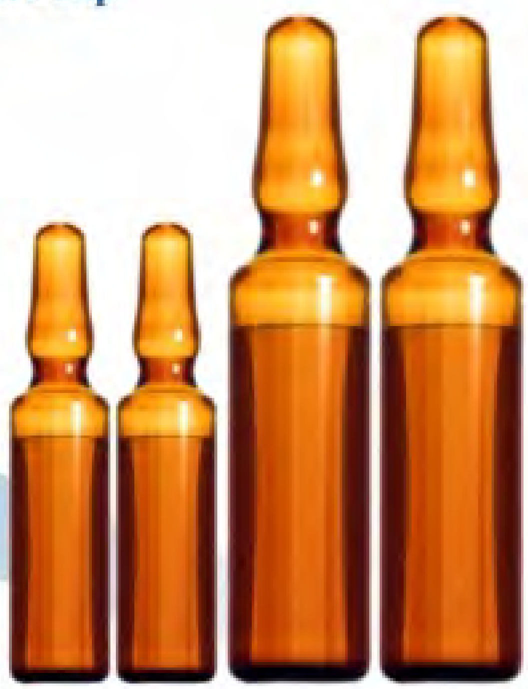
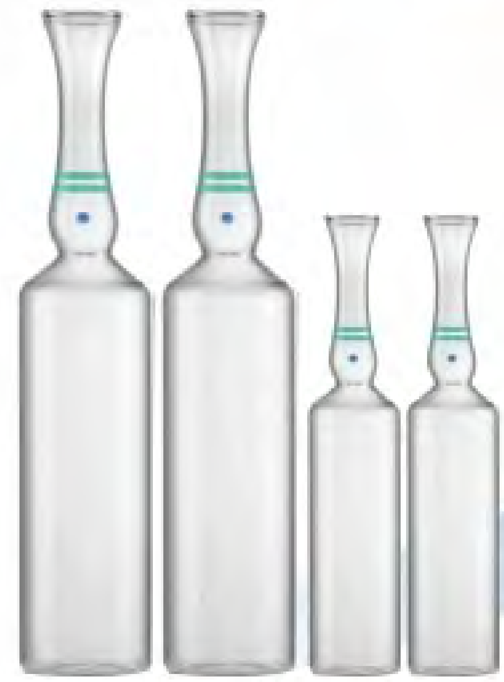
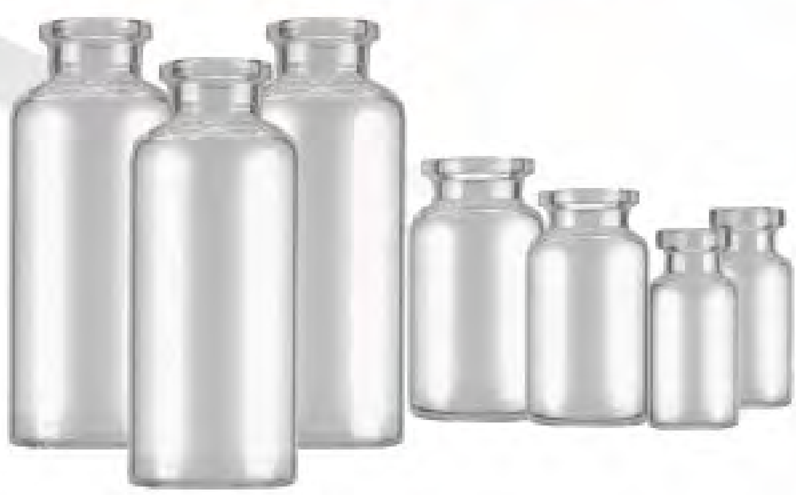
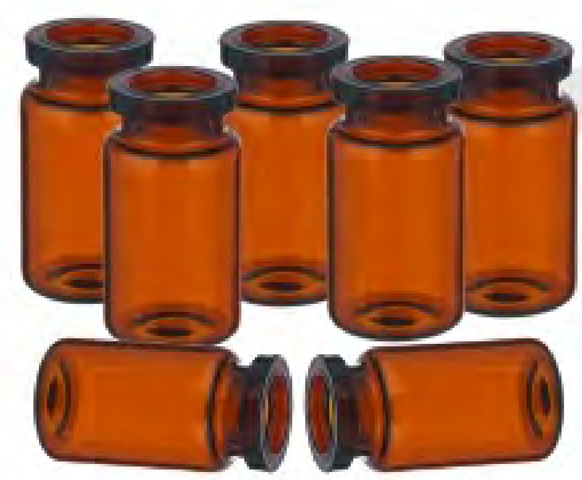
Ghani Global Group

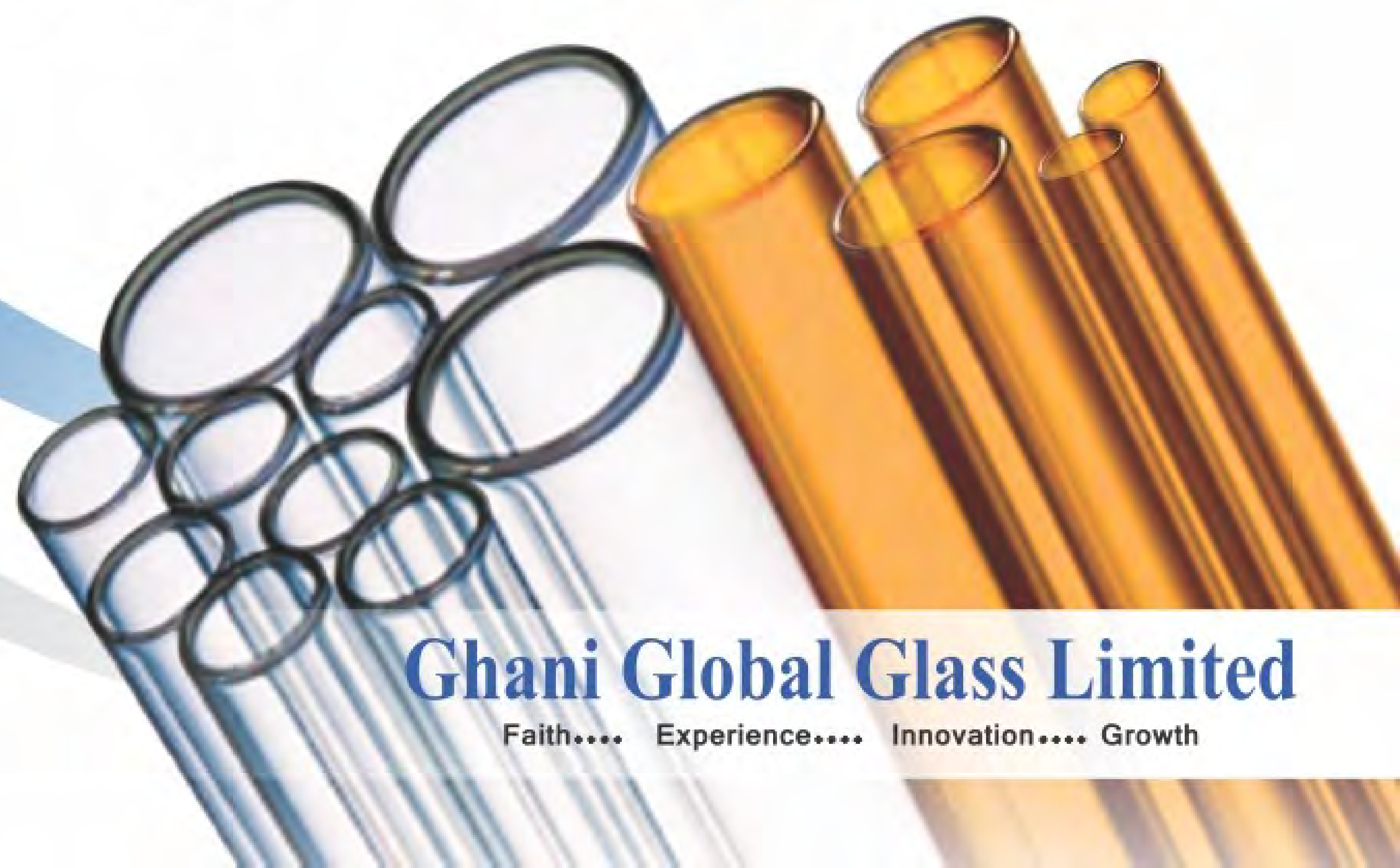
Annual Report 2019





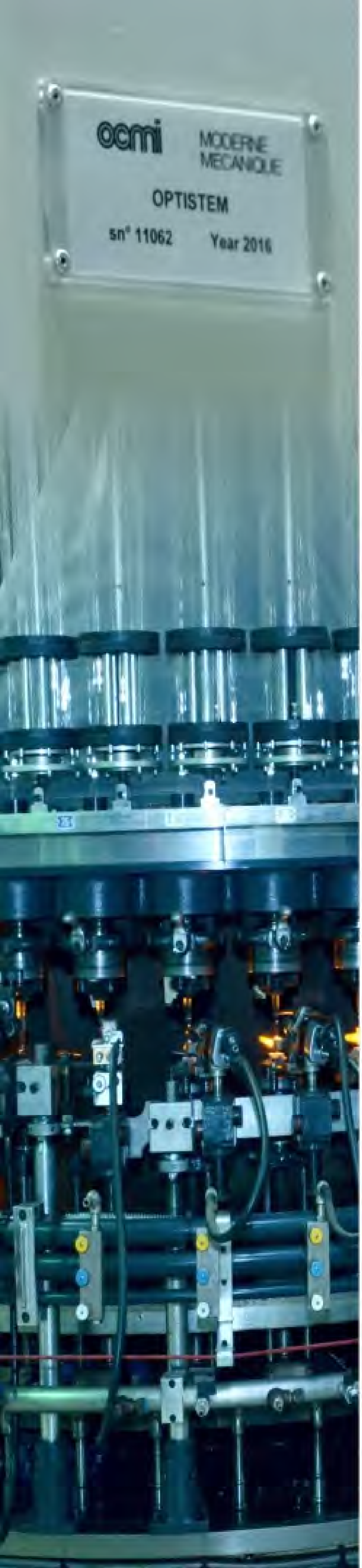






Ghani Global Glass Limited

Faith.... Experience.... Innovation.... Growth



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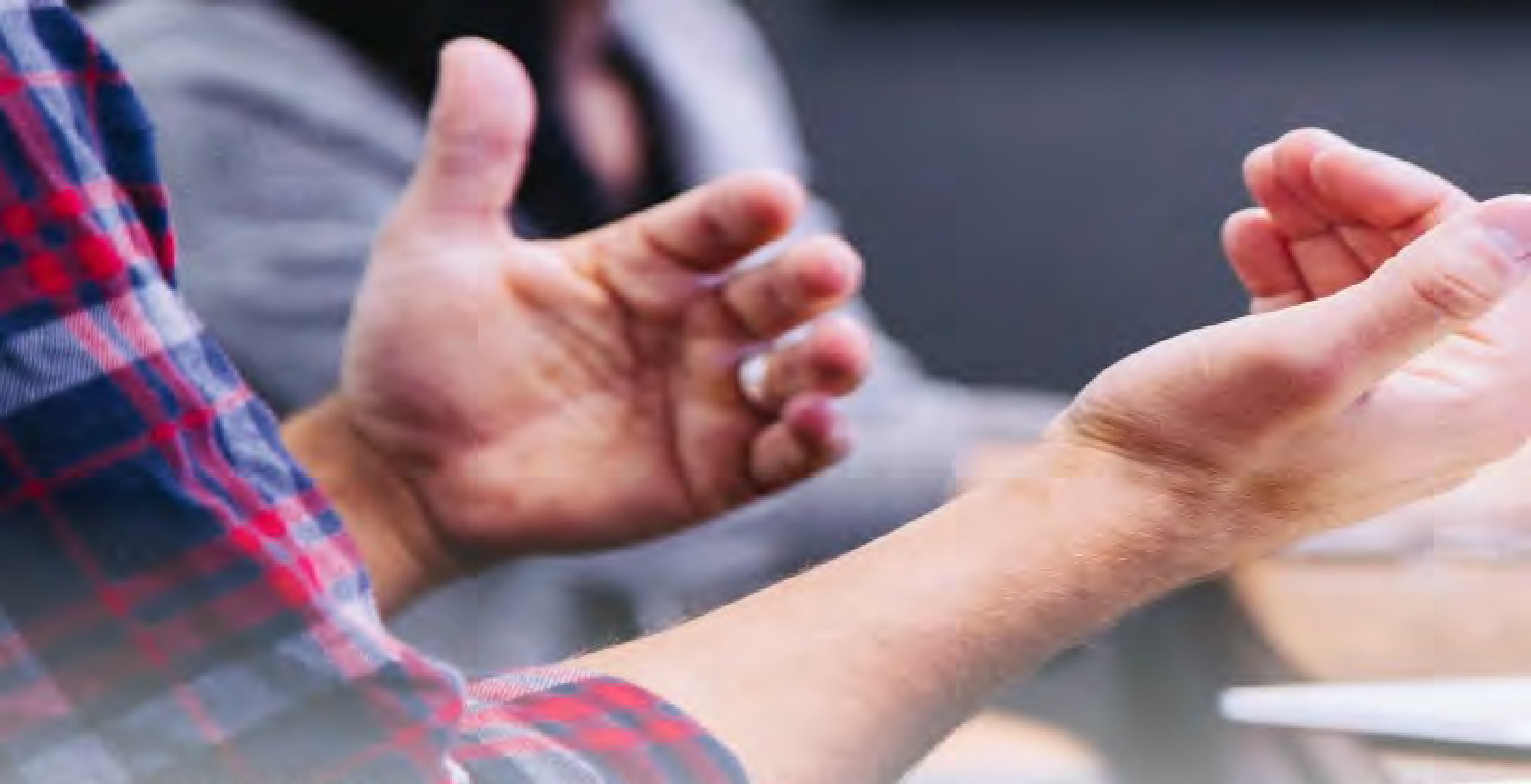


CORPORATE INFORMATION

BOARD OF DIRECTORS

Atique Ahmad Khan	Chairman
Masroor Ahmad Khan	Chief Executive Officer
Hafiz Farooq Ahmad	Director
Rabia Atique	Director
Saira Farooq	Director
Tahir Bashir Khan	Director
Mahmood Ahmad	Director
Farzand Ali	Director

AUDIT COMMITTEE

Mahmood Ahmad - Chairman
Atique Ahmad Khan
Hafiz Farooq Ahmad
Saira Farooq

HR & R COMMITTEE

Tahir Bashir Khan - Chairman
Atique Ahmad Khan
Hafiz Farooq Ahmad
Rabia Atique

COMPANY SECRETARY

Farzand Ali, FCS

CHIEF FINANCIAL OFFICER

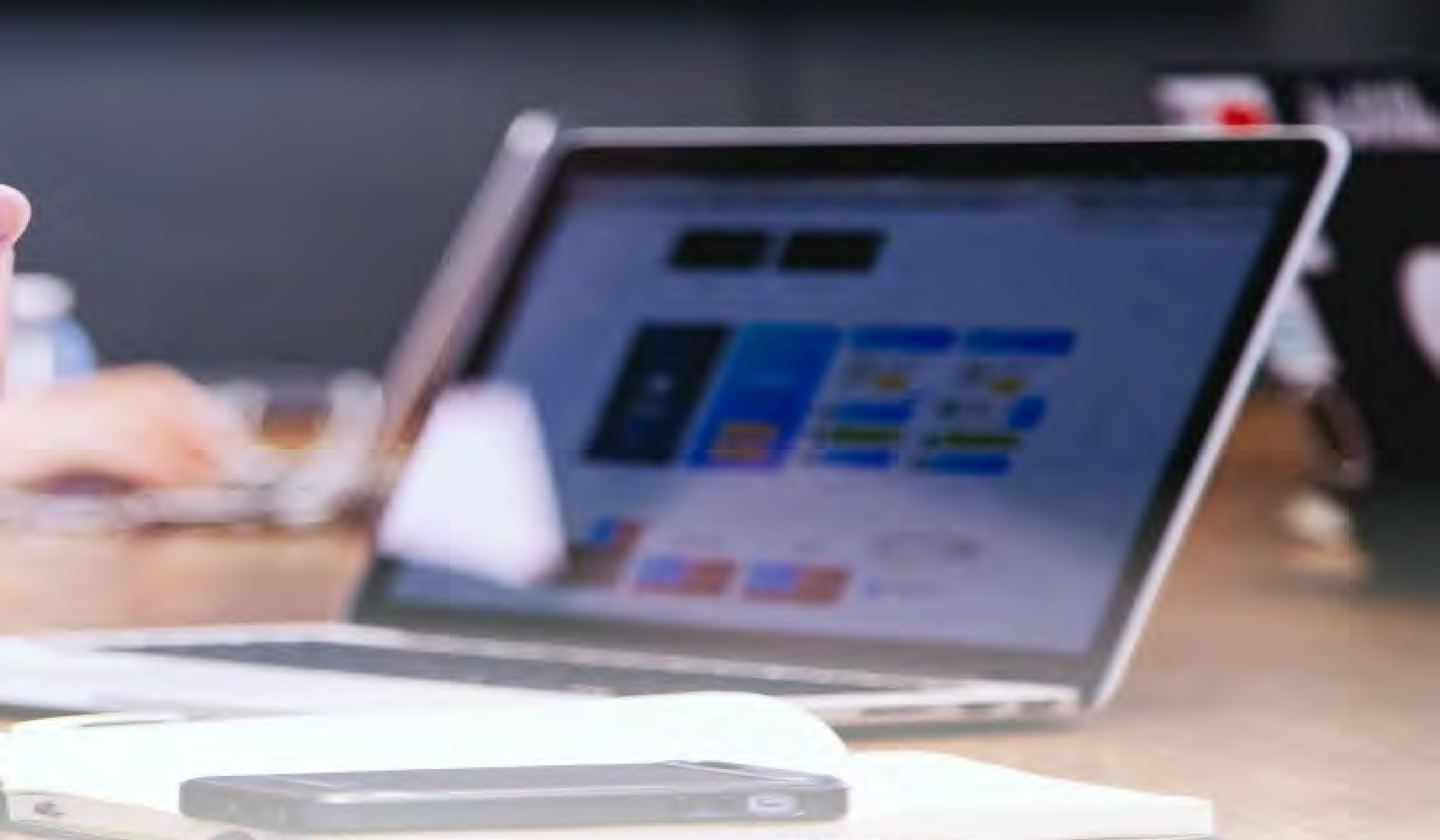
Asim Mahmud, FCA

AUDITORS

Rizwan & Company
Chartered Accountants
Member Firm of DFK International

SHARE REGISTRAR

Vision Consulting Limited
1st Floor, 3-C, LDA Flats, Lawrence Road, Lahore
Tel: 042-36375531, 36375339, Fax: 042-36312550



LEGAL ADVISOR

Barrister Ahmed Pervaiz, Ahmed & Pansota
Lahore

GLASS PLANT

52-K.M. Lahore Multan Road
Phool Nagar, Distt. Kasur
Ph:(049) 4510349-549, Fax: (049) 4510749
E-mail: glassplant@ghaniglobal.com

REGIONAL MARKETING OFFICE

C-7/A, Block F, Gulshan-e-Jamal
Rashid Minhas Road, Karachi.
Ph: (021) 34572150
E-mail: hanif@ghaniglobal.com

REGISTERED/CORPORATE OFFICE

10-N, Model Town Ext, Lahore 54000, Pakistan
UAN: 111 GHANI 1 (442-641)
Fax: (092) 42 35160393
E-mail: info@ghaniglobalglass.com
Website: www.ghaniglobalglass.com
www.ghaniglobal.com

BANKERS

Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Al Falah Limited
Bank Al Habib Limited
BankIslami Pakistan Limited
Habib Metropoliton Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
The Bank of Punjab
UBL Ameen

VISION

- Ghani Global Glass is committed to quality, service, value and honesty, with dedication to provide the very best products of glass and to serve the health care industry particularly and greater community at large.
- Our organization believes in faith, experience, innovation and growth, and will strive to strengthen all in our employees, customers and business peers.
- We always seek to cultivate trust and reputation in all business relationships, both large and small.

MISSION

- We strive achieve market leadership through technological edge, distinguished by quality and customer satisfaction, and emphasis on employee's welfare and ensure adequate return to shareholders.
- We further wish to contribute to the development of healthcare, economy and country through harmonized endeavor.

