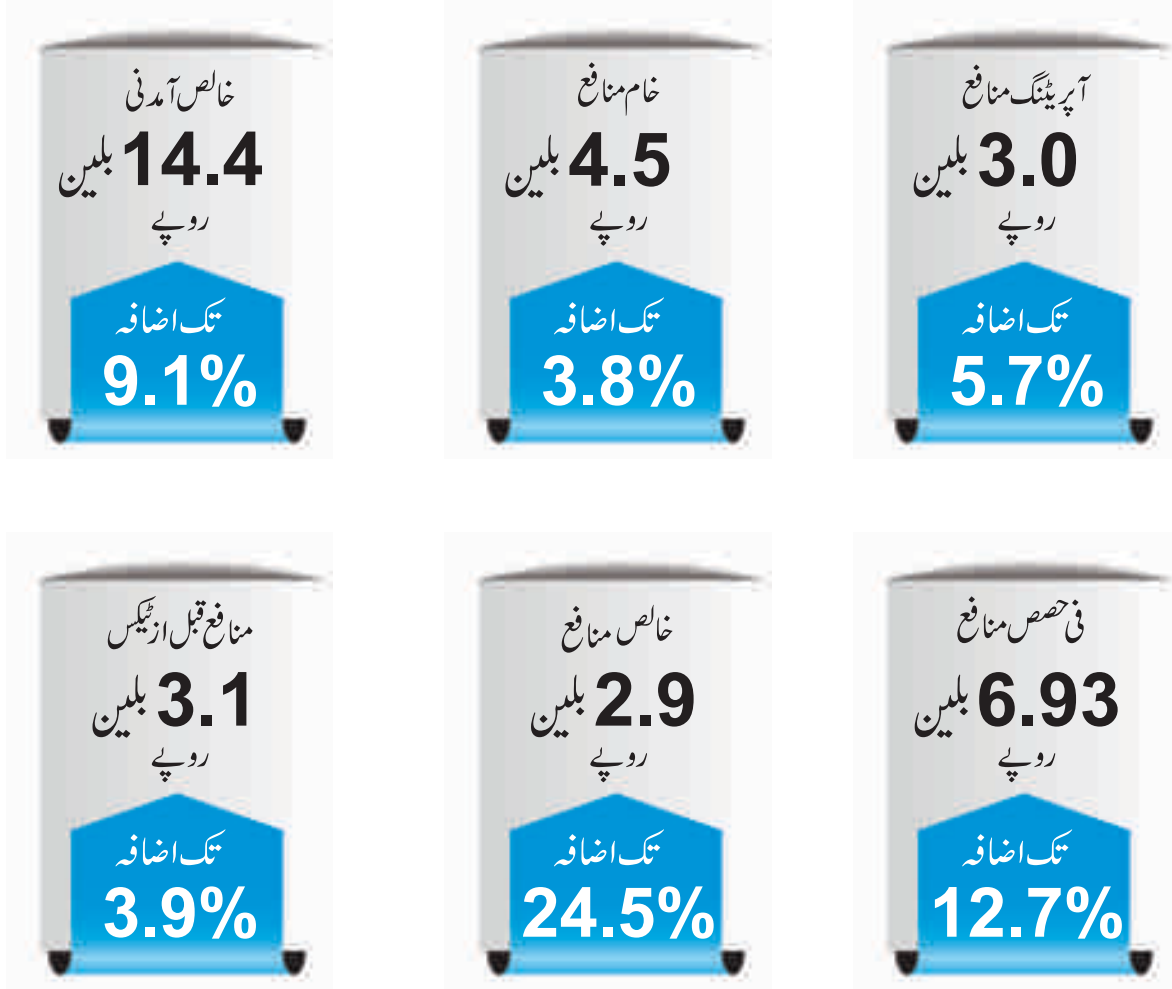
جیلوں میں قیدیوں کے لیے مفت مالی امداد اور تعلیم: ایسے قیدی جو اپنی مدت سزا پوری کر چکے ہیں لیکن ان کے پاس عدالتوں کی طرف سے مالیاتی جرمانہ/سزا ادا کرنے کی اہلیت نہیں ہے کو مالی امداد فراہم کی جارہی ہے۔ بالغ اور بچے قیدیوں کیلئے صحت سے آگاہی، بنیادی مذہبی تعلیمات، عبادات اور قرآن کی تعلیم کی باقاعدہ جماعتوں کا اہتمام کیا گیا ہے۔ قیدیوں کے چھوٹ جانے کے بعد ان کی تعمیر اور معاشرے کے مفید فرد بنانے کے لیے تربیت فراہم کی جاتی ہے۔

### شعبہ صحت:

افتخار غنی ٹرسٹ ڈسپنسری: 3000 سے زیادہ غریب افراد کے لیے ماہانہ مفت ادویات اور علاج کا انتظام کیا گیا ہے۔

