

***Growth
Innovation
Reach***



**Half Year Financial
Statements 2019-20**

GHANI GLASS LIMITED

CORPORATE INFORMATION

Board of Directors	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. Moez Ghani Mr. Ibrahim Ghani Mr. Ayub Sadiq Mr. Shamim Ahmed Mr. Junaid Shamim Mr. Ovais Shamim Mr. Ajmal Khan (Nominee EOB)	Chairman Chief Executive Officer Deputy Chief Executive Officer Deputy Chief Executive Officer
Audit Committee	Mr. Ayub Sadiq Mr. Zaid Ghani Mrs. Ayesha Aftab	Chairman Member Member
HR & R Committee	Mr. Ayub Sadiq Mr. Anwaar Ahmad Khan Mr. Zaid Ghani	Chairman Member Member
Chief Financial Officer	Mr. Umer Farooq Khan	
Company Secretary	Hafiz Mohammad Imran Sabir	
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants	
Legal Advisor	Ally Law Associates	
Corporate Consultants	EY Ford Rhodes, Chartered Accountants	
Share Registrar	Corplink (Pvt) Ltd Wings Arcade, 1-K Commercial Model Town, Lahore, Pakistan Phones : (042) 35916714, 35916719 Fax : (042) 35869037	
Banks	Albaraka Islamic Bank Allied Bank Limited Askari Bank Limited Bank Alfalah Limited, IBD Bank Al-Habib Limited Bank Islami Pakistan Limited Faysal Bank Limited, IBD First Women Bank Limited Habib Metropolitan Bank Limited, IBD MCB Islamic Bank Limited National Bank of Pakistan SME Bank Limited Soneri Bank Limited Standard Chartered Bank Limited, IBD The Bank of Punjab Dubai Islamic Bank Limited Habib Bank Limited Meezan Bank Limited United Bank Limited SAMBA Bank Limited	

Head Office & Registered Office

40-L Model Town Extension,
Lahore, Pakistan

UAN : (042) 111 949 949

Fax : (042) 35172263

E-mail : info@ghaniglass.com

<http://www.ghaniglass.com>

Marketing Office

12 D/5, Chandni Chowk

KDA Scheme No. 7-8

Karachi - 74000

UAN : (021) 111 949 949

Fax : (021) 34926349

E-mail : marketing@ghaniglass.com

GGL Plant-1 & Regional Marketing Office-North

22 km Haripur Taxila Road (From Haripur)

Thesil & District Haripur (KPK)

Phones : (0995) 639236-40 & (0995) 539063-65

Fax : (0995) 639067

GGL Plant-2

H-15, Landhi Industrial Area

Karachi-74000

Phone : (021) 35020761-63

Fax : (021) 35020280

GGL Plant-3

29-km Lahore Sheikhpura Road,

District Sheikhpura

Phones : (056) 3406810-11

Fax : (056) 3406795

Email : ghanifloat@ghaniglass.com

DIRECTORS' REPORT

Dear Shareholders,

Assalam-o-Alaikum wa Rahmatullah wa Barakatohu

The Board of Directors of Ghani Glass Limited is pleased to present the Financial Statements of the Company for the half year ended December 31, 2019 along with review report of auditors thereon.

The first half of the FY2020 has proved as the ever challenging period for the industry. The surging input cost majorly the expensive RLNG hit the profit margins negatively from top to bottom. Even in such severe economic crisis, the Company has recorded its net revenue as Rupees 9.08 billion as compared to Rupees 7.69 billion for the corresponding period of the last year (showed 18% growth). Gross Profit remained lower comparing with the last year amid increasing input cost (Rupees 1.5 billion as compared to Rupees 2 billion for the same period of last year). The Company has earned Net profit of Rupees 889 million as compared to Rupees 1.7 billion for the same period of the last year. Earning per share was Rupees 1.64 as compared to Rupees 4.12 for the same period of the last year.

	December 31, 2019	December 31, 2018
(Rupees in million)		
Revenue - Net	9,084	7,695
Gross Profit	1,528	2,030
Profit before Tax	815	1,419
Profit after Tax	889	1,716
Earning per Share (Rupees)	1.64	4.12

Interim Dividend

The Board of Directors in their meeting held on February 29, 2020 has approved interim cash dividend @ Rupees 2 per share i.e. 20% for the year ending June 30, 2020.

Future outlook

The Macroeconomic indicators of Pakistan remained under pressure during the first half of the Financial Year 2020. LSM also declined and contracted by 4.61%. The growth forecast is likely to be decreased during the current FY. On positive side, the Current Account Deficit has declined by 75% YoY during first half of FY20 to USD 2,153 million, from USD 8,614 million in the same period last year. But the decline in Current Account Deficit was mainly attributed to massive drop in imports (down 20% YoY), which has largely been the trend throughout Calendar Year 2019. Higher remittances, which rose by 20% comparing with the same period of the last year also supported Current Account Deficit positivity. The ongoing threats of low business activity, economic instability amid inflation, higher energy prices etc., persisted during the period under review. However, the management is utilizing all means to strive for the maintenance of sustainability of the business by exploring new markets globally.

