



# Ghani

## THRIVING BEYOND OBSTACLES

GHANI GLASS LIMITED

Annual Report 2020

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

## TABLE OF CONTENTS

Vision & Mission	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	28
Statement of Value Addition and its Distribution	30
Horizontal Analysis	31
Vertical Analysis	32
Statement of Compliance	33
Auditors' Review Report to the Members	35
Auditors' Report to the Members	36
Statement of Financial Position	39
Statement of Profit or Loss	40
Statement of Comprehensive Income	41
Statement of Changes in Equity	42
Statement of Cash Flow	43
Notes to the Financial Statements	44
Pattern of Shareholding	87
Notice of Annual General Meeting	90
Directors' Report (Urdu)	96
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 that 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. Moezz Ghani Mr. Ibrahim Ghani Mr. Ayub Sadiq Mr. Shamim Ahmed Mr. Junaid Shamim Mr. Ovais Shamim Mr. Ajmal Khan (Nominee EOBI)	Chairman Chief Executive Officer Deputy Chief Executive Officer Deputy Chief Executive Officer
<b>Audit Committee</b>	Mr. Ayub Sadiq Mr. Zaid Ghani Mrs. Ayesha Aftab	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 Model Town, Lahore, Pakistan Phones : (042) 35916714, 35916719 Fax : (042) 35869037	
<b>Banks</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 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](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**

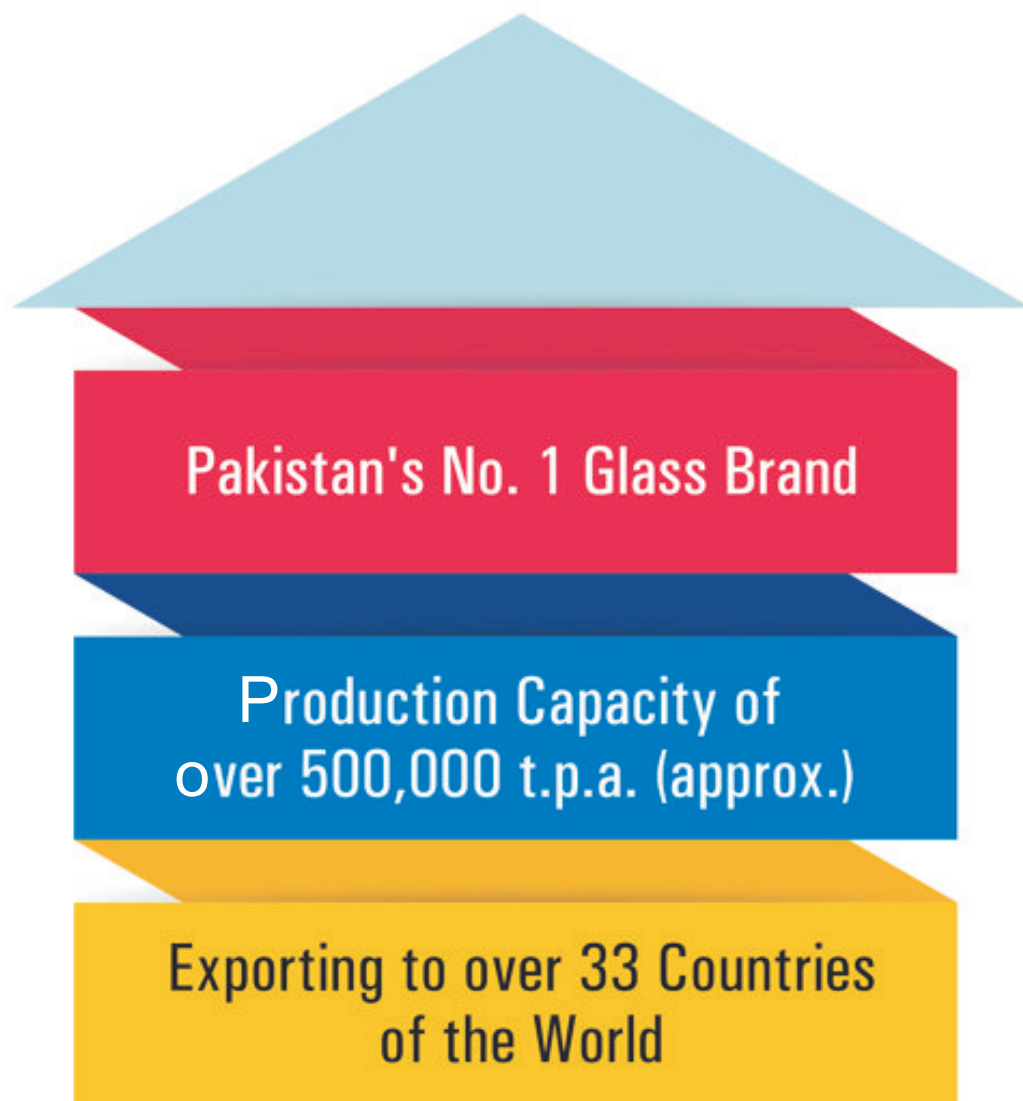
H-15, Landhi Industrial Area  
Karachi-74000  
Phone : (021) 35020761-63  
Fax : (021) 35020280

**GGL Plant-3**

29-km Lahore Sheikhupura Road,  
District Sheikhupura  
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 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 customer base 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, not only locally but also emerging globally.

# Ghani

Pakistan's No. 1 Glass Brand

Ghani Glass Limited

GHANI SHOP

## 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 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. 400 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.

## ادارے کی فراہم کردہ خدمات



غنی فرسٹ ایڈ اینڈ  
فائر سیفٹی پوائنٹ



غنی شادی پیکج



غنی فنڈ برائے حادثات



غنی خدمت حفاظ پروگرام

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.



## STRICT ADHERENCE TO INTERNATIONAL QUALITY STANDARDS

Ghani 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 Class 100,000 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 ENDEAVOUR 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.

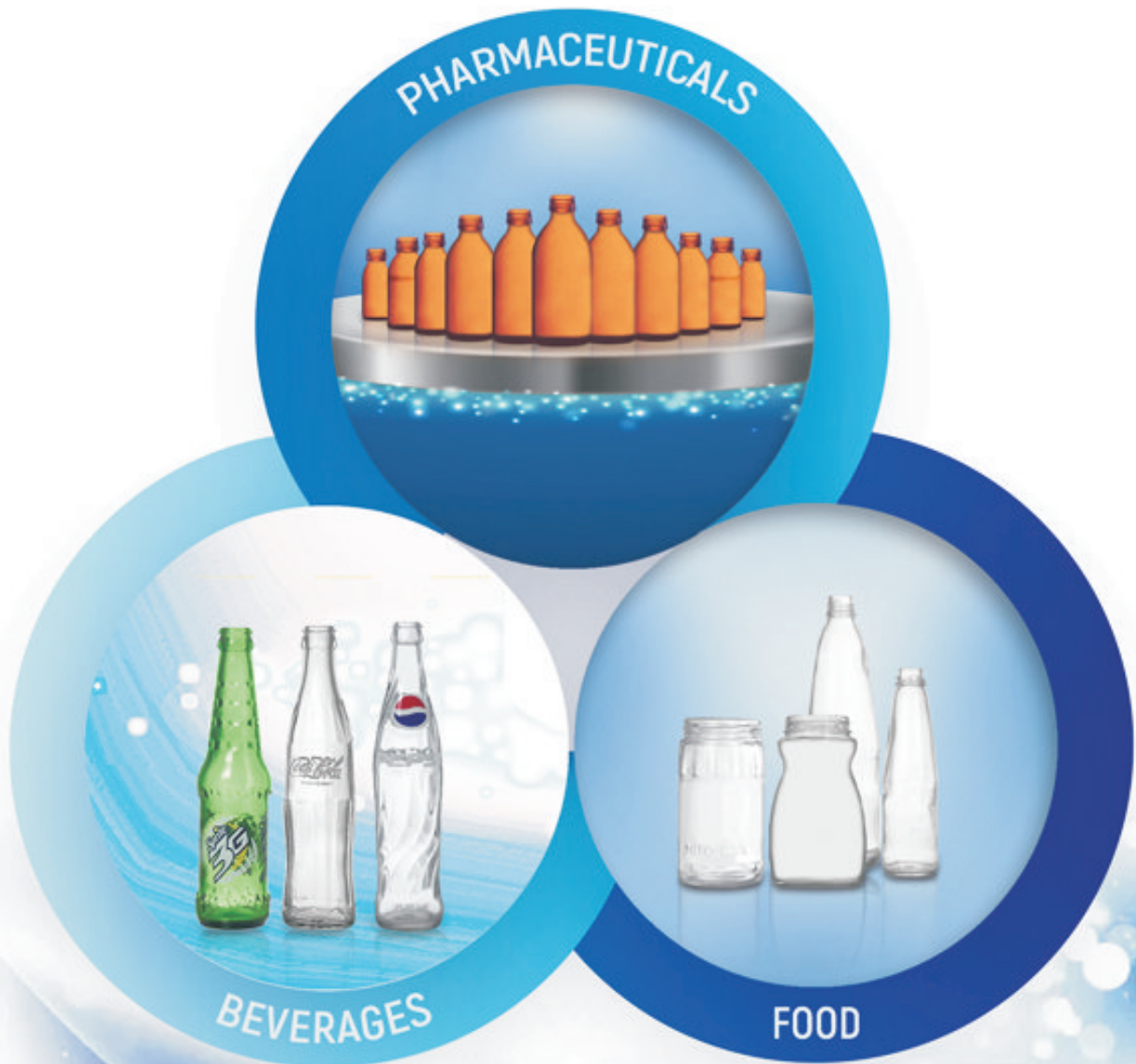


PRODUCT PORTFOLIO

# FLOAT GLASS

DIVISION





PRODUCT PORTFOLIO

# CONTAINER GLASS

DIVISION

## CHAIRMAN'S REVIEW

Dear Shareholders,

On behalf of the Board of Directors of Ghani Glass Limited, I welcome you to the 28 Annual General Meeting of your Company for the year ended June 30, 2020.

COVID-19 and the associated lockdowns across the globe have started a once-in-a-century crisis for the society and the economy in 2020. This is a crucial era in human history both socially and economically to test the resilience of individuals, societies, corporations, and nations. Given the unprecedented situation all around, it is hard to be prescient in these times. But this test will prove that companies with quality leadership, sound business fundamentals and a track record of winning in turbulent times, will emerge as champions in the new global order.

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

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

The Board remained updated with respect to achievement of Company's objectives, goals, strategies and financial performance through regular presentations by the management, internal and external auditors and other independent consultants. The Board provided appropriate direction and oversight on a timely basis;


The Board as a whole has reviewed the operating results and approved the Quarterly and Annual Financial Statements, and is pleased to confirm that in its view the Report and Financial Statements taken as a whole, are fair, balanced, understandable and provide the information necessary for valued shareholders to assess the performance of the Company.

The Audit Committee reviewed the financial statements and ensured that the accounts fairly represent the financial position of the Company. It also ensured effectiveness of internal controls. The HR & R Committee overviewed and recommended selection and compensation of senior management team.

The Board ensured that all the legal and regulatory requirements have been complied with by the management of the Company. The Board also evaluated its own performance.

The Board has approved interim cash dividend to the shareholders @ Rs.2 per share i.e.20% during the year ended June 30, 2020.

Lahore  
Date: October 6, 2020



**Zaid Ghani**  
Chairman



## CEO'S REVIEW

ALLAH is the creator and Lord of Worlds. All the creatures are under HIS order. ALLAH almighty has sent pandemic of coronavirus (COVID 19) for the human beings. This is all from our creator and our master. ALLAH almighty says in Quran:

**And whatever strikes you of disaster - it is for what your hands have earned; but HE pardons much (Al Shura 30)**

**No disaster strikes except by permission of ALLAH (Al Taghabun 11)**

**Whatever good happens to you is from ALLAH and whatever bad happens to you is from your ownself (AL Nisa 79)**

Human beings are going through the exceptionally uncertain era and the global economies are at historical worst state. Life is struggling for sustainability and to new normal after the unprecedented devastation of COVID-19. Pandemic brought disruptions and most importantly, an economic slowdown which could take much longer to recover. Weakening manufacturing activities and slowing international trade has subdued business sentiments throughout the globe. The slowdown is across the board, advanced, developing and emerging economies. Weak consumer sentiments amid tightened liquidity, presented a toughest business environment. Production as well as retail activities were dead slow which led to a significant contraction in economic activity in Pakistan. National real GDP is provisionally estimated to record a negative growth of 0.4 percent for FY20 after 68 years.

We have firm belief that no disaster strikes except by the permission of ALLAH. So the pandemic is from ALLAH subhanaho wa taala and in fact due to our deeds. In our endeavor to battle the COVID-19 pandemic, we have dealt this tough situation in two ways, one by practicing of deeds which the beloved prophet Muhammad (*Sallalaho alaihe wasallam*) of ALLAH and the Sahabas (*Rizwanullahi Taala alaihim ajmaeen*) taught us at such times of calamity, the other is the care for and motivation of our people to follow that deeds as well as the SOPs setting by the Government.

Further, Ghani has adopted intensely future-oriented strategy and remained focused on its long-term strategy. FY20 brought historical challenges for the company. Despite the unprecedented economic condition, our sales and marketing proactive approach enabled the business sustainability in 2019-20. For the financial year under review, the Company has maintained its Net Revenue (Rupees 17.1 Billion: 2019: Rupees 17.2 Billion). Margins remained at lower side comparing with the previous year due to unprecedented pandemic. Resultantly, Earning per share has also decreased to Rupees 2.79 as compared to Rupees 5.98 for the last year.

During the year under review, the Company was compelled to shut down operations partially in compliance with the instructions of the Government for the control of Coronavirus (COVID-19). Lockdown of retail markets of float glass and container glass during the third and fourth quarters had adversely impacted the business. Furthermore, Exports were also disrupted due to suspension of flight operation all over the globe. Static business activities resulted not only inventory buildup, but also higher fixed costs and receivable challenges. The immediate impact of this pandemic and its aftermath, which is yet to be fully seen, has derailed the entire economy and human life. One of the Float furnaces was also closed for the technical upgradation purpose during the FY20.

Your Company's CSR activities are focused on projects and schemes to promote the social and economic development of communities in and around the manufacturing locations. Supporting Healthcare, investing in Educational projects, Poverty Alleviation, Environment Protection etc. Various activities across these segments have been initiated around its plant locations and the neighboring villages. During the year under review, it has contributed **Rupees 16.4 billion** on account of various Government levies, taxes, custom duty, sales tax and reduction in import bill. As a part of its initiatives under the Corporate Social Responsibility" (CSR) drive, the Company has extended donations of Rupees 214.6 Million to Ghani Foundation Trust (*Related party of Ghani Glass Limited*). Ghani Foundation Trust has undertaken projects including "**Jamiatul Ghani**" which has contributed for the Commercial, Religious and Technical education to the needy and poor of the society. "**Almaida Lil Ghani**" has provided daily free meal to more than 10,000 needy persons nationwide. Ghani's "**Orphan Support Program**" helped the needy orphans of the community. The Company is committed to achieving Zero Harm at production facilities through safety measures. Strong emphasis on improving health and safety (H&S) parameters has helped the company substantially reduce the number of onsite injuries. 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.

The Board of Directors of the company have approved interim cash dividend of 20% i.e. Rs.2 per share.

I would like to express my gratitude to everyone who, in one way or another, make it possible for us to continue to grow, generate value and achieve the long term sustainability of our business.

Lahore  
Date: October 6, 2020

  
**Imtiaz Ahmed Khan**  
Chief Executive Officer

## DIRECTORS' REPORT

Your Directors take pleasure in presenting Annual Report on performance and progress of the Company together with the Audited Financial Statements for the year ended June 30, 2020.

The Company's principal activity is manufacturing and sale of float glass and container glass. The financial performance of your Company during the year ended June 30, 2020 is as follow:

Financial Indicators	2020	2019
(Rupees in Million)		
Net Sales	17,096	17,248
Gross Profit	2,606	4,378
Operating Profit	1,450	3,139
Profit before Tax	1,603	3,231
Profit after Tax	1,513	3,144
Earning per Share basic % diluted (Rupees)	2.79	5.98

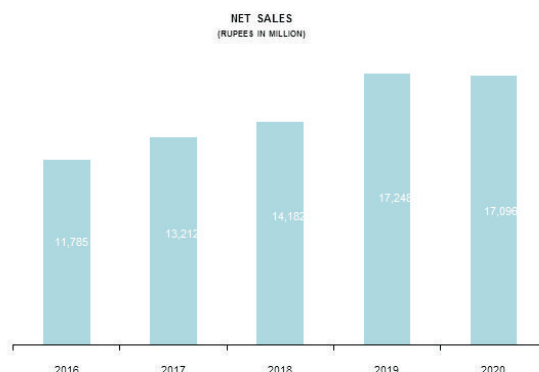
2019-20 was much difficult year as the unprecedented calamity COVID-19 broke out globally. The world economies were shocked by pandemic. The entire world is battling with COVID -19, the effects of which are ongoing on the global businesses and trades as the remedies against the pandemic are still not available. Economies will take time to get used to the new normal. Pakistan's economy is also facing challenging time, the impact of which can be more severe and lead to deterioration in twin balances, lowering GDP growth and disordering supply chain. Government action including reduction in policy rate from 13.25% to 7% is a part of fiscal measures to mitigate economic risk.

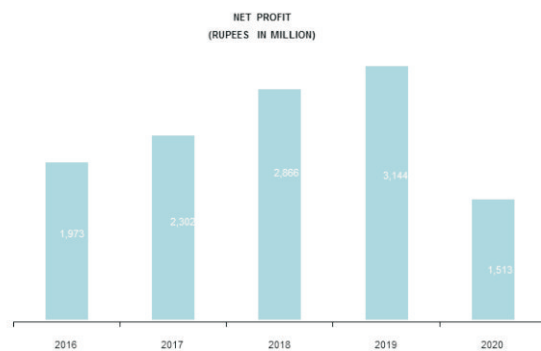
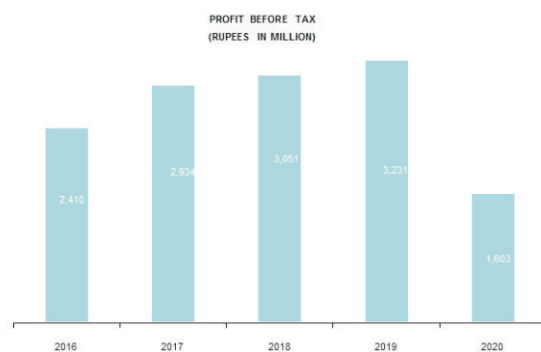
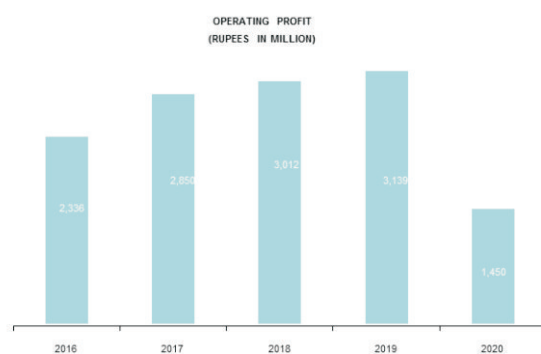
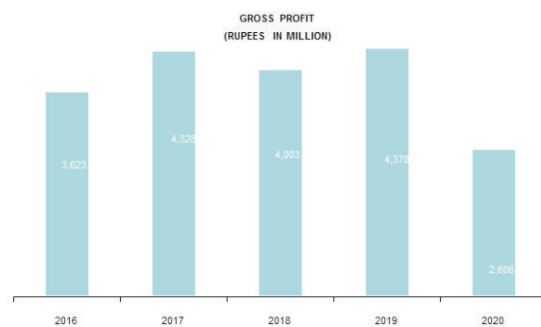
Commercial and industrial activities were stopped from March 21, 2020 in compliance with lockdown directives by Provincial Governments to contain the spread of COVID-19. Business activities partially resumed from June 2020 due to relaxation allowed by Government.