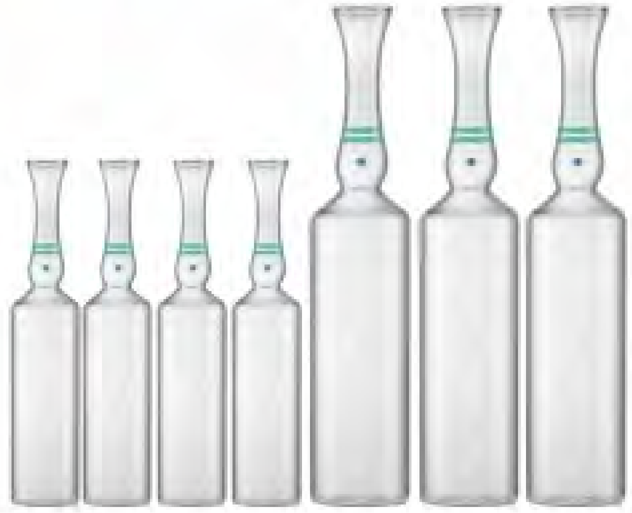
NEUTRAL GLASS USP TYPE I

For Pharma Packaging

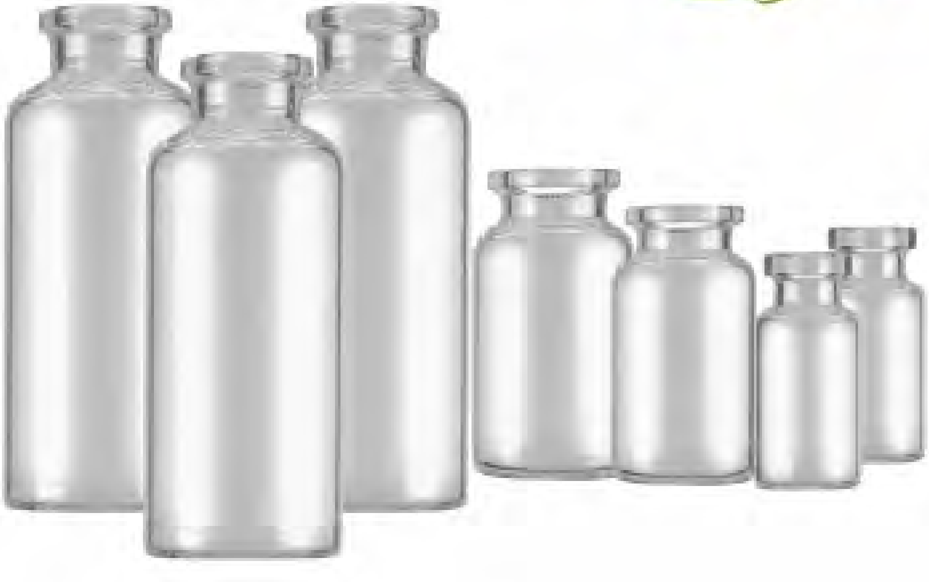
GLASS TUBING CLEAR AND AMBER

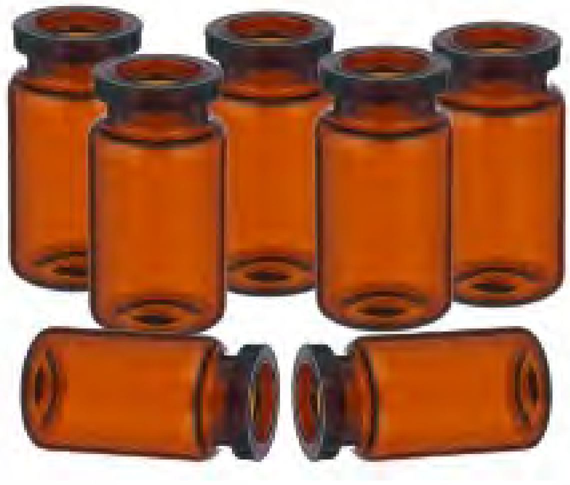
CAPABLE TO PRODUCE: 5MM - 38MM (outer dia), 0.45MM - 1.50MM (wall thickness)

GLASS AMPOULES



GLASS VIALS





MAJOR CUSTOMERS

STANDPHARM

SAMI
Pharmaceuticals

PCW

ATCO
ATCO Laboratories

SCHAZOO
SPL

surge
Laboratories

S.T.A.R.
LABORATORIES

HiltOn
PHARMA

Martin Dow
Pharmaceuticals for a Changing World

ep

mbl
MBL PHARMA

Bio-Labs

Global Pharmaceuticals

ELKO
Pharma

Bosch
Symbol of Quality Pharmaceuticals

AMROS

Rasco

Wilshire

Glasstec Ampoules

EP
English Pharmaceutical Industries

ELITE PHARMA

PLIVA
Pliva Pakistan

JIVANI TRADING

EG
PHARMACEUTICALS

N3A
Glass Pvt Ltd.

GEOFMAN
PHARMACEUTICALS
GEOFMAN

Ph
PHD Pharmaceuticals

Healthtek

isis

CORE VALUES


SHEQ
Sharia compliance
Integrity
Professionalism
Customer satisfaction
Excellence
3

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is undertaking the role of a "Corporate Citizen". It ensures that the business values and policies are aligned in such a way that it strikes a balance between improving and developing the wealth of business and contributing for betterment of society in an effective manner.

With the growth of our business, we endeavor to assume an even greater responsibility towards our society and stakeholders, including employees, their families and our business partners etc.

GGG is committed to both the sustainable business practices and its responsibilities as a corporate citizen. We believe that the Corporate Social Responsibility is primarily about conducting business in a transparent and ethical way that not only enhances value for all of our stakeholders but also supports the events that enhance the wellbeing of the community.

The Corporate Social Responsibilities and guidelines for corporate governance are steps in the right direction. The customer relation management is a strategic business philosophy and processes are rooted through ethical practices.

GGG supports a clean environment and motivates its customers for this cause.

GGG also tries its level best that business activities of customer must be environment-friendly and not be hazardous to the society.

QUALITY MANAGEMENT SYSTEM

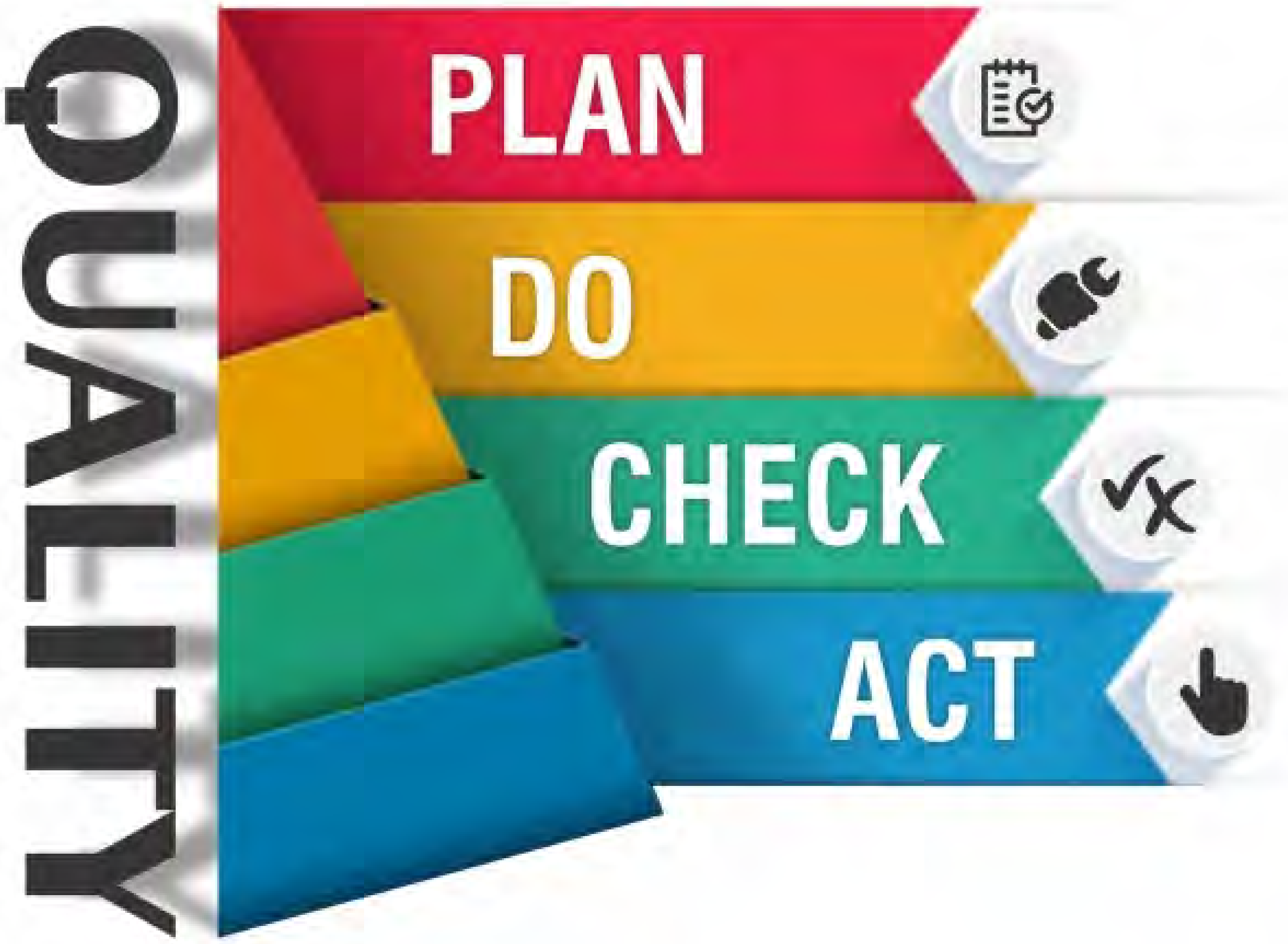
We are committed to ensure that the Ghani Global Glass become the industry leader in quality for every product and service it renders to all segments that it serves.

We have created an environment in which every employee is committed to providing the highest standard of personal efficiency.

We are carrying out our activities in a manner which:

- → Uses the ISO 9001 Quality Management System to verify the quality and continuous improvement of our policies, procedures, work instructions and system, and
- → Ensures that our products and services satisfy the highest standards through the application of best practices.

ISO 9001 : 2015 certified



ENVIRONMENT MANAGEMENT SYSTEM

Ghani Global Glass!
commits to minimize any adverse
effect of its operation on the environment

"Go green for a better tomorrow, go recycling"

ISO 14001: 2015 Certified

SHEQ

Ghani Global Glass cares for the employes, customers and general public and is committed to providing a safe and injury free workplace.

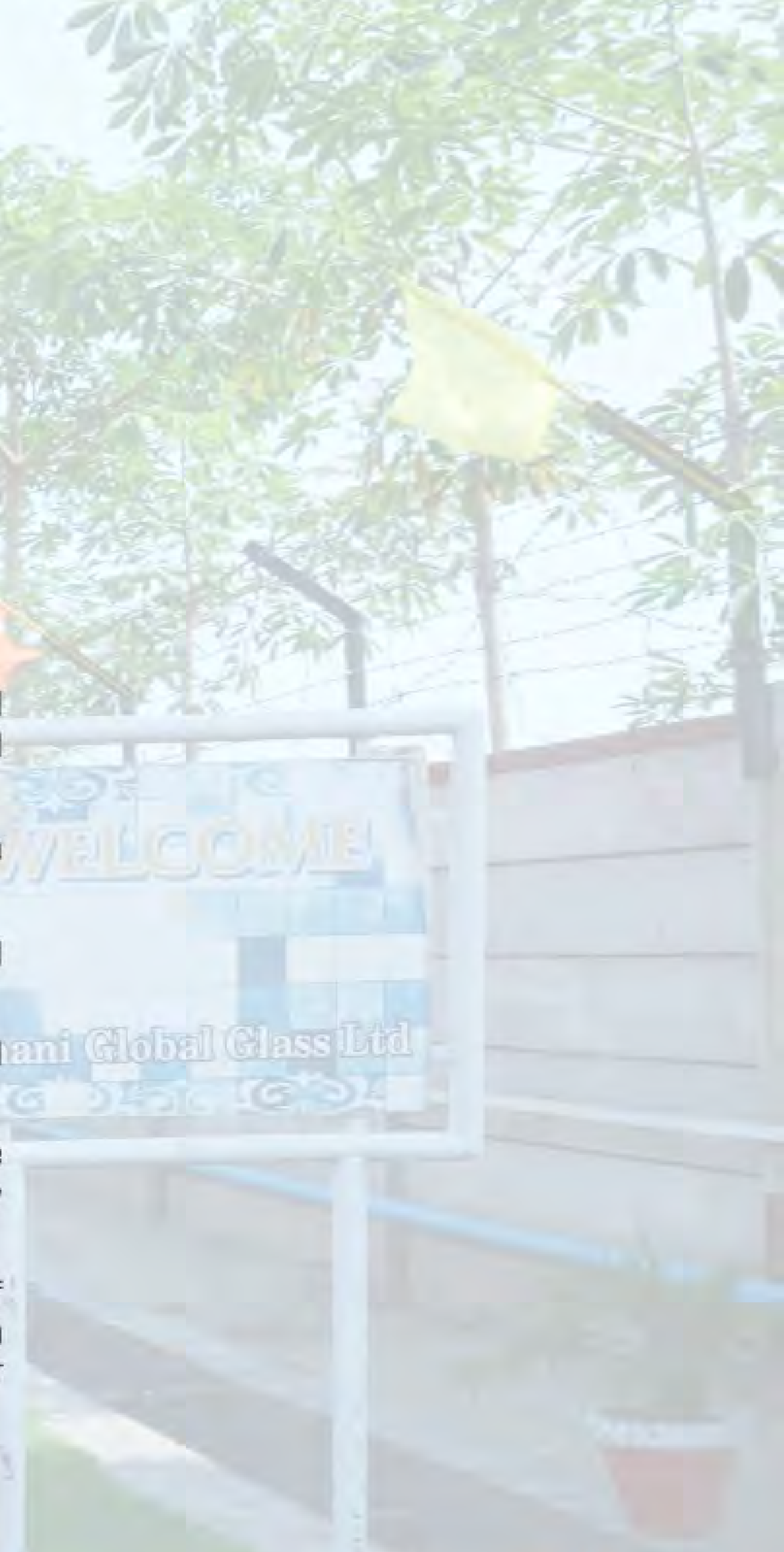
Ghani Global Glass endeavors to carry out activities in a manner which:

→ Complies strictly with all the SHEQ legislations and regulations,

→ Involves all personnel in a system of shared responsibility for safe operation,

→ Looks for continuous improvement in the workplace through the application of best safety & quality practices,

→ Contributes to the permanent improvement of operational efficiency and customers' satisfaction through a risk management program to protect our people, assets and business viability.



"We endeavor to achieve our objective of zero accidents."

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

Name of Company: **Ghani Global Glass Limited ("the Company")**

Year Ending: **30th June, 2019**

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

1. The total number of directors are eight (08) as per the following:

a. Male:	06
b. Female:	02

2. The composition of board is as follows:

a. Independent Director	Mr. Tahir Bashir Khan Mr. Mahmood Ahmad
b. Non-Executive Directors	Mr. Atique Ahmad Khan Hafiz Farooq Ahmad Mrs. Rabia Atique Mrs. Saira Farooq
c. Executive Directors	Mr. Masroor Ahmad Khan Mr. Farzand Ali

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

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

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

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

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

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

9. The Board has arranged Directors' Training program for the following:

Sr. No.	Name
1.	Mr. Tahir Bashir Khan
2.	Mrs. Rabia Atique
3.	Mrs. Saira Farooq

On an overall basis, our directors taken as a whole are compliant as of June 30, 2019 with the requirements of the Directors' Training Programme contained in the regulations.

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

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

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

a. Audit Committee

Mr. Mahmood Ahmad	Chairman
Mr. Atique Ahmad Khan	
Hafiz Farooq Ahmad	
Mrs. Saira Farooq	

b. HR and Remuneration Committee

Mr. Tahir Bashir Khan	Chairman
Mr. Atique Ahmad Khan	
Hafiz Farooq Ahmad	
Mrs. Rabia Atique	

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

14. The frequency of meetings of the committees were as per following:

a.	Audit Committee	Quarterly
b.	HR and Remuneration Committee	Half Yearly

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

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

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

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

Lahore	**MASROOR AHMAD KHAN**	**HAFIZ FAROOQ AHMAD**
October 03, 2019	(Chief Executive Officer)	(Director)

Rizwan & Company
CHARTERED ACCOUNTANTS

DFK INTERNATIONAL
An independent Member Firm of DFK International

New Garden Town, Lahore, Pakistan
rizwan@dfk-pk.com
www.dfk-pk.com

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Ghani Global Glass Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the "Regulations) prepared by the Board of Directors of Ghani Global Glass Limited for the year ended June 30, 2019 in accordance with the requirements of regulation 40 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2019.

Rizwan & Co.

RIZWAN & COMPANY
CHARTERED ACCOUNTANTS
Engagement Partner: Imran Bashir

Lahore:

Date: October 03, 2019

PATTERN OF THE SHARE HOLDING

as at June 30, 2019

FORM - 34

NUMBER OF SHARES		NO OF SHAREHOLDERS	NUMBER OF SHARES HELD	% ON ISSUED
From	To			
1	100	161	2,567	0.00
101	500	302	143,024	0.14
501	1000	384	379,015	0.38
1001	5000	753	2,333,914	2.33
5001	10000	260	2,169,565	2.17
10001	15000	121	1,615,998	1.62
15001	20000	61	1,156,000	1.16
20001	25000	55	1,310,500	1.31
25001	30000	40	1,163,667	1.16
30001	35000	18	598,000	0.60
35001	40000	24	922,500	0.92
40001	45000	14	612,000	0.61
45001	50000	31	1,536,000	1.54
50001	55000	7	376,500	0.38
55001	60000	4	237,500	0.24
60001	65000	8	508,500	0.51
65001	70000	6	408,500	0.41
70001	75000	8	591,500	0.59
75001	80000	6	475,000	0.48
80001	85000	3	251,000	0.25
85001	90000	1	89,500	0.09
90001	95000	2	187,000	0.19
95001	100000	20	1,995,500	2.00
100001	105000	3	312,500	0.31
105001	110000	1	105,500	0.11
110001	115000	2	227,000	0.23
115001	120000	1	118,500	0.12
120001	125000	4	494,500	0.49
125001	130000	1	130,000	0.13
130001	135000	2	262,000	0.26
135001	140000	1	140,000	0.14
140001	145000	2	289,000	0.29
150001	155000	1	155,000	0.16
160001	165000	3	490,000	0.49
165001	170000	3	506,000	0.51
170001	175000	1	175,000	0.18
175001	180000	1	176,000	0.18
180001	185000	1	184,500	0.18
185001	190000	1	190,000	0.19
195001	200000	10	1,999,000	2.00
220001	225000	1	220,500	0.22
225001	230000	2	455,500	0.46
230001	235000	1	233,000	0.23
235001	240000	1	240,000	0.24
245001	250000	2	499,000	0.50
295001	300000	3	898,000	0.90
375001	380000	1	379,500	0.38

395001	400000	1	400,000	0.40
425001	430000	1	426,000	0.43
495001	500000	1	499,000	0.50
560001	565000	1	565,000	0.57
580001	585000	1	585,000	0.59
760001	765000	1	760,500	0.76
795001	800000	1	800,000	0.80
905001	910000	1	908,500	0.91
1245001	1250000	1	1,246,500	1.25
1445001	1450000	1	1,450,000	1.45
1485001	1490000	1	1,490,000	1.49
1535001	1540000	1	1,539,550	1.54
2155001	2160000	1	2,160,000	2.16
2800001	2805000	1	2,801,000	2.80
2895001	2900000	1	2,900,000	2.90
3425001	3430000	1	3,427,500	3.43
50095001	50100000	1	50,098,200	50.10
		2,355	**100,000,000**	**100**

CATEGORIES OF SHARE HOLDERS
as at June 30, 2019

Categories of Shareholders	No. of Share Holders	Shares Held	Percentage
Directors, Chief Executive Officer and their Spouce(s) and minor Children	8	1,548,575	1.549
Banks	3	6,428,500	6.429
Modaraba Companies	1	12,500	0.013
Provident Funds & Mutual Funds	2	206,000	0.206
Charitable Trust	1	34,000	0.034
ICP	1	13,500	0.014
Insurance Companies	1	58,000	0.058
Joint Stock Companies	36	52,310,200	52.310
Individuals	2,302	39,388,725	39.389
TOTAL	**2,355**	**100,000,000**	**100.00**

SIX YEARS AT A GLANCE

(Pak Rupees)