Acknowledgment


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

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

On behalf of the Board of Directors

Lahore: February 29, 2020


Imtiaz Ahmed Khan
Chief Executive Officer


Aftab Ahmad Khan
Director

INDEPENDENT AUDITORS' REVIEW REPORT

To the Members of Ghani Glass Limited

Report on Review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Ghani Glass Limited** ("the Company") as at 31 December 2019 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarters ended 31 December 2019 and 31 December 2018 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed by us and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's report is M. Rehan Chughtai.



KPMG Taseer Hadi & Co.
Chartered Accountants


Lahore : February 29, 2020

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

		(Un-audited) 31 December 2019 Rupees	(Audited) 30 June 2019 Rupees
ASSETS			
<u>Non-Current assets</u>	<i>Note</i>		
Property, plant and equipment	6	12,600,855,919	12,220,358,482
Intangible assets		23,618,913	26,297,740
Investment in associate	7	1,300,399,731	1,308,869,274
Long term advances and deposits		25,919,684	31,752,150
		13,950,794,247	13,587,277,646
<u>Current assets</u>			
Contract asset		37,791,668	40,457,514
Stores, spares and other consumables		1,056,045,110	1,057,502,349
Stock-in-trade		5,841,002,927	3,704,064,023
Trade debtors - considered good	8	2,479,531,024	2,240,195,500
Short term deposits and advances		377,397,778	596,739,680
Tax refund due from government		764,167,257	596,026,565
Short term investment		4,541,400	4,066,860
Other receivables	9	120,792,983	262,824,385
Cash and bank balances		201,367,447	725,982,640
		10,882,637,594	9,227,859,516
		24,833,431,841	22,815,137,162
EQUITY AND LIABILITIES			
<u>Share capital and reserves</u>			
Authorized share capital 750,000,000 (30 June 2019: 750,000,000) ordinary shares of Rs. 10 each		7,500,000,000	7,500,000,000
Issued, subscribed and paid up capital	10	5,415,426,660	5,415,426,660
<u>Reserves</u>			
Reserve created under scheme of amalgamation		365,464,087	365,464,087
Merger server		427,419,290	427,419,290
Share premium		75,000,000	75,000,000
Exchange translation and other reserves		641,443,408	594,673,733
Unappropriated profit		9,482,863,955	8,698,225,916
<u>Total reserves</u>		10,992,190,740	10,160,783,026
Shareholders' equity		16,407,617,400	15,576,209,686
<u>Non-current liabilities</u>			
Deferred taxation		1,278,774,297	1,358,403,718
Liability against right of use asset		104,263,624	-
		1,383,037,921	1,358,403,718
<u>Current liabilities</u>			
Trade and other payables	11	6,036,049,332	4,834,618,331
Contract liability		192,845,574	125,994,585
Loan from directors - unsecured		549,300,494	680,500,000
Unpaid dividend		218,380,202	220,358,771
Unclaimed dividend		19,052,071	19,052,071
Liability against right of use asset		27,148,847	-
		7,042,776,520	5,880,523,758
Contingencies and commitments	12	24,833,431,841	22,815,137,162

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.



Lahore

Chief Executive



Director



Chief Financial Officer

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

For the quarter and half year ended 31 December 2019

		Half year ended		Quarter ended	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
Note		-----Rupees-----			
Sales - net	13	9,083,581,257	7,695,514,946	4,771,236,143	4,667,488,843
Cost of sales	14	(7,555,536,485)	(5,665,147,372)	(4,230,102,103)	(3,533,919,620)
Gross profit		1,528,044,772	2,030,367,574	541,134,040	1,133,569,223
General and administrative expenses		(451,535,514)	(357,802,326)	(257,400,635)	(229,875,257)
Selling and distribution expenses		(219,982,712)	(228,981,392)	(113,916,593)	(120,446,242)
Other expenses		(59,245,334)	(104,356,874)	(11,720,094)	(57,514,206)
Expected credit loss on trade debtors		(73,768,453)	(5,268,788)	(73,768,453)	(3,025,125)
Other income		48,132,377	74,635,406	25,718,892	67,914,613
		(756,399,636)	(621,773,974)	(431,086,883)	(342,946,217)
Operating profit		771,645,136	1,408,593,600	110,047,157	790,623,006
Finance cost		(11,397,296)	(7,278,718)	(8,715,329)	(5,671,335)
Share of profit of associate	7	55,134,407	17,555,121	12,041,032	42,699,012
Profit before taxation		815,382,247	1,418,870,003	113,372,860	827,650,683
Taxation		74,345,945	297,455,376	135,108,981	386,247,927
Profit after taxation		889,728,192	1,716,325,379	248,481,841	1,213,898,610
Earnings per share - basic and diluted		1.64	4.12	0.46	2.91