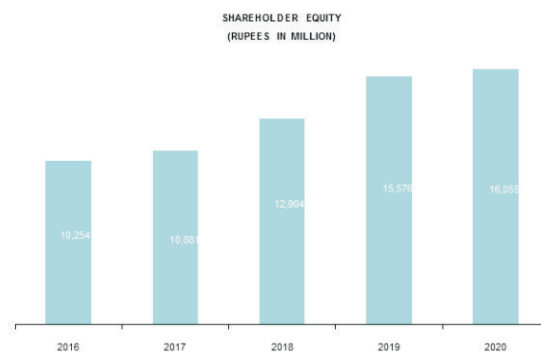
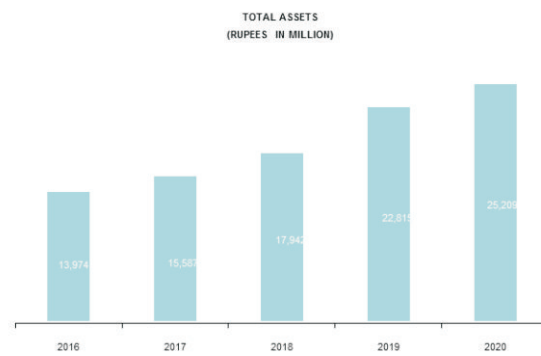
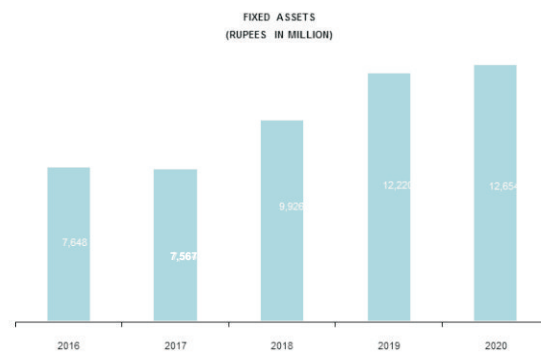
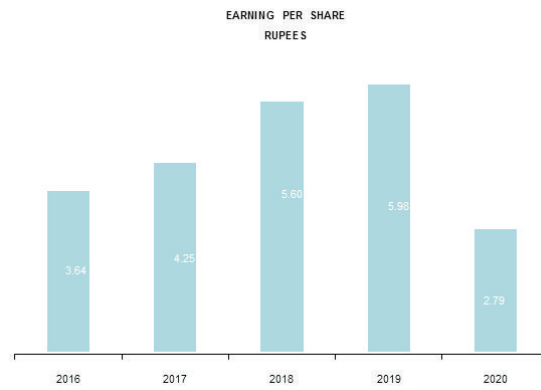
Further, due to COVID 19 revenue of the Company declined in last quarter. Two container glass furnaces were closed during the last quarter and Directors of the Company have waived off their salary of approximately two months.

### Key Financial Indicators during the year ended June 30, 2020

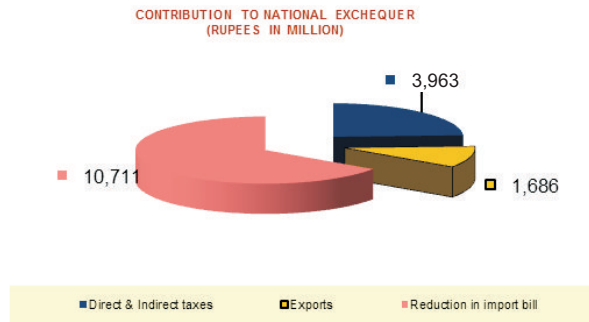
- Sales remained stable at Rupees 17.1 Billion;
- Gross Profit decreased to Rupees 2.6 Billion as compared to Rupees 4.4 Billion;
- Net profit was recorded as Rupees 1.5 Billion as compared to Rupees 3.1 Billion for the last year;
- Earning per shares was Rupees 2.79 as compared to Rupees 5.98 for the last year.







## CONTRIBUTION TO NATIONAL EXCHEQUER



## FUTURE OUTLOOK

We are looking forward for the better future in the current scenario of COVID 19. The management is fully vigilant to pursue its long term strategy for expansion and sustainability. However, being optimistic, certain challenges have been foreseen ahead in the form of ongoing impact of COVID 19, surging energy including RLNG, Rupee depreciation, higher inflation and overall economic slowdown. The management is aware and fully prepared to mitigate these risks through future-driven strategy and maintain sustainability through revenue growth, operational excellence, effective marketing and exploring new markets globally.

## HUMAN RESOURCE MANAGEMENT & EMPLOYEE RELATIONSHIP

The management considers competitive manpower with cutting edge expertise essential for its corporate goals also believes that job satisfaction, motivation and high morale are keys to success. It takes pride in engaging the best available professionals and also employs new techniques of human resource management for continuous improvements. 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.

We have set clear goals and KPIs (key performance indicators) for our teams which in turn generate a clear focus towards building a result-driven organization. Our talent management systems encourage honest and frequent feedback to provide our employees with a holistic assessment of their behaviors and its impact, thus ensuring that as teams, we harness the best out of our employees and proactively manage performance.

The Company has permanent welfare and motivational 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

As a part of its initiatives under the Corporate Social Responsibility" (CSR) drive, the Company has extended donations of Rupees 214.6 Million to Ghani Foundation Trust (*related party of Ghani Glass Limited*). Ghani Foundation Trust has undertaken following projects in the area of employee welfare, promoting education, providing free meal to the needy, eradicating hunger, health care, environment sustainability etc.

## 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**

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 with 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 CARE**

### **Iftikhar Ghani Trust Dispensary**

Over 3000 non affording patients are being treated and provided with free medicine on 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 10,000 needy persons have been serving free meal daily on four different locations nationwide.

## **DIVIDEND**

The Board of Directors has approved interim cash dividend as already declared @ 20% i.e. Rs.2 per share for the year ended June 30, 2020.

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

The Company's EPS has been recorded as Rs.2.79 per share as compared to Rs.5.98 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, 2021, subject to approval of the members in the forth coming annual general meeting.

## **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 Rs.29 and rose as high as Rs.57.75 and closed at Rs.41.15 as on June 30, 2020.

## **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 follows:

i)	<b>Independent Directors</b>	Mr. Ayub Sadiq
ii)	<b>Non-Executive Directors</b>	Mr. Zaid Ghani
		Mrs. Rubina Imtiaz
		Mrs. Reema Anwaar
		Mrs. Ayesha Aftab
		Mr. Moez Ghani
		Mr. Ibrahim Ghani
		Mr. Shamim Ahmed
		Mr. Junaid Shamim
		Mr. Ovais Shamim
		Mr. Ajmal Khan (nominee EOBI)
iii)	<b>Executive Directors</b>	Mr. Imtiaz Ahmad Khan
		Mr. Anwaar Ahmad Khan
		Mr. Aftab Ahmad Khan
		Mr. Junaid Ghani
		Mr. Jubair Ghani
		Mr. Hamza Ghani
iv)	<b>Female Directors</b>	Mrs. Rubina Imtiaz
		Mrs. Reema Anwaar
		Mrs. Ayesha Aftab

Written notices of the Board meetings along with working papers were sent to the members seven days before meetings. A total of four meetings of the Board of Directors, four meetings of the Audit Committee and two meetings of HR & R Committee were held during the period of one year, from July 01, 2019 to June 30, 2020. The attendance of the Board members was as follow:

Name of the Director	No. of Board of Directors' Meetings attended	No. of Audit Committee Meetings attended	No. of HR & R Committee Meetings attended
Mr. Zaid Ghani	4	4	2
Mr. Imtiaz Ahmad Khan	4	-	-
Mr. Anwaar Ahmad Khan	4	-	2
Mr. Aftab Ahmad Khan	4	-	-
Mrs. Rubina Imtiaz	4	-	-
Mrs. Reema Anwaar	4	-	-
Mrs. Ayesha Aftab	4	1	-
Mr. Junaid Ghani	4	-	-
Mr. Jubair Ghani	4	-	-
Mr. Hamza Ghani	4	1	-
Mr. Moez Ghani	4	-	-
Mr. Ibrahim Ghani	4	2	-
Mr. Ayub Sadiq	1	4	2
Mr. Shamim Ahmed	1	-	-
Mr. Junaid Shamim	2	-	-
Mr. Ovais Shamim	1	-	-
Mr. Ajmal Khan (nominee EOBI)	2	-	-

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, 2020 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, 2020)*

Subsequent to the year end, Supreme Court of Pakistan vide judgment dated 13 August 2020, while dismissing appeals filed by various industrial and commercial entities with respect to the legality and validity of levy and demand of GIDC, has decided the case in favor of SNGPL. Now the unpaid amount of GIDC is payable in 24 equal monthly installments starting from 01 August 2020. There have been no other material changes since June 30, 2020. 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, quarterly 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.

## ADEQUACY OF INTERNAL CONTROLS

The Board of Directors is aware of its responsibility with respect to internal control environment and accordingly has established an efficient internal financial control for ensuring effective and efficient conduct of operations, safeguarding of Company assets, Compliance with applicable law and regulations. The Independent Internal Audit of the Company regularly monitors the implementation of financial controls, whereas the Audit Committee reviews the effectiveness of the internal control frame work.

## CORPORATE AND FINANCIAL REPORTING FRAMEWORK

In compliance with the Companies Act 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, 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.647.11 million**

The value of investment includes accrued profit.

The principal risks faced by the Company include economic slowdown due to coronavirus (COVID 19), 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**

No trading in shares of the Company was made by the CEO, Directors, CFO, Company Secretary and their spouses and minor during the year ended June 30, 2020

#### **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, 2020, 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.

#### **DIRECTORS REMUNERATION TO NON-EXECUTIVE /INDEPENDENT DIRECTORS**

- No Director shall determine his / her own remuneration.
- Meeting fee shall be paid to Directors as per Articles of Association as determined by Board of Directors.
- The Directors shall be entitled to be paid all reasonable expenses, including travelling, hotel charges, and other expenses incurred by them from attending meeting and for other business conducted for and on behalf of the Company, subject to the approval of the board.


#### **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**

  
**Imtiaz Ahmed Khan**  
Chief Executive Officer

  
**Aftab Ahmad Khan**  
Director

Lahore Date: October 6, 2020

# FINANCIAL PERFORMANCE

## SIX YEARS AT GLANCE

	2020	2019	2018	2017	2016	2015
<b>Operating Results</b>	(Rupees in Million)					
Sale	17,096	17,248	14,182	13,212	11,785	11,260
Gross profit	2,606	4,378	4,003	4,328	3,623	3,236
Profit before tax	1,603	3,231	3,051	2,934	2,410	2,023
<b>Financial data</b>						
Fixed assets	11,884	10,999	7,632	7,099	7,335	7,176
Capital work-in-progress	770	1,222	2,294	465	314	271
Intangible assets	21	26	26	24	-	-
Long term investment/ Advances, and deposits	1,428	1,341	1,000	877	863	750
Current assets	11,106	9,228	6,990	7,122	5,463	4,444
Current liabilities	6,687	5,881	3,926	3,451	2,574	2,567
<b>Assets employed</b>	<b>18,523</b>	<b>16,935</b>	<b>14,016</b>	<b>12,136</b>	<b>11,400</b>	<b>10,074</b>
Financed by:						
Ordinary capital	5,415	5,415	4,166	2,192	2,192	1,232
Subscription money against right issue	-	-	-	1,281	-	-
Reserves	10,635	10,161	8,738	7,407	8,062	7,751
Shareholders equity	16,050	15,576	12,904	10,881	10,254	9,041
Finances and deposits	1,043	-	-	-	-	-
Deferred taxation	1,430	1,358	1,112	1,256	1,146	1,034
<b>Funds invested</b>	<b>18,523</b>	<b>16,935</b>	<b>14,016</b>	<b>12,136</b>	<b>11,400</b>	<b>10,074</b>
Earning per share (Rupees)	2.79	5.98	5.60	4.25	3.64	3.00
Break-up-value (Rupees)	29.64	28.76	30.98	49.63	46.77	73.37
<b>Dividend %</b>						
-cash	20	45	40	110	95	60
-Bonus shares	-	-	-	-	-	-
<b>Total</b>	<b>20</b>	<b>45</b>	<b>40</b>	<b>110</b>	<b>95</b>	<b>-</b>

## FINANCIAL PERFORMANCE

### SIX YEARS AT GLANCE

	2020	2019	2018	2017	2016	2015
Gross profit ratio (%)	15%	25%	28%	33%	31%	29%
Profit before tax ratio (%)	9%	19%	22%	22%	20%	18%
Inventory turnover ratio	2.83	4.66	10.97	7.86	6.27	6.52
Total assets turnover ratio	0.68	0.76	0.79	0.85	0.84	0.89
Fixed assets turnover ratio	1.35	1.41	1.43	1.75	1.54	1.51
Price earning ratio	14.75	7.35	11.01	19.63	25.93	28.94
Return on capital employed (%)	8.84%	19.15%	21.84%	24.25%	21.47%	23.34%
Market value per share (Rupees) <sub>at the year end</sub>	41.15	43.95	61.68	83.42	94.38	86.81
Debt Equity ratio	0:100	0:100	0:100	0:100	0:100	1:10.87
Current ratio	1:0.60	1:0.64	1:0.56	1:0.48	1:0.47	1:0.58
Interest cover ratio	48.20	259.04	313.48	308.87	65.37	7.16
Earning per share (Rupees)	2.79	5.98	5.60	4.25	3.64	3.00

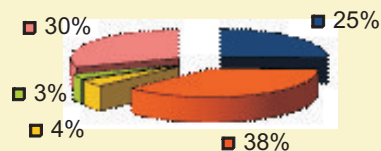
..... restated .....



## STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION

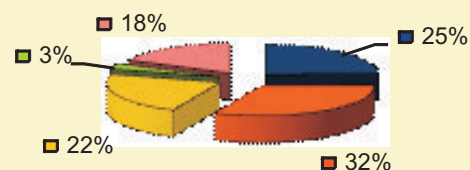
	2020		2019	
<b>Value Addition</b>	(Rupees in Million)			
Sales inclusive of sales tax	20,050		20,310	
Material and services	(12,041)		(10,590)	
Other income	167		316	
	<b>8,176</b>		<b>10,035</b>	
<b>Value Distribution</b>				
<b>Employees</b>				
Salaries, wages and amenities	1,986		2,325	
Workers profit participation fund	86		173	
	<b>2,072</b>	25%	<b>2,498</b>	25%
<b>Government</b>	<b>3,077</b>	38%	<b>3,198</b>	32%
<b>Providers of Capital</b>				
Dividend	289		2,254	
Finance Cost	34		13	
	<b>323</b>	4%	<b>2,267</b>	22%
<b>Society</b>				
Donation	234		287	
	<b>234</b>	3%	<b>287</b>	3%
<b>Retained in business</b>				
Depreciation	1,247		896	
Retained profit	1,224		889	
	<b>2,471</b>	30%	<b>1,786</b>	18%
	<b>8,176</b>	100%	<b>10,035</b>	100%

2020



■ Employees      ■ Government  
 ■ Providers of Capital      ■ Society  
 ■ Retained in business

2019



■ Employees      ■ Government      ■ Providers of Capital  
 ■ Society      ■ Retained in business

# HORIZONTAL ANALYSIS OF FINANCIAL STATEMENTS

	2020	2019	2018	2017	2016	2015	% increase/(decrease) over preceeding year					
(Rupees in Million)							2020	2019	2018	2017	2016	2015
Balance Sheet												
Total Equity and minority interest *	16,050	15,576	12,904	10,881	10,254	9,041	3.04	20.71	18.60	6.11	13.42	25.93
Total non-current liabilities	2,473	1,358	1,112	1,256	1,146	1,034	82.02	22.19	-11.46	9.59	10.84	-47.67
Total current liabilities	6,687	5,881	3,926	3,451	2,585	2,567	13.71	49.78	13.76	33.50	0.72	-15.55
Total Equity and Liabilities	25,209	22,815	17,942	15,587	13,985	12,641	10	27	15	11	11	4
Total non-current assets *	14,103	13,587	10,951	8,465	8,511	8,197	3.80	24.07	29.37	-0.54	3.83	7.07
Total current assets	11,106	9,228	6,990	7,122	5,474	4,444	20.35	32.01	-1.85	30.11	23.19	-2.07
Total Assets	25,209	22,815	17,942	15,587	13,985	12,641	10	27	15	11	11	4
Profit and Loss Account												
Net Sales	17,096	17,248	14,182	13,212	11,785	11,260	-0.88	21.62	7.34	12.11	4.66	10.39
Cost of Sales	-14,491	-12,870	-10,179	-8,884	-8,162	-8,024	12.59	26.44	14.58	8.85	1.72	3.43
Gross Profit	2,606	4,378	4,003	4,328	3,623	3,236	(40)	9	(8)	19	12	32
General and Administration Expenses	-675	-791	-652	-579	-446	-327	-14.63	21.34	12.65	29.83	36.36	7.34
Selling and Distribution Expenses	-342	-438	-397	-773	-710	-631	-22.07	10.47	-48.70	8.87	12.54	-8.31
Other operating Expenses	-154	-223	-228	-209	-185	-77	-30.72	-2.28	9.21	12.76	141.11	-3.12
Impairment loss on trade debtors	-114	-4	-12	-	-	-	0.00	-66.45	-	-	-	-
Other operating income	129	216	298	83	54	39	-40.44	-27.51	258.97	54.05	39.42	-59.63
	-1,156	-1,240	-990	-1,478	-1,287	-996	(7)	25	(33)	15	29	2
Operating Profit	1,450	3,139	3,012	2,850	2,336	2,240	(54)	4	6	22	4	53
Finance Cost	-34	-13	-10	-10	-37	-328	171.32	28.25	2.45	-74.55	-88.60	-12.14
Share of profit/loss of associate	188	105	48	93	112	111	79.11	117.39	-47.96	-17.07	0.49	-29.58
	154	92	38	83	74	-217	67	140	(54)	12	(134)	1
Profit before taxation	1,603	3,231	3,051	2,934	2,410	2,023	(50)	6	4	22	19	62
Taxation	-90	-87	-184	-631	-436	-436	3.37	-52.64	-70.78	44.63	0.11	30.62
Profit after taxation	1,513	3,144	2,866	2,302	1,973	1,587	(52)	10	25	17	24	73

\* 2015 restated

# VERTICAL ANALYSIS OF FINANCIAL STATEMENTS

2020		2019		2018		2017		2016		2015	
(Rs.)	%	(Rs.)	%	(Rs.)	%	(Rs.)	%	(Rs.)	%	(Rs.)	%

## Balance Sheet

Total Equity and minority interest *	16,050	63.67	15,576	68.27	12,904	71.92	10,881	69.80	10,254	73.32	9,041	71.52
--------------------------------------	--------	-------	--------	-------	--------	-------	--------	-------	--------	-------	-------	-------