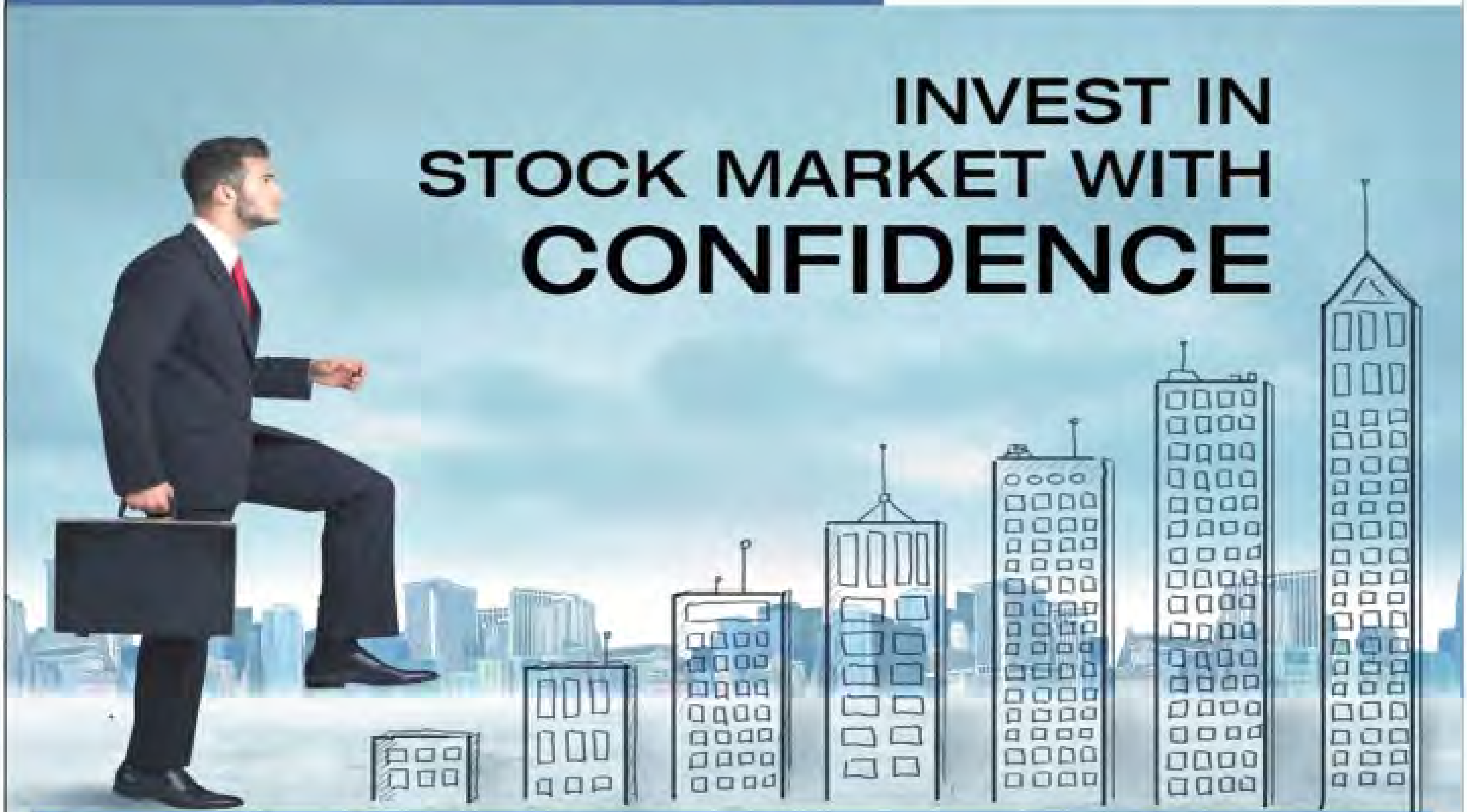
Profit and Loss Account	2019	2018	2017	2016	2015	2014
Sales (net)	792,024,270	496,002,081	330,008,178	66,022,932	-	-
Gross profit	52,173,484	9,266,385	12,904,089	3,454,138	-	-
Administrative and general expenses	(61,579,964)	(55,346,517)	(44,814,641)	(22,767,742)	(5,265,905)	(528,721)
Selling and distribution cost	(35,040,348,)	(23,595,429)	(16,905,929)	(8,363,616)	-	-
Other operating expenses	(6,885,395)	(5,702,687)	(996,675)	(559,000)	-	(5,193)
Other income	6,801,670	26,657,741	5,886,329	238,050	4,233,666	53,375
Finance cost	(103,058,231)	(77,510,088)	(68,698,411)	(17,541,399)	(319,237)	(5,193)
Provision for taxation	-	3,300,082	(3,300,082)	(5,696,169)	4,409,434	-
Profit/ (loss) after taxation	(147,598,784)	(122,930,513)	(115,925,320)	(51,235,738)	1,475,041	(480,539)
Earning per share - basic and diluted	(1.48)	(1.23)	(1.27)	(0.86)	0.03	(0.02)
Balance Sheet						
Share capital	1,000,000,000	1,000,000,000	1,000,000,000	500,000,000	500,000,000	480,000,000
Shareholders equity	550,228,853	700,475,813	823,406,326	439,331,646	490,567,384	469,092,343
Non-current assets	1,555,697,141	1,569,649,952	1,444,014,828	1,337,304,453	1,106,509,355	314,943,695
Current assets	897,043,097	907,631,727	738,122,543	379,950,189	124,602,674	161,854,200
Current liabilities	871,387,391	817,531,020	637,761,186	263,725,549	141,673,885	7,925,932
Right issue	-	-	100%	-	-	54.84%

www.jamapunji.pk

An investor education initiative of the SECP

jamapunji.pk @jamapunji_pk

Jama Punji
سرمایہ کاری سمجھداری کے ساتھ



To protect your assets, we advise you to follow the guidelines below:

- You cannot trade unless you have a Central Depository Company (CDC) Account
- Use Central Depository Company (CDC), free-of-cost eAlert, eStatement and SMS "Alert" services. Make sure that your correct mobile number and email address is entered in Central Depository System to ensure receipt of alert every time you move your securities from your account
- Ensure the correctness of securities balances and their status appearing in the statement received from the broker by comparing it with a statement directly obtained from CDC (Physical or eStatement)
- Please make sure that updated contact details are appearing in Central Depository System (contact details include: mailing address, email address and phone / mobile number); You can ensure this by obtaining registration details from CDC Web Access or Physical reports from any CDC office

CENTRAL DEPOSITORY COMPANY

For more information or to get registered in Investor Awarness Programs contact us on **800-2375 (CDCPL)** or Email us at **info@cdcpak.com**

SECP

Securities & Exchange Commission of Pakistan
www.secp.gov.pk

Visit SECP's educational webportal **jamapunji.pk** for secure investments

UAN: 051 111 11 7327

CHAIRMAN'S REVIEW

Review Report by the Chairman on Board's overall performance under Section 192 of the Companies Act, 2017.

I am pleased to report that the Board has exercised its powers and performed its duties as envisaged in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2017 ("the Code") contained in the Rule Book of Pakistan Stock Exchange where the Company is Listed.

The Board during the year ended 30 June 2019 played effective role in managing the affairs of the Company in the following manner;

- The Board remain updated with respect to achievement of Company's objectives, goals, strategies and financial performance through review of reports from management, internal auditors and other consultants as a result the Board was able to provide effective leadership to Company;
- The Board has ensured that there is adequate representation of non-executive and independent directors on the Board and its committees as laid down in the Code of Corporate Governance and has taken required initiatives in its true letter and spirit. Moreover, the Board ensured that members of the Board and its respective committees has adequate skills, experience and knowledge to manage the affairs of the Company;
- The Board has obtained annual evaluation of Board of Directors of; from a professional firm of accountants for an independent evaluation of the Board and firm has issued fair report on overall performance of the board;
- The Board has ensured that the directors are provided with the requisite training or orientation courses to enable them to perform their duties in an effective manner and directors on the Board have already taken certification under Directors Training Program and the remaining directors will take the certification in accordance with the Code;
- The Board has formed Audit Committees and Human Resource & Remuneration Committee and has approved their respective Terms of References and has assigned adequate resources so that the committees are able to perform their responsibilities diligently in line with the expectation of Board.
- The Board has ensured that the meetings of the Board and that of its committee were held with the requisite quorum, all the decision making were taken through Board resolution and that the minutes of all the meetings (including committees) are appropriately recorded and maintained;
- All the significant issues were presented before the Board or its committees to strengthen and formalize the corporate decision making process and particularly all the related party transactions executed by the Company were approved by the Board on the recommendations of the Audit Committee;
- The Board has ensured the compensation of Chief Executive, Executive Directors and other Key Executives including Chief Financial Officer, Company Secretary, and Head of Internal Audit in accordance with the Companies Act, 2017 and the Code;
- The Board has ensured that sound system of internal controls are in place and appropriateness and effectiveness of same is considered by internal auditors on regular basis;

Based on aforementioned it can reasonably be argued that Board of Ghani Global Glass Limited has played pivotal role in ensuring that corporate objectives are achieved in line with the expectation of shareholders and all other stakeholders.

Lahore
October 03, 2019

Atique Ahmad Khan
Chairman, Board of Directors

DIRECTOR'S REPORT

Dear Shareholders

Assalam-o-Alaikum Wa RehmatUllah Wa Barakatoh

The directors of your Company (Ghani Global Glass Limited) are pleased to present the audited financial statements of the Company for the year ended June 30, 2019, in compliance with the requirements of Companies Act, 2017.

OVERVIEW OF THE NATIONAL ECONOMY

Pakistan's economy entering a critical crossroad, the past fiscal year has been full of challenges for industries and other segments. The 34% decline in the rupee's value since last July has contributed to rampant inflation, with headline CPI coming in at 8.9% in June 2019. The ongoing pains have long been in the making. But more importantly, the bold and necessary steps being implemented to bring long-term structural changes will set the base for robust and sustainable growth in the years to come. The SBP has responded to rising prices with a steady hike in the policy rate, now at 13.25%. As a result, economic activity and business confidence has dampened, with GDP growth in fiscal 2020 now expected to come around 3%. Concern over the currency regime, a weak external position and climbing debt has kept the global investment community on the sidelines. Nonetheless, there are signs of a turnaround in sight - the International Monetary Fund has recently approved a $6 billion support program for Pakistan. While some tough structural measures are being taken, the IMF program is expected to allay some of the immediate liquidity concerns, and lead additional foreign investment in the country. The current account deficit in May was $1.1 billion, a 29% improvement from last year. The government's fiscal policies continue to focus on the long run: implementing widespread tax compliance and business reform, encourage manufacturing, and discourage unnecessary imports. Much work still needs to be done to enhance the ease of doing business, digitize the economy through innovation, and strengthen and diversify our export base. Overall economic situation is indeed worrying. Growth rate fell by almost 50 percent from 6.2 percent to 3.3 percent. It is expected to down even further to 2.4 percent during next year, which will be the country's lowest in the past 10 years. Inflation is expected hover around 13 percent over the next 12 months, reaching a 10-year-high as well.

PRINCIPAL ACTIVITIES

During the year under review your Company remain in business for manufacturing and sale of glass tubing, ampoules and vials.

FINANCIAL & OPERATIONAL PERFORMANCE

Your Company's sales are improving day by day by acceptance of company products is the market. For the year ended June 2019, your company closed the sales at amounting to Rs. 933.80 million as compared to last year end sales of Rs. 581.82 million depicting a 60.50% increase in sales of the company as compared to last year. Gross profit increased to Rs. 51.47 million from Rs. 09.27 million as compared to last year. Distribution cost and administrative cost incurred during year is Rs. 35.04 million and 61.58 million whereas for the last year it was Rs. 23.59 million and Rs. 55.35 million, respectively showing the increase in absolute terms as well in terms per percentage to sales. Operating loss of the company has decreased from Rs. 48.72 million to Rs. 44.54 million. Finance cost incurred on the project finance and working capital lines has also increased from amounting to Rs. 77.51 million to Rs. 103.06 million due to heavy increase in the discount rate of SBP. Loss after taxation is amounting to Rs. Rs. 147.60 million compared to loss for the last year was Rs. 122.93 million. Loss per share has increased from Rs. 1.23 to Rs. 1.48.

During the year under review your company technologically upgraded the furnace design from natural gas firing to Oxygen enriched combustion with the coordination of European professionals. This initiative has improved the quality of glass and dimensional efficiencies. Further R&D team of your company successfully developed and installed environment friendly silica Sand Drying System by utilizing Furnace Hot Air exhaust to dry the wet silica. In the result of both the above environment friendly cost reduction measures, natural gas consumption cost has reduces. Production efficiency of neutral glass tubing under utilized primarily due to normal repair maintenance, partly rebuild of furnace, introduction of new technology and shifting of product line.

A comparison of the key financial results of your Company for the year ended June 30, 2019 with the last year is as under:

Particulars	June 2019	June 2018	Variance	
	Rupees	Rupees	Rupees	%
Gross sales	933,790,492	581,818,124	351,972,368	60.50%
Net sales	792,024,270	496,002,081	296,022,189	59.68%
Gross profit	52,173,484	9,266,385	42,205,977	455.47%
Selling and distribution expenses	35,040,348	23,595,429	11,444,919	48.50%
Administrative expenses	61,579,964	55,346,517	6,233,447	11.26%
Operating profit/(loss)	(44,540,553)	(48,720,507)	4,179,954	-8.58%
Finance cost	103,058,231	77,510,088	25,548,143	32.96%
Loss after taxation	(147,598,784)	(122,930,513)	(24,668,271)	20.07%
Earning per share	(1.48)	(1.23)	(0.25)	

REASON FOR LOSS

This was the third full year's operations of the company closed for the year ended June 30, 2019. Currently company is in losses because the Company has established in Pakistan, for the first time, a premium European Tubing Glass Manufacturing Plant, which is second to none. Our competition is with the low priced low quality glass tube being imported from China. Our glass tube being of European quality costs more as compared to low priced low quality Chinese glass tube which is not meeting the international pharmacopeia standards. We have to sale high quality costly product at below cost in order to penetrate in the local market and to increase our market share. Ghani Global Glass, industry power intensive based, there is intense increase in cost of fuel and power due to increase in prices of Natural Gas and Electricity. Above 110% raise in sui gases prices and 40% raise in Electricity prices effected the margins of the company badly. Cost of production increase abruptly but at the same time this increased cost could not be passed on to customers causing the losses to company. Another factor which caused the losses to company is due to heavy raise in the discount rate from SBP consequent to which company financial cost jumped from Rs. 77 million to Rs. 103 million showing increase of 33% financial burden on the company. During the year there was also depreciation of Pak Rupee against the foreign currency caused the booking of foreign currency translation losses. Our management and team is working day and night with their entire honest efforts to bring the company in profitability on earliest basis In-Sha-Allah.

SALES AND MARKETING

During the year we succeeded to approve our products in multinational companies (MNCs), middle, and large scale national companies where we are working closely with these companies and getting a sizeable business in spite of numerous converters in market.

Our sale is also increasing in North West and KPK region for ampoules and vials and business expanding accordingly.

Sales of Ghani Global Glass Limited for Ampoules is on increasing trend. During the period under review your company has installed four more machine for manufacturing of ampoules and our current capacity for production of ampoules is more than 55M per month.

During the year our sales volume of Ampoules increase by 67%, Vials by 96% and tube sales remain the same in comparison with last year.

Products of your Company are approved in MNCs, middle, and large scale National Companies where we are working closely with these companies and getting a sizeable business in spite of numerous converters in market.

Company has successfully converted most of the high end National Companies and MNCs across Pakistan on GGGL tubing who were earlier using only from Euroupeon tubing. We are actively working with other companies also and pursuing them to switch on our tubing. This require some Quality Protocol to complete, once this process is finalized, we will start business with couple of MNCs by end of this year.

HOW LOOKING 2020?

The Company has successfully converted most of the high end national companies and MNCs across Pakistan on GGGL tubing who were earlier using only from high cost European tubing. We are actively working with other companies also and pursuing them to switch on our tubing. This require some Quality Protocol to complete, once this process is finalized, we will start business with couple of MNCs by end of this year.

Sales portfolio is growing slow and steady and we are aiming at growth rate of our sale in double digit.

Company started exports of tube to Bangladesh. Work is in progress with the tube consumers in MENA region; Argentina, Russia and Mexico.

Currently the country is facing critical situation where economic activities are slow, electric and gas prices have increased, rupee devalued and cost of business drastically increased. We are not seeing that this situation will improve in near future until and unless major initiatives have not been taken by the sitting Government.

PAY OUT TO THE SHAREHOLDERS

The management of your Company strongly believes in passing on the return of investment to their shareholders. However, pay out to the shareholders will be recommended on earnings of profit by the Company "Insha Allah".

STATUS OF INVESTMENTS IN ASSOCIATED/ SUBSIDIARY COMPANY

The shareholders of the Company in their meeting held on October 31, 2016 approved the investment of Rs.200 million in Ghani Global Holdings Limited (formerly Ghani Gases Limited/ GGL) in shape of advances and loans for a period of three years. After sanction of scheme of Compromises, Arrangement and Reconstruction by the Hounourable Lahore High Court on 06-02-2019, status of this company (GGL) has been changed from associated to holding company. As on close of the financial year June 30, 2019, GGL has not fully or partially utilized the approved amount of investment. The approval of this investment will expire on October 30, 2019.

The directors of Ghani Global Glass Limited (the Company) has recommended to obtain the approval from shareholders of the Company for aggregate investment of Rs.300 million in shape of long term loans and advances in Ghani Chemical Industries Limited an associated company, out of which Rs. 200 million shall be by way of long term loans and advances and Rs. 100 million as loans or advances as revolving line of credit. Agenda item as special business for obtaining approval of this investment from shareholders of the Company is included in notice of AGM.

STATUTORY AUDITORS OF THE COMPANY

The present auditors' M/s. Rizwan & Company, Chartered Accountants will retire on conclusion of Annual General Meeting being held on October 28, 2019. 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, 2020.

SHARE PRICE TREND

The share price of Rs.10 each of your Company at one stage rose as high as Rs. 14.70 during August 2018, lowered as low as Rs. 4.50 during May 2019 and closed at Rs. 5.75 as on June 30, 2019.

SAFETY, HEALTH, ENVIRONMENT & QUALITY (SHEQ)

Your Company has implemented the safety and environmental programs at furnace and ampoule factories. During the year no loss time incident reported at plant site. The safety committees, farmed at all sites of plants, are performing best and regular meetings are conducted where safety performance is evaluated each month and corrective action taken where needed. Safety procedures, developed for glass handling which have yielded best results and performance. Regular "Tuesday Safety Talks" are conducted at all the section of the plant for general awareness and participation of the working staff. In these talks on the job and off the job safety topics are discussed where the workers participate for better results. Regular internal and external safety audits are conducted to ensure fail safe operations of the safety systems.

At Ghani Global Glass furnace is emitting flue gases at the height permitted under the environmental acts. Strict controls are placed to avoid any kind of ground and air pollutions. The air samples are checked regularly to assure no air pollution, in and around, the plant area. The Company is committed to green environments and as such have launched the tree plantation program all around on sites. Clean environment is being created at the ampoule making factory by installing HVAC system to ensure supplying dust free air resulting into hygiene controlled ampoules to pharmaceutical industries.

ENVIRONMENT QUALITY MANAGEMENT SYSTEM

Ghani Global Glass is environmentally alive and is ensuring zero air, water and ground pollution. The Company is maintaining gardens and plants at the site to make the work place attractive and give comfortable environment to the employees as well as customers by implementation of Environment Management System. During the year under review your Company has converted itself by adoption of latest version of Environment Management System ISO 14001:2015. Certification of the system has been obtained from world's known "UEAS". Annual surveillance audit is conducted by the certification agency to ensure the compliance of the environment quality management system.

QUALITY MANAGEMENT SYSTEM

In addition to safety, health and environment, Ghani Global Glass is highly focused on quality standards. During the year under review your Company has converted itself by adoption of latest version of Quality Management System ISO 9001:2015. Annual surveillance audit is conducted by the certification agency to ensure the compliance of the environment quality management system. Certification of the system has been obtained from world's known "UEAS". Annual surveillance audit is conducted by the certification agency to ensure the compliance of the quality management system.

HUMAN RESOURCE

Development of Human Resources is one of the priority areas in Ghani Global Glass as the management considers human capital as the most precious asset of the Company.

Alhamdulillah Ghani Global Glass has hired highly qualified, experienced staff and all the areas such as marketing, plant operations, customer services, finance and corporate have been covered.

Ghani Global Glass employees' commitment, professionalism and focus on quality and customers' care have helped us gain a reasonable market share in a short period.

TRAINING AND DEVELOPMENT

For better and safe performance, the Company needs to have best employees. To achieve this goal in-house and out sourced training sessions are conducted. The staff is evaluated for training need analysis. The training sessions are organized based on the gaps observed in the evaluation process. The safety trainings are also conducted through outside sources which have yielded best results so far.