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

Lahore



Chief Executive



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the quarter and half year ended 31 December 2019

	Half year ended		Quarter ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	-----Rupees-----			
Profit for the period	889,728,192	1,716,325,379	248,481,841	1,213,898,610
<u>Items that may be subsequently reclassified to profit or loss</u>				
<i>Investment in associate:</i>				
- Exchange translation - net of tax	(58,320,478)	136,235,592	(58,320,478)	136,235,592
Total comprehensive income for the period	831,407,714	1,852,560,971	190,161,363	1,350,134,202

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

Lahore



Chief Executive



Director



Chief Financial Officer

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

For the quarter and half year ended 31 December 2019

	Share capital	Subscription money against right	Capital reserve	Share premium	Subtotal Capital Reserves	Exchange translation and other	Revenue reserve	Unappropriated profit	Total
Balance as at 01 July 2018	4,165,712,820	-	365,464,087	427,419,290	75,000,000	867,883,377	259,064,218	7,611,158,539	12,903,818,954
Adjustment on initial application of IFRS 9	-	-	-	-	-	-	-	(10,971,095)	(10,971,095)
Adjustment on initial application of IFRS 15	-	-	-	-	-	-	-	16,546,581	16,546,581
Restated balance as on 01 July 2018	4,165,712,820	-	365,464,087	427,419,290	75,000,000	867,883,377	259,064,218	7,616,734,025	12,909,394,440
Total comprehensive income									
Profit for the period	-	-	-	-	-	-	-	1,716,325,379	1,716,325,379
Other comprehensive income	-	-	-	-	-	-	136,235,592	-	136,235,592
	-	-	-	-	-	-	136,235,592	1,716,325,379	1,852,560,971
Transaction with owners of the Company recognized directly in equity									
First interim dividend 2018 @ Rs.3.0 per share	-	-	-	-	-	-	-	(1,249,713,846)	(1,249,713,846)
Subscription money against right issue received	-	1,249,713,840	-	-	-	1,249,713,840	-	-	1,249,713,840
Balance as at 31 December 2018 - Unaudited	4,165,712,820	1,249,713,840	365,464,087	427,419,290	75,000,000	2,117,597,217	395,299,810	8,083,345,558	14,761,955,405
Balance as at 01 July 2019	5,415,426,660	-	365,464,087	427,419,290	75,000,000	867,883,377	594,673,733	8,698,225,916	15,576,209,686
Total comprehensive income									
Profit for the period	-	-	-	-	-	-	-	889,728,192	889,728,192
Other comprehensive income	-	-	-	-	-	-	(58,320,478)	-	(58,320,478)
	-	-	-	-	-	-	(58,320,478)	889,728,192	831,407,714
Adjustment on account of legal reserve of an associate	-	-	-	-	-	-	105,090,153	(105,090,153)	-
Balance as at 31 December 2019 - Unaudited	5,415,426,660	-	365,464,087	427,419,290	75,000,000	867,883,377	641,443,408	9,482,863,955	16,407,617,400

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.



Chief Executive

Lahore



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)

For the quarter and half year ended 31 December 2019

Cash flows from operating activities

Profit before taxation

Adjustments for non cash and other items:

- Depreciation
- Amortization
- Finance cost
- Expected credit loss on trade debtors
- Gain on sale of fixed asset
- Share of profit of associate
- Unrealized (gain) / loss on re-measurement of investments
- Provision for workers' profit participation fund
- Provision for workers' welfare fund

Operating profit before working capital changes

(Increase)/decrease in current assets:

- Contract asset
- Stores and spares
- Stock in trade
- Trade debtors
- Other receivables
- Advances and deposits

Increase/(decrease) in current liabilities:

- Contract liability
- Trade and other payables

Cash generated from operations

Finance cost paid

Taxes paid

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

Net cash generated from operating activities

Cash flows from investing activities

Fixed capital expenditure

Intangibles

Proceeds from sale of fixed assets

Short term investments

Dividend received from associate

Long term deposits and prepayments

Net cash used in investing activities

Cash flows from financing activities

Loan repaid to directors - net of receipts

Payment of liability against right of use asset

Subscription money receipt against right issue

Dividend paid

Net cash used in financing activities

Net decrease in cash and cash equivalents during the period

Cash and cash equivalents at the beginning of the period

Cash and cash equivalents at the end of the period

31 December 2019 Rupees	31 December 2018 Rupees
815,382,247	1,418,870,004
584,814,224	399,392,928
2,678,827	1,786,476
11,397,296	7,278,718
73,768,453	5,268,788
(2,362,746)	(4,739,128)
(55,134,407)	(17,555,121)
(474,540)	743,400
40,496,475	76,126,813
18,748,859	28,928,189
673,932,441	497,231,063
1,489,314,688	1,916,101,067
2,665,846	-
1,457,239	(276,304,303)
(2,136,938,904)	(949,241,314)
(313,103,977)	(277,936,766)
5,919,584	308,892,285
216,154,510	(32,157,108)
66,850,989	-
1,218,191,315	870,760,316
(938,803,398)	(355,986,890)
550,511,290	1,560,114,177
(3,224,017)	(7,278,718)
(168,140,696)	(259,776,570)
(76,005,649)	(64,420,605)
(247,370,362)	(331,475,893)
303,140,928	1,228,638,284
(822,673,211)	(1,862,656,678)
-	(1,096,000)
4,368,986	14,551,564
-	150,000,000
136,111,818	37,769,920
5,832,466	136,118
(676,359,941)	(1,661,295,076)
(131,199,506)	-
(18,218,105)	-
-	1,249,713,840
(1,978,569)	(1,304,539,785)
(151,396,180)	(54,825,945)
(524,615,193)	(487,482,737)
725,982,640	2,026,060,054
201,367,447	1,538,577,317

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

Lahore

Chief Executive

Director

Chief Financial Officer

CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS

For the quarter and half year ended 31 December 2019

1 Status and nature of business

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

2 Basis of preparation

2.1 Statement of Compliance

These condensed interim financial statements comprises the condensed interim statement of financial position of the Company as at 31 December 2019 and the related condensed interim statement of profit or loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof.

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.2 These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the listing regulations of Pakistan Stock Exchange Limited.

2.1.3 These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements for the year ended 30 June 2019. Comparative statement of financial position numbers are extracted from the annual audited financial statements of the Company for the year ended 30 June 2019, whereas comparatives of condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of cash flow and condensed interim statement of changes in equity are stated from unaudited condensed interim unconsolidated financial statements of the Company for the six months period ended 31 December 2018.

2.2 Functional and presentation currency

These condensed interim financial statements are presented in Pakistan Rupees which is also the Company's functional currency.

3 Use of judgments and estimates

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimates were the same as those applied to the annual financial statements of the Company for the year ended 30 June 2019 except for the following:

During the period, the Company has adopted IFRS 16 in which it applies judgment to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

4 Significant accounting policies

The accounting policies adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual audited financial statements for the year ended 30 June 2019 except for the following:

4.1 Change in significant accounting policy

During the period, the Company has adopted IFRS 16 'Leases' from 01 July 2019. IFRS 16 replaces existing guidance on accounting for leases, including IAS 17, Leases, IFRIC 4, Determining whether an Arrangement contains a Lease, SIC-15, Operating Leases- Incentive, and SIC-27, Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 introduces an on balance sheet lease accounting model for long term operating leases (short-term leases and leases where the underlying assets are of low value continue to be treated as off-balance sheet operating leases). A lessee recognizes a right-of-use asset representing its right of using the underlying asset and a corresponding lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as either finance or operating leases.

The Company has adopted IFRS 16 from July 1, 2019, and has not restated comparatives for the 2018 reporting period, using modified retrospective approach.

On adoption of IFRS 16, the Company has recognized liabilities in respect of leases which had previously been classified as operating leases under IAS 17. These liabilities are now measured as the present value of the remaining lease payments, discounted using the discount rate ranges from 10.9% to 11.64% as of July 1, 2019. The associated right-of-use assets are measured at the amount equal to the liability against right of use asset, adjusted by the amount of prepaid lease payments.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. The right-of-use assets are depreciated on a straight line basis over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use assets are reduced by impairment losses, if any, and adjusted for certain remeasurements of liability against right of use asset.

The change in accounting policy affected the following items in the statement of financial position as on July 01, 2019:

- Right-of-Use (RoU) assets recognized as Operating assets – increased by Rs 144 million which includes prepayments of Rs. 3.18 million; previously, included in short term deposits and advances as at June 30, 2019.
- Liability against right of use asset is increased by Rs 141 million. Unwinding of liability against right of use asset during the period, amounting to Rs. 8.17 million, is included in finance cost.
- Earning per share for the period ended 31 December 2019 has decreased by Rs. 0.021 per share.

Payments associated with short-term leases are recognized on a straight-line basis as an expense in profit or loss.