Total non-current liabilities	2,473	9.81	1,358	5.95	1,112	6.20	1,256	8.06	1,146	8.19	1,034	8.18
Total current liabilities	6,687	26.52	5,881	25.77	3,926	21.88	3,451	22.14	2,585	18.48	2,567	20.30

Total Equity and Liabilities	25,209	100.00	22,815	100.00	17,942	100.00	15,587	100.00	13,985	100.00	12,641	100.00
------------------------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

Total non-current assets *	14,103	55.94	13,587	59.55	10,951	61.04	8,465	54.31	8,511	60.86	8,197	64.85
Total current assets	11,106	44.06	9,228	40.45	6,990	38.96	7,122	45.69	5,474	39.14	4,444	35.15

Total Assets	25,209	100.00	22,815	100.00	17,942	100.00	15,587	100.00	13,985	100.00	12,641	100.00
--------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

## Profit and Loss Account

Net Sales	17,096	100.00	17,248	100.00	14,182	100.00	13,212	100.00	11,785	100.00	11,260	100.00
Cost of Sales	-14,491	(84.76)	-12,870	(74.62)	-10,179	(71.78)	-8,884	(67.24)	-8,162	(69.26)	-8,024	(71.26)

Gross Profit	2,606	15.24	4,378	25.38	4,003	28.22	4,328	32.76	3,623	30.74	3,236	28.74
--------------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

General and Administration Expenses	-675	(3.95)	-791	(4.58)	-652	(4.60)	-579	(4.38)	-446	(3.78)	-327	(2.90)
Selling and Distribution Expenses	-342	(2.00)	-438	(2.54)	-397	(2.80)	-773	(5.85)	-710	(6.03)	-631	(5.60)
Other operating Expenses	-154	(0.90)	-223	(1.29)	-228	(1.61)	-209	(1.58)	-185	(1.57)	-77	(0.68)
Impairment loss on trade debtors	-114	(0.67)	-4	(0.02)	-12	(0.08)	-	-	-	-	-	-
Other operating income	129	0.75	216	1.25	298	2.10	83	0.63	54	0.46	39	0.34
	-1,156	(6.76)	-1,240	(7.19)	-990	(6.98)	-1,478	(11.18)	-1,287	(10.92)	-996	(8.85)

Operating Profit	1,450	8.48	3,139	18.20	3,012	21.24	2,850	21.57	2,336	19.82	2,240	19.89
------------------	-------	------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Finance Cost	-34	(0.20)	-13	(0.07)	-10	(0.07)	-10	(0.07)	-37	(0.32)	-328	(2.92)
Share of Profit/Loss of associate	188	1.10	105	0.61	48	0.34	93	0.70	112	0.95	111	0.99
	154	0.90	92	0.53	38	0.27	83	0.63	74	0.63	-217	(1.93)

Profit before taxation	1,603	9.38	3,231	18.73	3,051	21.51	2,934	22.20	2,410	20.45	2,023	17.96
------------------------	-------	------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Taxation	-90	(0.53)	-87	(0.51)	-184	(1.30)	-631	(4.78)	-436	(3.70)	-436	(3.87)
----------	-----	--------	-----	--------	------	--------	------	--------	------	--------	------	--------

Profit after taxation	1,513	8.85	3,144	18.23	2,866	20.21	2,302	17.43	1,973	16.75	1,587	14.09
-----------------------	-------	------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

\* 2015 restated

**with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the “Regulations”)**

Year Ended: **June 30, 2020**

1. The total number of directors are 17 as per the following:  
a. Male: 14                      b. Female: 3

a	<b>Independent Director</b>	Mr. Ayub Sadiq
b	<b>Non - Executive Directors</b>	Mr. Zaid Ghani
		Mrs. Rubina Imtiaz
		Mrs. Reema Anwaar
		Mrs. Ayesha Aftab
		Mr. Moeez Ghani
		Mr. Ibrahim Ghani
		Mr. Shamim Ahmed
		Mr. Junaid Shamim
		Mr. Ovais Shamim
		Mr. Ajmal Khan ( <i>nominee EOB</i> )
c	<b>Executive Directors</b>	Mr. Imtiaz Ahmad Khan
		Mr. Anwaar Ahmad Khan
		Mr. Aftab Ahmad Khan
		Mr. Junaid Ghani
		Mr. Jubair Ghani
		Mr. Hamza Ghani
d	<b>Female Directors</b>	Mrs. Rubina Imtiaz
		Mrs. Reema Anwaar
		Mrs. Ayesha Aftab

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
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. The Board has ensured that complete record of particulars of significant policies along with the date of approval or updating is maintained by the company.
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. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. During the period under report, no director has acquired training certification. However, at present there are six certified directors namely:

- # GHANI GLASS LIMITED

- Mr. Hamza Ghani
- Mr. Ibrahim Ghani
- Mr. Junaid Shamim

Further, approval has been obtained from SECP for exemption from training for the following Board members:

- Mr. Imtiaz Ahmad Khan
- Mr. Anwaar Ahmad Khan
- Mr. Aftab Ahmad Khan
- Mrs. Reema Anwaar
- Mr. Shamim Ahmad

- There are no new appointments of Chief Financial Officer, Company Secretary and Head of Internal Audit during the year.
- Chief Financial Officer and Chief Executive officer duly endorsed the financial statements before approval of the Board.
- The Board has formed committees comprising of members given below:

a) Audit Committee

Mr. Ayub Sadiq	Chairman	Independent director
Mr. Zaid Ghani	Member	Non-executive Director
Mrs. Ayesha Aftab	Member	Non-Executive Director

b) HR and Remuneration Committee

Mr. Ayub Sadiq	Chairman	Independent director
Mr. Anwaar Ahmad Khan	Member	Executive Director
Mr. Zaid Ghani	Member	Non-executive Director


- The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
- The frequency of meetings of the committee were as per following:

Meetings	Frequency
Audit Committee	Quarterly meetings were held during the year
HR and Remuneration Committee	Two meetings were held during the year

- 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.
- The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.
- 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.
- We confirm that all requirements of Regulations 3, 6, 7, 27, 32, 33 and 36 of the Regulations have been complied with.

Compliance of Regulation 8: Due to excessive burden of work on the existing executive directors, Six Executive directors have been appointed in Ghani Glass Limited. Hence, the number of Executive directors is fractionally higher than one third of the Board of Directors and the fraction contained in one third of the Board of Directors is rounded up as one.

Lahore  
Date: October 6, 2020

  
(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) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Ghani Glass Limited for the year ended 30 June 2020 in accordance with the requirements of regulation 36 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. 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.

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 2020.

Lahore  
Date: October 7, 2020



---

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

# INDEPENDENT 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 2020, and the statement of profit or loss account, the statement of 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 account, the statement of 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 2020 and of the profit 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	<p>Refer notes 3.14 and 25 to the financial statements. The Company recognized revenue of Rs. 17.09 billion from sale of glass products to domestic as well as foreign customers during the year ended 30 June 2020.</p> <p>We identified recognition of revenue from sale of glass products 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 control.</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 revenue from sale of glass products and testing the design, implementation and operating effectiveness of key internal controls;</li><li>▪ assessing the appropriateness of the Company's accounting policies for recording of revenue from sales of glass products and compliance of those policies with applicable accounting standards;</li><li>▪ comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, Delivery challan, outward gate passes and other relevant underlying documents;</li><li>▪ comparing, on a sample basis, specific revenue transactions recorded from sale of glass products just before and just after the financial year end date to determine whether the revenue had been recognized in the appropriate financial period; and</li><li>▪ scanning for any manual journal entries relating to revenue recognized during the year from sale of glass products which were considered to be material or met other specific risk-based criteria for inspecting underlying documentation.</li></ul>
2. Valuation of trade debts	<p>Refer notes 2.4.4, 3.9 and 20 to the financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>▪ involving KPMG specialists to assist us in reviewing</li></ul>

S. No.	Key audit matter(s)	How the matter was addressed in our audit
	<p>As at 30 June 2020, the Company's gross trade debts amounted to Rs. 2,449.69 million. The Company applied simplified approach to determine expected credit loss against trade debts and recognized Rs. 113.74 million as provision for expected credit loss during the year ended 30 June 2020 which resulted in accumulated amount of expected credit loss of Rs. 186.38 million at 30 June 2020.</p> <p>We identified valuation of trade debts as key audit matter because determination of ECL provision for trade debts requires significant judgement and assumptions including consideration of factors such as historical credit loss experience and forward-looking macro-economic information.</p>	<p>and evaluating the appropriateness of the assumptions used (historical and forward looking) and policies applied by the management to assess ECL in respect of trade debts of the Company</p> <ul style="list-style-type: none"> <li>■ assessing on a sample basis, the accuracy of data used by the management for determining ECL in respect of trade debts;</li> <li>■ checking mathematical accuracy of ECL model by performing recalculations;</li> <li>■ reviewing the adequacy of disclosures in the financial statements in accordance with requirements of the applicable accounting and reporting standards.</li> </ul>

### 3. Net realizable value of finished goods

Refer to notes 2.4.3, 3.7 and 19 to the financial statements.

At 30 June 2020, the carrying amount of finished goods was Rs. 5,158.25 million which is net off the net realizable value adjustment of Rs. 21 million.

We identified determination of net realizable value of finished goods as a key audit matter as it involves significant management judgement in determining the carrying value of finished goods. Further due to COVID-19, closing balance of finished goods increased significantly as compared to last year.

Our audit procedures included the following:

- assessing the appropriateness of the Company's accounting policies for valuation of finished goods and compliance of those policies with applicable accounting and reporting standards;
- obtaining an understanding of the Company's internal controls over determining net realizable value of finished goods and testing, their design, implementation and operating effectiveness;
- obtaining an understanding and assessing reasonableness of the management's determination of net realizable value (NRV) and the key estimates adopted, including future selling prices and future costs necessary to make the sales and their basis; and
- comparing the NRV, on sample basis, to the cost of finished goods to assess whether any adjustments are required to value of finished goods in accordance with the accounting policy.

### **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 2020 but does not include the financial statements and our auditor's reports 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 account, the statement of 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 M. Rehan Chughtai.

Lahore  
Date: October 7, 2020



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

## As at 30 June 2020

The annexed notes 1 to 46 form an integral part of these financial statements.

## Lahore

**Chief Executive Officer**

Director

**Chief Financial Officer**

5



# STATEMENT OF PROFIT OR LOSS


For the year ended 30 June 2020

	Note	2020 Rupees	2019 Rupees
Revenue - <i>net</i>	25	17,096,244,083	17,248,127,446
Cost of sales	26	(14,490,568,552)	(12,869,809,062)
<b>Gross profit</b>		<b>2,605,675,531</b>	<b>4,378,318,384</b>
General and administrative expenses	27	(675,048,506)	(790,729,095)
Selling and distribution expenses	28	(341,518,277)	(438,218,309)
Other expenses	29	(154,478,486)	(222,988,226)
Provision for expected credit loss against trade debts		(113,746,383)	(3,967,283)
Other income	30	128,744,820	216,174,936
		(1,156,046,832)	(1,239,727,977)
<b>Operating profit</b>		<b>1,449,628,699</b>	<b>3,138,590,407</b>
Finance cost	31	(33,971,799)	(12,520,829)
Share of profit of associate		187,706,517	104,797,791
<b>Profit before taxation</b>		<b>1,603,363,417</b>	<b>3,230,867,369</b>
Taxation	32	(90,287,958)	(87,347,633)
<b>Profit after taxation</b>		<b>1,513,075,459</b>	<b>3,143,519,736</b>
Earnings per share - basic and diluted	45	<b>2.79</b>	<b>5.98</b>

The annexed notes 1 to 46 form an integral part of these financial statements.

  
 Lahore Chief Executive Officer

  
 Director

  
 Chief Financial Officer

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2020

	2020 Rupees	2019 Rupees
<b>Profit for the year</b>	<b>1,513,075,459</b>	<b>3,143,519,736</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	43,851,749	335,609,515
<b>Total comprehensive income for the year</b>	<b>1,556,927,208</b>	<b>3,479,129,251</b>

The annexed notes 1 to 46 form an integral part of these financial statements.

Lahore

  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Chief Financial Officer

## For the year ended 30 June 2020

The annexed notes 1 to 46 form an integral part of these financial statements.

**Chief Executive Officer**

Director

**Chief Financial Officer**

# STATEMENT OF CASH FLOW

For the year ended 30 June 2020

	Note	2020 Rupees	2019 Rupees
<b><u>Cash flows from operating activities</u></b>			
Cash generated from operations	33	2,589,020,138	2,480,378,130
Finance cost paid		(19,108,563)	(12,520,829)
Workers welfare fund paid		(46,694,351)	(60,205,873)
Workers profit participation fund paid		(140,820,376)	(24,313,117)
Income taxes paid		(360,300,593)	(381,814,729)
		(566,923,883)	(478,854,548)
<b>Net cash generated from operating activities</b>		<b>2,022,096,255</b>	<b>2,001,523,582</b>
<b><u>Cash flows from investing activities</u></b>			
Fixed capital expenditure		(1,571,615,042)	(3,203,489,016)
Intangible assets		-	(5,642,976)
Proceeds from sale of fixed assets		5,185,701	15,170,603
Dividend income received from associate		136,111,818	66,316,920
Proceeds from sale of short term investments		-	150,000,000
Dividend received from short term investment		500,000	-
Long term deposit		4,980,455	-
Short term investments		-	(72,934)
<b>Net cash used in investing activities</b>		<b>(1,424,837,068)</b>	<b>(2,977,717,403)</b>
<b><u>Cash flow from financing activities</u></b>			
Dividend paid during the year		(288,805,477)	(2,254,097,433)
Loan paid to sponsor directors - net		(654,500,000)	680,500,000
Payment of liability against right of use asset		(19,025,868)	-
Subscription money received against right issue		-	1,249,713,840
<b>Net cash used in financing activities</b>		<b>(962,331,345)</b>	<b>(323,883,593)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(365,072,158)</b>	<b>(1,300,077,414)</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>725,982,640</b>	<b>2,026,060,054</b>
<b>Cash and cash equivalents at end of the year</b>	24	<b>360,910,482</b>	<b>725,982,640</b>

The annexed notes 1 to 46 form an integral part of these financial statements.

  
 Lahore Chief Executive Officer

  
 Director

  
 Chief Financial Officer

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

## 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 Extension, 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 Sheikhpura Road, District Sheikhpura.
- Plant 4: 50 Km Lahore Gujranwala road, Tehsil Kamonke, District Gujranwala.

## 2 Basis of accounting

### 2.1 Statement of compliance

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

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

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

### 2.2 Basis of measurement

These financial statements have been prepared under historical cost convention except for certain financial instruments which are 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. All the financial information presented in Rupees has been rounded off to the nearest rupee unless otherwise stated.

### 2.4 Use of judgement and estimates

The preparation of these financial statements 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 judgments 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. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

#### **2.4.1 Property, plant and equipment**

The Company reviews the useful lives and residual values of property, plant and equipment annually by considering expected pattern of economic benefit that the Company expects to derive from the item and the maximum period up to which such benefits are expected to be available. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with corresponding effect on the depreciation charge and impairment.

#### **2.4.2 Stores, spares and other consumables**

The Company reviews the stores, spare and other consumables for possible impairment on an annual basis. Any change in estimates in future years might affect the carrying amounts of the respective items of stores, spares and consumables with a corresponding effect on the provision.

#### **2.4.3 Stock-in-trade**

The Company reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock-in-trade is adjusted where the net realizable value is below the cost. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

#### **2.4.4 Expected credit loss (ECL) against trade debts, deposits, advances and other receivables**

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the assets original effective interest rate.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Impairment on financial assets other than trade debts has been measured on 12 - months expected loss basis and reflects the short maturities of the exposure.

#### **2.4.5 Taxation**

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the views taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

The Company also regularly reviews the trend of proportion of incomes between Final Tax Regime income and Normal Tax Regime income and the change in proportions, if significant, is accounted for in the year of change.

#### **2.4.6 Provisions**

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

#### **2.4.7 Contingencies**

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the reporting date.

#### **2.4.8 Leases**

The Company applies judgement 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.

### **3 Summary of significant accounting policies**

The significant accounting policies set out below have been consistently applied to all periods presented in these financial statements except as disclosed in note 3.1 below :

#### **3.1 Changes in significant accounting policy**

During the year, the Company has adopted IFRS 16 'Leases' effective 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 introduced a single, on-balance sheet accounting model for lessees. As a result, the Company, as a lessee, has recognized right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

The Company has applied IFRS 16 using the modified retrospective approach, under which right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments, the Company applied this approach to all other leases. Accordingly, the comparative information presented for 2019 has not been restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below:

##### **3.1.1 Definition of a lease**

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 Determining Whether an Arrangement contains a Lease. The Company now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

##### **3.1.2 As a lessee**

The Company has various buildings on lease as a lessee and previously classified them as operating leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Company recognized right-of-use assets and lease liabilities for those leases where the lease term ends after 12 months of the date of initial application – i.e. these leases are on-balance sheet.

On adoption of IFRS 16, Company has recognized liabilities in respect of leases which had previously been classified as operating leases under IAS 17. These liabilities were initially measured as the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at July 01, 2019. The lease liability is subsequently measured at amortized cost using the effective interest rate method.

	<b>30 June 2020</b>	<b>01 July 2019</b>
	<b>Rupees</b>	<b>Rupees</b>
Total liability against right of use asset recognized	<b>104,726,685</b>	108,889,317

The Company has presented non-current and current portion of related lease liabilities in the statement of financial position considering their due dates for payment.

On adoption of IFRS 16, the associated right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of prepaid lease payments recognized in the statement of financial position immediately before the date of initial application.

The right-of-use assets recognized subsequent to the adoption are measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. 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 lease liability.

The recognized right-of-use assets relate to the following type of asset:

	<b>30 June 2020</b>	<b>01 July 2019</b>
	<b>Rupees</b>	<b>Rupees</b>
Land and building	<b>81,099,344</b>	111,812,416

### 3.1.3 Transition

Previously, the Company classified property leases as operating leases under IAS 17. The leases typically run for a period of 3 years. Some leases include an option to renew the lease after the end of the non-cancellable period. Some leases provide for additional rent payments as per terms of the agreement.

The impact on adoption of IFRS 16 as at 01 July 2019 and 30 June 2020 is as follows:

	<b>30 June 2020</b>	<b>01 July 2019</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Impact on statement of financial position</b>		
Increase in fixed asset - right of use assets	<b>81,099,344</b>	111,812,416
Decrease in short term deposits and advances - prepayments	<b>(3,215,360)</b>	(2,923,099)
Increase in total assets	<b>77,883,984</b>	108,889,317
Increase in liability- liability against right of use assets	<b>104,726,685</b>	108,889,317
Decrease in trade and other payable - rent payables	<b>(12,800,000)</b>	-
Decrease in deferred tax liability	<b>(6,242,481)</b>	-
Increase in total liabilities	<b>85,684,204</b>	108,889,317
Decrease in shareholders' equity	<b>(7,800,220)</b>	-
<b>Impact on statement of profit and loss account</b>		
Increase in finance cost - unwinding of lease liability	<b>14,863,236</b>	
Increase in depreciation on right-of-use assets	<b>30,713,072</b>	
Decrease in rent expense	<b>(31,533,607)</b>	
Decrease in profit before tax	<b>14,042,701</b>	
Decrease in tax expense - deferred tax	<b>(6,242,481)</b>	
Decrease in profit after tax	<b>7,800,220</b>	
	<b>01 July 2019 to 30 June 2020</b>	
	<b>Rupees</b>	
	<b>14,863,236</b>	
	<b>30,713,072</b>	
	<b>(31,533,607)</b>	
	<b>14,042,701</b>	
	<b>(6,242,481)</b>	
	<b>7,800,220</b>	

### **3.2 Property, plant and equipment**

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 profit or loss 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 13.1 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 are determined by comparing the proceeds from sale with the carrying amount of property, plant and equipment and is recognized in profit or loss account.