EUROPEAN & CHINESE TECHNICAL SUPPORT

To ensure the smooth operation and routine maintenance of the plant and equipment, Ghani Global Glass has entered into agreement(s) with renowned European and Chinese international companies. During the year, European and Chinese teams of experts remained on board to support the local team of professionals.

STAFF RETIREMENT BENEFIT

Ghani Global Glass operates a funded, contributory Provident Fund Scheme for its employees. Contributions are deducted from salaries of the employees and the Company also contributes equal amount to the Fund on monthly basis.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Code of Corporate Governance (the Listed Companies (Code of Corporate Governance) Regulations, 2017) has been implemented.

STATEMENT OF COMPLIANCE

A Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017 is annexed.

CODE OF CONDUCT

The board of Ghani Global Glass has adopted code of conduct for its Board of Directors and the employees. All concerns are informed of these codes and are required to observe the rules of conduct in relation to customers, suppliers and regulations.

CONTRIBUTION TO NATIONAL EXCHEQUER

During the year under review Ghani Global Glass has contributed Rs. 316 million (2018: Rs.285 million) in shape of taxes, duties and levies paid to central, provincial government and local authorities.

AUDIT COMMITTEE

The Board has formed an Audit Committee. It comprises four members, of whom one is independent and three are non-executive directors.

Names of Members of Audit Committee are as under:

Name of irector	Catagory	Designation in Commitee
Mahmood Ahmad	Independent director	Chairman
Atique Ahmad Khan	Non-executive director	Member
Hafiz Farooq Ahmad	Non-executive director	Member
Saira Farooq	Non-executive director	Member

The Audit Committee has its terms of reference which were determined by the Board of Directors in accordance with the guidelines provided in the Listed Companies (Code of Corporate Governance) Regulations, 2017.

HR&R COMMITTEE

The Board has formed a Human Resource and Remuneration (HR&R) Committee. It comprises four members, of whom one is independent and three are non-executive directors.

Names of Members of HR & R Committee are as under:

Name of Director	Catagory	Designation in Commitee
Tahir Bashir Khan	Independent director	Chairman
Atique Ahmad khan	Non-executive director	Member
Hafiz Farooq Ahmad	Non-executive director	Member
Rabia Atique	Non-executive director	Member

The HR&R committee has its terms of reference which were determined by the Board of Directors in accordance with the guidelines provided in the Listed Companies (Code of Corporate Governance) Regulations, 2017.

RELATIONS WITH STAKEHOLDERS

Ghani Global Glass is committed to establishing mutually beneficial relations with all suppliers, customers, bankers, employees, stock exchange, SECP and other business partners of the Company. Alhamdulillah during the period under review relations with all stakeholders remained cordial.

CORPORATE SOCIAL RESPONSIBILITY

GGGL is committed to both sustainable business practices and its responsibilities as a corporate citizen. We believe that the Corporate Social Responsibility is primarily about conducting business in a transparent and ethical way that not only enhances value of all of our stakeholders but also gives support to the events that enhance the well-being of the community.

The Corporate Social Responsibility and guidelines for corporate governance are steps in the right direction. Customer Relation Management is a strategic business philosophy and processes are rooted through ethical practice. With the growth of our business, we have assumed an even greater responsibility towards our society and stakeholders, including employees, their families and our business partner etc.

The GGGL also supports a clean environment and motivates its customers for this cause the GGGL also tries its level best that the business activities of customers must be environment-friendly and not be hazardous to the society.

From the last two years, the Company has been sending every year one employee of the Company, selected through balloting, to perform Hajj (with pay on Company's expense).

Ghani Global Glass endeavors to be a trusted corporate entity and fulfills the responsibility towards the environment and society in general.

BOARD OF DIRECTORS

The Board of Directors, which consist of eight members, have responsibility to independently and transparently monitor the performance of the Company and take strategic decision to achieve sustainable growth in the Company value.

Total number of directors:

Description	Number of Directors
Male	06
Female	02
Total	**08**

Composition:

Categories	Number of Directors
Independent directors	02
Other non-executive directors	04
Executive directors	02
Total	**08**

The Chairman board of directors is among the non-executive directors.

A written notice of the board meeting along with working papers was sent to the members seven days before the meeting.

A total of seven meetings of the Board of Directors were held during the year ended June 30, 2019.

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

The present board of directors were elected in Annual General Meeting of the Company held on October 28, 2017 for a further period of three years and shall retire on October 30, 2020.

DIRECTORS' REMUNERATION

The remuneration of the directors is determined by the Board as per provisions of sections 170 of the Companies Act, 2017 on the basis of standards in the market and reflects demand to competencies and efforts in the light of the scope of their work and responsibilities of the directors.

During the year ended June 30, 2019 aggregate amount of remuneration paid to the Executive and Non-Executive Directors are as under:

Category of Director	Number of Directors	Remuneration (Rupees in '000)
Executive directors including CEO	1	17,520
Other Executive director	1	-
Independent directors	2	-
Other non-executive directors	4	-

Remuneration of the Chief Executive Officer (CEO) and other executive director is reviewed annually by the board of directors.

No remuneration and/fee is paid to other executive director, non-executive directors and independent directors for attending the meetings of board of directors and/or committees of the board.

CHAIRMAN'S REVIEW

The chairman's review deals with the overall performance of the board and effectiveness of the role played by the board in achieving the company's objectives for the year ended June 30, 2019 in compliance with section 192 (4) of the Companies Act, 2017 is annexed.

PATTERN OF SHAREHOLDING

A pattern of shareholding as required under section 227(2)(f) of the Companies Act, 2017 is annexed.

SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION

The shareholders of the Company in their Extra-Ordinary General Meeting held on September 29, 2018 under the supervision of the Honourable Lahore High Court, Lahore (the Court) appointed Chairmen approved the scheme of Compromises, Arrangement and Reconstruction under section 279 to 283 of the Companies Act, 2017 amongst the Ghani Global Holdings Limited (formerly Ghani Gases Limited/ GGL), Ghani Chemical Industries Limited (GCIL) and Ghani Global Glass Limited (GGGL/the Company). Thereafter the Honourable Court vide its order dated 06-02-2019 in Civil Original No. 221137 of 2018 sanctioned the scheme.

In compliance with the approved scheme, sponsors of the Company transferred 25,098,200 shares held by them in GGGL to the Ghani Global Holdings Limited (formerly Ghani Gases Limited) during March 2019 and holding percentage of Ghani Global Holdings Limited (formerly Ghani Gases Limited) in the Company increased to 50.10%.

POST BALANCE SHEET EVENTS

No material changes or commitments affecting the financial position of the Company have occurred between the end of financial year of the Company and date of this report.

ACKNOWLEDGMENT

The directors express their deep appreciation to our valued customers who placed their confidence in the Company. We would like to express sincere appreciation to the dedication of Company's employees to their professional obligations and cooperation by the bankers, government agencies, which have enabled the Company to display good performance both in operational and financial fields.

We thank our shareholders who reposed their confidence on management of the Company, the officials of the SECP, the Karachi Stock Exchange and all government functionaries as well as the commandments of Allah Subhanatallah and Sunnah of our Prophet Muhammad (peace be upon him).

On behalf of the Board

Lahore	**MASROOR AHMAD KHAN**	**HAFIZ FAROOQ AHMAD**
October 03, 2019	(Chief Executive Officer)	(Director)

اعترافی بیانیہ

ڈائریکٹرز اپنے معزز کسٹمرز جنہوں نے کمپنی پر اعتماد کیا ان کی تہہ دل سے قدر کرتی ہے۔ ہم اپنے ملازمین کی پیشہ ورانہ فرائض کی ادائیگی پر تہہ دل سے قدر کرتے ہیں اور بینکرز اور گورنمنٹ اداروں کے تعاون پر مشکور ہیں جن کی وجہ سے کمپنی اچھے رزلٹ دینے میں کامیاب ہوئی۔

ہم اپنے حصص داران کا شکریہ ادا کرتے ہیں جنہوں نے کمپنی کی انتظامیہ پر اعتماد کیا اسی طرح ایس ای سی پی، سٹاک ایکسچینج اور گورنمنٹ کے تمام کارکنان کا بھی شکریہ ادا کرتے ہیں ہم اللہ تعالیٰ کا شکر ادا کرتے ہوئے اللہ تعالیٰ کے احکامات اور اس کے نبی حضرت محمد ﷺ کی سنت مبارکہ سے رہنمائی چاہتے ہیں۔

بورڈ آف ڈائریکٹرز کی طرف سے

مسرور احمد خان چیف ایگزیکٹو آفیسر	حافظ فاروق احمد ڈائریکٹر	لاہور 03 اکتوبر 2019

بورڈ کا چیئرمین نان ایگزیکٹوڈائریکٹر میں سے ہے۔ بورڈ میٹنگ کا نوٹس میٹنگ سے سات روز قبل بمعہ ورکنگ پیپرز ڈائریکٹرز کو ارسال کیا جاتا ہے۔

سال مختتمہ 30 جون 2019 کے دوران ڈائریکٹرز کے کل سات اجلاس ہوئے۔

اجلاس میں غیر حاضر رہنے والے ڈائریکٹرز کو چھٹی کی اجازت دی گئی۔

موجودہ بورڈ آف ڈائریکٹرز حالیہ اجلاس عام منعقدہ 28 اکتوبر 2017 کو تین سالوں کے لئے منتخب ہوئے جو کہ 30 اکتوبر 2020 کو ریٹائر ہو جائیں گے۔

ڈائریکٹران کا معاوضہ

ڈائریکٹرز کا زر معاوضہ کمپنیز ایکٹ 2017 کی شق نمبر 170 کے تحت بورڈ طے کرتا ہے۔ ڈائریکٹران کا معاوضہ ان کی قابلیت اور مارکیٹ کے معیار کے مطابق طے کیا جاتا ہے۔

دوران سال مختتمہ 30 جون 2019 میں ایگزیکٹو اور نان ایگزیکٹو کو بطور مندرجہ ذیل ادائیگیاں ہوئیں۔

قسم ڈائریکٹر	ڈائریکٹران کی تعداد	معاوضہ (روپے ہزاروں میں)
دوسرا ایگزیکٹوڈائریکٹر (چیف ایگزیکٹو)	01	17,520
آزاد/غیر متعلقہ ڈائریکٹرز	02	-
نان ایگزیکٹوڈائریکٹرز	04	-

بورڈ آف ڈائریکٹرز، دوسرے ایگزیکٹوڈائریکٹر اور چیف ایگزیکٹو کے معاوضے کا سالانہ جائزہ لیتے ہیں۔

نان ایگزیکٹوڈائریکٹرز اور آزاد ڈائریکٹرز کو ڈائریکٹرز کے اجلاس یا کمیٹی کے اجلاس میں شرکت کرنے کا معاوضہ یا فیس ادا نہیں کی گئی۔

چیئرمین کی جائزہ رپورٹ

کمپنیز ایکٹ 2017 کی دفعہ 192(4) کے تحت بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول کی خاطر بورڈ کو موثر رول سے متعلق اختتامی سال 30 جون 2019 کیلئے چیئرمین کا جائزہ منسلک ہے۔

حصص داران کا پیٹرن

کمپنیز ایکٹ 2017 کی دفعہ (f)(2)227 کے مطابق حصص داران کا پیٹرن منسلک ہے۔

سمجھوتوں انتظام اور تعمیر نو کی اسکیم

کمپنی کے حصص داران نے 29 ستمبر 2018 کو معزز لاہور ہائیکورٹ لاہور (عدالت) کے مقرر کردہ چیئرمینوں کی زیر نگرانی غیر معمولی اجلاس میں کمپنیز ایکٹ 2017 کے سیکشن 279 سے 283 کے تحت غنی گلوبل ہولڈنگز لمیٹیڈ (سابقہ غنی گیسز لمیٹیڈ) غنی کیمیکل انڈسٹریز لیمیٹیڈ اور غنی گلوبل گلاس لمیٹیڈ (جی جی جی ایل) کے درمیان سمجھوتہ، انتظام اور تعمیر نو کی اسکیم کو منظور کیا۔ اس کے بعد معزز عدالت نے اپنے حکم مورخہ 06-02-2019 کے مطابق اس اسکیم کی منظوری دی۔

منظور شدہ اسکیم کی تعمیل میں کمپنی کے اسپانسرز نے جی جی جی ایل میں ان کے موجود 25,098,200 شیئرز کو مارچ 2019 کے دوران غنی گلوبل ہولڈنگز لمیٹیڈ (سابقہ غنی گیسز لمیٹیڈ) کو منتقل کیا اور اس طرح کمپنی میں غنی گلوبل ہولڈنگز لمیٹیڈ (سابقہ غنی گیسز لمیٹیڈ) کی ہولڈنگ 50.10 فیصد تک بڑھ گئی۔

بیلنس شیٹ کی تاریخ کے بعد کے واقعات

کمپنی کی مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی پوزیشن کو متاثر کرنے والی تبدیلی یا وعدہ نہیں ہوا۔

ہیومن ریسورس اور معاوضہ کی کمیٹی کے اپنے ٹرم آف ریفرنس ہیں جو کہ بورڈ آف ڈائریکٹرز نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 کے تحت منظور کیئے ہیں۔

سٹیک ہولڈرز سے تعلقات

غنی گلوبل گلاس کسٹمرز، سپلائرز، بینکرز، ملازمین، سٹاک ایکسچینج، ایس ای سی پی اور دوسرے بزنس پارٹنرز سے باہمی تعلقات خوشگوار رکھنے میں پرعزم ہیں۔ الحمدللہ اس مدت کے دوران تمام اسٹیک ہولڈرز کے ساتھ تعلقات خوشگوار رہے۔

کارپوریٹ سماجی ذمہ داری

جی جی جی ایل پائیدار کاروباری طریقوں اور کارپوریٹ شہری کی حیثیت سے اس کی ذمہ داریوں دونوں کے لئے پرعزم ہیں۔ ہم یقین رکھتے ہیں کہ شفاف اور اخلاقی طرز کاروبار سے نا صرف تمام سٹیک ہولڈرز میں قدآور ہو سکتے ہیں بلکہ اس سے کمیونٹی کی بہبود میں اضافہ میں مدد ملتی ہے۔

آپ کی کمپنی نے کارپوریٹ سماجی ذمہ داریوں کا تعین کر کے ان کی راہیں متعین کر دی ہیں۔ اسے کسٹمرز ریلیشن مینیجمنٹ نے اخلاقی پریکٹس کے طور پر اپنایا گیا ہے۔ کاروبار کی نمو کے ساتھ ہم اپنی ذمہ داری کو معاشرے، سٹیک ہولڈرز بشمول ملازمین، ان کے خاندان اور اپنے بزنس پارٹنرز کے لئے بھی اتنا ہی بڑھتا ہوا دیکھتے ہیں۔

غنی گلوبل گلاس ایک صاف ستھرے ماحول کی حوصلہ افزائی کرتی ہے اور اپنے گاہکوں کو اس مقصد میں شامل ہونے کی ترغیب دی ہے۔ کمپنی اس بات کی حتی الامکان کوشش کرتی ہے کہ گاہکوں کی کاروباری سرگرمیاں ماحول دوست ہوں اور ان سے معاشرے کو نقصان نہ پہنچے۔

کمپنی پچھلے دو سالوں سے اپنے خرچ پر ایک ملازم کو قرعہ اندازی کے ذریعے حج پر بھیج رہی ہے۔ غنی گلابل گلاس کوشش کرتی ہے کہ وہ ایک بھروسہ مند کارپوریٹ ہستی کے طور پر پہچانی جائے اور ماحولیات اور معاشرہ میں اپنی ذمہ داریوں کو احسن طریقے سے انجام دے۔

بورڈ آف ڈائریکٹرز

کمپنی کے بورڈ آف ڈائریکٹرز جو تعداد میں آٹھ ہیں اپنی آزاد ذمہ داریوں اور کمپنی کو شفاف طریقوں سے نگران کے طور پر اس طرح کے فیصلے کرتے ہیں کہ کمپنی کی پائیدار ترقی میں اضافہ ہو۔

ٹوٹل ڈائریکٹران کی تعداد

تفصیل	ڈائریکٹران کی تعداد
مرد	06
خواتین	02
کل تعداد	08

ڈائریکٹران کی ترتیب

تفصیل	ڈائریکٹران کی تعداد
آزاد / غیر متعلقہ ڈائریکٹرز	02
دوسرے نان ایگزیکٹو ڈائریکٹرز	04
ایگزیکٹو ڈائریکٹرز	02
کل تعداد	08

فوائد برائے سٹاف ریٹائرمنٹ

غنی گلوبل گلاس اپنے ملازمین کے لئے ایک پرووڈینٹ فنڈ اسکیم چلاتا ہے اس اسکیم کے تحت ملازمین کی تنخواہ میں سے رقم کاٹی جاتی ہے اور کمپنی ماہانہ طور پر اس فنڈ کی رقم میں ملازمین کی رقم کے برابر رقم ادا کرتی ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

کوڈ آف کارپوریٹ گورننس جوکہ (دی لسٹڈ کمپنیز) کوڈ آف کارپوریٹ گورننس) ریگولیشن 2017 کو نافذ کیا گیا ہے۔

تعمیل کا بیانیہ

لیسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 سے متعلق عمل کرنے کا بیانیہ اس رپورٹ میں شامل ہے۔

ضابطہ اخلاق

غنی گلوبل گلاس کے بورڈ نے، بورڈ آف ڈائریکٹرز اور ملازمین کے لئے علیحدہ علیحدہ ضابطہ اخلاق مرتب کیا ہے۔ تمام متعلقہ لوگوں کو اس بابت اطلاع دے دی گئی ہے تاکہ اس ضابطہ کے رولز جو گاہکوں، سپلائرز سے متعلق ہیں اس پر عمل درآمد کریں۔

قومی خزانے میں حصہ

زیر جائزہ سال غنی گلوبل گلاس نے 316 ملین روپے (2018 میں 285 ملین روپے) بطور ٹیکس، ڈیوٹیاں اور لگان مرکزی اور صوبائی حکومتوں اور شہری حکومتوں کو ادا کئے ہیں۔

محاسبتی کمیٹی

بورڈ نے ایک آڈٹ کمیٹی قائم کی ہے جو چار ممبران پر مشتمل ہے جن میں سے ایک غیر متعلقہ اور تین نان ایگزیکٹو ڈائریکٹر ہیں۔

کمیٹی کے ممبران کے نام یہ ہیں۔

ڈائریکٹر کا نام	تخصیص	عہدہ
محمود احمد	غیر متعلقہ / آزاد ڈائریکٹر	چیئرمین
عتیق احمد خان	نان ایگزیکٹو ڈائریکٹر	ممبر
حافظ فاروق احمد	نان ایگزیکٹو ڈائریکٹر	ممبر
سائرہ فاروق	نان ایگزیکٹو ڈائریکٹر	ممبر

آڈٹ کمیٹی کا اپنا ٹرم آف ریفرنس ہے جو بورڈ آف ڈائریکٹر نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 کے تحت مرتب کیا ہے۔

ہیومن ریسورس اور معاوضہ کی کمیٹی

بورڈ نے ہیومن ریسورس اور معاوضہ کی کمیٹی تشکیل دی ہوئی ہے۔ یہ کمیٹی چار ممبران پر مشتمل ہے جن میں سے ایک غیر متعلقہ / آزاد اور تین نان ایگزیکٹو ڈائریکٹر شامل ہیں۔

ہیومن ریسورس اور معاوضہ کمیٹی کے ممبران کے نام اس طرح ہیں۔

ڈائریکٹر کا نام	تخصیص	عہدہ
طاہر بشیر خان	غیر متعلقہ / آزاد ڈائریکٹر	چیئرمین
عتیق احمد خان	نان ایگزیکٹو ڈائریکٹر	ممبر
حافظ فاروق احمد	نان ایگزیکٹو ڈائریکٹر	ممبر
رابعہ عتیق	نان ایگزیکٹو ڈائریکٹر	ممبر

حفاظت، صحت، ماحول اور کوالٹی

آپکی کمپنی نے حفاظت اور ماحولیاتی پروگرام کو فرنس، گلاس ٹیوبنگ، گلاس ایمپیولز اور گلاس وائلز کی مینوفیکچرنگ اور پیکنگ پر لاگو کیا ہے۔ اس سال کے دوران پلانٹ سائیٹ پر کوئی حادثہ رونما نہیں ہوا۔ حفاظتی کمیٹیاں پلانٹ کہ ہر حصے کے لئے بنائی گئی ہیں۔ جنکی کارکردگی ہر مہینے جانچی جاتی ہے۔ گلاس کی نقل وحمل کے لئے حفاظتی طریقہ کار اپنائے گئے ہیں جنکی کارکردگی کے بہترین نتائج آئے ہیں۔