5 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

5.1 The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2020:

- Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.
- On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future.. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallize. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.
- Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 is applicable for annual financial periods beginning on or after 1 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. A company shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform.
- IFRS 14 Regulatory Deferral Accounts - (effective for annual periods beginning on or after 1 July 2019) provides interim guidance on accounting for regulatory deferral accounts balances while IASB considers more comprehensive guidance on accounting for the effects of rate regulation. In order to apply the interim standard, an entity has to be rate regulated – i.e. the establishment of prices that can be charged to its customers for goods or services is subject to oversight and/or approved by an authorized body. The term 'regulatory deferral account balance' has been chosen as a neutral descriptor for expense (income) or variance account that is included or is expected to be included by the rate regulator in establishing the rate(s) that can be charged to customers and would not otherwise be recognized as an asset or liability under other IFRSs.

The above amendments are effective from annual period beginning on or after 01 January 2020 and are not likely to have an impact on the Company's condensed interim financial statements.

6 Property, plant and equipment

	Note	Un-audited 31 December 2019 Rupees	Audited 30 June 2019 Rupees
Operating assets	6.1	11,916,112,639	10,998,531,887
Capital work in progress	6.2	684,743,280	1,221,826,595
		12,600,855,919	12,220,358,482
6.1 Operating assets			
Net book value at beginning of the period / year		10,998,531,887	7,631,524,859
Additions during the period / year		1,359,756,527	4,273,900,814
Right of use asset		144,644,689	-
Depreciation on right of use asset		(22,950,991)	-
Disposals during the period / year (at book value)		(2,006,240)	(10,526,465)
Depreciation charged during the period / year		(561,863,233)	(896,367,321)
		11,916,112,639	10,998,531,887
6.2 Capital work in progress			
Opening capital work in progress		1,221,826,595	2,294,047,473
Additions during the period / year		551,647,801	1,316,547,689
Transfer during the period / year		(1,088,731,116)	(2,388,768,567)
		684,743,280	1,221,826,595

7 Investment in associate

Rak Ghani Glass LLC

RAK Ghani Glass LLC, a limited liability company registered with the Ras Al Khaimah Investment Authority in United Arab Emirates engaged in the business of container glass manufacturing.

	Note	Un-audited 31 December 2019 Rupees	Audited 30 June 2019 Rupees
21,971 (30 June 2019:21,971) fully paid ordinary shares of AED 1,000 each	7.1	1,300,399,731	1,308,869,274
7.1 Movement in equity instruments of associated company is as follows:			
Cost of investment		664,050,766	664,050,766
Company's share of profit - post acquisition			
As at 01 July		644,818,508	301,010,036
Share of total comprehensive income:			
- Profit for the period / year		55,134,407	104,797,791
- Other comprehensive income		(63,603,950)	394,834,723
		(8,469,543)	499,632,514
Dividend for the period / year		-	(155,824,042)
		636,348,965	644,818,508
Balance at end of the period / year		1,300,399,731	1,308,869,274

8 Trade debtors	<i>Note</i>	Un-audited 31 December 2019	Audited 30 June 2019
<i>Local</i>			
Secured - considered good		247,318,586	238,210,565
Unsecured - Considered good	<i>8.1</i>	2,190,884,227	1,865,850,509
		2,438,202,813	2,104,061,074
<i>Foreign</i>			
Secured, considered good		-	-
Unsecured, considered good		187,732,453	208,770,215
		187,732,453	208,770,215
Less: Expected Credit loss allowance		(146,404,242)	(72,635,789)
		2,479,531,024	2,240,195,500

8.1 This includes Rs. 137 million (30 June 2019: Rs. 5 million) and Rs. 0.2 million (30 June 2019: nil) due from Ghani Value Glass and Health Tek (Pvt) Limited respectively, the related parties.

9 Other receivables

This includes receivable from RAK Ghani LLC (associated company) in respect of dividend receivable amounting to Rs. 15.8 million (30 June 2019: Rs. 155.5 million) and receivable against expenses amounting to Rs. 22.8 million (30 June 2019: Rs. 16.4 million).

10 Issued, subscribed and paid up capital

	(Un-audited) 31 December 2019	(Audited) 30 June 2019	(Un-audited) 31 December 2019	(Audited) 30 June 2019
	Number of Shares		Rupees	
Ordinary shares of Rs.10 each fully paid in cash	427,523,229	105,228,606	4,275,232,290	1,052,286,060
Ordinary shares of Rs.10 each issued under the scheme of amalgamation	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	-	322,294,623	-	3,222,946,230
	541,542,666	541,542,666	5,415,426,660	5,415,426,660

10.1 Reconciliation of paid- up share capital

	(Un-audited) 31 December 2019	(Audited) 30 June 2019	(Un-audited) 31 December 2019	(Audited) 30 June 2019
<i>Note</i>	Number of Shares		Rupees	
At beginning of the period / year	541,542,666	416,571,282	5,415,426,660	4,165,712,820
Issued during the period / year	-	124,971,384	-	1,249,713,840
At end of the period / year	541,542,666	541,542,666	5,415,426,660	5,415,426,660

11 Trade and other payables

This includes unsecured amounts payable to Ghani Value Glass Ltd amounting to Rs. 7.67 million (30 June 2019: Rs. 4.08 million) against value addition services received and to Ghani Foundation Trust amounting to Rs. 35.3 million (30 June 2019: Nil) against donations, the related parties.