### **3.3 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.

### **3.4 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 13. 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.

### 3.5 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 is 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.

### 3.6 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.

### 3.7 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.

### 3.8 Financial instruments

#### 3.8.1 Recognition and initial measurement

All financial assets or financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction cost that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

#### 3.8.2 Classification and subsequent measurement

##### **Financial assets**

On initial recognition, a financial asset is measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

##### **Amortized cost**

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss account.

Financial assets measured at amortized cost comprise of cash and bank balances, deposits, loan to employees, term deposit receipts, trade debts and other receivables.

##### **Debt Instrument - FVOCI**

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. However, the Company has no such instrument at the reporting date.

##### **Equity Instrument - FVOCI**

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss. However, the Company has no such instrument at the reporting date.



### **Fair value through profit or loss (FVTPL)**

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss account. Short term investment in listed equities is classified as fair value through profit or loss account at the reporting date.

### **Financial assets – Business model assessment:**

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

### **Financial liabilities**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss account.

Financial liabilities comprise trade and other payables, loan from directors, unpaid dividend, unclaimed dividend and liability against right of use asset.

#### **3.8.3 Derecognition**

##### **Financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

### ***Financial liabilities***

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

#### **3.8.4 Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

### **3.9 Impairment**

#### **Financial assets**

The Company recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the Gross carrying amount of the assets.

The Gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

#### **Non-financial assets**

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets 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 cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

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

Cash and cash equivalents for the purpose of statement of cash flows comprises of cash in hand and cash at banks.

#### **3.11 Share capital**

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

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

All borrowings are recorded at the proceeds received. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are charged to Company's statement of profit or loss account in the period in which these are incurred.

#### **3.13 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 recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized 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.

#### **3.14 Revenue recognition**

Revenue from contracts with customers is recognized, when control of goods is transferred to the customers, at an amount that reflects the consideration to which the Company expects to-be entitled in exchange for those goods excluding sales truces and trade discounts. Specific revenue and other income recognition policies are as follows:

##### **3.14.1 Sale of goods**

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer which, on the basis of current agreement with customers, is when the goods are dispatched to customers or when goods are delivered to the customers in case of local sales and when goods are shipped to the customers and loaded on vessel in case of export sales.

##### **3.14.2 Interest income**

Interest income is recognized as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset

##### **3.14.3 Dividends**

Dividend income is recognized when the Company's right to receive the dividend is established.

#### **3.15 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.

#### **3.16 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:

##### **3.16.1 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 recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

### **3.17 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.

### **3.18 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.

### **3.19 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 by Board of Directors or the Company's shareholders as the case may be.

### **3.20 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.

### **3.21 Contract liabilities**

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract. It also includes refund liabilities arising out of customers' right to claim amounts from the Company on account of contractual delays in delivery of performance obligations and incentive on target achievements.

### **3.22 Contingent liabilities**

A contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

### **3.23 Leases**

The Company is the lessee.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

At initial recognition, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss account if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

#### **4 Standards, interpretations and amendments to published approved accounting standards that are not yet effective**

**4.1** 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 July 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. However, the amendments are not likely to effect the financial statements of the Company.



- 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. However, the amendments are not likely to effect the financial statements of the Company.
- Amendments to IFRS-16- IASB has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after 1 June 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications. Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:
  - the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
  - any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
  - there is no substantive change to the other terms and conditions of the lease

However, the amendments are not likely to effect the financial statements of the Company.

- Classification of liabilities as current or non-current (Amendments to IAS 1) effective for the annual period beginning on or after 1 January 2022. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8. However, the amendments are not likely to effect the financial statements of the Company.

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual period beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. However, the amendments are not likely to effect the financial statements of the Company.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. However, the amendments are not likely to effect the financial statements of the Company.

#### **Annual Improvements to IFRS standards 2018-2020:**

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022.

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
- IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique

The above amendments are effective from annual period beginning on or after 1 January 2020 and are not likely to have an impact on Company's financial statements.

5	Issued, subscribed and paid up capital	Note	2020 Number of Shares	2019	2020 Rupees	2019 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		322,294,623	322,294,623	3,222,946,230	3,222,946,230
			<b>541,542,666</b>	<b>541,542,666</b>	<b>5,415,426,660</b>	<b>5,415,426,660</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.

6	Reserves	Note	2020 Rupees	2019 Rupees
	<b>Capital</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>Revenue</b>			
	Unappropriated profit		9,014,770,366	8,698,225,916
	Exchange translation and other reserves		751,971,159	594,673,733
			<b>9,766,741,525</b>	<b>9,292,899,649</b>
			<b>10,634,624,902</b>	<b>10,160,783,026</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

	2020			
	Opening	Charge / (reversal) to profit or loss	Charged to other comprehensive income	Closing
	----- Rupees -----			
<b>Taxable temporary differences</b>				
Accelerated tax depreciation	1,508,810,659	(1,350,531)	-	1,507,460,128
Investment in associate	92,128,444	10,703,725	7,738,544	110,570,713
Right of use asset	-	21,426,920	-	21,426,920
<b>Deductible temporary differences</b>				
Carry forward tax credits	(200,372,657)	100,067,995	-	(100,304,662)
Liability against right of use assets	-	(27,669,402)	-	(27,669,402)
Provisions and others	(42,162,728)	(39,690,714)	-	(81,853,442)
	<b>1,358,403,718</b>	<b>63,487,993</b>	<b>7,738,544</b>	<b>1,429,630,255</b>

	2019			
	Opening	Charge / Reversal to profit or loss	Charged to other comprehensive income	Closing
	----- Rupees -----			
<u><i>Taxable temporary differences</i></u>				
Accelerated tax depreciation	1,102,533,697	406,276,962	-	1,508,810,659
Investment in associate	43,358,991	(10,455,755)	59,225,208	92,128,444
				-
<u><i>Deductible temporary differences</i></u>				
Carry forward tax credits	-	(200,372,657)	-	(200,372,657)
Provisions	(34,139,518)	(8,023,210)	-	(42,162,728)
	<u>1,111,753,170</u>	<u>187,425,340</u>	<u>59,225,208</u>	<u>1,358,403,718</u>

## 8 Long term payable

This represents non-current portion of Gas Infrastructure Development Cess (GIDC) payable to Sui Northern Gas Pipelines Limited (SNGPL). During previous years, the Company, along with various other companies had challenged the legality and validity of levy and demand of GIDC in Honorable Lahore High Court which was pending adjudication at the year end. However, subsequent to the year end, Supreme Court of Pakistan vide judgement dated 13 August 2020, while dismissing appeals filed by various industrial and commercial entities with respect to the legality and validity of levy and demand of GIDC, has decided the case in favor of SNGPL. Now the unpaid amount of GIDC is payable in 24 equal monthly installments starting from 01 August 2020. Accordingly, the related non-current portion has been reclassified to non-current liabilities as at 30 June 2020.

Subsequent to the year end, SNGPL served the Company with a demand with reference to Gas Infrastructure Development Cess for the period prior to promulgation of Gas Development Infrastructure Development Cess Act, 2015 As the matter to determine whether the Gas Infrastructure Development Cess was charged and collected from the consumers by the Company prior to 2015 was already pending in the High Powered Committee constituted by SNGPL, the Company being aggrieved challenged the demand before the Lahore High Court. The appropriate interim protection was granted to the Company by the Court. The determination by the High Powered Committee constituted by SNGPL is still pending to date.

## 9 Liability against right of use asset

Liability against right of use asset  
Current portion of liability against right of use asset

2020  
Rupees

104,726,685  
(32,925,624)  
71,801,061

Maturity analysis of liability against right of use asset is as follows:

Less than one year  
One to five years  
More than five years  
Total undiscounted liability against right of use asset as at 30 June 2020  
Impact of discounting on liability against right of use asset  
Liability against right of use asset included in financial position as at 30 June 2020

45,008,474  
80,998,362  
14,400,000  
140,406,836  
(35,680,151)  
104,726,685

## 10 Trade and other payables

Note

Creditors for goods and services  
Bills payable  
Accrued liabilities  
Security deposits  
Workers' welfare fund  
Workers' profit participation fund  
Retention money  
Employees vehicle deduction contribution  
Income tax deducted at source  
Payable to provident fund

10.1  
10.2 & 10.3  
10.4  
10.5  
10.6

2020  
Rupees

899,701,842  
150,857,642  
3,681,289,813  
288,848,489  
35,927,635  
91,115,624  
7,015,184  
29,250,734  
179,315,331  
20,460,900  
5,383,783,194

2019  
Rupees

750,781,728  
209,894,030  
3,276,758,087  
281,384,407  
50,063,036  
145,834,823  
3,878,907  
18,779,998  
65,503,709  
31,739,606  
4,834,618,331

- 10.1** This includes amount payable to Ghani Value Glass, a related party, amounting to Rs. 23,688,746 (2019 : Rs. 4,086,128) against value addition services received.
- 10.2** This includes Rs. 693.64 million relating to current portion of Gas Infrastructure Development Cess (GIDC) payable to Sui Northern Gas Pipelines Limited (SNGPL) as already explained in note 8 to these financial statements.
- 10.3** During the pervious years, the Company challenged the validity of sui gas rates charged by SNGPL to the Company on the premise that the Company, being an export oriented entity, should be charged the gas tariff applicable to export oriented industry. This matter is pending adjudication before Honorable Lahore High Court. However being prudent the related provision of Rs. 2,428.65 million has been incorporated in these financial statements. The management and the legal advisor of the Company strongly believe that the case will be decided in favor of the Company and further the Company will not be liable for any late payment surcharge on such unpaid amount.

<b>10.4</b>	<b>Security deposits</b>	<b>Note</b>	<b>2020 Rupees</b>	<b>2019 Rupees</b>
	Security deposits from transporters	10.4.1	3,472,299	4,508,217
	Security deposits from customers	10.4.2	285,376,190	276,876,190
			<b>288,848,489</b>	<b>281,384,407</b>

**10.4.1** 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. The Company has not kept these deposits in a separate bank account which is a non-compliance of section 217 of the Companies Act 2017.

**10.4.2** These represent amounts received from dealers and distributors and are repayable at the time of termination of dealership / distributorship or on cessation of business with the Company. The Company has not kept these deposits in a separate bank account which is a non-compliance of section 217 of the Companies Act 2017.

<b>10.5</b>	<b>Workers' welfare fund</b>	<b>Note</b>	<b>2020 Rupees</b>	<b>2019 Rupees</b>
	Balance as at 01 July		50,063,036	61,647,401
	Charge for the year		35,927,635	50,063,036
	Prior year reversal		(3,368,685)	(1,441,528)
		29	32,558,950	48,621,508
	Payments made during the year		(46,694,351)	(60,205,873)
	Balance as at 30 June		35,927,635	50,063,036

<b>10.6</b>	<b>Workers' profit participation fund</b>			
	Balance as at 01 July		145,834,823	(2,743,204)
	Charge for the year	29	86,101,177	172,891,144
	Payments made during the year		(140,820,376)	(24,313,117)
			(54,719,199)	148,578,027
	Balance as at 30 June		91,115,624	145,834,823

<b>11</b>	<b>Contract liability</b>	<b>Note</b>	<b>2020 Rupees</b>	<b>2019 Rupees</b>
	Advance from customers	11.1 & 11.2	210,338,321	125,994,585

**11.1** This represents advance received from customers for future sale of goods. During the year, the Company has recognized revenue amounting to Rs. 88 million, out of the contract liability as at 01 July 2019.

**11.2** This includes advances received from the following related parties for future sale of goods:

	<b>2020 Rupees</b>	<b>2019 Rupees</b>
Health Tek (Private) Limited	699,012	1,955,038
Sami Pharmaceutical (Private) Limited	3,514,277	2,535,851
	<b>4,213,289</b>	<b>4,490,889</b>

**12 Loan from sponsor directors**

This represents unsecured interest free loan received from the sponsor directors of the Company to meet the working capital requirements of the Company. The loan is repayable on demand.

## 13 Contingencies and commitments

### Contingencies

- 13.1** Aggregate amount of bank guarantees issued by banks on behalf of the Company, outstanding as at balance sheet date of Rs. 2,682.57 million (2019: Rs. 1,170.15 million).
- 13.2** 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 2019 have been completed under the provisions of section 120 of the Income Tax Ordinance, 2001 except for the followings:
- 13.2.1** 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.
- 13.2.2** The ACIR amended the deemed assessment order under section 122(5A) of the Income Tax Ordinance, 2001 dated 09 May 2016, 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.
- 13.2.3** 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.
- 13.2.4** The Additional Commissioner Inland Revenue (ACIR) has issued notice bearing no 100000068260231 dated 14 February 2020, related to tax year 2019, under section 122(9) of the Ordinance. The Company has made due compliance of the said notice and the ACIR has amended the deemed assessment under section 122(5A) of the Ordinance vide Order bearing No.10000007 4236623 dated 11 June 2020 and reassessed the taxable income of the Company at Rs. 2,398.79 million and tax refundable at Rs. 261.05 million. Being aggrieved with the Order passed by the ACIR, the Company filed an appeal before the CIR (Appeals), which is pending adjudication.
- 13.2.5** The Deputy Commissioner Inland Revenue (DCIR) issued order no. 06/2013-14/9957 dated 07 March 2014 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.
- 13.2.6** The DCIR issued Order in Original No. 07/2013-14/10039 dated 16 May 2014 under section 7 and 8 of the Sales Tax Act, 1990, read with S.R.O 450(1)/2013 dated 27 May 2013 and rejected the input tax claim of 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.
- 13.2.7** The Commissioner Inland Revenue issued order bearing No. C. No. 2933 dated 8 October 2018 under section 11(1) and 11(2) of the Sales Tax Act and rejected the Input claim of Rs. 2,247,098. Penalty of Rs. 112,355 is also imposed under section 33(5) of Sales Tax Act. Being aggrieved by the said order, the Company filed an appeal before the CIR (Appeals), who vide Order dated 21 October 2019 confirmed the principle amount and default surcharge while deleted the penalty. Being aggrieved by the said order, the Company filed an appeal with the ATIR, which is pending adjudication.
- 13.2.8** The Assistant Commissioner Sindh Revenue Board (AC-SRB) issued show cause notice bearing No. SRB-AC-24/WHT /SCN/GG/2018-19/3885 dated 16 March 2019 under section 47(1A) and 47(1B) of the Sindh Sales Tax on Services Act, 2011 read with rule 3(5) of Sindh Sales Tax Special Procedure (Withholding) Rules, 2014, requiring the Company to pay Sindh Withholding Sales Tax amounting to Rs. 39,767,915 on services rendered in Sindh. The Company is in process of making compliance of the said order.
- The management and the tax advisor of the Company are hopeful of the favorable outcome of the above mentioned cases, accordingly no provision has been recorded in these financial statements.
- 13.2.9** Contingency related to late payment surcharge is explained in note 10.3 to these financial statements.

### Commitments

- 13.3** Letters of credit for import of materials and stores outstanding as at 30 June 2020 amounting to Rs. 1,902.95 million (2019: Rs. 1,445.91 million).



## 14 Property, plant and equipment

Operating assets  
Capital work in progress

Note	2020 Rupees	2019 Rupees
14.1	11,884,228,354	10,998,531,887
14.4	770,222,313	1,221,826,595
	<b>12,654,450,667</b>	<b>12,220,358,482</b>

## 14.1 Operating assets

	Cost					Depreciation		Net book value as at 30-Jun 2020
	As at 1 July 2019	Recognition of right of use asset as at 01 July 2019	Additions during the year	Transfer in / (out)	Disposals during the year	As at 1 July 2019	For the year	
						As at 30-Jun 2020	On disposals	
							Rate %	
								-Rupees-
<b>Owned</b>								
Freehold land	384,686,447	-	-	-	-	-	-	384,686,447
Building on freehold land	1,030,544,440	-	59,706,000	-	-	-	10	554,929,421
Right of use asset - building	-	111,812,416	-	-	-	-	23	30,713,072
Plant and machinery	8,519,248,294	-	794,086,084	(427,288,216)	-	3,838,639,862	8 - 10	4,294,133,955
Furnace	7,459,213,067	-	1,256,773,649	242,066,946	-	2,335,949,507	5 - 33.33	2,982,621,521
Tools and office equipment	26,817,050	-	-	-	-	13,411,989	10	14,752,495
Electrical equipment	77,823,190	-	41,919,993	924,100	-	25,029,153	10	86,597,193
Furniture and fixtures	47,704,859	-	2,085,273	-	-	18,270,910	10	21,369,671
Vehicles	370,228,649	-	33,798,900	19,126,595	(7,349,860)	187,558,537	20	227,129,297
	17,916,265,996	111,812,416	2,188,369,899	(165,150,575)	(7,349,860)	6,917,734,109	20	11,884,228,354

	As at 01 July 2018	Recognition of right of use asset as at 01 July 2018	Cost		Disposals / transfers during the year	As at 30 June 2019	Rate %	Depreciation			Net book value as at 30 June 2019
			Additions during the year	Transfer in/ (out)				For the year	On disposals	As at 30 June 2019	
			Rupees						Rupees		
<b>Owned</b>											
Freehold land	384,686,447	-	-	-	-	384,686,447	-	-	-	-	384,686,447
Building on freehold land	895,641,487	-	134,902,953	-	-	1,030,544,440	10	445,851,948	53,022,203	498,874,151	531,670,289
Plant and machinery	7,498,673,001	-	1,020,575,293	-	-	8,519,248,294	8 - 10	3,430,053,849	408,586,013	3,838,639,862	4,680,608,432
Furnace	4,402,958,223	-	3,056,254,844	-	-	7,459,213,067	5 - 33.33	1,951,951,023	383,998,484	2,335,949,507	5,123,263,560
Tools and office equipment	25,107,450	-	1,709,600	-	-	26,817,050	10	12,610,881	801,108	13,411,989	13,405,061
Electrical equipment	63,527,864	-	14,295,326	-	-	77,823,190	10	20,541,345	4,487,808	25,029,153	52,794,037
Furniture and fixtures	40,963,363	-	6,741,496	-	-	47,704,859	10	14,820,778	3,450,132	18,270,910	29,433,949
Vehicles	356,287,287	-	39,421,302	-	(25,479,940)	370,228,649	20	160,490,439	42,021,573	187,558,537	182,670,112
	13,667,845,122	-	4,273,900,814	-	(25,479,940)	17,915,255,996		6,036,320,263	896,367,321	6,917,734,109	10,998,531,887

14.1.1 Plant and machinery and furnace include mechanical stores having value of Rs. 374.87 million (2019: Rs. 373.41 million).