پلانٹ کے تمام مقامات پر باقاعدگی سے حفاظتی اقدامات اور عمومی جانکاری کے بارے میں کارکنان کے ساتھ ہر منگل کو گفت وشنید کی جاتی ہے۔ اس گفت وشنید میں کام کے دوران اور کام کے بعد سے متعلق حفاظتی نکات کا تبادلہ خیال کیا جاتا ہے جو کہ کارکنان کی شمولیت سے بہتر نتائج دے رہا ہے، حفاظتی نظامات کی کامیابی کے لئے اندرونی اور بیرونی محاسبین نظام کی باقاعدگی سے جانچ پڑتال کر رہے ہیں۔

کمپنی سبز ماحول کے لئے پرعزم ہے۔ جسکے لئے پلانٹ کے اردگرد درخت لگاؤ پروگرام شروع کیا گیا ہے۔ فارماسیوٹیکل کمپنیز کو صاف ستھرے ایمپیولز فراہم کرنے کے لئے صاف ستھرا ماحول HVAC سسٹم نصب کیا گیا ہے۔

ماحولیاتی اہتمام کے انتظام کا نظام

غنی گلوبل گلاس لمیٹڈ ماحولیاتی لحاظ سے زندہ ہے اور ہوا پانی اور زمینی آلودگی کو صفر پر رکھنے کو یقینی بنا رہا ہے۔ کمپنی کام کی جگہ کو دلکش بنانے کے لئے سائٹ پر باغات اور پودوں کی دیکھ بھال کر رہی ہے اور انووائرمنٹ مینجمنٹ سسٹم کے نفاذ سے ملازمین کے ساتھ ساتھ صارفین کو آرام دہ ماحول فراہم کر رہی ہے۔ زیر جائزہ سال کے دوران آپ کی کمپنی نے ماحولیاتی انتظامی نظام آئی ایس او 14001:2015 کے تازی ترین ورژن کو اپنا کر خود کو تبدیل کیا ہے۔ اس نظام کی سند دنیا کے مشہور "یو کے اے ایس" حاصل کی گئی ہے۔ ماحولیاتی معیار کے انتظام کے نظام کی تعمیل کو یقینی بنانے کے لئے سرٹیفکیشن ایجنسی کے ذریعے سالانہ نگرانی کا آڈٹ کیا جاتا ہے۔

انتظام معیارات کا نظام

حفاظت ،صحت اور ماحولیات کے علاوہ غنی گلوبل گلاس معیار کے معیار پر زیادہ فوکس ہے۔ زیر جائزہ سال کے دوران آپ کی کمپنی نے کوالٹی مینجمنٹ سسٹم آئی ایس او 9001:2015 کا تازہ ترین ورژن اپناتے ہوئے خود کو تبدیل کیا ہے۔ ماحولیاتی معیار کے انتظام کے نظام کی تعمیل کو یقینی بنانے کے لئے سرٹیفکیشن ایجنسی کے ذریعہ سالانہ نگرانی کا آڈٹ کیا جاتا ہے۔ اس نظام کی سند دنیا کے مشہور "یو کے اے ایس" سے حاصل کی گئی ہے۔ کوالٹی مینجمنٹ سسٹم کی تعمیل کو یقینی بنانے کے لئے سرٹیفکیٹ ایجنسی کے ذریعہ سالانہ نگرانی کا آڈٹ کیا جاتا ہے۔

انسانی وسائل

انسانی وسائل کی ترقی غنی گلوبل گلاس کی ترجیحات میں سے ایک ہے۔ کیونکہ انتظامیہ انسانی وسائل کو ایک اثاثے کے طور پر لیتی ہے۔ الحمداللہ غنی گلوبل گلاس نے اعلی تعلیم یافتہ تجربہ کار سٹاف، مارکیٹنگ، پلانٹ آپریشن، فرنس، کوالٹی، فنانس اور کارپوریٹس کے شعبوں میں رکھا ہوا ہے۔

غنی گلوبل گلاس کے ملازمین نے اپنے وعدوں کی تکمیل، پیشہ ورانہ مہارت، کوالٹی پر توجہ اور کسٹمرز کو سہولت مہیا کرنے کے باعث بہت ہی کم عرصے میں ایک اچھا خاصہ مارکیٹ شیئر حاصل کیا ہے۔

تربیت اور ترقی

بہتر اور محفوظ کارکردگی کے لئے آپ کی کمپنی نے بہترین ملازمین رکھے ہوئے ہیں۔ اس مقصد کو حاصل کرنے کے لئے ملازمت کی جگہ پر اندرونی ذرائع اور بیرونی ذرائع سے متعدد تربیتی کورس کروائے گئے ہیں۔ ملازمین کو تربیت کی ضرورت کے مطابق تجزیہ کے دوران پائی گئی کمی کو ختم کرنے کے لئے تربیتی کورس منعقد کیے گئے ہیں۔ بیرونی ذرائع سے حفاظتی تربیت کے لئے مختلف تربیتی پروگرام کروائے جاتے ہیں جن کے اب تک بہت اچھے نتائج حاصل ہوئے ہیں۔

یوپین وچائنیز ٹیکنیکل سپورٹ

اپنے پلانٹ کے مسلسل آپریشن اور روزمرہ مینٹیننس کو یقینی بنانے کے لئے غنی گلوبل گلاس نے جانی پہچانی بین الاقوامی یوپین وچائنیز کمپنیوں سے معاہدے کیے ہیں۔ اس سال کے دوران بھی یورپین اور چائنیز ایکسپرٹ کی ٹیمیں ہماری پیشہ ورانہ لوکل ٹیم کی سپورٹ کے لئے موجود رہیں۔

آپ کی کمپنی کی مصنوعات کو MNCs، درمیانے اور بڑے پیمانے پر قومی کمپنیوں میں منظور کیا گیا ہے جہاں ہم ان کمپنیوں کے ساتھ مل کر کام کر رہے ہیں اور مارکیٹ میں متعدد کنورٹرز کے باوجود ایک اہم کاروبار حاصل کر رہے ہیں۔

کمپنی نے جی جی جی ایل ٹیوبنگ پر پاکستان بھر میں بیشتر اعلیٰ نیشنل کمپنیوں اور ایم این سی کو کامیابی کے ساتھ تبدیل کیا ہے جو پہلے صرف یورپین ٹیوبنگ ہی سے استعمال کر رہے تھے۔ ہم دوسری کمپنیوں کے ساتھ بھی فعال طور پر کام کر رہے ہیں اور اپنی ٹیوبنگ کو چلانے کے لئے ان کا تعاقب کر رہے ہیں۔ اس کے لئے کچھ کوالٹی پروٹوکول کا عمل جاری ہے۔ اس عمل کو حتمی شکل دینے کے بعد ہم اس سال کے آخر تک کئی ملٹی نیشنل کمپنیوں کے ساتھ کاروبار شروع کر دیں گے۔

2020 کیسے دیکھ رہے ہیں ؟

ہم نے جی جی جی ایل گلاس ٹیوب پر پاکستان بھر میں بیشتر اعلیٰ نیشنل کمپنیوں اور ملٹی نیشنل کمپنیوں کو کامیابی کے ساتھ تبدیل کیا ہے جو پہلے صرف اعلیٰ قیمت والے یورپین گلاس ٹیوب ہی استعمال کر رہے تھے۔ ہم دوسری کمپنیوں کے ساتھ بھی فعال طور پر کام کر رہے ہیں اور اپنی ٹیوب کو چلانے کے لئے ان کا تعاقب کر رہے ہیں۔ ہمارا سیلز پورٹ فولیو آہستہ اور مستحکم انداز میں آگے بڑھ رہا ہے۔ ہم اپنی فروخت کی شرح نمو کو ڈبل ہندسے میں لانا چاہتے ہیں۔

آپ کی کمپنی نے بنگلہ دیش کو ٹیوب کی برآمد شروع کر دی۔ MENA ریجن، ارجنٹائن، روس اور میکسیکو میں ٹیوب صارفین کے ساتھ بات چیت جاری ہے۔

اس وقت ملک کو نازک صورتحال کا سامنا کرنا پڑ رہا ہے جہاں معاشی سرگرمیاں سست روی کا شکار ہیں، بجلی اور گیس کی قیمتوں میں اضافہ، روپے کی قدر میں کمی اور کاروبار کی لاگت میں بے حد اضافہ ہوا ہے۔ ہم یہ نہیں دیکھ رہے کہ مستقبل میں اس صورتحال میں بہتری آجائے گی جب تک کہ حکومت کی طرف سے کوئی اہم اقدام نہیں اٹھائے جاتے۔

حصص داران کو ادائیگی

آپکی کمپنی کی انتظامیہ شیئر ہولڈرز کو انکی سرمایہ کاری پر ریٹرن دینے پر مکمل یقین رکھتی ہے۔ بہر حال کمپنی کے منافع میں آنے کے بعد شیئر ہولڈرز کو ادائیگی کی سفارش کی جائیگی انشاءاللہ۔

ایسوسی ایٹ /ہولڈنگ کمپنی میں سرمایہ کاری کی صورتحال

کمپنی کے حصص یافتگان نے 31 اکتوبر 2016 کو اپنی میٹنگ میں 3 سال کے لئے ایڈوانس اور قرضوں کی شکل میں غنی گلوبل ہولڈنگز لمیٹڈ (سابقہ غنی گیسز لمیٹڈ / جی جی ایل) میں 200 ملین روپے کی سرمایہ کاری کی منظوری دی۔ 06-02-2019 کو لاہور ہائی کورٹ لاہور کے حکم کے تحت سمجھوتوں، انتظامات اور تعمیر نو کی اسکیم کی منظوری کے بعد اس کمپنی (جی جی ایل) کی حیثیت ایسوسی ایٹڈ سے ہولڈنگ کمپنی میں تبدیل ہوگئی۔ مالی سال 30 جون 2019 کے اختتام پر جی جی ایل نے سرمایہ کاری کی منظور شدہ رقم کو مکمل یا جزوی طور پر استعمال نہیں کیا ہے۔ اس سرمایہ کاری کی منظوری 30 اکتوبر 2019 کو ختم ہو جائے گی۔

غنی گلوبل گلاس لمیٹڈ کے ڈائریکٹرز نے ایک ایسوسی ایٹڈ کمپنی غنی کیمیکل انڈسٹریز لمیٹڈ میں طویل مدتی قرضوں اور ایڈوانس کی شکل میں 300 ملین روپے کی مجموعی سرمایہ کاری کے لئے کمپنی کے شیئر ہولڈرز سے منظوری حاصل کرنے کی سفارش کی ہے جس میں سے 200 ملین طویل مدتی قرضوں اور ایڈوانس اور 100 ملین بطور کریڈٹ لائن کے طور پر ہوں گے۔ اس سرمایہ کاری کی منظوری کے لئے خصوصی کاروبار کے طور پر ایجنڈا آئٹم کو اے جی ایم کے نوٹس شامل کیا گیا ہے۔

کمپنی کے قانونی محاسبان

موجودہ آڈیٹرز رضوان اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس 28 اکتوبر 2019 کو ہونے والی سالانہ اجلاس عام کے بعد ریٹائر ہو جائیں گے۔ آڈٹ کمیٹی کے مشورہ کے مطابق بورڈ آف ڈائریکٹرز نے موجودہ آڈیٹرز کے 30 جون 2020 کے اختتامی سال کے لئے بطور کمپنی کے آڈیٹر دوبارہ تعیناتی کی سفارش کی ہے۔

شیئرز کی قیمت کا رجحان

آپ کی کمپنی کے 10 روپے والے شیئر کی قیمت اگست 2018 میں ایک موقع پر 14.70 روپے تک بڑھی اور مئی 2019 میں اس کی قیمت 04.50 روپے تک کم ہوگئی جبکہ 30 جون 2019 کو یہ شیئر 05.75 روپے پر بند ہوا۔

(R&D) کی ٹیم نے فرنس ہاٹ ایئر سے گیلے سیلیکا سینڈ کو خشک کرنے کا نیا ماحولیاتی دوست سسٹم کامیابی سے متعارف کرایا۔ ان دونوں ماحولیاتی دوست اخراجات میں کمی والے اقدامات کی بدولت قدرتی گیس کے استعمال اور لاگت میں کمی آئی ہے۔ نیوٹرل گلاس ٹیوبنگ کی پیداواری کارکردگی بنیادی طور پر عام مرمت کی بحالی، جزوی طور پر فرنس کی تعمیر نو ، نئی ٹیکنالوجی کا تعارف اور مصنوعات کی لائن کی تبدیلی کی وجہ سے کم رہی۔

آپ کی کمپنی کا بنیادی مالی حسابات برائے سال 30 جون 2019 اور پچھلے سال کا تقابلی جائزہ نیچے دیا گیا ہے۔

تفصیلات	جون 2019	جون 2018	تبدیلی	
	روپے	روپے	روپے	%
مجموعی فروخت	933,790,492	581,818,124	351,972,368	60.50%
خالص فروخت	792,024,270	496,002,081	296,022,189	59.68%
مجموعی منافع	52,173,484	9,266,385	42,205,977	455.47%
تقسیم کاری کی لاگت	35,040,348	23,595,429	11,444,919	48.50%
انتظامی اخراجات	61,579,964	55,346,517	6,233,447	11.26%
آپریٹنگ منافع / (نقصان)	(44,540,553)	(48,720,507)	4,179,954	-8.58%
مالیاتی لاگت	103,058,231	77,510,088	25,548,143	32.96%
بعد از ٹیکس نقصان	(147,598,784)	(122,930,513)	(24,668,271)	20.07%
فی حصص آمدنی	(1.48)	(1.23)	(0.25)	

نقصان کی وجہ

یہ 30 جون 2019 کو ختم ہوئے سال کے لئے کمپنی کے تیسرے پورے سال کی کارکردگی ہے۔ فی الحال کمپنی خسارے میں ہے کیونکہ اس کمپنی نے پاکستان میں پہلی بار ایک پریمیم یورپی ٹیوبنگ گلاس مینوفیکچرنگ پلانٹ قائم کیا جس کی پروڈکٹس کوالٹی کے اعتبار سے کسی سے کم نہیں ہیں۔ ہمارا مقابلہ چین سے درآمد کی جانے والی کم قیمت والی کم معیار کی گلاس ٹیوب کے ساتھ ہے۔ ہماری گلاس ٹیوب یورپی معیار کی ہے جس کی لاگت کم قیمت والی چینی گلاس ٹیوب کے مقابلے میں زیادہ ہوتی ہے جو بین الاقوامی فارماسکوپیا معیارات کو پورا نہیں کر رہی ہے۔ مقامی مارکیٹ میں دخل اندازی کرنے اور اپنے مارکیٹ شیئر کو بڑھانے کے لیے ہمیں کم قیمت پر اعلیٰ معیار کی مہنگی مصنوعات فروخت کرنا پڑتی ہیں۔ قدرتی گیس وغیرہ کی قیمتوں میں اضافے کی وجہ سے کمپنی کے ایندھن اور بجلی کی لاگت میں بھی اضافہ ہوا۔ سوئی گیس کی قیمتوں میں 110 فیصد سے زیادہ اور بجلی کی قیمتوں میں 40 فیصد اضافے نے کمپنی کے مارجن کو بری طرح متاثر کیا۔ پیداواری لاگت اچانک بڑھ جاتی ہے لیکن اسی وقت یہ بڑھتی قیمت صارفین کو نہیں پہنچ سکی جس سے کمپنی کو نقصان ہوا۔ ایک اور عنصر جس نے کمپنی کو نقصان پہنچایا اس کی وجہ ایس بی پی سے چھوٹ کی شرح میں بھاری اضافہ ہے۔ جس کے نتیجے میں کمپنی کی مالی لاگت 77 ملین روپے سے بڑھ کر 103 ملین روپے ہوگئی۔ جس سے کمپنی پر مالی بوجھ 33 فیصد بڑھا۔ ایک سال کے دوران غیر ملکی کرنسی کے خلاف پاک روپے کی قدر میں بھی کمی ہوئی جس کی وجہ سے غیر ملکی کرنسی کے ترجمے کے نقصانات کی بکنگ ہوئی۔ ہماری انتظامیہ اور ٹیم جلد از جلد کمپنی کو منافع بخش بنانے کے لئے اپنی پوری ایمانداری سے کام کر رہی ہے۔

فروخت اور مارکیٹنگ

اس سال کے دوران ہم ملٹی نیشنل کمپنیوں (MNCs)، درمیانے اور بڑے پیمانے پر قومی کمپنیوں میں اپنی مصنوعات کو منظور کرنے میں کامیاب ہوگئے جہاں ہم ان کمپنیوں کے ساتھ مل کر کام کر رہے ہیں اور مارکیٹ میں متعدد کنورٹرز کے باوجود ایک اہم کاروبار حاصل کر رہے ہیں۔ ایمپیولز اور وائلز اور اسی کے مطابق کاروبار میں توسیع کی بدولت شمال، مغربی اور کے پی کے کے خطے میں بھی ہماری فروخت بڑھ رہی ہے۔

غنی گلوبل گلاس لمیٹڈ کی ایمپولز سیلز بڑھتے ہوئے رجحان میں ہے۔ زیر جائزہ مدت کے دوران آپ کی کمپنی نے ایمپولز کی تیاری کے لئے مزید چار مشینیں لگائیں اور ہماری موجودہ صلاحیت ماہانہ 55 ملین سے زیادہ ہے۔

ایک سال کے دوران، ایمپولز کی فروخت کے حجم میں 67 فیصد اضافہ ہوا ہے، وائلز میں 96 فیصد اور ٹیوب کی فروخت پچھلے سال کے مقابلے میں ایک جیسی رہی۔

ڈائریکٹرز رپورٹ

معزز حصص داران

السلام وعلیکم ورحمۃ اللہ برکاتہ

آپ کی کمپنی (غنی گلوبل گلاس لمیٹڈ) کے ڈائریکٹران کمپنیز ایکٹ 2017 کی تصریحات کے تحت سالانہ تنقیح شدہ اور غیر یکجا مالی حسابات برائے سال ختمہ 30 اکتوبر 2019 پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

قومی معیشت کا جائزہ

گذشتہ مالی سال پاکستان کی معیشت صنعتوں اور دیگر طبقات کے چیلنجوں سے بھری ہونے کی وجہ سے ایک اہم سنگم میں داخل ہوگئی ہے۔ پچھلے جولائی کے بعد سے روپے کی قدر میں 34% کمی نے افراط زر کی شرح میں اہم کردار ادا کیا ہے جس کی وجہ یہ ہے کہ جون 2019 میں سی پی آئی کی (صارف قیمت اشاریہ) کی قیمت 8.9 فیصد تھی۔ جاری درد ایک طویل عرصہ سے تیار ہے۔ لیکن اس سے بھی اہم بات یہ ہے کہ طویل مدتی ساختی تبدیلیاں لانے کے لئے جو جرات مندانہ اور ضروری اقدامات نافذ کیے جارہے ہیں وہ آنے والے سالوں میں مضبوط اور پائیدار ترقی کی بنیاد قائم کریں گے۔ اسٹیٹ بینک نے پالیسی شرح میں مستحکم اضافے کے ساتھ بڑھتی ہوئی قیمتوں پر جواب دیا ہے جو اب 13.25% ہے۔ نتیجے کے طور پر معاشی سرگرمی اور کاروباری اعتماد کم ہوگیا ہے مالی سال 2020 میں جی ڈی پی کی شرح نمو اب 3 فیصد کے قریب ہونے کی امید ہے۔ کرنسی کے نظام کی کمزوری بیرونی پوزیشن اور قرض چڑھنے کی تشویش نے عالمی سرمایہ کاری کی کمیونٹی کو ایک طرف رکھ دیا ہے۔ بہر حال نظر میں بدلاؤ کے آثار ہیں۔ بین الاقوامی مالیاتی فنڈ نے حال ہی میں پاکستان کے لئے 6 بلین امدادی پروگرام کی منظوری دی ہے۔ جبکہ کچھ سخت ساختی اقدامات اٹھائے جارہے ہیں توقع کی جارہی ہے کہ آئی ایم ایف پروگرام کے ذریعے فوری طور پر کچھ دقیانوسی خدشات کو ختم کیا جاسکے گا اور ملک میں اضافی غیر ملکی سرمایہ کاری کی جائے گی۔ مئی میں جاری کھاتوں کا خسارہ 1.1 بلین ڈالر تھا جو گذشتہ سال کے مقابلے میں 29 فیصد بہتری ہے۔ حکومت کی مالی پالیسیاں طویل عرصے تک وسیع پیمانے پر ٹیکس کی تعمیل اور کاروباری اصلاحات پر عمل درآمد مینوفیکچرنگ کی حوصلہ افزائی اور غیر ضروری درآمدات کی حوصلہ شکنی پر توجہ مرکوز کرتی رہتی ہیں۔ کاروبار کرنے میں آسانی کو بڑھانے جدت کے ذریعہ معیشت کو ڈیجیٹلائز کرنے اور ہمارے برآمدی اڈے کو تقویت بخش اور متنوع بنانے کے لئے ابھی بھی بہت سارے کام کرنے کی ضرورت ہے۔ مجموعی طور پر معاشی صورتحال واقعتاً پریشان کن ہے۔ شرح نمو 6.2 فیصد تک قریب 50 فیصد گر گئی ہے۔ توقع ہے کہ اگلے سال کے دوران یہ مزید کم ہوکر 2.4 فیصد ہوجائے گی جو گذشتہ 10 سالوں میں ملک کا سب سے کم درجہ ہوگا۔ توقع ہے کہ افراط زر اگلے 12 ماہ کے دوران 13 فیصد کے لگ بھگ رہے گا جو 10 سال کی اونچی سطح تک بھی پہنچ جائے گا۔