12 Contingencies and commitments

Contingencies

- 12.1** There has been no significant change in the status of contingencies as reported in the preceding published annual financial statements of the Company for the year ended 30 June 2019.
- 12.2** Aggregate amount of bank guarantees issued by banks on behalf of the Company outstanding as at 31 December 2019 amounts to Rs. 1,121.85 million (30 June 2019: Rs. 1,170.15 million).

Commitments

- 12.3** Letters of credit for import of materials and stores outstanding as at 31 December 2019 amounts to Rs. 1,014.84 million (30 June 2019: Rs. 1,445.91 million).

13 Sales - net

	Half year ended - unaudited		Quarter ended - unaudited	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	----- Rupees -----			
Local sales	10,099,538,276	8,847,403,874	5,305,627,619	5,320,902,759
Export sales	954,328,638	327,168,213	516,853,575	233,500,950
	11,053,866,914	9,174,572,087	5,822,481,194	5,554,403,709
Less: Sales tax	(1,561,618,746)	(1,417,147,903)	(818,577,150)	(851,357,523)
Discounts	(408,666,911)	(61,909,238)	(232,667,901)	(35,557,343)
	(1,970,285,657)	(1,479,057,141)	(1,051,245,051)	(886,914,866)
	9,083,581,257	7,695,514,946	4,771,236,143	4,667,488,843

13.1 Disaggregation of revenue**Types of products**

	Half year ended - unaudited		Quarter ended - unaudited	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	----- Rs -----			
Local - Food & beverages and Pharma	3,797,525,104	3,396,194,867	3,797,525,104	3,396,194,867
Local - Float glass	6,302,013,172	5,451,209,007	6,302,013,172	5,451,209,007
Export - Food & beverages and Pharma	365,334,690	171,539,679	365,334,690	171,539,679
Export - Float glass	588,993,948	155,628,534	588,993,948	155,628,534
	11,053,866,914	9,174,572,087	11,053,866,914	9,174,572,087

14 Cost of sales

	Half year ended - unaudited		Quarter ended - unaudited	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	----- Rupees -----			
Raw material consumed	2,945,736,632	2,012,652,520	1,410,422,783	1,308,543,894
Packing material consumed	555,326,281	354,603,162	291,035,823	206,295,938
Stores and spares consumed	201,897,900	145,464,515	98,852,537	53,359,717
Other factory overheads	5,565,494,635	3,783,440,844	3,138,504,262	2,521,361,545
	9,268,455,448	6,296,161,041	4,938,815,405	4,089,561,094
Work in process:				
Opening balance	139,867,416	63,892,164	149,873,207	76,728,157
Closing balance	(159,042,141)	(97,308,094)	(159,042,141)	(97,308,094)
	(19,174,725)	(33,415,930)	(9,168,934)	(20,579,937)
	9,249,280,723	6,262,745,111	4,929,646,471	4,068,981,157
Finished goods:				
Opening balance	2,859,650,798	679,937,080	3,973,234,138	1,062,610,364
Add: purchases	-	1,617,201	-	1,617,201
Closing balance	(4,803,945,281)	(1,438,016,289)	(4,803,945,281)	(1,685,306,963)
	(1,944,294,483)	(756,462,008)	(830,711,143)	(621,079,398)
Freight charges				
Local	74,725,394	122,465,233	32,774,400	70,567,534
Export	175,824,851	36,399,036	98,392,375	15,450,327
	250,550,245	158,864,269	131,166,775	86,017,861
	7,555,536,485	5,665,147,372	4,230,102,103	3,533,919,620

15 Financial instruments - Fair values and risk management

15.1 Fair value measurement 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 recognized 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.