	Note	2020 Rupees	2019 Rupees
<b>14.2</b>	Depreciation charge for the year has been allocated as follow:		
Cost of sales	26	<b>1,174,168,190</b>	858,032,276
General and administrative expenses	27	<b>63,994,524</b>	38,170,453
Selling and distribution expenses	28	<b>8,349,605</b>	164,592
		<b>1,246,512,319</b>	<b>896,367,321</b>

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

Particulars	Location	Total Area
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	1 Kanal
Warehouse	District Mianwali, Tehsil Isakheel, Qamar Mashani, Mianwali.	50 Kanal
Techno glass	50 Km Lahore Gujranwala road, Tehsil Kamonke, District Gujrawala.	24 Kanal

**14.4 Capital work in progress**

<b>14.4.1 Capital work-in-progress - at cost</b>	Note	2020 Rupees	2019 Rupees
Plant and machinery		<b>168,941,060</b>	996,286,295
Civil works		<b>271,059,086</b>	11,748,300
Plant and machinery - acquired through business combination	14.4.1.1	<b>213,792,000</b>	213,792,000
Advances		<b>116,430,167</b>	-
	14.4.2	<b>770,222,313</b>	<b>1,221,826,595</b>

**14.4.1.1** 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. Star Tech consultants, the recoverable amount of the asset (i.e. fair value less cost to sell) is Rs. 213.79 million (2019 : Rs. 213.79 million) against cost of acquisition of Rs. 253.63 million. The fair value is determined by an independent valuer on the basis of depreciated replacement cost method.

<b>14.4.2 Movement in capital work-in-progress - at cost</b>	2020 Rupees	2019 Rupees
Balance as at 01 July	<b>1,221,826,595</b>	2,294,047,473
Additions during the year	<b>542,696,455</b>	1,316,547,689
Transfer in during the year	<b>165,150,576</b>	-
Transfer to operating assets during the year	<b>(1,159,451,313)</b>	(2,388,768,567)
<b>Balance as at 30 June</b>	<b>770,222,313</b>	<b>1,221,826,595</b>

## 15 Intangible assets

Note

### 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

2020 Rupees	2019 Rupees
40,641,824	34,998,848
-	5,642,976
40,641,824	40,641,824
(14,344,084)	(9,315,804)
(5,389,128)	(5,028,280)
(19,733,212)	(14,344,084)
20,908,612	26,297,740
2020 ----- Percentage -----	2019
10% - 14.29%	10% - 14.29%

Rate of amortization

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

Cost of sales

General and administrative expenses

Selling and distribution expenses

26

27

28

2020 Rupees	2019 Rupees
4,957,998	4,626,018
269,456	251,414
161,674	150,848
5,389,128	5,028,280

## 16 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. As at 30 June 2020, the Company held 49.934% (2019: 49.934%) interest in the form of 21,971 (2019: 21,971) fully paid ordinary shares of AED 1,000 each. As at 30 June 2020, the remaining shareholding of 50.066% is held by JS Investment Holding Limited Caymans Island.

#### Cost of investment

21,971 (2019: 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

2020 Rupees	2019 Rupees
664,050,766	664,050,766
644,818,508	301,010,036
187,706,517	104,797,791
51,590,293	394,834,723
239,296,810	499,632,514
(146,977,234)	(155,824,042)
737,138,084	644,818,508
1,401,188,850	1,308,869,274

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

	2020 AED	2019 AED	2020 Rupees	2019 Rupees
Non current assets	67,038,729	57,830,825	3,067,094,185	2,550,339,383
Current assets	61,720,052	60,810,837	2,823,758,974	2,681,757,912
Non current liabilities	(19,342,144)	(7,538,389)	(884,923,958)	(332,442,956)
Current liabilities	(41,189,674)	(44,514,294)	(1,884,472,028)	(1,963,080,365)
Net assets - 100 %	68,226,963	66,588,979	3,121,457,173	2,936,573,974
<b>Percentage ownership interest</b>			49.934%	49.934%
Company's share of net asset			1,558,668,424	1,466,348,848
Other adjustment			(157,479,574)	(157,479,574)
Carrying value of net investments			1,401,188,850	1,308,869,274
Revenue	82,782,080	94,117,603	3,602,524,001	3,490,821,895
Profit for the year from operations	8,637,985	5,556,082	375,909,234	209,872,614
Company's share of profit	4,313,291	2,774,374	187,706,517	104,797,791

**17 Long term advances and deposits**

	Note	2020 Rupees	2019 Rupees
Security deposits	17.1	23,667,541	26,049,008
Advances to employees	17.2	3,104,154	5,703,142
		26,771,695	31,752,150

- 17.1** These mainly include security deposits with various utility companies, regulatory authorities and against rental properties.

	2020 Rupees	2019 Rupees
Security deposits	34,571,177	26,049,008
Less: short term portion	(10,903,636)	-
	23,667,541	26,049,008

**17.2 Advances to employees**

	2020 Rupees	2019 Rupees
Advances to employees	14,402,863	17,582,354
Less: short term portion	(11,298,709)	(11,879,212)
	3,104,154	5,703,142

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

**18 Stores, spares and other consumables**

	Note	2020 Rupees	2019 Rupees
Stores and spares [in transit Rs. 35.681 million (2019: Rs 180.80 million)]		693,859,619	880,008,296
Provision for slow moving items	18.1	(21,485,451)	(21,485,451)
		672,374,168	858,522,845
Fuel and lubricants		101,167,790	198,979,504
		773,541,958	1,057,502,349
<b>18.1 Provision for slow moving items</b>			
Balance as at 01 July		21,485,451	16,260,677
Charge for the year		-	5,224,774
Balance as at 30 June		21,485,451	21,485,451

- 18.2** The provision for slow moving items of stores, spares and other consumables during last year was charged to cost of goods sold.

		Note	2020 Rupees	2019 Rupees
<b>19</b>	<b>Stock in trade</b>			
	Raw material [In transit: nil (2019 : Rs.31.21 million)]		711,277,441	687,110,393
	Work in process		92,285,137	139,867,416
	Finished goods	19.1	5,158,257,028	2,859,650,798
	Packing materials [In transit: Rs. 4.9 million (2019: nil)]		134,964,742	73,265,388
			<b>6,096,784,348</b>	<b>3,759,893,995</b>
	<i>Provision for slow moving items</i>			
	- Raw material	19.2	(23,419,930)	(19,770,409)
	- Packing material	19.2	(6,816,898)	(2,011,298)
	- Finished goods	19.2	(34,435,272)	(34,048,265)
			<b>(64,672,100)</b>	<b>(55,829,972)</b>
			<b>6,032,112,248</b>	<b>3,704,064,023</b>
<b>19.1</b>	The amount charged to profit and loss account on account of write down of finished goods to net realizable value amounts to Rs. 21 million (2019: Nil). Cost of asset carried at net reliable value as at 30 June 2020 is Rs. 138.2 million.			
		Note	2020 Rupees	2019 Rupees
<b>19.2</b>	<b>Provision for slow moving items</b>			
	Balance as at 01 July		55,829,972	39,341,416
	Reversal for the year		-	(5,770,428)
	Charge for the year	26	8,842,128	22,258,984
	Balance as at 30 June		<b>64,672,100</b>	<b>55,829,972</b>
<b>20</b>	<b>Trade debtors</b>			
	<i>Local:</i>			
	Secured, considered good	20.1	254,027,673	238,210,565
	Unsecured, considered good		2,001,652,252	1,865,850,509
			<b>2,255,679,925</b>	<b>2,104,061,074</b>
	<i>Foreign:</i>			
	Unsecured, considered good	20.2	194,017,346	208,770,215
			<b>2,449,697,271</b>	<b>2,312,831,289</b>
	Less: Provision for expected credit loss	20.3	(186,382,172)	(72,635,789)
			<b>2,263,315,099</b>	<b>2,240,195,500</b>

- 20.1** This includes amount receivable from Ghani Value Glass Limited, a related party, amounting to Rs. 182.91 million (2019: Rs. 5 million). The maximum aggregate amount outstanding during the year was Rs. 271.34 million (2019 : Rs. 80.29 million). The aging of trade receivables from Ghani Value Glass Limited is as follows:

<b>Aging of Ghani Value Glass Limited</b>	<b>2020 Rupees</b>	<b>2019 Rupees</b>
Current	<b>8,989,607</b>	2,476,656
Past due 1-90 days	<b>173,922,903</b>	2,524,559
	<b>182,912,510</b>	<b>5,001,215</b>

- 20.2** The details of defaulting parties out of total export debtors and the default amounts are as follows:

	<b>2020 Rupees</b>	<b>2019 Rupees</b>
Murat Matein., Republic of Turkey	<b>25,766,694</b>	15,452,989
Socialist Republic of Sri Lanka	<b>8,393,665</b>	4,939,241
T.L. Verma & Co (Pvt) Ltd., Republic of India	<b>3,119,180</b>	3,404,167
Market India, Republic of India	<b>4,082,500</b>	2,502,208
Burhani Glass Factory LLC, United Arab Emirates	<b>366,856</b>	224,850
Medivet Products Limited, The Republic of Kenya	-	135,824
Lilypeck International, United Arab Emirates	<b>185,955</b>	113,974
Shin Shin Glass Co Ltd., Republic of Korea	<b>175,680</b>	107,676
Rajistan Glass House, Republic of India	<b>162,135</b>	99,374
Trofina Foods Middle East Fzc, United Arab Emirates	-	79,982
Republic of Sri Lanka	-	32,109
Enviro Safety Glass, Republic of India	<b>1,114,500</b>	696,353
Global Glass , Republic of India	<b>79,609</b>	49,409
Mohindra Enterprises, Republic of India	<b>2,521</b>	1,579
Neelam Corporation, Republic of India	<b>9,841</b>	6,149
Tisha Exports, Republic of India	<b>17,187</b>	10,738
	<b>43,476,323</b>	<b>27,856,622</b>

- 20.3** The movement in provision for expected credit loss against trade debtors is as follows:

<b>Provision for expected credit loss</b>	<b>2020 Rupees</b>	<b>2019 Rupees</b>
As at 01 July 2019	<b>72,635,789</b>	68,668,506
Charge during the year	<b>113,746,383</b>	3,967,283
<b>As at 30 June 2019</b>	<b>186,382,172</b>	<b>72,635,789</b>



21	Advances and deposits	Note	2020 Rupees	2019 Rupees
	<b><u>Advances - Non-interest bearing</u></b>			
	<i>Employees - unsecured, considered good</i>			
	- Advances against business expenses		62,398,203	52,043,053
	- Advances against salary to directors		-	106,542,068
	- Advances against salaries and bikes	17.2	11,298,709	11,879,212
			73,696,912	170,464,333
	<i>Suppliers of goods - unsecured</i>			
	- Considered good	21.1	372,059,809	426,275,347
	- Considered doubtful		36,069,234	1,718,892
	Provision for doubtful advances	21.2	(36,069,234)	(1,718,892)
			372,059,809	426,275,347
	<b><u>Security deposits</u></b>			
	Short term portion of security deposits	17.1	10,903,636	-
			456,660,357	596,739,680

21.1 This includes advance, amounting to Rs. 7 million (2019: nil), given to Ahmad Brothers (Pvt) Limited, a related party, for purchase of silica sand.

21.2	Provision for doubtful advances	Note	2020 Rupees	2019 Rupees
	Balance as at 01 July		1,718,892	6,306,054
	Reversal during the year		(1,718,892)	(4,587,162)
	Charge during the year		36,069,234	-
		29	34,350,342	(4,587,162)
	Balance as at 30 June		36,069,234	1,718,892

## 22 Short term investments

Investments at fair value through profit or loss - listed securities (Shariah compliant)	22.1	3,825,840	4,066,860
--	------	-----------	-----------

22.1 Carrying amount and fair value of short term investments as year end is as follows:

Particulars	Cost		Market Value	
	2020	2019	2020	2019
Balochistan Glass Limited [6,000 (2019: 6,000) shares]	72,934	72,934	38,940	24,060
Engro Fertilizers Limited [50,000 (2019: 50,000) shares]	3,234,296	3,234,296	3,014,000	3,198,500
K Electric Limited [50,000 (2019: 50,000) shares]	390,301	390,301	150,500	219,500
Dewan Cement Limited [80,000 (2019: 80,000) shares]	2,242,664	2,242,664	622,400	624,800
	5,940,195	5,940,195	3,825,840	4,066,860

22.1.1 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 2020.

22.1.2	Movement in fair value is as follows:	Note	2020 Rupees	2019 Rupees
	<b><u>Cost</u></b>			
	As at 30 June		5,940,195	5,940,195
	<b><u>Unrealized fair value loss</u></b>			
	As at 01 July 2019		(1,873,335)	(397,761)
	Fair value loss for the year	29	(241,020)	(1,475,574)
	As at 30 June		(2,114,355)	(1,873,335)
	Fair value at 30 June		3,825,840	4,066,860

			2020 Rupees	2019 Rupees
<b>23</b>	<b>Other receivables</b>	<i>Note</i>		
	Sales tax receivable - net		<b>128,728,420</b>	90,562,543
	Due from related parties	23.1	<b>157,380,751</b>	171,939,650
	Others		-	127,500
	<i>Profit accrued on saving accounts:</i>			
	- Islamic banks		-	194,692
			<b>286,109,171</b>	<b>262,824,385</b>
<b>23.1</b>	<b>Due from related parties</b>			
	<i>RAK Ghani Glass Limited, associated company:</i>			
	- Dividend receivable	23.1.1	<b>157,380,751</b>	155,544,410
	- Receivable against expenses	23.1.2	-	16,395,240
			<b>157,380,751</b>	<b>171,939,650</b>
<b>23.1.1</b>	This represents dividend receivable from RAK Ghani Glass LLC with respect to dividend declared during the year. The balance receivables is outstanding in age bracket of 0-360 days and almost 60% of the outstanding amount is received subsequent to the year end.			
<b>23.1.2</b>	This represented receivable against expenses incurred by the Company on behalf of RAK Ghani Glass LLC. This was interest free, unsecured and considered good.			
<b>23.1.3</b>	The maximum aggregate amount outstanding at any time during the year calculated by reference to month end balances is as follows;			
		<i>Note</i>	2020 Rupees	2019 Rupees
	RAK Ghani Glass		<b>171,939,650</b>	419,962,135
<b>24</b>	<b>Cash and bank balances</b>			
	Cash in hand		<b>30,165,780</b>	29,686,602
	<b><u>Cash at bank</u></b>			
	<i>Current accounts:</i>			
	- Conventional banking, local currency		<b>43,211,436</b>	101,880,498
	- Islamic banking, local currency		<b>216,177,073</b>	279,469,487
	- Islamic banking, foreign currency	24.1	<b>3,880,793</b>	68,312,505
			<b>263,269,302</b>	449,662,490
	<i>Saving accounts:</i>			
	- Islamic banking, local currency	24.2	<b>67,475,400</b>	246,633,548
			<b>67,475,400</b>	246,633,548
			<b>360,910,482</b>	<b>725,982,640</b>
<b>24.1</b>	This represents foreign currency bank balance of USD 23,093 (2019: USD 419,018).			
<b>24.2</b>	The balances in saving accounts carry expected profit at the rate of 5.2% to 11.2% (2019: 6.3% to 12.5%) per annum.			

## 25 Revenue from contract with customers

	2020 Rupees	2019 Rupees
Revenue - local	18,741,435,314	19,382,275,982
Revenue - export	1,686,283,772	1,240,935,131
	20,427,719,086	20,623,211,113
Less:		
Trade discounts	(377,283,982)	(313,287,581)
Sales tax	(2,954,191,021)	(3,061,796,086)
<b>Revenue from contract with customer - net</b>	<b>17,096,244,083</b>	<b>17,248,127,446</b>

### 25.1 Disaggregation of revenue from contract with customers

In the following table revenue from contracts with customers is disaggregated by primarily type of products.

#### Type of products - net local sales

	Note	2020 Rupees	2019 Rupees
Container glass products		6,607,571,882	6,193,796,756
Float glass products		8,802,313,403	9,822,013,376
		15,409,885,285	16,015,810,132

#### Type of products - net export sales

Container glass products		615,102,768	872,591,738
Float glass products		1,071,256,030	359,725,576
		1,686,358,798	1,232,317,314
		17,096,244,083	17,248,127,446

## 26 Cost of sales

Raw material consumed		5,204,954,695	4,839,405,030
Packing material consumed		1,017,334,601	803,907,192
Fuel, gas and electricity		6,670,885,948	5,888,366,089
Stores and spares consumed		374,717,483	389,543,359
Salaries, allowances and other benefits	26.1	1,495,817,755	1,766,599,825
Depreciation	14.2	1,174,168,190	858,032,276
Amortization	15.1	4,957,998	4,626,018
Rent, rates and taxes		99,643,354	54,787,949
Repair and maintenance		88,103,445	45,981,628
Travelling and motor running		47,770,083	60,467,443
Communication and stationery		10,239,361	8,207,455
Glass coating charges		8,643,068	27,599,821
Provision for slow moving and obsolete stocks		8,842,128	15,397,248
Other manufacturing expenses		55,729,246	111,492,275
Cost of goods manufactured		16,261,807,355	14,874,413,608
Work in process:			
Opening balance		139,867,416	63,892,165
Closing balance		(92,285,137)	(139,867,416)
		47,582,279	(75,975,251)
		16,309,389,634	14,798,438,357
Finished goods:			
Opening balance		2,859,650,798	679,937,079
Impact of IFRS 15 on opening balance		-	(18,526,399)
Finished goods purchased		-	1,617,201
Closing balance		(5,158,257,028)	(2,859,650,798)
		(2,298,606,230)	(2,196,622,917)
Freight and forwarding charges			
- Local		171,360,714	138,143,733
- Export		308,424,434	129,849,889
		14,490,568,552	12,869,809,062

26.1 Salaries, allowances and other benefits include Rs. 62.21 million (2019: Rs. 65.57 million) in respect of provident fund contribution expense.

27	General and administrative expenses	Note	2020	2019
			Rupees	Rupees
	Salaries, allowances and other benefits	27.1	281,411,583	329,253,553
	Rent, rates and taxes		3,507,419	29,272,677
	Repair and maintenance		6,499,197	6,368,507
	Travelling and conveyance		21,257,868	24,401,277
	Communication, stationery and supplies		14,075,501	17,621,566
	Utilities		7,947,209	7,942,095
	Auditors' remuneration	27.2	2,845,000	3,300,000
	Depreciation	14.2	63,994,524	38,170,453
	Amortization	15.1	269,456	251,414
	Legal and professional expenses		16,327,039	15,190,295
	Charity and donation	27.3	233,929,699	286,869,360
	Other expenses		22,984,011	32,087,898
			<b>675,048,506</b>	<b>790,729,095</b>
27.1	Salaries, allowances and other benefits include Rs. 15.42 million ( 2019: Rs. 9.6 million) in respect of provident fund contribution expense.			
27.2	<b>Auditors' remuneration</b>		<b>2020</b>	<b>2019</b>
	<b>Audit Services</b>		<b>Rupees</b>	<b>Rupees</b>
	Statutory audit		2,200,000	2,000,000
	Half yearly review		300,000	260,000
	Additional time cost charged		-	600,000
	Out of pocket expenses		345,000	240,000
	<b>Non-audit services</b>			
	Other certifications		-	200,000
			<b>2,845,000</b>	<b>3,300,000</b>
27.3	The details of the donations to a single party exceeding 10% of company's total amount of donation or Rs. 1 million, whichever is higher, are as follows:			
		Note	2020	2019
			Rupees	Rupees
	Ghani Foundation Trust	27.3.1	214,600,000	257,199,998
	Indus Hospital	27.3.2	-	15,000,000
	Numl University	27.3.3	1,268,973	-
			<b>215,868,973</b>	<b>272,199,998</b>
27.3.1	Ghani Foundation ( the "Trust") is a related party of the Company. The executive directors of the Company, Mr. Imtiaz Ahmed Khan, Mr. Anwaar Ahmed Khan, Mr. Jubair Ghani and Mr. Junaid Ghani are the trustees of the Ghani Foundation Trust. The Trust is recognized from Income Tax Authorities under section 2(36) of the Income Tax Ordinance, 2001.			
27.3.2	Indus Hospital (the "Hospital") is a related party of the Company. The executive director of the Company, Mr. Anwaar Ahmed Khan is a member of the Board of Directors of the Hospital.			
27.3.3	None of the directors or their spouses have any interest in donees other than specified in 27.3.1 and 27.3.2.			
28	Selling and distribution expenses	Note	2020	2019
			Rupees	Rupees
	Salaries, allowances and other benefits	28.1	208,439,920	229,188,532
	Travelling and conveyance		24,681,723	21,671,097
	Repair and maintenance		4,889,530	2,838,349
	Rent, rates and taxes		2,414,329	6,931,589
	Communication, stationery and supplies		2,044,901	4,974,845
	Utilities		422,966	588,223
	Sales promotions		89,795,030	171,468,872
	Depreciation	14.2	8,349,605	164,592
	Amortization	15.1	161,674	150,848
	Other expenses		318,599	241,362
			<b>341,518,277</b>	<b>438,218,309</b>
28.1	Salaries, allowances and other benefits include Rs. 14.77 million (2019: Rs. 11.22 million) in respect of provident fund contribution expense.			