مالیاتی و آپریشنل کارکردگی

کمپنی کی پروڈکٹس کو مارکیٹ میں قبولیت کے بعد کمپنی کی سیلز دن بدن بہتر ہورہی ہے۔ جون 2019 کے اختتامی سال میں سیلز 933.80 ملین پر بند ہوئیں جبکہ گزشتہ سال میں سیلز 581.82 ملین روپے تھی اسطرح پچھلے سال کی نسبت سیلز میں 60.50 فیصد اضافہ ہوا۔ کل منافع پچھلے سال کی نسبت 09.27 ملین روپے سے بڑھ کر 51.47 ملین روپے ہوگیا۔ اس سال تقسیم کاری کی لاگت اور انتظامی لاگت بالترتیب 35.04 ملین روپے اور 61.58 ملین رہی جبکہ پچھلے سال میں لاگت بالترتیب 23.59 ملین روپے اور 55.35 ملین روپے تھی جو کہ سیل اعتبار سے اضافے کے مطابق ہے۔ کمپنی کا آپریٹنگ نقصان 48.72 ملین روپے سے کم ہوکر 44.54 ملین روپے ہوگیا ہے۔ اسٹیٹ بینک کے ڈسکاؤنٹ ریٹ میں بھاری اضافے کی وجہ سے پروجیکٹ فنانس اور ورکنگ کیپیٹل لائنوں پر ہونے والی فنانس لاگت بھی 77.51 ملین روپے سے بڑھ کر 103.06 ملین روپے ہوگئی ہے۔ بعد از ٹیکس نقصان گذشتہ سال کے 122.93 ملین روپے کے مقابلے میں 147.60 ملین روپے رہا۔

اس سال فی شیئر خسارہ 1.23 روپے سے بڑھ کر 1.48 روپے فی شیئر ہوگیا۔

زیر جائزہ سال کے دوران ٹیکنالوجیکل اپ گریڈیشن کرتے ہوئے آپ کی کمپنی نے یورپین پروفیشنلز کی مدد سے فرنس ڈیزائن کو تبدیل کرتے ہوئے صرف قدرتی گیس کی بجائے آکسیجن سے بھرپور قدرتی گیس سے فرنس چلانے کا ڈیزائن اپ گریڈ کیا۔ اس اقدام سے گلاس کی کوالٹی اور جہتی کارکردگی میں بہتری آئی۔ مزید برآں ہماری آر اینڈ ڈی

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 12th Annual General Meeting (AGM) of **Ghani Global Glass Limited** (the Company) will be held on Monday October 28, 2019 at 10:30 AM at registered office of the Company at 10-N, Model Town Ext., Lahore to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2019 together with Directors' and Auditors' Reports thereon.

2. To appoint Auditors of the Company for the year ending June 30, 2020 and to fix their remuneration. The retiring auditors' M/S Rizwan & Company, Chartered Accountants, being eligible, have offered themselves for re-appointment.

3. Any other business with permission of the Chair.

SPECIAL BUSINESS

4. To consider and if deemed fit, to pass the following resolutions as special resolutions under section 199 of the Companies Act, 2017, with or without modification(s), addition(s) or deletion(s) as recommended by the board of directors:

   Resolved That pursuant to the requirements of section 199 of the Companies Act, 2017, Ghani Global Glass Limited (the Company) be and is hereby authorized to make aggregate amount of investment amounting to Rs.300 million (Rupees three hundred million) in shape of loans and advances in Ghani Chemical Industries Limited (GCIL) an associated company out of which Rs. 200 million (Rupees two hundred million) shall be by way of long term loans and advances and Rs.100 million (Rupees one hundred million) by way of loans or advances as revolving line of credit as and when required by GCIL provided that the return on such investment shall not be less than rate of 3 months KIBOR +150 bps which shall not be less than the relevant KIBOR or annual average borrowing cost of the company whichever is higher and that such loans and advances shall be repayable within Forty Eight (48) months from the start of such payment and in case of loans and advances as revolving line of credit within Twelve (12) months from the date of payment as per other terms and conditions mentioned in the statement under Section 134(3) of the Companies Act, 2017.

   Resolved Further That the above said resolution shall be valid for a period of three years and the Chief Executive Officer and/or Company Secretary of the Company be and are hereby singly empowered and authorized to undertake the decision of said investment as and when deemed appropriate and necessary in the best interest of the Company and its shareholders and to take all steps and actions necessary, incidental and ancillary including execution of any and all documents and agreements as may be required in this regard and to do all acts, matters, deeds and things as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the special resolution for making investment from time to time.

By order of the Board

FARZAND ALI
Company Secretary

Place: Lahore
Dated: October 05, 2019

Notes:

1. BOOK CLOSURE

Share Transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from Tuesday, October 22, 2019 to Monday, October 28, 2019 (both days inclusive). Transfer received in order at the office of the share registrar

M/s Vision Consulting Limited
1st Floor,3-C, LDA Flats, Lawrence Road, Lahore.
Telephone No. 042-36375531,36375339
Fax No. 042-36312550, Email: shares@vcl.com.pk

at the close of business on Monday, October 21, 2019 will be treated in time for the purpose of attendance in the AGM.

2. ATTENDANCE OF MEETING

A member entitled to attend, speak and vote at the AGM is entitled to appoint a proxy to attend, speak and vote instead of him/her.

Proxies in order to be effective duly signed, filled and witnessed must be deposited at the Registered Office of the Company, along with the attested copies of valid Computerized National Identity Card (CNIC) or Passport, not less than 48 hours before the meeting.

CDC Account Holders will have to follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the SECP for attending the meeting.

Attendance in the meeting shall be on production of original CNIC or passport.

3. CONSENT FOR VIDEO-LINK FACILITY

Members may participate in the meeting via video-link facility, if the Company receives a demand from the members holding an aggregate 10% or more shareholding residing at a geographical location outside Lahore, to participate in the meeting through video-link at least 7 days prior to the date of meeting, the Company will arrange video link facility in that city.

In this regard, members who wish to participate through video-link facility should send a duly signed request as per the format (available at website of the Company) to Registered Address of the Company.

4. ANNUAL FINANCIAL STATEMENTS

Annual financial statements of the company for the year ended June 30, 2019 has been placed at company's website **www.ghaniglobalglass.com**.

Annual financial statements of the Company for the year ended June 30, 2019, along with notice of this AGM is being dispatched to the shareholders of the company through CD's.

5. STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement set out the material facts concerning the special business to be transacted at AGM of the Company on October 28, 2019 is as under:

The Board of Directors of the Company has proposed the investment of Rs. 300 million in Ghani Chemical Industries Limited (GCIL) an associated company in shape of advances and loans. On transfer of manufacturing undertaking of Ghani Global Holdings Limited (formerly Ghani Gases Limited) by the order of Honourable Lahore High Court, Lahore dated 06-02-2019 in Civil Original No. 221137 of 2018, GCIL has recently engaged in the manufacturing, sale and trading of medical & industrial gases and chemicals in its name effective from July 01, 2018. GCIL having three state-of-the–art manufacturing plants in Phool Nagar District Kasur and Port Qasim, Karachi. Major market of GCIL are ship breaking, steel, oil & gas fields services, healthcare, pharmaceutical, glass making, rubber and plastic, automobile, lamp manufacturing, ampoule and vial manufacturing, lab, research and fertilizer sectors.

The information required under SRO 1240(1)/2017 dated 06 December 2017 are as under:

(a) DISCLOSURES:

(A) Regarding associated company or associated undertaking:

Sr. No.	Requirement	Information	
(i)	Name of Associated Company	Ghani Chemical Industries Limited (GCIL)	
(ii)	Basis of relationship	Common directorship	
(iii)	Earnings per share for the last three years	Year 2019: Rs. (0.56) Year 2018: Rs. (0.08) Year 2017: Rs. (2.91)	
(iv)	Break-up value per shares, based on latest audited financial statements	Rs. 19.49 (with loan from directors) Rs. 17.36 (without loan from directors)	
(v)	Financial position, including main items of statement of financial position and profit and loss accounts on the basis of its latest financial statements.	Audited Financial Statements of GCIL for the year ended June 30, 2019 showed:	Rupees in "000"
		Profit& Loss:	
		Sales (net)	2,301,048
		Gross profit	578,554
		Administrative expenses	(144,428)
		Other income	24,560
		Finance cost	(213,276)
		Loss after taxation	(64,669)
		Financial Position:	
		Operating fixed assets	3,285,152
		Capital work in progress	51,823
		Other non-current assets	74,208
		Current assets	1,754,819
		Total Assets	**5,166,002**
		Issued, subscribed and paid capital	1,150,000
		Capital Reserve-share premium	913,951
		Accumulated Loss	(67,033)
		Loan from directors	244,390

		Total equity	2,241,308
		Non- current liabilities	1,143,812
		Current liabilities	1,780,882
		Total Equity and Liabilities	**5,166,002**

(B) General Disclosures:

(i)	Maximum amount of investment to be made	-Rs.200 million as long term loans and advances. -Rs.100 million as revolving line of credit.
(ii)	Purpose,	To earn profits on company's funds
(iii)	Source of funds to be utilized for investment.	Surplus funds of the company.
(iv)	Salient features of the agreement (if any) with associated company or associated undertaking with regards to proposed investment.	Agreement will be executed before extending the advances and loans in accordance with the terms and conditions as approved by the shareholders.
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives , if any, in the associates company or associated undertaking or the transaction under consideration:	Currently shareholding position of the following directors and majority shareholders of the Company (Ghani Global Glass Limited/GGGL) in associated company is as under:

Name Directors	Number of Shares	Holdings %
Mr. Masroor Ahmad Khan	1	0.00
Mr. Atique Ahmad Khan	1	0.00
Hafiz Farooq Ahmad	1	0.00
Mr. Tahir Bashir Khan	-	-
Mr. Mahmood Ahmad	-	-
Mrs. Ayesha Masroor	-	-
Mrs. Rabia Atique	-	-
Mrs. Saira Farooq	-	-
Mr. Farzand Ali	-	-
Majority Shareholder		
Ghani Global Holdings Ltd. (formerly Ghani Gases Ltd.)	114,299,966	99.39

GCIL hold no share in GGGL. The sponsors, directors and majority shareholders of GCIL holds the following shares in GGGL:

Name Directors	Number of Shares	Holdings %
Mr. Masroor Ahmad Khan	1,000	0.001
Mr. Atique Ahmad Khan	1,000	0.001
Hafiz Farooq Ahmad	1,000	0.001
Syed Subtul Hassan Gilani	-	-
Majority Shareholder		
Ghani Global Holdings Ltd. (formerly Ghani Gases Ltd.)	50,098,200	50.10

(vi)	Already investment in associated company.	Nil
(vii)	Any other important details necessary for the member to understand the transaction.	Nil

(C) In case of Investments in the form of Loans and Advances

(i)	Category wise amount of investments	-Rs.200 million as long term loans and advances. -Rs.100 million as revolving line of credit.
(ii)	Average borrowing cost of the investing company	14.62%
(iii)	Rate of interest, markup, profit, fees or commission etc to be charged	3 months KIBOR + 150 bps but not less than annual average borrowing cost
(iv)	Particulars of collateral security to be obtained in relation to the proposed investment.	-Demand Promissory Note of associated company. -Personal guarantees of sponsoring directors of associated company.
(v)	If the investment carry conversion features:	Not applicable
(vi)	Repayment schedule Terms & conditions of loans or advances	Long term Loan and Advances within 48 months from date of payment. Revolving line of credit within 12 months from date of payment. -Profit bearing -Collateral security(s) from associated company. -Personal guarantees of sponsoring directors. -any other term or condition approved by shareholders of the company.

(b) In pursuance to Regulation No. 3 (3) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 under SRO 1240(1)/2017 dated 6th December 2017, the directors of the Company have carried out due diligence for the proposed investment in Ghani Chemical Industries Limited (GCIL).

(c) The following documents shall be available to the members of the Company for inspection in the general meeting to be held on October 28, 2019:

(1). Recommendations of due diligence report of investing company.

(2). Latest annual audited financial statements of associated company.

Rizwan & Company
CHARTERED ACCOUNTANTS

DFK
An independent Member Firm of DFK International

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INDEPENDENT AUDITOR'S REPORT

To the members of Ghani Global Glass Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Ghani Global Glass Limited (the Company), which comprise the statement of financial position as at June 30, 2019, and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2019 and of the loss and other comprehensive loss, 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 matters:

Key audit matter	How our audit addressed the key audit matter
1. First time adoption of IFRS 9 – Financial Instruments	
Refer to note 5.1.2 to the financial statements	
IFRS 9 'Financial Instruments' is effective for the Company for the first time during the current year and replaces the financial instruments standard IAS 39 'Financial Instruments: Recognition and Measurement'.	We reviewed and understood the requirements of the IFRS 9. Our audit procedures included the following:

In relation to financial assets, IFRS 9 requires the recognition of expected credit losses ('ECL') rather than incurred credit losses under IAS 39 and is therefore a fundamentally different approach. Management is required to determine the expected credit loss that may occur over either a 12-month period or the remaining life of an asset, depending on the categorization of the individual asset.

In accordance with IFRS 9, the measurement of expected credit loss reflects a range of unbiased and probability-weighted outcomes, time value of money, reasonable and supportable information based on the consideration of historical events, current conditions and forecasts of future economic conditions. The calculation of expected credit loss in accordance with IFRS 9 is therefore complex and involves a number of judgmental assumptions.

The Company has adopted IFRS 9 using the allowed modified retrospective approach and recognized expected credit loss of Rupees 2,648,176 in opening retained earnings as at July 01, 2018 and Rupees 1,210,635 for year ended June 30, 2019.

We considered this as key audit matter due to the significant amounts involved and significant judgments made by management regarding the matter.

- Considered the management's process to assess the impact of adoption of IFRS 9 on the Company's financial statements;
- Reviewed the appropriateness of the assumptions used (future and historical), the methodology and policies applied to assess the ECL in respect of financial assets of the Company.
- Reviewed the working carried out by independent consultant for expected credit losses; and
- We reviewed and assessed the impact and disclosures made in the financial statements with regard to the effect of adoption of IFRS 9.

Based on the testing performed the financial instruments appear to be valued appropriately.

2. Stock in trade

Refer to note 5.8 and 10 to the financial statements

The Company is engaged in manufacturing and sale of Glass tubes, glass ware, vials and ampules. Raw material comprises of Silica Sand and other inputs.

The Company held inventory of Rupees 264.374 million (2018: Rupees 416.362 million) which constitutes 10.78% of total assets as at reporting date. The valuation of raw material are assessed on item by item basis taking into account their usability for market demand of finished products.

The significance of balance coupled with the judgment involved in determining as appropriate costing basis has resulted in the valuation of inventories especially finished goods being identified as Key Audit Matter.

We performed a range of audit procedures with respect to inventory items that are:

- Physical observation of inventory counts;
- Test the reasonability of assumptions applied for valuation methods including allocation of direct labor and direct attributable overhead costs in accordance with the applicable accounting standards; and
- To ensure inventory carries at lower of cost or NRV we performed tests on the sales prices secured by the Company for similar or comparable items of inventories;

We also assessed the adequacy of the disclosure made in respect of the accounting policies and the details of inventory balances held by the Company at year end.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the board of directors with a statement that we have compiled 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, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Imran Bashir.

Rizwan & Co.

RIZWAN & COMPANY
CHARTERED ACCOUNTANTS
Engagement Partner: Imran Bashir

Lahore:

Date: October 03, 2019

Ghani Global Glass Limited
Statement of Financial Position
As at June 30, 2019

ASSETS	Note	2019 (Rupees)	2018 (Rupees)
Non-current assets			
Property, plant and equipment	6	**1,531,018,169**	1,542,058,189
Intangible asset	7	**19,794,072**	19,794,072
Long term deposits	8	**4,884,900**	7,797,691
		1,555,697,141	1,569,649,952
Current assets			
Stores, spares and loose tools	9	**65,782,178**	55,176,811
Stock in trade	10	**264,374,474**	416,361,684
Trade debts	11	**194,326,433**	138,623,102
Advances	12	**101,974,150**	20,539,537
Trade deposits and prepayments	13	**9,485,569**	9,681,967
Other receivables	14	**104,848**	81,122
Tax refunds due from government	15	**107,797,097**	126,710,279
Advance income tax	16	**92,848,757**	67,777,364
Cash and bank balances	17	**60,349,591**	72,679,861
		897,043,097	907,631,727
TOTAL ASSETS		**2,452,740,238**	2,477,281,679
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	18	**1,000,000,000**	1,000,000,000
Accumulated loss		**(449,771,147)**	(299,524,187)
Loan from sponsors	19	**768,960,638**	734,360,638
Total equity		**1,319,189,491**	1,434,836,451
Non-current liabilities			
Long term financing	20	**261,763,356**	224,514,208
Long term security deposits	21	**400,000**	400,000
		262,163,356	224,914,208
Current liabilities			
Trade and other payables	22	**91,014,145**	108,386,684
Payable to related party	23	**9,096,047**	-
Accrued profit on financing	24	**33,598,487**	13,340,104
Short term borrowings	25	**495,936,195**	544,077,547
Current portion of long term financing	20	**241,742,517**	151,726,685
		871,387,391	817,531,020
Total liabilities		**1,133,550,747**	1,042,445,228
TOTAL EQUITY AND LIABILITIES		**2,452,740,238**	2,477,281,679
CONTINGENCIES AND COMMITMENTS	26	**-**	-

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

Masroor Ahmad Khan	**Asim Mahmud**	**Hafiz Farooq Ahmad**
(Chief Executive Officer)	**(Chief Financial Officer)**	**(Director)**

Ghani Global Glass Limited
Statement of Profit or Loss
For the year ended June 30, 2019

	Note	2019	2018
		(Rupees)	
Gross sales		**933,790,492**	581,818,124
Sales tax		**(141,766,222)**	(85,816,043)
Sales - net		**792,024,270**	496,002,081
Cost of sales	**27**	**(739,850,786)**	(486,735,696)
Gross profit		**52,173,484**	9,266,385
Administrative expenses	**28**	**(61,579,964)**	(55,346,517)
Selling and distribution expenses	**29**	**(35,040,348)**	(23,595,429)
Other operating expenses	**30**	**(6,895,395)**	(5,702,687)
		(103,515,707)	(84,644,633)
Other income	**31**	**6,801,670**	26,657,741
Loss from operations		**(44,540,553)**	(48,720,507)
Finance costs	**32**	**(103,058,231)**	(77,510,088)
Loss before taxation		**(147,598,784)**	(126,230,595)
Taxation	**33**	**-**	3,300,082
Loss after taxation		**(147,598,784)**	(122,930,513)
Earnings per share	**34**	**(1.48)**	(1.23)

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

Masroor Ahmad Khan	**Asim Mahmud**	**Hafiz Farooq Ahmad**
(Chief Executive Officer)	**(Chief Financial Officer)**	**(Director)**

Ghani Global Glass Limited
Statement of Comprehensive Income
For the year ended June 30, 2019

	2019	2018
	(Rupees)	
Loss after taxation	**(147,598,784)**	(122,930,513)
Other comprehensive income / (loss)	-	-
Total comprehensive loss for the year	**(147,598,784)**	(122,930,513)

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

Masroor Ahmad Khan
(Chief Executive Officer)

Asim Mahmud
(Chief Financial Officer)

Hafiz Farooq Ahmad
(Director)

Ghani Global Glass Limited
Statement of Changes in Equity
For the year ended June 30, 2019