Fair value through profit or loss	Carrying amount			Fair value		
	Financial assets at amortized cost	Other financial liabilities at amortized Cost	Total	Level 1	Level 2	Level 3
31 December 2019 - unaudited						
Financial assets - measured at fair value						
Short term investments - Listed securities	4,541,400	-	4,541,400	4,541,400	-	-
Financial assets - not measured at fair value						
Contract asset	-	37,791,668	37,791,668	-	-	-
Long term deposits	-	25,919,684	25,919,684	-	-	-
Trade debts	-	2,479,531,024	2,479,531,024	-	-	-
Advances and deposits	-	14,028,015	14,028,015	-	-	-
Other receivables	-	38,771,028	38,771,028	-	-	-
Cash and bank balances	-	201,367,447	201,367,447	-	-	-
	-	2,797,408,866	2,797,408,866	-	-	-
Financial liabilities - not measured at fair value						
Trade and other payables	-	5,516,791,846	5,516,791,846	-	-	-
Loan from directors	-	549,300,494	549,300,494	-	-	-
Unpaid dividend	-	218,380,202	218,380,202	-	-	-
Unclaimed dividend	-	19,052,071	19,052,071	-	-	-
Liability against right of use asset	-	131,412,471	131,412,471	-	-	-
	-	6,434,937,084	6,434,937,084	-	-	-
30 June 2019 - audited						
Financial assets - measured at fair value						
Short term investments - Listed securities	4,066,860	-	-	4,066,860	-	-
Financial assets - not measured at fair value						
Contract asset	-	40,457,514	40,457,514	-	-	-
Long term deposits	-	31,752,150	31,752,150	-	-	-
Trade debts	-	2,240,195,500	2,240,195,500	-	-	-
Advances and deposits	-	118,421,280	118,421,280	-	-	-
Other receivables	-	172,261,842	172,261,842	-	-	-
Cash and bank balance	-	725,982,640	725,982,640	-	-	-
	-	3,329,070,926	3,329,070,926	-	-	-
Financial liabilities - not measured at fair value						
Trade and other payables	-	4,604,499,801	4,604,499,801	-	-	-
Loan from directors	-	680,500,000	680,500,000	-	-	-
Unpaid dividend	-	220,358,771	220,358,771	-	-	-
Unclaimed dividend	-	19,052,071	19,052,071	-	-	-
	-	5,524,410,643	5,524,410,643	-	-	-

16 Reconciliation of movement of liabilities to cash flows arising from financing activities

31 December 2019 - Un-audited						
	Issued, subscribed and paid-up capital	Loan from directors	Unpaid dividend	Unclaimed dividend	Liability against right of use asset	Total
	----- Rupees -----					
As at 30 June 2019 - Audited	5,415,426,660	680,500,000	220,358,771	19,052,071	-	6,335,337,502
<i>Changes from financing cash flows</i>						
Payment of liability against right of use asset	-	-	-	-	(18,218,105)	(18,218,105)
Payment of dividend - net	-	-	(1,978,569)	-	-	(1,978,569)
Loan repaid to directors - net of receipts	-	(131,199,506)	-	-	-	(131,199,506)
Total changes from financing cash flows	-	(131,199,506)	(1,978,569)	-	(18,218,105)	(151,396,180)
<i>Other liability related changes</i>						
Liability against right of use asset recognized	-	-	-	-	141,457,297	141,457,297
Unwinding of liability against right of use asset	-	-	-	-	8,173,279	8,173,279
Total liability related other changes	-	-	-	-	149,630,576	149,630,576
As at 31 December 2019 - Unaudited	5,415,426,660	549,300,494	218,380,202	19,052,071	131,412,471	6,333,571,898

31 December 2018 - Un-audited						
	Issued, subscribed and paid-up capital	Subscription money against right issue	Unpaid dividend	Unclaimed dividend	Liability against right of use asset	Total
	----- Rupees -----					
As at 30 June 2018 - Audited	4,165,712,820	-	419,562,727	11,917,703	-	4,597,193,250
<i>Changes from financing cash flows</i>						
Subscription money against right issue received	-	1,249,713,840	-	-	-	1,249,713,840
Payment of dividend - net	-	-	(1,308,094,045)	3,554,260	-	(1,304,539,785)
Total changes from financing cash flows	-	1,249,713,840	(1,308,094,045)	3,554,260	-	(54,825,945)
<i>Other liability related changes</i>						
Dividend declared during the period	-	-	1,249,713,846	-	-	1,249,713,846
Total liability related other changes	-	-	1,249,713,846	-	-	1,249,713,846
As at 31 December 2018 - Unaudited	4,165,712,820	1,249,713,840	361,182,528	15,471,963	-	5,792,081,151

17 Transactions with related parties

The related parties comprise of associated Company. Other related party comprises of staff retirement fund, directors and key management personnel and their associates. Balances with related parties are disclosed elsewhere in these condensed interim financial statements and transactions with related parties have been given below:

Related party	Nature of transactions	Half year ended - unaudited	
		31 December 2019	31 December 2018
		Rupees	Rupees
Ghani Value Glass Limited	Sales gross	482,721,223	272,117,541
	Purchases	4,768,756	33,270,123
	Expenses incurred on behalf of the Company	8,403,226	2,804,600
	Expenses incurred on behalf of related party	3,289,550	5,903,604
RAK Ghani Glass LLC	Dividend received during the period	136,111,818	37,769,920
	Expenses incurred on behalf of related party	10,480,267	1,285,299
	Expenses incurred on Company's behalf	4,067,378	2,016,280
Health Tek (Private) Limited	Sales	6,562,210	4,558,075
Sami Pharmaceutical (Private) Limited	Sales	122,958,760	93,147,148
Provident fund	Payment to provident fund	115,086,068	88,700,732
Ghani Foundation Trust	Donations	143,888,973	122,500,000
<u>Key Management Personnel</u>			
Directors	Loan received from directors	116,800,494	-
Directors	Loan repaid to directors	248,000,000	-
Key management personnel	Salary and Other Benefits	331,874,845	231,064,684

'Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of their management team, including Chief Executive Officer and Directors to be its key management personnel.