			2020 Rupees	2019 Rupees
<b>29</b>	<b>Other expenses</b>	<i>Note</i>		
	Workers' profit participation fund	10.6	86,101,177	172,891,144
	Workers' welfare fund	10.5	32,558,950	48,621,508
	Unrealized fair value loss on			
	-re-measurement of short term investment	22.1.2	241,020	1,475,574
	Provision against doubtful advances	21.2	34,350,342	-
	Others		1,226,997	-
			<b>154,478,486</b>	<b>222,988,226</b>
<b>30</b>	<b>Other income</b>			
	<b><u>Income / (loss) from financial assets</u></b>			
	Profit on savings accounts- Islamic Banking		7,355,008	22,531,975
	Exchange gain - net		18,982,684	130,850,380
	Dividend income	30.1	500,000	550,000
			<b>26,837,692</b>	<b>153,932,355</b>
	<b><u>Income from non-financial assets</u></b>			
	Gain on sale of fixed assets		2,362,747	4,644,138
	Scrap sales		60,092,643	44,856,067
	Proceeds from sale of by-product		12,769,260	10,068,555
	Miscellaneous income		26,682,478	2,673,821
			<b>101,907,128</b>	<b>62,242,581</b>
			<b>128,744,820</b>	<b>216,174,936</b>
<b>30.1</b>	The dividend are from the companies listed on the All Shares Islamic Index of Pakistan Stock Exchange.			
<b>31</b>	<b>Finance cost</b>		2020 Rupees	2019 Rupees
	Bank charges		19,108,563	12,520,829
	Unwinding of liability against right of use asset		14,863,236	-
			<b>33,971,799</b>	<b>12,520,829</b>
<b>32</b>	<b>Taxation</b>			
	<i>Income tax</i>			
	- Current year		-	-
	- Prior year		26,799,965	(100,077,707)
			<b>26,799,965</b>	<b>(100,077,707)</b>
	<i>Deferred tax</i>			
	- Current year		63,487,993	12,624,877
	- Prior year		-	174,800,463
			<b>63,487,993</b>	<b>187,425,340</b>
			<b>90,287,958</b>	<b>87,347,633</b>
<b>32.1</b>	<b>Tax charge reconciliation</b>			
	Accounting profit		1,603,363,417	3,230,867,369
	Tax expense at the rate of 29%		464,975,391	936,951,537
	<i>Tax effect of:</i>			
	- Income under final tax regime		19,382,709	(43,656,826)
	- Change in proportion of income between final tax regime and normal tax regime		63,828,734	176,394,039
	- Impact of tax related to associate accounting		(31,177,545)	(17,446,889)
	- Tax credits		(449,654,013)	(941,051,836)
	- Prior year		26,799,965	(100,077,707)
	- Super tax adjustment		-	50,711,461
	- Permanent differences		-	25,523,854
	- Others		(3,867,283)	-
			<b>90,287,958</b>	<b>87,347,633</b>

### 33 Cash generated from operations

Profit before taxation

*Adjustments for non cash and other items:*

Depreciation

Amortization

Finance cost

Expected credit loss on trade debtors

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

Provision against advances

Provision for slow moving material of stock in trade

Provision for workers' welfare fund -net

Provision for workers' profit participation fund

Share of profit of associate

Unrealized fair value loss on

re-measurement of short term investments

Dividend Income

Unrealized exchange gain

Gain on sale of property, plant and equipment

#### Operating profit before working capital changes

*(Increase)/ decrease in working capital:*

Store, spares and other consumables

Contract assets

Stock in trade

Trade debtors

Advances

Other receivables

Contract liability

Trade and other payables

#### Cash generated from operations

### 34 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 2020:

Size of the fund - total assets

Cost of investments made

Percentage of investments made

Fair value of investments

#### 34.1 The break-up of fair value of investments is as follows:

	2020		2019	
	Rupees	%	Rupees	%
Shares in listed companies	15,634,968	2%	16,377,364	3%
Term deposit receipts	278,266,096	44%	226,161,988	44%
Mutual funds	92,450,626	14%	89,959,640	17%
Sukuk	15,160,915	2%	15,193,521	3%
Saving accounts	245,599,049	38%	173,326,316	33%
	647,111,654	100%	521,018,829	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.

2020 Rupees	2019 Rupees
1,603,363,417	3,230,867,369
1,246,512,319	896,367,321
5,389,128	5,028,280
33,971,799	12,520,829
113,746,383	3,967,283
-	5,224,774
34,350,342	(4,587,162)
8,842,128	16,488,556
32,558,950	48,621,508
86,101,177	172,891,144
(187,706,517)	(104,797,791)
241,020	1,475,574
(500,000)	(550,000)
(8,171,541)	(279,630)
(2,362,747)	(4,644,138)
1,362,972,441	1,047,726,548
2,966,335,858	4,278,593,917
283,960,391	(329,096,112)
40,457,514	(40,457,514)
(2,336,890,353)	(2,428,007,512)
(117,528,159)	(591,088,273)
102,805,882	(59,198,657)
(12,419,370)	320,525,654
73,803,266	60,334,740
1,588,495,109	1,268,771,887
(377,315,720)	(1,798,215,787)
2,589,020,138	2,480,378,130

2020 Rupees	2019 Rupees
658,308,887	538,368,499
657,092,328	528,006,599
99.82%	98.00%
647,111,654	521,018,829



### 35 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	
	2020 Rupees	2019 Rupees	2020 Rupees	2019 Rupees	2020 Rupees	2019 Rupees	2020 Rupees	2019 Rupees
Managerial remuneration	76,320,647	77,613,696	245,124,980	234,944,401	-	-	137,887,608	130,577,179
Bonus	13,970,464	41,393,970	44,870,038	127,753,200	-	-	13,785,675	35,638,153
Medical expenses	211,691	385,431	679,411	478,827	-	-	5,698,033	6,528,860
Retirement benefits	6,357,510	6,467,808	20,418,911	18,682,603	-	-	11,486,038	10,881,432
House rent	2,304,000	2,304,000	4,608,000	4,608,000	-	-	-	-
	99,164,312	128,164,905	315,701,340	386,467,031	-	-	168,857,354	183,625,624
<b>Number of persons</b>	<b>1</b>	<b>1</b>	<b>5</b>	<b>5</b>	<b>10</b>	<b>10</b>	<b>38</b>	<b>32</b>

**35.1** 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.

### 36 Transactions with related parties

The related parties comprise of associated company, other related companies, the Company's directors and key management personnel and employees retirement benefit fund. Balances with related parties are disclosed in respective notes to the financial statements. Significant transactions with related parties other than those disclosed elsewhere in financial statements are as follows:

Name of related party	Basis of relationship	Nature of transactions	2020 Rupees	2019 Rupees
Ghani Value Glass Limited	Common control	Sale of goods Purchases Expenses on behalf of related party	878,398,751 16,305,716 7,323,484	770,165,897 73,120,484 11,678,830
RAK Ghani Glass LLC	Shareholding of 49.934% by the Company	Dividend received Expenses on behalf of the Company Expenses on behalf of related party Purchases	136,111,818 21,752,710 608,280 -	75,573,443 15,962,867 - 231,525
Health Tek (Private) Limited	Common control	Sale of goods	10,996,026	9,918,831
Sami Pharmaceutical (Private) Limited	Common control	Sale of goods	253,301,574	197,412,542
Ghani Foundation trust	Directors being trustees	Donations	214,600,000	257,199,998
Provident fund	Employee retirement fund	Payment to provident fund	189,486,318	174,165,864
Indus Hospital	Common control	Donation	-	15,000,000
Ahamd brothers	Common control	Advance for purchase of Silica sand	7,000,000	-
Mr. Imtiaz Ahmad Khan	Director (8.0164% equity held)	Issue of right shares Repayment of loan Loan taken by the Company Dividend paid	- 224,020,470 50,020,470 86,824,956	100,182,630 - 184,000,000 165,301,362
Mr. Junaid Ghani	Director (3.3599% equity held)	Issue of right shares Repayment of loan Loan taken by the Company Dividend paid	- 77,741,045 27,741,045 36,390,198	42,117,560 - 50,000,000 69,242,678
Mr. Zaid Ghani	Director (3.3599% equity held)	Issue of right shares Dividend paid	- 36,390,196	42,823,150 69,030,996
Mr. Jubair Ghani	Director (4.068% equity held)	Issue of right shares Repayment of loan Loan taken by the Company Dividend paid	- 108,148,807 27,648,807 44,059,872	50,838,310 - 80,500,000 83,883,219
Mr. Aftab Ahmad Khan	Director (13.2109% equity held)	Issue of right shares Repayment of loan Loan taken by the Company Dividend paid	- 187,572,846 1,572,846 143,084,992	165,098,060 - 186,000,000 272,411,814
Mr. Ibrahim Ghani	Director (2.3765% equity held)	Issue of right shares Dividend paid	- 25,739,272	29,699,150 49,003,617
Mrs. Robina Imtiaz	Director (1.4307% equity held)	Issue of right shares Dividend paid	- 15,494,694	17,878,490 29,499,515
Mrs. Ayesha Aftab	Director (3.6683% equity held)	Issue of right shares Dividend paid	- 39,730,290	45,842,640 75,640,361

Mr. Hamza Ghani	Director (0.3074% equity held)	Issue of right shares Repayment of loan Loan taken by the Company Dividend paid	- 22,060,444 1,060,444 3,329,446	4,805,000 - 37,000,000 6,049,754
Anwar Ahmad Khan	Director (7.9084% equity held)	Repayment of loan Loan taken by the Company Dividend paid	151,756,882 8,756,882 85,654,932	- 143,000,000 192,723,597
Mr. Ayub Sadiq	Director (0.00039% equity held)	Issue of right shares Dividend paid	- 4,198	4,840 7,994
Mr. Shamim Ahmed	Director (0.6595% equity held)	Issue of right shares Dividend paid	- 7,143,446	8,103,100 13,460,693
Mr. Moezz Ghani	Director (2.7699% equity held)	Issue of right shares Dividend paid	- 30,000,000	96,016,860 38,694,942
Mr. Ovais Shamim	Director (2.3269% equity held)	Issue of right shares Dividend paid	- 25,202,014	27,511,740 46,413,260
Mr. Junaid Shamim	Director (0.1255% equity held)	Issue of right shares Dividend paid	- 1,358,994	570 1,019,816
Mr. Umair Ghani	Other related party (2.784% equity held)	Issue of right shares Dividend paid	- 30,149,424	98,582,620 38,261,418
Mr. Obaid Ghani	Other related party (3.483% equity held)	Issue of right shares Dividend paid	- 37,724,250	42,705,280 71,023,979
Mr. Hafiz Awais Ghani	Other related party (0.991% equity held)	Issue of right shares Dividend paid	- 10,729,526	12,380,220 20,427,368
Mrs. Musfira Jubair	Other related party (0.0006% equity held)	Issue of right shares Dividend paid	- 6,132	7,070 11,676
Mr. Aitzaz Ahmad Khan	Other related party (1.188% equity held)	Issue of right shares Dividend paid	- 12,866,306	14,845,730 24,495,470
Mrs. Amina Owais	Other related party (1.128% equity held)	Issue of right shares Dividend paid	- 12,221,608	14,101,850 23,268,063
Mrs. Sana Ayub	Other related party (0.01433% equity held)	Issue of right shares Dividend paid	- 154,960	178,800 295,020
Ghani Glass Ltd Employee Provident Fund Trust	Associate	Issue of right shares Dividend paid	- 497,848	561,710 947,830
Key management personnel	Key management personnel	Remuneration and other benefits	440,681,377	545,525,873

**36.1** 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 and these are disclosed below

Name	Relationship	% of shareholding in the Company
Imtiaz Ahamad Khan	Director / Key management personnel	8.0164%
Anwar Ahmad Khan	Director / Key management personnel	7.9084%
Aftab Ahmad Khan	Director / Key management personnel	13.2109%
Junaid Ghani	Director / Key management personnel	3.3599%
Jubair Ghani	Director / Key management personnel	4.0680%
Hamza Ghani	Director / Key management personnel	0.3074%
Mr. Umer Farooq Khan	Key management personnel	N/A
Mr. Javed Akhtar	Key management personnel	N/A
Mr. Hafiz Muhammad Imran Sabir	Key management personnel	N/A

## 37 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 analyze 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.

### 37.1 Risk management framework

The Board of Directors has overall responsibility for establishment and oversight 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.

### 37.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fail completely to perform as contracted. To mitigate the risk the Company maintained procedures for monitoring of exposures against different parties. As part of these process the financial viability of all counterparties is regularly monitored and addressed. To mitigate the risk, the Company has a system of monitoring outstanding balances of its customers based on an extensive evaluation of customer profile and payment history.

#### 37.2.1 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:

<b><i>Financial assets - (except FVTPL)</i></b>	<b><i>Note</i></b>	<b>2020 Rupees</b>	<b>2019 Rupees</b>
Contract assets		-	40,457,514
Trade debts - net	20	<b>2,263,315,099</b>	2,240,195,500
Bank balances	24	<b>330,744,702</b>	696,490,730
Advances and deposits		<b>48,974,040</b>	162,052,642
Other receivables	23	<b>157,380,751</b>	171,939,650
		<b>2,800,414,592</b>	3,311,136,036

#### 37.2.2 Trade debts

The Company's trade debts and contract assets comprises of receivables from the Industrial customers and distributors. The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Trade receivables are written off when there is no reasonable expectation of recovery. On adoption of IFRS 9, management uses an allowance matrix to base the calculation of ECL of trade receivables from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a 'role rate' method based on the probability of receivable progressing through successive stages of delinquency to write-off. The Company has used four years data in the calculation of historical loss rates. These rates are multiplied by scalar factors to reflect the effect of forward looking macro economic factors. The analysis of ages of trade debts and loss allowance using the aforementioned approach as at 30 June 2020 was determined as follows:

	<b>2020</b>		<b>2019</b>	
	<b>Gross carrying amount</b>	<b>Loss allowance</b>	<b>Gross carrying amount</b>	<b>Loss allowance</b>
	<b>-----Rupees-----</b>		<b>-----Rupees-----</b>	
Current	<b>886,536,979</b>	<b>12,624,971</b>	909,412,830	2,944,118
1-180 days	<b>1,216,321,885</b>	<b>17,219,497</b>	1,209,786,801	5,542,614
180-365 days	<b>142,722,104</b>	<b>18,400,522</b>	126,546,661	1,921,764
<b>366 days and above</b>	<b>204,116,303</b>	<b>138,137,182</b>	67,084,997	62,227,293
	<b>2,449,697,271</b>	<b>186,382,172</b>	2,312,831,289	72,635,789

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Credit quality of the customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored and shipments to the export customers are generally covered by letters of credit or other form of credit insurance.

### 37.2.3 Bank balances

Credit risk of balances with banking and financial institutions is considered minimal as 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	Short term	Rating		2020	2019
		Long term	Agency	Rupees	Rupees
Al-Baraka Bank Pakistan Limited	A-1	A+	JCR-VIS	5,046,199	7,818,839
Allied Bank Limited	AAA	A-1+	PACRA	14,103,697	4,802,627
Askari Bank Limited	AA+	A-1+	JCR-VIS	(12,505,503)	30,225,294
Bank Al-Falah Limited	AA+	A-1+	JCR-VIS	30,959,093	103,981,210
Bank Al-Habib Limited	AA+	A-1+	PACRA	51,589,669	13,366,834
Bank Islami Pakistan Limited	A+	A1	PACRA	777,539	3,750,307
Dubai Islamic Bank Limited	AA	A-1+	JCR-VIS	496,681	13,797,646
Faysal Bank Limited	AA	A-1+	JCR-VIS	8,247,117	3,925,067
First Women Bank	AA	A-1+	PACRA	585,712	585,712
Habib Bank Limited	AAA	A-1+	JCR-VIS	82,356,997	179,267,483
Habib Metropolitan Bank Limited	AA+	A-1+	PACRA	(142,758,091)	57,400,707
MCB Bank Limited	AAA	A-1+	PACRA	75,245,810	55,966,271
MCB Islamic Bank Limited	A	A-1	PACRA	5,317,764	19,593,257
Meezan Bank Limited	AA+	A-1+	JCR-VIS	88,259,270	85,067,816
National Bank Of Pakistan	AAA	A-1+	PACRA	(30,249,753)	3,905,974
Samba Bank Limited	AA	A-1+	JCR-VIS	10,320,228	35,019,517
SME Bank Ltd.	B	B	PACRA	313,734	313,734
Soneri Bank Limited	AA-	A-1+	PACRA	3,932,600	4,558,777
Standard Chartered	AAA	A-1+	PACRA	58,955,726	12,331,223
The Bank Of Punjab	AA	A-1+	PACRA	58,297,922	43,350,800
United Bank Limited	AAA	A-1+	JCR-VIS	21,452,291	17,461,635
				<b>330,744,702</b>	<b>696,490,730</b>

### 37.2.4 Advances, deposits and other receivables

Advances, deposits and other receivable comprise of advances to employees, deposits with government entities and receivables from associated company. The Company has assessed, based on historical experience and available securities, that the expected credit loss associated with these financial assets is trivial and therefore no impairment charge has been accounted for. Breakup of these financial assets based on their risk characteristics is as follows:

	2020 Rupees	2019 Rupees
Due from Government entities	34,571,177	26,049,008
Due from associated company	157,380,751	171,939,650
Due from employees	14,402,863	136,003,634
	<b>206,354,791</b>	<b>333,992,292</b>

As notified by SECP through SRO 985(I)/2019, the financial assets due from the Government of Pakistan are exempt from the application of ECL Model. Therefore, these financial assets have not been considered for impairment charge under ECL methodology.

The amounts due from employees are secured against salary and other assets.