	Share Capital	Accumulated loss	Loan from sponsors	Total
	(Rupees)			
Balance as at July 01, 2017	1,000,000,000	(176,593,674)	344,860,638	1,168,266,964
Loss after taxation	-	(122,930,513)	-	(122,930,513)
Other comprehensive income / (loss)	-	-	-	-
	-	(122,930,513)	-	(122,930,513)
Transactions with sponsors				
Loan received during the year - net	-	-	389,500,000	389,500,000
Balance as at June 30, 2018	1,000,000,000	(299,524,187)	734,360,638	1,434,836,451
Effect of change in accounting policy	-	**(2,648,176)**	-	**(2,648,176)**
Balance as at June 30, 2018 - as adjusted	**1,000,000,000**	**(302,172,363)**	**734,360,638**	**1,432,188,275**
Loss after taxation	-	**(147,598,784)**	-	**(147,598,784)**
Other Comprehensive income / (loss)	-	-	-	-
	-	**(147,598,784)**	-	**(147,598,784)**
Transactions with sponsors				
Loan received during the year - net	-	-	**34,600,000**	**34,600,000**
Balance as at June 30, 2019	**1,000,000,000**	**(449,771,147)**	**768,960,638**	**1,319,189,491**

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

Masroor Ahmad Khan	**Asim Mahmud**	**Hafiz Farooq Ahmad**
(Chief Executive Officer)	**(Chief Financial Officer)**	**(Director)**

Ghani Global Glass Limited
Statement of Cash Flows
For the year ended June 30, 2019

	Note	2019	2018
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operating activities	35	37,341,099	(84,661,218)
Finance costs paid		(82,799,848)	(74,195,675)
Refund of income tax received		5,854,821	-
Income tax paid		(30,926,214)	(29,490,910)
		(107,871,241)	(103,686,585)
Net cash used in operating activities		(70,530,142)	(188,347,803)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in operating fixed assets		(57,911,887)	(208,385,247)
Additions in capital work in progress		(814,660)	(14,154,033)
Proceeds from disposal of operating fixed assets		290,000	-
Long term deposits		2,912,791	(1,030,041)
Net cash used in investing activities		(55,523,756)	(223,569,321)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds against loan from sponsors - net		34,600,000	389,500,000
Availed / (repaid) long term financing - net		127,264,980	(152,873,058)
Short term borrowings - net		(48,141,352)	179,846,087
Net cash generated from financing activities		113,723,628	416,473,029
Net (decrease) / increase in cash and cash equivalents		(12,330,270)	4,555,905
Cash and cash equivalents at the beginning of the year		72,679,861	68,123,956
Cash and cash equivalents at the end of the year	17	60,349,591	72,679,861

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

Masroor Ahmad Khan
(Chief Executive Officer)

Asim Mahmud
(Chief Financial Officer)

Hafiz Farooq Ahmad
(Director)

GHANI GLOBAL GLASS LIMITED
Notes to The Financial Statements
For the year ended June 30, 2019

1 THE COMPANY AND ITS OPERATIONS

Ghani Global Glass Limited ("the Company") was incorporated in Pakistan under the Companies Act, 2017 (then the Companies Ordinance, 1984) as a private limited company on October 04, 2007 as Ghani Tableware (Private) Limited. Its status was changed to public unlisted company, consequently its name was changed to Ghani Tableware Limited as on July 24, 2008. Name of the Company was further changed to Ghani Global Glass Limited on January 14, 2009. The Company became listed on Pakistan Stock Exchange on December 12, 2014 upon merger of Libas Textiles Limited with and into the Company. The Company's registered office is situated at 10-N, Model Town Extension, Lahore and its manufacturing units are situated on 52-K.M. Lahore Multan Road, Phool Nagar District Kasur.

The Company is principally engaged in manufacturing and sale of glass tubes, glass-ware, vials and ampules. The Company commenced its commercial operations with effect from April 01, 2016.

The Company has become subsidiary of Ghani Global Holdings Limited (Holding Company) with the effect from July 01, 2018 pursuance to the Scheme of Compromises, Arrangement and Reconstruction. Ghani Global Holdings Limited (Holding Company) held 50,098,200 (2018: 25,000,000) ordinary shares of Rupees 10 each representing 50.10% (2018: 25%) of total share issued as at reporting date.

2 SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION

Effective July 01, 2018, Honorable Lahore High Court, Lahore through its order dated February 06, 2019 approved the Scheme of Compromises, Arrangement and Reconstruction ("the scheme") among Ghani Global Glass Limited, Ghani Chemical Industries Limited and Ghani Gases Limited with certain modification and granted sanction order for the separating / demerging of Ghani Gases Limited's manufacturing undertaking and to transfer the same to Ghani Chemical Industries Limited, retention of all remaining assets and liabilities, change of name of the Ghani Gases Limited to Ghani Global Holdings Limited, transfer of shares of Ghani Global Glass Limited held by sponsors to Ghani Gases Limited against issuance of shares by Ghani Gases Limited. The Board of Directors of the Company, in their meeting held on June 24, 2018, approved the Scheme of compromises, arrangement and reconstruction, while the shareholders of the respective companies approved the Scheme in their Extraordinary General Meeting held on September 26, 2018.

Pursuance to the implementation of the Scheme as approved by the Honorable Lahore High Court on February 06, 2019; Ghani Global Holdings Limited (Formerly Ghani Gases Limited) has issued 14,424,253 ordinary shares in exchange of 25,098,200 shares from the sponsoring shareholders of the Company on the basis of swap ratio of 1 ordinary share of the Ghani Gases Limited for every 1.74 ordinary share of the Company.

3 BASIS OF PREPARATION

3.1 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 International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provision of and directives issued under the Companies Act, 2017 differ from the IFRS, the provision of and directives issued under the Companies Act, 2017 have been followed.

3.2 INITIAL APPICATION OF STANDARDS, AMENDMENTS OR INTERPRETATIONS TO EXISTING STANDARDS

a) Standards, interpretations and amendments to published approved accounting standards that are effective in current year.

The following amendment to published standards is mandatory for the financial year which began on July 01, 2018 and is relevant to the Company.

- IFRS 9 'Financial instruments'. This standard has been notified by the Securities and Exchange Commission of Pakistan ('SECP') to be effective for annual periods ending on or after June 30, 2019. IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities and replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through profit and loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit and loss with the irrevocable option at inception to present changes in fair value in OCI and not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there are no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit and loss.

- IFRS 15 'Revenue from contracts with customers'. This standard has been notified by the SECP to be effective for annual periods beginning on or after July 01, 2018. IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The Company is currently in the process of analyzing the potential impact of changes required in revenue recognition policies on adoption of the standard. Management is in the process of assessing the impact of adoption of this standard on the financial statements. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service.

- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

The other amendments to published standards and interpretations that are mandatory for the financial year which began on July 01, 2018 are considered not to be relevant or to have any significant impact on the Company's financial reporting and operations and are therefore not disclosed in these financial statements.

b) New accounting standards, amendments and IFRIC interpretations that are not yet effective.

The following standards, amendments and interpretations of approved accounting standards that will be effective for the periods beginning on or after January 01, 2019, that may have an impact on the financial statements of the company.

- IFRS 16 'Leases' (effective for annual period beginning on or after January 01, 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The management is in the process of analysing the potential impacts on adoption of this standard.

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after January 01, 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax.

- Amendments to IAS 23 Borrowing Costs (effective for annual periods beginning on or after January 01, 2019) clarify that the general borrowings pool used to calculate eligible borrowing costs exclude only borrowings that specifically finance qualifying assets that are still under development or construction. Borrowings that were intended to specifically finance qualifying assets that are now ready for their intended use or sale – or any non – qualifying assets – are included in that general pool. This amendment will be applied prospectively to borrowing costs incurred on or after the date an entity adopts the amendments.

- Amendment to IFRS 9 'Financial Instruments' - Prepayment Features with Negative Compensation (effective for annual periods beginning on or after January 01, 2019). For a debt instrument to be eligible for measurement at amortised cost or FVOCI, IFRS 9 requires its contractual cash flows to meet the SPPI criterion - i.e. the cash flows are 'solely payments of principal and interest'. Some prepayment options could result in the party that triggers the early termination receiving compensation from the other party (negative compensation). The amendment allows that financial assets containing prepayment features with negative compensation can be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9. The application of amendment is not likely to have an impact on Company's financial statements.

- IAS 12 Income taxes (effective for annual periods beginning on or after January 01, 2019) - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income or equity.

- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after January 01, 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on the Company's financial statements.

- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after January 01, 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on the Company's financial statements.

- 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 January 01, 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 January 01, 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.

- On March 29, 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 crystallise. 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 January 01, 2020, unless the new guidance contains specific scope outs.

- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:

  - IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
  - IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
  - IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above new standards, amendments and interpretations are not likely to have an impact on Company's financial statements. There are number of other standards, amendments and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

3.3 Functional and presentation currency

These financial statements are presented in Pak rupee, which is the functional and presentation currency for the Company.

4 BASIS OF MEASUREMENT

4.1 These financial statements have been prepared under the historical cost convention.

4.2 Significant accounting judgments and critical accounting estimates / assumptions

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

a) Income taxes

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

b) Useful lives, patterns of economic benefits and impairments

Management has made estimates of residual values, useful lives and recoverable amounts of certain items of property, plant and equipment. Any change in these estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment loss.

c) Allowance for expected credit loss

The Company reviews its expected credit loss as per the requirement of IFRS 9 'Financial Instruments - Recognition and Measurement' for trade debts and other financial assets as at each reporting date to assess whether allowance should be recorded in the statement of profit or loss. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowances.

d) Provision for slow moving / obsolete items

The Company reviews the carrying values and impairment of stores, spares and loose tools to assess any diminution in the respective carrying values and wherever required provision for NRV / impairment is made. The calculation of the provision involves the use of estimates with regard to future estimated use and respective fair value of stores, spares and loose tools.

e) Recoverable amount of assets / cash generating units and impairment

The management of the Company reviews carrying amounts of its assets and cash generating units for possible impairment and makes formal estimates of recoverable amount, if there is any such indication. In making estimates of future cash flows from investments in subsidiary and associate, the management considers future dividend stream and an estimate of the terminal value of these investments, which are subject to change.

f) Contingencies

The Company has disclosed its contingent liabilities for the pending litigations and claims against the Company based on its judgment and the advice of the legal advisors for the estimated financial outcome. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the balance sheet date. However, based on the best judgment of the Company and its legal advisors, the likely outcome of these litigations and claims is remote and there is no need to recognize any liability at reporting date.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Changes in significant accounting policies

The Company has adopted IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' from July 01, 2018 which are effective from annual periods beginning on or after July 01, 2018 and for reporting period / year ending on or after June 30, 2019 respectively.

The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

5.1.1 IFRS 15 - Revenue from contracts with customers

On May 28, 2014, the International Accounting Standards Board ("IASB") issued International Financial Reporting Standards ("IFRS") 15 "Revenue from Contracts with Customers" which provides a unified five-step model for determining the timing, measurement and recognition of revenue. The focus of the new standard is to recognize revenue as performance obligations are made rather than based on the transfer of risk and rewards. IFRS 15 includes a comprehensive set of disclosure requirements including qualitative and quantitative information about contracts with customers to understand the nature, amount, timing and uncertainty of revenue. The standard supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and the number of revenue related interpretations.

The Company has adopted IFRS 15 with effect from July 01, 2018 as notified by the Securities and Exchange Commission of Pakistan. The Company is already recognising its revenue / other income as per current applicable accounting standard. Invoices are generated upon receival of confirmation for delivery of goods and revenue is recognised over the time. The above is generally consistent with the timing and amounts of revenue the Company recognised in accordance with the previous standard, IAS 18. Therefore, the adoption of IFRS 15 which replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations, did not have an impact on the timing and amounts of revenue recognition of the Company.

5.1.2 IFRS 9 - Financial Instruments

IFRS 9 replaced the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. Changes in accounting policies resulting from adoption of IFRS 9 have been applied retrospectively. The Company has applied IFRS 9 'Financial Instruments' with the effect from July 01, 2018 as notified by Securities and Exchange Commission of Pakistan. The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

In respect of retrospective application of IFRS 9, the Company has adopted modified retrospective approach as, permitted by this standard, according to which the Company is not required to restate the prior year results. Difference between the previous carrying amount and the revised carrying amount as at July 01, 2018 was Rupees 2,648,176 and adjustment was recognised in opening retained earnings.

a) Financial Assets

Effective July 01, 2018, the Company classifies its financial assets in the following measurement categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortized cost where effective interest rate method will apply.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

- The determination of business model within which a financial asset is held; and
- The designation and revocation of previous designation of certain financial assets as measured at fair value through profit or loss (FVTPL).

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within 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 principal amount outstanding.

A debt instrument 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.

For assets measured at fair value, gains and losses will either be recorded in statement of profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI). The Company reclassifies debt investments when and only when its business model for managing those assets changes.

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.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial asset depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

De-recognition

A financial asset (or, where applicable part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired;
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

IFRS 9 replaces the 'incurred credit loss' model of IAS 39 with an 'expected credit loss' model. The expected credit loss model requires the Company to account for expected losses as a result of credit risk on initial recognition of financial assets and to recognise changes in those expected credit losses at each reporting date. Financial assets which are subject to expected credit loss model includes deposits, trade debts, other receivable and cash and bank balances.

Under IFRS 9, loss allowances are measured on either of the following basis:

- 12 months expected credit losses: These are expected credit losses that result from possible default events within the 12 months after the reporting date; and

- Lifetime expected credit losses: These are expected credit losses that result from all possible default events over the expected life of a financial instrument.

Reversal in respect of expected credit loss for trade debts amounting to Rupees 1,437,541 has been recognised during the year. There were no other transition adjustments arising from the change in impairment basis.

Lifetime expected credit loss is recognised if the credit risk at the reporting date has increased significantly relative to the credit risk at initial recognition. Further, the Company considers the impact of forward looking information (such Company's internal factors and economic environment of the country of customers) on expected credit loss.

Simplified approach for trade debts

The Company recognises life time expected credit loss on trade debts, using the simplified approach. The measurement of expected credit loss reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade debts are separately assessed for expected credit loss measurement. The lifetime expected credit losses are estimated using the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

b) Financial Liabilities

Classification, initial recognition and subsequent measurement

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss; and
- other financial liabilities.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of other financial liabilities, also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

- **Fair value through profit or loss**
  Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

- **Amortised cost**
  After initial recognition, other financial liabilities which are interest bearing are subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in the statement of profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

De-recognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss.

c) Off setting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position, if the Company has a legally enforceable right to set off the recognized amounts, and the Company either intends to settle on a net basis, or realize the asset and settle the liability simultaneously. Legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

d) Hedge accounting

IFRS 9 requires that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness. There is no impact of the said change on these financial statements as there is no hedge activity carried on by the Company during the year ended June 30, 2019.

The adoption of IFRS 9 did not have a significant effect on the Company's accounting policies related to financial liabilities.

The following table explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets as at July 1, 2018:

	Under IAS 39	Under IFRS 9	Original Carrying Amount	New Carrying Amount
			(Rupees)	
Long term deposits	Loans and receivable	Amortised cost	7,797,691	7,797,691
Trade debts	Loans and receivable	Amortised cost	138,623,102	135,974,926
Trade deposits	Loans and receivable	Amortised cost	8,755,208	8,755,208
Other receivables	Loans and receivable	Amortised cost	81,122	81,122
Cash and bank balances	Loans and receivable	Amortised cost	72,679,861	72,679,861
Total financial assets			227,936,984	225,288,808

The table below shows the amount of transition adjustment for each financial statement line item affected by the application of IFRS 9 at July 01, 2018.

	As reported	Impact (Rupees)	Adjusted
Trade and other receivables	138,623,102	2,648,176	135,974,926
Total effect on net assets		2,648,176	
Accumulated loss	(299,524,187)	2,648,176	(302,172,363)
Total effect on equity		2,648,176	

5.2 Property, plant and equipment

Owned

These are stated at cost less accumulated depreciation and impairment, if any, except freehold land which is stated at cost. Cost of operating fixed assets comprises historical cost, borrowing cost and other expenditure pertaining to the acquisition, construction, erection and installation of these assets.

Residual value and the useful life of assets are reviewed at each financial year end and if expectations differ from previous estimates the change is accounted for as change in accounting estimate in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

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. Normal repairs and maintenance costs are charged to statement of profit or loss as and when incurred.

Depreciation

Depreciation is charged to statement of profit or loss using the reducing balance method, except for plant and machinery on which depreciation is charged on production hour basis and furnace on which depreciation is charged on straight line basis, so as to write off the cost over the expected useful life of assets at rates, which are disclosed in notes to the financial statements. 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.

De-recognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

Capital work in progress

Capital work-in-progress represents expenditure on item of property, plant and equipment which are in the course of construction and installation. Transfers are made to respective property, plant and equipment category as and when assets are available for use.

Capital work-in-progress is stated at cost less any identified impairment loss.

5.3 Taxation

Current

Provision for taxation is based on taxable income at current rates after taking into account tax rebates and credits available, if any or minimum tax on turnover or alternate corporate tax on accounting profit and tax paid under final tax regime under relevant provisions of Income Tax Ordinance, 2001. The charge for current tax also includes adjustments, where considered necessary, to provision for taxation made in previous years arising from orders under Income Tax Ordinance, 2001 passed during the year or any previous year(s). The amount of unpaid income tax in respect of annual or prior periods is recognized as liability and any excess paid over what is due in respect of current or prior periods is recognized as an asset.

Deferred

Deferred tax is recognized using balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan.

The Company recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax relating to items recognized outside statement of profit or loss is recognised outside statement of profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

5.4 Trade and other payables

Liabilities for trade and other amounts payable are carried at amortized cost which is the fair value of the consideration to be paid in the future for goods and services received.

5.5 Contingencies

A contingencies are disclosed when the Company has a possible obligation as a result of past events, 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 the Company has a present legal or constructive 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.

5.6 Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pre-tax rate reflects current market assessment of the time value of money and the risk specific to the obligation. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

5.7 Stores, spares and loose tools

These are valued at moving average cost less provision for slow moving and obsolete items except for items in transit, which are valued at cost comprising invoice value, plus other charges paid thereon. Provision is made for slow moving and obsolete items.

5.8 Stock in trade

These are stated at the lower of cost and net realizable value. The 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
Items in transit	Cost comprising invoice values plus other charges incurred thereon.

Net realizable value signifies the estimated selling price in ordinary course of business less estimated cost of completion and selling expenses.

5.9 Trade debts and other receivables

Trade debts and other receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Allowance for impairment is made on the basis of lifetime expected credit losses that result from all possible default events over the expected life of the trade debts and other receivables. Bad debts are written off when considered irrecoverable.

5.10 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand and cash at bank which are subject to an insignificant risk of change in value.

5.11 Loans, advances and deposits

These are initially recognized at amortised cost, which is the fair value of consideration given. Subsequent to the initial recognition assessment is made at each reporting date to determine whether there is an indication that a financial asset or group of assets may be impaired. If such indication exists, the expected credit loss of that asset or group of assets is determined and any expected credit loss will be recognized as allowance. Non-financial loans and advances are recognised at the amount / consideration actually given.

5.12 Loans and borrowings

Loans and borrowings are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transactions costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in statement of profit or loss over the period of borrowings on effective interest rate.

5.13 Foreign currency translation

Assets and liabilities in foreign currencies are translated at the rates of exchange prevailing at reporting date or at the contracted rates while foreign currency transactions are recorded at the rates of exchange prevailing at the transaction date or at the contracted rates. Exchange gains and losses are charged to the statement of profit or loss.

5.14 Revenue recognition

Revenue is recognised at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods to a customer. Revenue is measured at the fair value of the consideration received or receivable, and is recognised on the following basis:

i) Revenue from sale of goods is recognised when or as performance obligations are satisfied by transferring control (i.e. at the time of transfer of physical possession) of a promised good to a customer, and control either transfers over time or at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates and government levies.

ii) Export sales are recognised as revenue when invoiced with the transfer of control of goods, which coincides either with the date of bill of lading or upon delivery to customer or its representative, based on terms of arrangement.

iii) Profit on bank deposits is recognized at amortised cost are recognised using effective interest rate method.

5.15 Employees' benefits

Defined contribution plan

The Company operates a funded employees' provident fund scheme for its permanent eligible employees. Equal monthly contributions at the rate of 8.33 percent of gross pay are made both by the Company and employees to the fund.

Compensated absences

Compensated absences are accounted for employees of the Company on un-availed balance of leave in the period in which the absences are earned.

5.16 Borrowing costs

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 or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to the statement of profit or loss whenever incurred. Finance cost is accounted for on accrual basis.

5.17 Related party transactions and transfer pricing

Transactions and contracts with the related parties are based on the policy that all transactions between the Company and related parties are carried out on commercial terms and conditions.