## ڈائریکٹران کی جائزہ رپورٹ

آپ کے ڈائریکٹران 30 جون 2018 کو مکمل ہونے والے سال کے لیے کمپنی کی سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے ہمراہ آڈیٹرز رپورٹ بخوشی پیش کرتے ہیں۔  
مالیاتی کارکردگی:



ہمارے لیے کمپنی کا بنیادی کام فلوٹ گلاس اور کنٹینر گلاس کی پیداوار اور فروخت ہے۔

کمپنی نے سال 2017-18 کے دوران اپنی کارکردگی کو برقرار رکھا۔ کمپنی کے آپریٹنگ اور مالیاتی نتائج کی مختصر تفصیل درج ذیل ہے۔

مالیاتی اشاریے	2018	2017	% بدھوتری
(روپے میں)			
خالص آمدنی	14,417	13,212	9.1%
خام منافع	4,494	4,328	3.8%
آپریٹنگ منافع	3,012	2,850	5.7%
منافع قبل از ٹیکس	3,051	2,934	3.9%
منافع بعد از ٹیکس	2,866	2,302	24.5%
فی حصص منافع (روپے) بنیادی اور تحلیل شدہ	6.93	6.15	12.7%

## نمائندگی کا فارم (پراکسی فارم)

میں رہم۔

کے

غنی گلاس لمیٹڈ کے رکن اور عام شیئر کے حامل کی حیثیت کے

(شیئرز کی تعداد)

رجسٹر کا فلیو نمبر

اور ریسی ڈی سی فلیو کا آئی ڈی نمبر

اور ذیلی اکاؤنٹ نمبر،

یا

کو کمپنی کے 26 ویں سالانہ عام اجلاس جو ہفتہ 27 اکتوبر 2018 کو صبح 11 بجے ہوٹل سن فورٹ 72-0/1 گلبرگ III لاہور میں منعقد ہوگا، میں میرے ہمارے لئے

اور میری ہماری طرف سے بحیثیت اپنا پراکسی، ووٹ دینے کے لئے نامزد کرتا ہوں کرتے ہیں۔

گواہ: 1 گواہ: 2

دستخط

نام

پتہ

سی این آئی سی نمبر

نوٹ: پراکسی فارم / نمائندگی فارم کو موثر ہونے کے لیے سالانہ اجلاس سے کم از کم 48 گھنٹے پہلے موصول ہونا ضروری ہے۔ اور اس پر دستخط، ریوینیوٹکٹ اور شہادت ہونا ضروری ہے۔

### ویڈیو کانفرنسنگ کی سہولت کے فارم کی درخواست

میں رہم۔ غنی گلاس لمیٹڈ کے رکن اور رجسٹر کے

صفحہ نمبر سی ڈی سی اکاؤنٹ نمبر کے مطابق عام شیئر (ز) کے حامل کی حیثیت سے میں ویڈیو کانفرنسنگ کی سہولت حاصل کرنا چاہتا ہوں / چاہتے ہیں۔

تاریخ:

دستخط رکن / شیئر ہولڈر

# GLASS LIMITED

40-L, Model Town, Lahore

## Form of Proxy

Folio No. \_\_\_\_\_

No. of Shares \_\_\_\_\_

I/WE \_\_\_\_\_

of \_\_\_\_\_

Being a member of GHANI GLASS LIMITED \_\_\_\_\_

Hereby appoint Mr. \_\_\_\_\_

of \_\_\_\_\_

failing him Mr. \_\_\_\_\_ of \_\_\_\_\_

Notice is hereby given that 26th Annual General Meeting of the members of GHANI GLASS LIMITED will be held on Saturday October 27, 2018 at 11:00 a.m., at Hotel Sunfort, 72-D/1, Commercial Zone, Liberty Market, Gulberg-III, Lahore to transact the following business:

As witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Witness's Signature

Signature \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Signature and  
Revenue Stamp

### NOTES:

Proxies, in order to be effective, by the company not later than 48 hours before the meeting and must be duly stamped, signed and witnessed.

### **Request for Video Conferencing Facility Form**

I/We, \_\_\_\_\_ of \_\_\_\_\_ being a member of  
Ghani Glass Limited, holder of \_\_\_\_\_

Ordinary Share(s) as per Register Folio No/CDC A/c No. \_\_\_\_\_

hereby opt for video conference facility at \_\_\_\_\_.

\_\_\_\_\_ Date: \_\_\_\_\_



**Be aware, Be alert,  
Be safe**

**Learn about investing at  
www.jamapunji.pk**

**Key features:**

- 📋 Licensed Entities Verification
- 🔍 Scam meter\*
- 🎮 Jamapunji games\*
- 📊 Tax credit calculator\*
- 🏢 Company Verification
- 📋 Insurance & Investment Checklist
- ❓ FAQs Answered
- 📖 Online Quizzes

- 📈 Stock trading simulator (based on live feed from KSE)
- 📚 Knowledge center
- 📊 Risk profiler\*
- 📊 Financial calculator
- 📧 Subscription to Alerts (event notifications, corporate and regulatory actions)
- 📱 Jamapunji application for mobile device