18 Date of authorization

These unaudited condensed interim financial information for the half year ended 31 December 2019 was authorized for issue by the Board of Directors on February 29, 2020.

Subsequent to the period, the board in their meeting held on February 29, 2020, has approved interim cash dividend of 20% i.e Rupees 2 per share (2019:nil) for the year ending June 30, 2020.

19 General

19.1 Figures have been rounded off to nearest rupee.

Lahore



Chief Executive



Director



Chief Financial Officer

ڈائریکٹر ان کی جائزہ رپورٹ

معزز حصص داران

اسلام علیکم ورحمۃ اللہ وبرکاتہ

ڈائریکٹر ان 31 دسمبر 2019 کو مکمل ہونے والے نصف سال کیلئے غنی گلاس لمیٹڈ کے مالیاتی گوشوارے بمعہ آڈیٹر ان کی جائزہ رپورٹ بخوشی پیش کرتے ہیں۔

مالیاتی سال 2020 کا پہلا نصف صنعتوں کیلئے سب سے زیادہ مشکل ثابت ہوا ہے۔ بے قابو پیداواری لاگت جس میں مہنگی آریل این جی (RLNG) کا سب سے زیادہ حصہ ہے کے اثر نے اوپر سے نیچے تک منافع کو شدید متاثر کیا ہے۔ ان نامصائد معاشی بحران کے باوجود کمپنی نے پچھلے سال اسی عرصہ کے دوران 7.69 ارب روپے کے مقابلے میں 9.08 ارب روپے کی آمدنی ریکارڈ کی (جو کہ 18% بڑھوتری کا عکاس ہے) بڑھتی ہوئی پیداواری لاگت کے باعث پچھلے سال کے مقابلے میں خام نفع میں کمی واقع ہوئی (پچھلے سال اسی عرصہ کے دوران 2 ارب روپے کے مقابلے میں 1.5 ارب روپے)۔ کمپنی نے پچھلے سال اسی عرصہ کے دوران 1.7 ارب روپے کے مقابلے میں 889 ملین روپے کا خالص نفع کمایا پچھلے سال اسی عرصہ کے دوران 4.12 روپے کے مقابلے میں فی حصص نفع 1.64 روپے رہا۔

مالیاتی سرخیان	31 دسمبر 2019	31 دسمبر 2018
(روپے "000" میں)		
خالص آمدنی	9,084	7,695
خام منافع	1,528	2,030
قبل از ٹیکس منافع	815	1,419
بعد از ٹیکس منافع	889	1,716
فی حصص منافع (پ)	1.64	4.12

عبوری منافع منقسمہ:

ڈائریکٹر ان نے اپنے اجلاس منعقدہ 29 فروری 2020 کو 30 جون 2020 کو مکمل ہونے والے سال کے لئے 20% (2 روپے فی حصص) کے عبوری نقد منافع منقسمہ کی منظوری دی ہے۔

مستقبل پر نظر:

مالیاتی سال 2020 کے پہلے نصف کے دوران پاکستان کے معاشی اعشاریے دباؤ کا شکار ہیں۔ بڑی صنعتوں میں 4.61% کی کمی ہوئی موجودہ سال کے دوران ترقی کے تخمینوں میں کمی متوقع ہے۔ تاہم کرنٹ اکاؤنٹ کے خسارے میں 75% تک کمی واقع ہوئی جو کہ پچھلے سال اسی عرصہ میں 8,614 ڈالر سے کم ہو کر 2,153 ڈالر رہ گیا۔ لیکن اس خسارے میں کمی کی وجہ سے درآمدات میں کمی رہی۔ بڑھتی ترسیلات، جو کہ پچھلے سال اسی عرصہ کے مقابلے میں 20% تک بڑھیں بھی کرنٹ اکاؤنٹ خسارے کی کمی میں مددگار ثابت ہوئیں۔ کاروباری سرگرمی میں کمی، مہنگائی، توانائی کی بڑھتی قیمت کے باعث معاشی غیر یقینی کے خطرات بدستور جاری ہیں تاہم انتظامیہ تمام تر ذرائع کو بروئے کار لا کر دنیا کی نئی منڈیوں کو تلاش کر کے کاروباری استحکام کو برقرار رکھنے میں کوشاں ہے۔

اظہار تشکر

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

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