### 37.3 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.

### 37.3.1 Exposure to liquidity risk

Following is the maturity analysis of financial liabilities:

	30 June 2020				
	Carrying amount	Contractual cash flows	Upto one year	One to two year	More than 2 years
	----- Rupees -----				
Trade and other payables	4,354,529,972	4,354,529,972	4,354,529,972	-	-
Loan from sponsor directors	26,000,000	26,000,000	26,000,000	-	-
Unpaid dividend	1,014,638,626	1,014,638,626	1,014,638,626	-	-
Unclaimed dividend	19,052,071	19,052,071	19,052,071	-	-
Liability against right of use asset	104,726,685	140,406,836	45,008,474	26,945,025	68,453,337
<b>2020</b>	<b>5,518,947,354</b>	<b>5,554,627,505</b>	<b>5,459,229,143</b>	<b>26,945,025</b>	<b>68,453,337</b>
	----- Rupees -----				
	30 June 2019				
	Carrying amount	Contractual cash flows	Upto one year	One to two year	More than 2 years
	----- Rupees -----				
Trade and other payables	3,129,554,455	3,129,554,455	3,129,554,455	-	-
Loan from sponsor directors	680,500,000	680,500,000	680,500,000	-	-
Unpaid dividend	220,358,771	220,358,771	220,358,771	-	-
Unclaimed dividend	19,052,071	19,052,071	19,052,071	-	-
<b>2019</b>	<b>4,049,465,297</b>	<b>4,049,465,297</b>	<b>4,049,465,297</b>	<b>-</b>	<b>-</b>

### 37.4 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.

#### 37.4.1 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) and Euros and CNY.

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

The summary quantitative data about the Company's exposure to currency risk is as follows. The figures represent foreign currency balances after conversion in Pak Rupees using exchange rates prevailing at the statement of financial position date.

	2020					2019
	USD	EURO	CNY	GBP	Equivalent to Rupees	Equivalent to Rupees
<b>Assets</b>						
Trade debts	1,122,911	28,161	-	-	194,017,346	208,770,215.00
Foreign banks	23,093	-	-	-	3,880,793	68,312,505.00
	1,146,004	28,161	-	-	197,898,139	277,082,720
<b>Liabilities</b>						
Bills payable	(781,752)	(61,893)	(102,473)	-	(150,857,642)	(209,894,030)
	364,252	(33,732)	(102,473)	-	47,040,497	67,188,690
<b>Off balance sheet:</b>						
Outstanding letter of credits	(977,102)	(433,913)	(59,695,770)	(34,198)	390,869,856	(1,445,910,351)
<b>Net exposure</b>	<b>(612,850)</b>	<b>(467,645)</b>	<b>(59,798,243)</b>	<b>(34,198)</b>	<b>437,910,353</b>	<b>(1,378,721,661)</b>

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

The following significant exchange rates have been applied:

	2020		2019	
	Average rate	Spot rate	Average rate	Spot rate
GBP	206.77	206.50	206.84	203.01
EURO	188.84	188.61	185.62	182.32
USD	158.25	168.05	163.24	160.05
CNY	23.82	23.76	23.78	23.31

##### 37.4.1(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, bill payables and foreign currency bank accounts.

##### Effect on profit or loss

All foreign currencies as mentioned above

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

2020  
Rupees

(4,704,050)

2019  
Rupees

(6,718,869)



### 37.4.2 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.

#### 37.4.2(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:

	2020	2019	2020	2019
	Effective rate (in Percentage)		Carrying amount (Rupees)	
Variable rate instruments	5.2% - 11.2%	6.3% - 12.5%	67,475,400	246,633,548

#### 37.4.2(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 Rupees	Decrease Rupees
Effect on profit - 30 June 2020	6,747,540	(6,747,540)
Effect on profit - 30 June 2019	24,663,355	(24,663,355)

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

#### 37.4.2(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.

### 37.4.3 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 affecting all similar financial instruments trading in the market.

#### 37.4.3(a) Exposure to price risk

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

	Note	2020 Rupees	2019 Rupees
Investment in equity securities	22	3,825,840	4,066,860

#### 37.4.3(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	
	2020 Rupees	2019 Rupees
Effect of increase	382,584	406,686
Effect of decrease	(382,584)	(406,686)

#### 37.4.3(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.

**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 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.

	Carrying value			Fair value			
	FVTPL	Financial assets at amortized cost	Financial liabilities - at amortized cost	Total	Level 1	Level 2	Level 3
----- Rupees -----							
30 June 2020							
<u>Financial assets - measured at fair value</u>							
Short term investments - Listed securities	3,825,840	-	-	3,825,840	3,825,840	-	-
<u>Financial assets - not measured at fair value</u>							
Trade debts	-	2,263,315,099	-	2,263,315,099	-	-	-
Cash and bank balance	-	360,910,482	-	360,910,482	-	-	-
Advances and deposits	-	48,974,040	-	48,974,040	-	-	-
Other receivables	-	157,380,751	-	157,380,751	-	-	-
37.5.1	-	2,830,580,372	-	2,830,580,372	-	-	-
<u>Financial liabilities - measured at fair value</u>							
<u>Financial liabilities not measured at fair values</u>							
Trade and other payables	-	-	4,354,529,972	4,354,529,972	-	-	-
Loan from sponsor directors	-	-	26,000,000	26,000,000	-	-	-
Unpaid dividend	-	-	1,014,638,626	1,014,638,626	-	-	-
Unclaimed dividend	-	-	19,052,071	19,052,071	-	-	-
Liability against right of use asset	-	-	104,726,685	104,726,685	-	-	-
37.5.1	-	-	5,518,947,354	5,518,947,354	-	-	-

**37.5.1** The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

**37.5.2** Plant and machinery which was acquired under scheme of amalgamation of Techno Glass Industries Limited, has been revalued by professional valuers (level 3 measurement) based on their assessment of the market values as disclosed in note 14.4.1 to the financial statements. The valuation is conducted by the valuation expert appointed by the Company. The valuation experts used a depreciated replacement cost method to determine the value of plant and machinery. The effect of changes in the unobservable inputs used in the valuation cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.

The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

**37.5.2** Plant and machinery which was acquired under scheme of amalgamation of Techno Glass Industries Limited, has been revalued by professional valuers (level 3 measurement) based on their assessment of the market values as disclosed in note 14.4.1.1 to the financial statements. The valuation is conducted by the valuation expert appointed by the Company. The valuation experts used a depreciated replacement cost method to determine the value of plant and machinery. The effect of changes in the unobservable inputs used in the valuation cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.

## 38 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.

## 39 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.

**39.1** Sales from float glass, food and beverages products and pharmaceutical products represent 58.14%, 15.34% and 26.52% (2019:64.47%, 12.63% and 22.89% ) of total revenue of the Company respectively.

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

	2020 %	2019 %
Pakistan	90.35	93.36
Afghanistan	0.39	0.15
India	-	0.51
Kenya	0.25	0.04
Turkey	0.79	0.17
Philippines	1.19	3.46
Zambia	-	0.07
Sri Lanka	0.77	1.06
Indonesia	0.87	0.56
South Africa	0.69	0.18
Bangladesh	0.13	0.09
Tunisia	0.18	0.11
China	3.08	-
Qatar	0.50	-
Uganda	0.28	-
Others	0.53	0.24
	<b>100.00</b>	<b>100.00</b>

**39.3** All non-current assets of the Company, except investment in associate, as at 30 June 2020 are located in Pakistan.

40 Reconciliation of movements of liabilities to cash flows arising from financing activities.

	Liabilities			Total
	Unpaid dividend	Loan from sponsor directors	Liability against right of use asset	
	----- Rupees -----			
Balance as at 01 July 2019	220,358,771	680,500,000	-	900,858,771
<b><u>Changes from financing activities</u></b>				
Dividend paid	(288,805,477)	-	-	(288,805,477)
Loan paid to sponsor directors	-	(654,500,000)	-	(654,500,000)
Payment of liability against right of use asset	-	-	(19,025,868)	(19,025,868)
<b>Total changes from financing cash flows</b>	<b>(288,805,477)</b>	<b>(654,500,000)</b>	<b>(19,025,868)</b>	<b>(962,331,345)</b>
<b><u>Other changes</u></b>				
Total liability related other changes	-	-	123,752,553	-
Total equity related other charges	1,083,085,332	-	-	1,083,085,332
<b>Closing as at 30 June 2020</b>	<b>1,014,638,626</b>	<b>26,000,000</b>	<b>104,726,685</b>	<b>1,021,612,758</b>

	Liabilities		Equity	Total
	Unpaid dividend	Loan from sponsor directors	Subscription money against right issue	
	----- Rupees -----			
Balance as at 01 July 2018	419,562,727	-	-	419,562,727
<b><u>Changes from financing activities</u></b>				
Dividend paid	(2,254,097,433)	-	-	(2,254,097,433)
Loan from sponsor directors	-	680,500,000	-	680,500,000
Subscription money received	-	-	1,249,713,840	1,249,713,840
<b>Total changes from financing cash flows</b>	<b>(2,254,097,433)</b>	<b>680,500,000</b>	<b>1,249,713,840</b>	<b>(323,883,593)</b>
<b><u>Other changes</u></b>				
Total liability related other changes	(7,134,368)	-	-	(7,134,368)
Total equity related other charges	2,062,027,845	-	(1,249,713,840)	812,314,005
<b>Closing as at 30 June 2019</b>	<b>220,358,771</b>	<b>680,500,000</b>	<b>-</b>	<b>900,858,771</b>

41 Number of employees

The average and total number of permanent and contractual employees during the year as at 30 June 2020 and as at 30 June 2019 are as follows:

	No of employees	
	2020	2019
- Number of employees as at 30 June	2,577	2,856
- Average number of employees during the year	2,961	2,064

42 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)	
	2020	2019	2020	2019
Glass products	500,050	559,910	373,656	377,262

42.1 Actual production was sufficient to meet the market demand, however as explained in note 43 to the financial statements the Company during the year closed its two furnaces of container glass due to the disruptions caused by the pandemic of COVID-19. Further, the decrease in production capacity is mainly attributable to closure of one furnace of float glass products for the purpose of rebuilt / reconstruction.

43 The credit facilities available to the Company at year ended 30 June 2020 are as follows:

	2020		2019	
	Available limit	Utilized credit	Available limit	Utilized credit
	----- Rupees in million -----		----- Rupees in million -----	
Running Musharakah	1,200	-	1,200	-
Istisna	900	-	700	-
Salam	100	-	100	-
	2,200	-	2,000	-
Letter of credits / guarantees	5,950	4,795	5,050	2,616

Mortgage and charges on above facilities are amounting to Rs.8,969 million (2019 : Rs. 6,721 million)

The above mentioned limits are main limits, however sublimits of other Islamic financing facilities are also available under these main limits.

44 Impact of COVID-19 (CORONA VIRUS)

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. On March 23, 2020, the Government of the Punjab announced a temporary lock down as a measure to reduce the spread of the COVID-19. The Company's operations were disrupted due to the circumstances arising from COVID-19 including the slowdown in production, sales and operations. After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the company continued to carry out its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business. Due to this, management has assessed the accounting implications of these developments on these financial statements, however, according to management's assessment, there is no significant accounting impact of the effects of COVID-19 on these financial statements except as disclosed below:

- A decline in revenue due to disruption in demand in last quarter
- Two container glass furnaces were closed during the last quarter
- Directors of the Company have waived off their salary of approximately two months

From the very outset of Covid-19, the management has adopted various policies and practices to minimize adverse impact of Covid-19 on the business and is continuously monitoring the situation in order to proactively address any challenges which may arise from Covid-19.

The management believes that due to the pandemic the Company's operations, financial position and results have been impacted only temporarily and believes that as normalcy is coming about, these impacts have started to recede.

45 Earnings per share - basic and diluted


		2020	2019
Profit attributable to owners of the Company	<b>Rupees</b>	<b>1,513,075,459</b>	3,143,519,736
Weighted-average number of ordinary shares at 30 June	<b>Number of shares</b>	<b>541,542,666</b>	525,973,367
Basic earnings per share	<b>Rupees</b>	<b>2.79</b>	5.98

45.1 There is no dilution effect on the basic earnings per share.

46 Date of authorization for issue

The financial statements were approved and authorized for issue on October 06, 2020 by the Board of Directors of the Company.

Lahore  
  
 Chief Executive Officer

  
 Director

  
 Chief Financial Officer



# PATTERN OF SHAREHOLDING

of Shares Held by the Shareholders of Ghani Glass Limited as at June 30, 2020

Shareholding			
No. of Shareholders	From	To	Total Shares Held
416	1	100	10,961
396	101	500	140,143
329	501	1,000	280,037
753	1,001	5,000	1,869,828
194	5,001	10,000	1,421,701
61	10,001	15,000	774,017
41	15,001	20,000	708,670
21	20,001	25,000	469,777
17	25,001	30,000	457,119
12	30,001	35,000	384,064
12	35,001	40,000	462,792
8	40,001	45,000	339,527
8	45,001	50,000	382,590
6	50,001	55,000	315,664
5	55,001	60,000	295,518
6	60,001	65,000	378,813
5	65,001	70,000	337,479
3	70,001	75,000	215,830
4	75,001	80,000	312,199
1	80,001	85,000	81,000
8	85,001	90,000	706,558
4	90,001	95,000	372,242
5	95,001	100,000	496,286
2	105,001	110,000	211,898
2	110,001	115,000	228,718
1	115,001	120,000	119,347
1	120,001	125,000	123,500
3	125,001	130,000	387,968
3	130,001	135,000	392,843
1	140,001	145,000	143,000
2	145,001	150,000	295,703
1	155,001	160,000	156,226
1	160,001	165,000	160,816
1	165,001	170,000	169,650
2	170,001	175,000	345,206
1	180,001	185,000	180,794
1	185,001	190,000	186,532
1	200,001	205,000	201,500
1	215,001	220,000	217,750
2	220,001	225,000	449,010
1	225,001	230,000	227,500
1	230,001	235,000	232,000
2	255,001	260,000	520,000
1	280,001	285,000	281,303
1	305,001	310,000	307,369
1	335,001	340,000	339,300
1	350,001	355,000	353,372
1	355,001	360,000	357,150
1	360,001	365,000	364,723
1	410,001	415,000	414,396
2	460,001	465,000	928,655
1	530,001	535,000	531,713
1	610,001	615,000	613,000
3	645,001	650,000	1,950,000
1	675,001	680,000	679,497
1	865,001	870,000	866,000
1	945,001	950,000	948,551
1	995,001	1,000,000	1,000,000
1	1,050,001	1,055,000	1,050,107
1	1,115,001	1,120,000	1,118,794
1	1,295,001	1,300,000	1,300,000
1	1,910,001	1,915,000	1,913,376
1	2,285,001	2,290,000	2,287,053
1	3,415,001	3,420,000	3,417,885
1	3,570,001	3,575,000	3,571,723
1	3,710,001	3,715,000	3,711,867
1	3,775,001	3,780,000	3,779,100
1	4,205,001	4,210,000	4,206,241
1	4,330,001	4,335,000	4,331,164
1	4,685,001	4,690,000	4,688,387
1	5,360,001	5,365,000	5,364,763
1	6,110,001	6,115,000	6,110,804
1	6,395,001	6,400,000	6,398,459
1	6,405,001	6,410,000	6,407,471
1	6,410,001	6,415,000	6,415,000
1	6,780,001	6,785,000	6,781,385
1	6,915,001	6,920,000	6,919,266
1	7,745,001	7,750,000	7,747,347
1	7,810,001	7,815,000	7,811,927
2	8,020,001	8,025,000	16,048,578
1	8,080,001	8,085,000	8,080,734
1	8,290,001	8,295,000	8,293,327
1	8,555,001	8,560,000	8,556,763
1	8,980,001	8,985,000	8,982,389
1	9,030,001	9,035,000	9,034,167
1	9,885,001	9,890,000	9,888,027
1	9,945,001	9,950,000	9,948,212
1	10,380,001	10,385,000	10,383,172
1	10,685,001	10,690,000	10,687,522
1	10,830,001	10,835,000	10,830,588
1	11,900,001	11,905,000	11,901,493
1	12,600,001	12,605,000	12,601,007
1	12,780,001	12,785,000	12,781,762
1	13,045,001	13,050,000	13,047,547
1	17,245,001	17,250,000	17,246,547
1	17,775,001	17,780,000	17,778,135
1	18,915,001	18,920,000	18,917,200
1	19,865,001	19,870,000	19,865,145
1	38,495,001	38,500,000	38,496,302
1	41,125,001	41,130,000	41,125,425
1	52,625,001	52,630,000	52,625,296
1	52,990,001	52,995,000	52,993,404
2,408			541,542,666

Categories of shareholders	Share held	Percentage
Directors, Chief Executive Officers, and their spouse and minor children	325,440,056	60.0950%
Associated Companies, undertakings and related parties.	180,085	0.0333%
NIT and ICP	3,712,758	0.6856%
Banks Development Financial Institutions, Non Banking Financial Institutions.	333	0.0001%
Insurance Companies	-	0.0000%
Modarabas and Mutual Funds	1,278,002	0.2360%
Share holders holding 10% or more	71,542,496	13.2109%
General Public		
a. Local	137,463,751	25.3837%
b. Foreign	7,122	0.0013%
Others (to be specified)		
Joint Stock Companies	19,101,428	3.5272%
Pension Funds	868,031	0.1603%
Other Companies	53,491,100	9.8775%

# PATTERN OF SHAREHOLDING

As on June 30, 2020

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	0.0236%
2	GHANI MINES (PVT) LIMITED - (CDC)	52,117	0.0096%
<b>Mutual Funds (Name Wise Detail)</b>			
1	CDC - TRUSTEE AKD INDEX TRACKER FUND (CDC)	25,002	0.0046%
2	CDC - TRUSTEE AL MEEZAN MUTUAL FUND (CDC)	227,500	0.0420%
3	CDC - TRUSTEE MEEZAN ISLAMIC FUND (CDC)	866,000	0.1599%
4	CDC - TRRSTEE MEEZAN DEDICATED EQUITY FUND (CDC)	100,000	0.0185%
<b>Directors and their Spouse and Minor Children (Name Wise Detail):</b>			
1	MR. IMTIAZ AHMAD KHAN	43,412,478	8.0164%
2	MR. JUNAID GHANI	18,195,099	3.3599%
3	MR. ANWAAR AHMAD KHAN	42,827,466	7.9084%
4	MR. AFTAB AHMAD KHAN	71,542,496	13.2109%
5	MR. ZAID GHANI	18,195,098	3.3599%
6	MR. JUBAIR GHANI	22,029,936	4.0680%
7	MR. SHAMIM AHMAD (CDC)	3,571,723	0.6595%
8	MR. HAMZA GHANI	1,664,723	0.3074%
9	MR. AYUB SADIQ	2,099	0.0004%
10	MR. AJMAL KHAN (EOBI Nominee)	-	0.0000%
11	MR. MOEEZ GHANI (CDC)	15,000,000	2.7699%
12	MR. IBRAHIM GHANI	12,869,636	2.3765%
13	MR. JUNAID SHAMIM (CDC)	679,497	0.1255%
14	MR. OVAIS SHAMIM (CDC)	12,601,007	2.3269%
15	MRS. ROBINA IMTIAZ W/O IMTIAZ AHMAD KHAN	7,747,347	1.4306%
16	MRS. REEMA ANWAAR W/O ANWAAR AHMAD KHAN	11,006,821	2.0325%
17	MRS. AYESHA AFTAB W/O AFTAB AHMAD KHAN	19,865,145	3.6683%
18	MRS. MUNEERA JUNAID W/O JUNAID SHAMIM (CDC)	17,778,135	3.2829%
19	MRS. MUSFIRA JUBAIR W/O JUBAIR GHANI	3,066	0.0006%
20	MRS. AMNA OVAIS W/O OVAIS SHAMIM (CDC)	6,110,804	1.1284%
21	MRS. SANA AYUB W/O AYUB SADIQ (CDC)	77,480	0.0143%
22	MRS. ANAM ZAID W/O ZAID GHANI (CDC)	260,000	0.0480%
<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>		927,864	0.1713%
<b>Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)</b>			
1	MR. AFTAB AHMAD KHAN	71,542,496	13.2109%
2	EMPLOYEES OLD AGE BENEFITS INSTITUTION (CDC)	52,993,404	9.7856%
3	MR. ANWAAR AHMAD KHAN	42,827,466	7.9084%
4	MR. IMTIAZ AHMAD KHAN	43,412,478	8.0164%

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 28th Annual General Meeting of the members of **GHANI GLASS LIMITED** will be held on Wednesday October 28, 2020 at 11:30 a.m., at Park Lane Hotel, 107-B3, Gulberg-III, MM Alam Road, Lahore to transact the following business:

### Ordinary Business

1. To confirm the minutes of Annual General Meeting held on October 26, 2019.
2. To receive, consider and adopt the audited annual accounts of **GHANI GLASS LIMITED** for the year ended June 30, 2020 together with the Directors' and Auditors' reports thereon.
3. To approve the interim cash dividend as already paid @20% i.e. Rs.2.00 per shares for the year ended June 30, 2020.
4. To appoint auditors for the year ending June 30, 2021 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.7,500,000,000 (Rupees seven billion five hundred million only) divided into 750,000,000 ordinary shares of Rs.10 each to Rs.10,000,000,000 (Rupees ten billion only) divided into 1,000,000,000 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.10,000,000,000 (Rupees ten billion only) divided into 1,000,000,000 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.10,000,000,000 (Rupees ten billion only) divided into 1,000,000,000 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."

6. To transact any other business with the permission of the Chair.

Lahore: October 6, 2020

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, 2020 to October 28, 2020 (both days inclusive). Members whose names appear on the register of members as at the close of business on October 20, 2020 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").

#### **Withholding tax on dividend income**

It is further informed that pursuant to the provisions of Finance Act 2014, effective from July 1, 2014 a new criteria for withholding of tax on dividend income was introduced by the FBR. The 'Filer' and 'Non-Filer' shareholder shall pay tax on dividend @ 15% and 30% 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

#### **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 hereinabove 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, 2020 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 October 06, 2020 has recommended to increase Authorized Capital of the Company from from Rs.7,500,000,000 (Rupees seven billion five hundred million only) divided into 750,000,000 ordinary shares of Rs.10 each to Rs.10,000,000,000 (Rupees ten billion only) divided into 1,000,000,000 ordinary shares of Rs.10/- each for raising equity in future.

The directors are not interested, directly or indirectly, in the above business except to the extent of their shareholding as has been detailed in the pattern of Shareholding.

سٹاف ریٹائرمنٹ فونڈ کی مدد میں سرمایہ کاری اور بینک بیلنس کی تفصیل:

پروویڈنٹ فنڈ 647.11 ملین روپے (سرمایہ کاری کی قدر میں قابل حصول نفع شامل ہے۔)

کمپنی کے لیے بڑے خطرات میں کرونا کوڈ 19 کے باعث معاشی سست روی، 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 ماحولکیاتی 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 لیتا ہے۔

سی ای او، ڈائریکٹر ان، سی ایف او، کمپنی سیکرٹری ان کی بیویاں/خاوند اور چھوٹے بچوں کی کمپنی کے حصص میں سال 2019-20 کے دوران کوئی لین دین نہیں کیا۔

کمپنیز ایکٹ 2017 کی شق 227(2)(F) کے تحت نمونہ حصص داری:


30 جون 2020 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 ڈائریکٹر ان، 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۔


نان ایگزیکٹو اور آزاد ڈائریکٹر ان کی تنخواہیں:

- کوئی ڈائریکٹر اپنی تنخواہ خود مقرر نہیں کرے گا۔
- نان ایگزیکٹو ڈائریکٹروں کی تنخواہوں کا تعین آرٹیکل آف ایسوسی ایشن کے مطابق بورڈ آف ڈائریکٹر کریں گے۔
- ڈائریکٹر ان کو کمپنی کے ایمپلائز اور دوسرے امور کے لیے مناسب اخراجات (بشمول سفر، قیام و طعام اور دیگر) دیے جائیں گے۔ یہ بورڈ آف ڈائریکٹر کی منظوری سے مشروط ہے۔

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 رحم شامل فرمائے تاکہ ہم اپنے تمام شراکت داروں کے لیے اچھے نتائج لانے میں سرخرو ہوں۔ ہم اپنا تمام تر بھروسہ اللہ پر رکھتے ہیں اور اس کمپنی اور اس سے منسلک تمام افراد کی بہتری کے لیے دعا گو ہیں۔

  
آفتاب احمد خان  
ڈائریکٹر

  
امتیاز احمد خان  
چیف ایگزیکٹو آفیسر

لاہور: 6 اکتوبر 2020



کوڈ آف کارپوریٹ گورننس کی تعمیل:

کوڈ آف کارپوریٹ گورننس جو کہ سناک ایچینج 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 قوانند کا پابند کیا گیا ہے۔

30 جون 2020 کے بعد ردفا ہونے والے واقعات:

13 اگست 2020 کو سپریم کورٹ آف پاکستان نے مختلف پیداواری اور تجارتی اداروں کی اپیل خارج کر کے ایس این جی پی ایل (SNGPL) کے حق میں فیصلہ سنایا۔ اب جی آئی ڈی سی

(GIDC) کی واجب الادا رقم 24 برابر قسطوں میں ادا کرنا ہوگی جن کا آغاز 1 اگست 2020 سے ہوگا۔ اس کے علاوہ 30 جون 2020 کے بعد کوئی نمایاں تبدیلی نہیں آئی اور کوئی ایسا معاہدہ نہیں ہوا جس سے

کاروبار کی مالیاتی حیثیت متاثر ہو۔

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 بطور چیئرمین) پر مشتمل ہے۔ پچھلے سال کے

دوران آڈٹ کمیٹی کے سہ ماہی 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۔

اندرونی سرگرمیوں کے کنٹرول کو یقینی بنانا:

بورڈ آف ڈائریکٹرز اندرونی کنٹرول کے ماحول سے آگاہ ہے اور قابل اطلاق قوانین کے نفاذ، کمپنی اثاثوں کی حفاظت، موثر آپریشن کو یقینی بنانے کیلئے موثر مالیاتی اندرونی کنٹرول کا نظام بنایا ہے۔

غیر جانبدار اندرونی آڈٹ کے ذریعے مالیاتی کنٹرول کے نفاذ کی نگرانی کی جاتی ہے۔ جبکہ آڈٹ کمیٹی اندرونی کنٹرول کے ڈھانچے کی مسلسل نگرانی کرتی ہے۔

کارپوریٹ: فنانشل رپورٹنگ ڈھانچہ:

کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی تعمیل میں کارپوریٹ فنانشل 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۔

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

ٹرانسفر پراسنگ کے اعلیٰ طریقوں سے کوئی انحراف نہیں ہوا۔

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

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

بورڈ کے ممبران درج ذیل ہیں۔

آزاد ڈائریکٹران	مشرایوب صادق
نان ایگزیکٹو ڈائریکٹر	مشرزید غنی
	مشرزید بینہ امتیاز
	مشرزیدہ انوار
	مشرعائشہ آفتاب
	مشرمعیر غنی
	مشرابراہیم غنی
	مشرشیم احمد
	مشرجنید شیم
	مشراولیس شیم
	مشراجمل خان (نامزد EOB)
ایگزیکٹو ڈائریکٹر	مشرامتیاز احمد خان
	مشرانوار احمد خان
	مشرآفتاب احمد خان
	مشرجنید غنی
	مشرجیر غنی
	مشرحمزہ غنی
زنائہ ڈائریکٹران	مشرزید بینہ امتیاز
	مشرزیدہ انوار
	مشرعائشہ آفتاب

بورڈ کے اجلاس سے سات روز قبل تحریری نوٹس اور ورکنگ پیپر تمام بورڈ ممبران کو بھیجے گئے ہیں۔ ایک سال (1 جولائی 2019 سے 30 جون 2020) کے دوران بورڈ کے چار آڈٹ کمیٹی کے چار اور ایچ 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
مشرزید غنی	4	4	2
مشرامتیاز احمد خان	4	-	-
مشرانوار احمد خان	4	-	2
مشرآفتاب احمد خان	4	-	-
مشرزید بینہ امتیاز	4	-	-
مشرزیدہ انوار	4	-	-
مشرعائشہ آفتاب	4	1	-
مشرجنید غنی	4	-	-
مشرجیر غنی	4	-	-
مشرحمزہ غنی	4	1	-
مشرمعیر غنی	4	-	-
مشرابراہیم غنی	4	2	-
مشرایوب صادق	1	4	2
مشرشیم احمد	1	-	-
مشرجنید شیم	2	-	-
مشراولیس شیم	1	-	-
مشراجمل خان (نامزد EOB)	2	-	-

ارکٹوں کو طبی سہولیات اور پلانٹ پر کام کرنے والوں کے لیے ابتدائی طبی امداد میسر ہے۔ مہینی اپنے تمام کارکنوں/ ملازمین کو کھیلوں اور دیگر صحت مندرگر میوں 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:

اداراتی معاشرتی ذمہ داری کے اقدامات کے تحت کمپنی نے غنی فاؤنڈیشن ٹرسٹ (غنی گلاس لمیٹیڈ کی ریلیٹیڈ پارٹی) کو 214.6 ملین روپے کا فنڈ دیا۔ غنی فاؤنڈیشن ٹرسٹ نے ملازمین کی فلاح، فروغ تعلیم، ضرورت مندوں کو کھانا کھانا، بھوک مٹانا، صحت، ماحولیاتی بقا وغیرہ کے منصوبے انجام دیئے۔

#### شعبہ تعلیم

میٹج 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: 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 بچہ 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 کے کردار 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۔

#### مفت خوراک:

ماندہ للغنی: ایک نیا منصوبہ ماندہ للغنی کے نام سے شروع کیا گیا ہے جہاں روزانہ تقریباً 10,000 سے زیادہ پورے ملک میں مختلف مقامات پر مفت کھانا فراہم کیا جاتا ہے۔

#### ڈیوڈنڈ (منافع منقسمہ):

بورڈ آف ڈائریکٹرز نے برائے سال 2019-20 میں عبوری منافع منقسمہ بحساب 20% یعنی 2 روپے فی حصص کی منظوری دی ہے۔

#### فی حصص نفع:

کمپنی نے پچھلے سال 5.98 روپے فی حصص نفع کے مقابلے میں 2.79 روپے فی حصص ریکارڈ کیا ہے۔

#### کمپنی کے آڈیٹران:

موجودہ آڈیٹران میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرز اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور انہوں نے دوبارہ اپنی خدمات پیش کی ہیں۔ آڈٹ کمیٹی کی رائے پر بورڈ نے 30 جون 2021 کو ختم ہونے والے سال کے لیے باہمی مشاہرے پر کمپنی کے آڈیٹران کی دوبارہ تقرری کی تجویز پیش کی ہے۔ یہ منظوری کمپنی کے آئندہ سالانہ اجلاس عام میں حصص داران کی منظوری سے مشروط ہے۔

#### ملازموں کے ریٹائرمنٹ فوائد:

کمپنی اپنے ملازمین کے لیے فنڈ ڈیپرائیوڈنٹ فنڈ سکیم 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 29 روپے رہی اور ایک وقت یہ حصص 57.75 تک بلند ہو گیا اور 30 جون 2020 کے اختتام پر 41.15 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 دورس فیصلوں کی آزادانہ اور شفاف نگرانی کے ذمہ دار ہیں۔

ڈائریکٹروں کی کل تعداد 17 ہے

الف۔ مرد: 14

ب۔ خواتین: 3

# ڈائریکٹران کی جائزہ رپورٹ

آپ کے ڈائریکٹران 30 جون 2020 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:

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

30 جون 2020 کو ختم ہونے والے سال کے دوران کمپنی کی مالیاتی کارکردگی درج ذیل رہی

مالیاتی اشاریے	2020	2019
خالص آمدنی	17,096	17,248
خام منافع	2,606	4,378
آپریٹنگ منافع	1,450	3,139
منافع قبل از ٹیکس	1,603	3,231
منافع بعد از ٹیکس	1,513	3,144
فی حصص منافع (روپے) بنیادی اور تحلیل شدہ	2.79	5.98

(روپے میں)

**2019-20** پوری دنیا میں کووڈ 19 کی انہونی آفت پھوٹنے کی وجہ سے مشکل سال ثابت ہوا۔ اس آفت نے دنیا کی معیشتوں کو ہلا کر رکھ دیا۔ پورا عالم کووڈ 19 سے نہروا آڑا ہے جس کے اثرات عالمی کاروبار اور تجارت پر جاری ہیں کیونکہ اس کی دوا ابھی تک نہیں بنی۔ معیشتوں کو نئے معمول پر آنے میں وقت درکار ہے۔ پاکستانی معیشت بھی مشکل حالات سے دوچار ہے جس کے اثرات مزید سخت ہو سکتے ہیں۔ اور دو تہائی (مالیاتی اور تجارتی) کو خراب کرنے، ترقی کی رفتار میں کمی، سلاسل ترسیلات کو متاثر کرنے کے پیش خیمہ ہو سکتے ہیں۔ حکومتی لائحہ عمل بشمول شرح سود میں 13.25% سے 7% تک کی معاشی خطرات کو کم کرنے کیلئے مالیاتی اقدامات کا حصہ ہے۔

صوبائی حکومتوں کے کووڈ 19 کو روکنے کے اقدامات کے احکامات کی تعمیل میں 21 مارچ 2020 کو تجارتی اور پیداواری سرگرمیوں کو معطل کر دیا گیا۔ کووڈ 19 کے باعث آخری سہ ماہی میں کمپنی کی آمدنی میں کمی ہوئی اور کنٹینر گلاس کی 2 بھٹیاں بند کرنی پڑیں۔ ڈائریکٹران نے اپنی تقریباً 2 مہینے کی تنخواہیں رضا کرانہ طور پر چھوڑ دیں۔

**30 جون 2020 کو ختم ہونے والے سال کے بڑے مالیاتی اعشاریے**

- آمدن 17.1 ارب روپے رہی
- خام نفع میں پچھلے سال 14.4 ارب روپے کے مقابلے میں 2.6 ارب روپے تک کی کمی ہوئی۔
- خالص نفع پچھلے سال 3.1 ارب روپے کے مقابلے میں 1.5 ارب روپے ریکارڈ کیا گیا۔
- فی حصص نفع پچھلے سال 5.98 روپے کے مقابلے میں 2.79 روپے رہا۔

مستقبل کا جائزہ

ہم کووڈ 19 کی موجودہ صورت حال میں بہتر مستقبل کے لئے دعا گو ہیں۔ انتظامیہ اپنی توسیعی اور استحکام کی طویل مدتی حکمت عملی کے لئے مکمل طور پر چوکس ہے۔ تاہم انتظامیہ آنے والے خطرات بشمول کووڈ 19 کے جاری خطرات، بڑھتی توانائی کی لاگت بشمول آریل این جی، روپے کی قدر میں کمی، بڑھتی مہنگائی اور مجموعی سست روی دیکھ رہی ہے۔ انتظامیہ مستقبل کی حکمت عملی اور آمدنی میں اضافے، آپریشنل عہدگی، موثر مارکیٹنگ اور دنیا کی نئی منڈیوں کی تلاش کے ذریعے ان خطرات کو کم کرنے کے لئے مکمل طور پر آگاہ اور تیار ہے۔

انسانی وسائل کا انتظام اور ملازمین کے ساتھ تعلق

انتظامیہ کارپوریٹ مقاصد کے لئے ضروری مہارت رکھنے والے انسانی وسائل کو بہت اہمیت دیتی ہے۔ اس کا یہ بھی یقین ہے کہ جب اطمینان، آگے بڑھنے کی لگن اور عمدہ اخلاق کامیابی کی چابیاں ہیں۔ اس کو سب سے عمدہ ماہرین کے حصول پر فخر ہے اور مسلسل بہتری کیلئے انسانی وسائل کے مندرجہ ذیل پانچ بنیادی اصولوں کو برقرار رکھنے کی پالیسی بہترین اور بنیادی ہے۔ اپنے قائدانہ مقام کو برقرار رکھنے کے لئے ہم ہر سطح پر سب سے بلند صلاحیت کی حوصلہ افزائی اور لوگوں کیلئے کمپنی کو سب سے پسندیدہ منزل کی خواہش بنانے کیلئے کوشاں ہیں۔

ہم نے اپنی جماعت کیلئے واضح مقاصد اور کارکردگی کے اعتراف پر مقرر کردیے ہیں جس کی بدولت اس کو نتیجہ خیز بنایا جاتا ہے۔ ہمارا اصلاتیوں کو منظم کرنے کا نظام ملازمین کے رویے اور اس کے اثرات کو پرکھنے کیلئے ایمانداری اور رائے دہی کی حوصلہ افزائی کرتا ہے تاکہ یقینی بنایا جائے کہ ہماری جماعت کی کارکردگی کو بہتر بنایا جائے اور کارکردگی کو منظم کیا جائے۔ کمپنی اپنے ملازمین کیلئے مستقل فلاحی اور آگے بڑھنے کی حکمت عملی رکھتی ہے۔ کمپنی اپنے تمام کارکنان بشمول کنٹریکٹ کارکنان کو حفظان 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۔

# نمائندگی کا فارم (پراکسی فارم)

میں رہم \_\_\_\_\_ کے \_\_\_\_\_

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

\_\_\_\_\_ (شیئرز کی تعداد)

رجسٹرڈ فو لیو نمبر \_\_\_\_\_

اور ریسی ڈی سی فو لیو کا آئی ڈی نمبر \_\_\_\_\_

اور ذیلی اکاؤنٹ نمبر \_\_\_\_\_، \_\_\_\_\_ کے \_\_\_\_\_

\_\_\_\_\_ یا \_\_\_\_\_ کے \_\_\_\_\_

\_\_\_\_\_

کو کمپنی کے 28 ویں سالانہ عام اجلاس جو بدھ 28 اکتوبر 2020 کو صبح 11:30 بجے پارک لین ہوٹل، 107-B3 گلبرگ III، ایم ایم عالم روڈ، 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، ریویو نیٹنگ اور شہادت ہونا ضروری ہے۔

## ویڈیو کانفرنسنگ کی سہولت کے فارم کی درخواست

میں رہم \_\_\_\_\_ غنی گلاس لمیٹڈ کے رکن اور رجسٹر کے \_\_\_\_\_

صفحہ نمبری 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

# GHANI 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 \_\_\_\_\_

(Being a member of the company) as my/our proxy to attend and vote for me/us on my behalf at 28th Annual General Meeting of the members of GHANI GLASS LIMITED to be held on Wednesday October 28, 2020 at 11:30 a.m., at Park Lane Hotel, 107-B3, Gulberg-III, MMA Alam Road, Lahore and at any adjournment thereof.

As witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2020

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](http://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



Jama Punji is an Investor  
Education Initiative of  
Securities and Exchange  
Commission of Pakistan

 [jamapunji.pk](http://jamapunji.pk)

 [@jamapunji\\_pk](https://twitter.com/jamapunji_pk)

\*Mobile apps are also available for download for android and ios devices

# Ghani

GHANI GLASS LIMITED

**Head Office:**

40-L Model Town Extension, Lahore-Pakistan

**UAN :** +92-42-111-949-949

**FAX:** +92-42-35172263

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