5.18 Dividends

Dividend distribution to the Company's shareholders is recognized as a liability in the period in which dividends are approved by the Board of Directors or Company's shareholders as the case maybe.

5.19 Share capital

Ordinary shares are classified as share capital.

5.20 Earnings per share ('EPS')

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

Diluted EPS is calculated by adjusting basic EPS by 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 and loan attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

5.21 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition, an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized from the month when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

Goodwill

Goodwill represents the difference between the cost of the acquisition (fair value of consideration paid) and the fair value of the net identifiable assets acquired.

Goodwill is stated at cost less any identified impairment loss.

5.22 Operating segments

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the chief executive officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Company's format for segment reporting is based on its products.

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors who is responsible for allocating resources and assessing performance of the operating segments. The management has determined that the Company has two reportable segments as the Board of Directors' views the Company's operations as two reportable segments.

The business segments are engaged in providing products which are subject to risks and rewards which differ from the risk and rewards of other segments.

5.23 Impairment of assets - 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 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 risk specific to the assets or cash generating unit.

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

6 PROPERTY, PLANT AND EQUIPMENT

	Note	2019	2018
		Rupees	
Operating fixed assets	**6.1**	**1,499,776,438**	1,511,631,118
Capital work in progress	**6.2**	**31,241,731**	30,427,071
		1,531,018,169	1,542,058,189

6.1 Operating fixed assets

	Owned assets								Total
	Land - Freehold	Building	Plant and machinery	Furnace	Furniture and fixture	Office equipment	Computers	Vehicles	
	Rupees								
Cost									
Balance as at July 01, 2017	37,793,029	132,949,249	984,156,179	339,656,957	6,057,498	1,019,360	1,692,957	20,884,655	1,524,209,884
Additions during the year	-	-	191,974,373	8,001,732	872,430	980,734	184,203	6,371,775	208,385,247
Disposals during the year	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2018	37,793,029	132,949,249	1,176,130,552	347,658,689	6,929,928	2,000,094	1,877,160	27,256,430	1,732,595,131
Balance as at July 01, 2018	**37,793,029**	**132,949,249**	**1,176,130,552**	**347,658,689**	**6,929,928**	**2,000,094**	**1,877,160**	**27,256,430**	**1,732,595,131**
Additions during the year	-	**701,429**	**22,067,330**	**32,509,745**	**2,194,697**	**192,698**	**55,948**	**190,040**	**57,911,887**
Disposals during the year	-	-	-	-	-	-	-	**(642,672)**	**(642,672)**
Adjustments	-	-	**(3,404,438)**	**3,404,438**	-	-	-	-	-
Balance as at June 30, 2019	**37,793,029**	**133,650,678**	**1,194,793,444**	**383,572,872**	**9,124,625**	**2,192,792**	**1,933,108**	**26,803,798**	**1,789,864,346**
Depreciation									
Balance as at July 01, 2017	-	16,252,521	49,651,767	48,239,982	1,295,691	183,705	668,363	6,737,787	123,029,816
Charge for the year	-	11,669,672	44,260,005	38,507,090	537,813	103,005	338,988	2,517,624	97,934,197
Depreciation on disposals	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2018	-	27,922,193	93,911,772	86,747,072	1,833,504	286,710	1,007,351	9,255,411	220,964,013
Rate of depreciation		10%	Machine Hours	5% & 33.33%	10%	10%	30%	15%	
Balance as at July 01, 2018	-	**27,922,193**	**93,911,772**	**86,747,072**	**1,833,504**	**286,710**	**1,007,351**	**9,255,411**	**220,964,013**
Charge for the year	-	**10,538,000**	**21,251,983**	**34,096,910**	**622,650**	**174,747**	**271,189**	**2,695,103**	**69,650,582**
Depreciation on disposals	-	-	-	-	-	-	-	**(526,687)**	**(526,687)**
Adjustments	-	-	**(92,797)**	**92,797**	-	-	-	-	-
Balance as at June 30, 2019	-	**38,460,193**	**115,070,958**	**120,936,779**	**2,456,154**	**461,457**	**1,278,540**	**11,423,827**	**290,087,908**
Rate of depreciation		**10%**	**Machine Hours**	**5% & 33.33%**	**10%**	**10%**	**30%**	**15%**	
Written down value as at June 30, 2018	37,793,029	105,027,056	1,082,218,780	260,911,617	5,096,424	1,713,384	869,809	18,001,019	1,511,631,118
Written down value as at June 30, 2019	**37,793,029**	**95,190,485**	**1,079,722,486**	**262,636,093**	**6,668,471**	**1,731,335**	**654,568**	**15,379,971**	**1,499,776,438**

6.1.1 The Company owns freehold land measuring 108 Kanal and 10 Marla located at Mouza Parna, Phool Nagar, Tehsil Pattoki, District Kasur.

6.1.2 Depreciation charge for the year on operating fixed assets has been allocated as follows:

	Note	2019	2018
		(Rupees)	
Cost of sales	27	**65,886,893**	94,436,767
Administrative expenses	28	**3,763,689**	3,497,430
		69,650,582	97,934,197

6.2 **CAPITAL WORK IN PROGRESS**

	Note	2019	2018
At cost			
Civil works	6.2.1	**31,241,731**	30,427,071

6.2.1 **Civil works**

	2019	2018
Opening balance	**30,427,071**	16,273,038
Additions during the year	**814,660**	14,154,033
Closing balance	**31,241,731**	30,427,071

7 **INTANGIBLE ASSET**

	2019	2018
Goodwill	**19,794,072**	19,794,072

7.1 Goodwill represents the difference between the cost of the acquisition (fair value of consideration paid) and the fair value of the net identifiable assets acquired at the time of merger of Libaas Textile Limited with and into the Company.

7.2 The Company assessed the recoverable amount as at June 30, 2019 and determined that there is no indication of impairment of carrying value of goodwill. The recoverable amount was calculated on the basis of financial business plan which assumes cash flows from operating, investing and financing activities.

8 **LONG TERM DEPOSITS**

	2019	2018
	(Rupees)	
Considered good:		
Security deposits for utilities	**3,589,600**	3,589,600
Security deposits for rented premises	**1,245,300**	4,158,091
Central Depository Company of Pakistan (CDC)	**50,000**	50,000
	4,884,900	7,797,691

8.1 These amounts have been given against utilities, rented properties and CDC and are classified as 'amortised cost' under the requirement of IFRS 9 'Financial Instruments - Recognition and Measurement'. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.

9 **STORES, SPARES AND LOOSE TOOLS**

	2019	2018
	(Rupees)	
Stores	**25,453,484**	14,840,275
Spare parts	**39,845,499**	39,860,773
Loose tools	**483,195**	475,763
	65,782,178	55,176,811

		Note	2019	2018
			(Rupees)	
10	**STOCK IN TRADE**			
	Raw material		**42,713,368**	27,900,372
	Work in process		**8,116,249**	2,998,800
	Finished goods		**213,544,857**	385,462,512
			264,374,474	416,361,684
11	**TRADE DEBTS**			
	Unsecured			
	Considered good		**194,326,433**	138,623,102
	Considered doubtful		**1,210,635**	-
	Allowance for expected credit loss	11.1	**(1,210,635)**	-
			-	-
			194,326,433	138,623,102

11.1 Appropriate allowance for expected credit loss has been provided in accordance with IFRS 9 – 'Financial Instruments - Recognition and Measurement'.

	2019	2018
	(Rupees)	
Impairment allowance		
Opening balance	**-**	-
Effect of change in accounting policy	**2,648,176**	-
Charge / (reversal) for the year	**(1,437,541)**	-
Closing balance	**1,210,635**	-

		2019	2018
12	**ADVANCES**		
	Considered good - unsecured		
	Advances to suppliers and contractors	**7,580,654**	16,358,463
	Advances against imports	**81,914,975**	693,648
	Advances to collector of customs	**10,348,563**	2,930,463
	Advances to employees:		
	- against salary	**25,350**	13,350
	- against expenses	**2,104,608**	543,613
		101,974,150	20,539,537
13	**TRADE DEPOSITS AND PREPAYMENTS**		
	Considered good:		
	Security deposits	**8,460,872**	8,755,208
	Short term prepayments	**1,024,697**	926,759
		9,485,569	9,681,967
14	**OTHER RECEIVABLES**		
	Considered good - unsecured		
	Bank profit receivables	**104,848**	81,122

		Note	2019	2018
			(Rupees)	
15	**TAX REFUNDS DUE FROM GOVERNMENT**			
	Sales tax refundable		**107,797,097**	126,710,279
16	**ADVANCE INCOME TAX**			
	Opening balance		**67,777,364**	38,286,454
	Income tax paid during the year		**30,926,214**	29,490,910
			98,703,578	67,777,364
	Refund of income tax received		**(5,854,821)**	-
	Closing balance		**92,848,757**	67,777,364
17	**CASH AND BANK BALANCES**			
	Cash in hand		**97,115**	861,757
	Balances with banks in:			
	- Current accounts		**6,936,574**	25,406,704
	- Deposit accounts	17.1	**53,315,902**	46,411,400
			60,252,476	71,818,104
			60,349,591	72,679,861

17.1 The rate of return on deposit accounts ranges from 1% to 6.8% (2018: 1.1% to 4.6%) per annum.

		2019	2018
		(Rupees)	
18	**SHARE CAPITAL**		
18.1	**Authorized share capital**		
	200,000,000 (2018: 200,000,000) ordinary shares of Rupees 10 each	**2,000,000,000**	2,000,000,000
18.2	**Issued, subscribed and paid up capital**		
	98,000,000 (2018: 98,000,000) Ordinary shares of Rupees 10 each fully paid in cash	**980,000,000**	980,000,000
	2,000,000 (2018: 2,000,000) Ordinary shares of Rupees 10 each issued for consideration other than cash under scheme of arrangement for amalgamation.	**20,000,000**	20,000,000
		1,000,000,000	1,000,000,000

18.3 The process for amalgamation of Libaas Textile Limited with and into the Company as on December 12, 2014 resulted in issuance of shares for consideration other than cash.

18.4 Movement in issued, subscribed and paid up capital of the company is as follows:

2019	2018		2019	2018
(Number of Shares)			(Rupees)	
100,000,000	100,000,000	Opening balance	**1,000,000,000**	1,000,000,000
-	-	Shares issued during the year	**-**	-
100,000,000	100,000,000	Closing balance	**1,000,000,000**	1,000,000,000

18.5 Ghani Global Holdings Limited (Holding Company) held 50,098,200 (2018: 25,000,000) ordinary shares representing 50.10% (2018: 25%) of the paid up capital at reporting date.

	2019	2018
	(Rupees)	
19 LOAN FROM SPONSORS		
Unsecured loan		
Opening balance	**734,360,638**	344,860,638
Loan received during the year - net	**34,600,000**	389,500,000
Closing balance	**768,960,638**	734,360,638

19.1 The loan has been obtained from sponsors of the Company to meet the liquidity requirements of the Company, which is unsecured and interest free. There is neither fixed tenure of loan nor there is any schedule for repayment of loan. The repayment is at the discretion of the Company. In line with Technical Release - 32 (TR 32 - Accounting Directors' Loan) issued by the Institute of Chartered Accountants of Pakistan (ICAP), these loans are shown as part of equity.

	Note	2019	2018
		(Rupees)	
20 LONG TERM FINANCING			
Diminishing Musharakah facility from:			
Banking companies - secured	**20.2**	**279,759,612**	1,476,875
Syndicate financing from banking companies - secured	**20.3**	**223,746,261**	372,910,435
Islamic Financial Institution - secured		**-**	1,853,583
		503,505,873	376,240,893
Current portion taken as current liability		**(241,742,517)**	(151,726,685)
		261,763,356	224,514,208

20.1 Reconciliation of long term financing is as follows:

	2019	2018
Balance at the beginning of year	**376,240,893**	529,113,951
Availed during the year	**286,900,000**	1,181,500
	663,140,893	530,295,451
Repayment during the year	**(159,635,020)**	(154,054,558)
Balance at the end of the year	**503,505,873**	376,240,893

20.2 This represents diminishing musharakah facility having credit limit of Rupees 306.9 million (2018: Rupees 20 million), availed from banking companies for purchase of vehicles and to import machinery. The terms of the agreement is 3 to 5 years. The balance is repayable in monthly / quarterly installments. It carries profit rate of 1 month KIBOR plus 1.5%, 3 months KIBOR plus 1.95% (floor 8%:cap 18%) and 6 months KIBOR plus 1.75% per annum (floor 8%;cap 18%) (2018: 6 months KIBOR plus 1.75% per annum with a floor of 8% and cap of 18%). It is secured against specific charge on machinery of Rupees 125 million registered with SECP along with corporate guarantee of Ghani Global Holdings Limited, exclusive charge over fixed assets amounting to Rupees 240 million inclusive of 20% margin and first exclusive hypothecation charge over DM assets registered with SECP respectively.

20.3 This facility was obtained to establish a tubing glass manufacturing plant having credit limit of Rupees 600 million (2018: Rupees 600 million), carrying profit at the rate of 3 month KIBOR plus 1.95% per annum (2018: 3 month KIBOR plus 1.95% per annum) repayable quarterly and is secured against first pari passu charge on all present and future fixed assets of the Company for Rupees 800 million and corporate guarantee of the Holding Company with grace period for principal repayment of 24 months from the date of first drawdown. The term of the agreement is six (6) years including grace period.

	Note	2019	2018
		(Rupees)	
21 LONG TERM SECURITY DEPOSITS			
Security deposit against services		**400,000**	400,000
22 TRADE AND OTHER PAYABLES			
Payable against supplies and services		**30,330,345**	90,672,303
Advance from customers - *Unsecured*	**22.1**	**15,937,205**	2,184,255
Bills payable		**-**	758,214
Accrued liabilities		**32,770,202**	10,357,891
Book overdraft		**11,056,369**	3,629,567
Withholding income tax		**920,024**	784,454
		91,014,145	108,386,684

22.1 Advance payments from customers is recognised as revenue when the performance obligation is satisfied in accordance with the policy as described in note 5.14.

23 PAYABLE TO RELATED PARTY

This represents payable to Ghani Chemical Industries Limited, an associated undertaking against purchase of liquid and compressed industrial gases.

	Note	2019	2018
		(Rupees)	
24 ACCRUED PROFIT ON FINANCING			
Accrued profit on:			
Long term financing		**18,755,594**	3,733,609
Short term borrowings		**14,842,893**	9,606,495
		33,598,487	13,340,104
25 SHORT TERM BORROWINGS			
From banking companies - secured	**25.1**	**495,936,195**	544,077,547

25.1 These finances are obtained under profit arrangements and are secured against first pari passu hypothecation charge / ranking charge on the present and future current assets, ranking charge on present and future fixed assets of the Company, corporate guarantee of Ghani Global Holdings Limited and personal guarantees of sponsoring directors of the Company. These form part of total credit facilities of Rupees 650 million (2018: Rupees 650 million). The rates of profit ranging from relevant KIBOR plus 0.90% to 2% (2018: relevant KIBOR plus 0.90%

to 2%). These facilities are expiring on various dates by May 31, 2020 and are renewable.

26 CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

26.1.1 Guarantees issued by banks in the ordinary course of business of Rupees 56.41 million (2018: Rupees 56.41 million) against gas connection in favor of Sui Northern Gas Pipelines Limited.

26.1.2 The un-availed unfunded facilities (letters of credit) and funded credit facilities from banks as at reporting date amounted to Rupees 705.87 million (2018: Rupees 680.34 million) and Rupees 154.06 million (2018: Rupees 105.92 million) respectively. These limits include credit lines that are interchangeable and may be utilized for either funded facilities or unfunded facilities.

26.2 Commitments

26.2.1 Commitments in respect of letter of credit for machinery, raw materials, stores and spares outstanding as at reporting date is of Rupees 19.13 million (2018: Rupees 44.66 million).

26.2.2 Commitments for capital expenditure related to building amounted to Rupees 5 million (2018: Rupees 50 million).

	Note	2019	2018
		(Rupees)	
27 COST OF SALES			
Raw material consumed	27.1	**177,030,578**	122,634,968
Salaries, wages and other benefits	27.2	**106,973,363**	100,617,464
Fuel and power		**92,904,759**	148,157,684
Freight inward		**1,853,058**	9,083,405
Packing expense		**54,742,835**	31,336,850
Consumable stores		**43,099,410**	35,889,900
Rent, rates and taxes		**10,001,580**	18,144,914
Insurance		**1,975,651**	2,241,326
Repair and maintenance		**10,713,282**	4,875,866
Travelling and vehicle running expenses		**3,270,600**	4,449,897
Depreciation	6.1.2	**65,886,893**	94,436,767
Others		**4,598,571**	2,631,968
Current manufacturing cost		**573,050,580**	574,501,009
Changes in work in process			
Opening		**2,998,800**	4,284,204
Closing	10	**(8,116,249)**	(2,998,800)
		(5,117,449)	1,285,404
Cost of goods manufactured		**567,933,131**	575,786,413
Changes in finished goods			
Opening		**385,462,512**	296,411,795
Closing	10	**(213,544,857)**	(385,462,512)
		171,917,655	(89,050,717)
Cost of sales		**739,850,786**	486,735,696

		2019	2018
		(Rupees)	
27.1	**Raw material consumed**		
	Opening balance	**27,900,372**	21,849,366
	Purchases	**191,843,574**	128,685,974
	Available for use	**219,743,946**	150,535,340
	Closing balance	**(42,713,368)**	(27,900,372)
	Material consumed	**177,030,578**	122,634,968

27.2 Salaries, wages and other benefits include amount of Rupees 2,328,293 (2018: Rupees 2,658,044) relating to Provident Fund.

		Note	2019	2018
			(Rupees)	
28	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and other benefits	**28.1**	**40,667,750**	31,147,461
	Communication		**517,606**	217,708
	Utilities		**1,990,981**	1,221,410
	Rent, rates and taxes		**3,779,008**	3,439,818
	Insurance		**488,936**	332,901
	Repair and maintenance		**4,441,807**	1,228,247
	Office expenses		**1,010,767**	1,797,172
	Travelling and vehicle running expenses		**1,810,960**	1,409,610
	Donation and charity	**28.2**	**216,100**	220,000
	Printing and stationery		**433,706**	750,657
	Fee and subscription		**1,298,796**	8,963,026
	Advertisement		**151,026**	482,580
	Depreciation	**6.1.2**	**3,763,689**	3,497,430
	Others		**1,008,832**	638,497
			61,579,964	55,346,517

28.1 Salaries, wages and other benefits include amount of Rupees 2,243,639 (2018: Rupees 1,959,845) relating to Provident Fund.

28.2 The directors and their spouses have no interest in the donees.

		Note	2019	2018
			(Rupees)	
29	**SELLING AND DISTRIBUTION EXPENSES**			
	Salaries, wages and other benefits	**29.1**	**11,148,017**	10,377,111
	Freight outward		**8,735,504**	4,735,601
	Communication		**247,859**	76,107
	Traveling and vehicle running expenses		**1,659,704**	1,442,465
	Rent, rates and taxes		**12,426,087**	6,635,159
	Business promotion		-	66,800
	Others		**823,177**	262,186
			35,040,348	23,595,429

29.1 Salaries, wages and other benefits include amount of Rupees 735,404 (2018: Rupees 528,437) relating to Provident Fund.

		Note	2019	2018
			(Rupees)	
30	**OTHER OPERATING EXPENSES**			
	Legal and professional		**1,159,000**	916,650
	Auditors' remuneration	30.1	**735,000**	565,000
	Inadmissible sales tax		**3,873,286**	-
	Exchange loss		**1,128,109**	4,221,037
			6,895,395	5,702,687
30.1	**Auditors' remuneration**			
	Fee for:			
	- audit of annual financial statements		**600,000**	250,000
	- review of half yearly financial information		**60,000**	60,000
	- special audit of half yearly Financial information		**-**	100,000
	- other certifications		**75,000**	155,000
			735,000	565,000
31	**OTHER INCOME**			
	Income from financial assets			
	Profit on bank deposits		**1,903,406**	1,457,741
	Income from other than financial assets			
	Reversal for expected credit loss against trade debts		**1,437,541**	-
	Credit balances written back		**3,286,708**	25,200,000
	Gain on disposal of operating fixed assets		**174,015**	-
			6,801,670	26,657,741
32	**FINANCE COSTS**			
	Profit on:			
	Long term financing		**50,850,337**	42,900,694
	Short term borrowings		**48,709,795**	31,745,348
	Bank charges and commission	32.1	**3,498,099**	2,864,046
			103,058,231	77,510,088

32.1 This includes amount of Rupees 2.6 million (2018: Rupees 2.6 million) on account of commission against corporate guarantee issued by Ghani Global Holdings Limited (Holding Company) to secure syndicate financing facility for the Company.

		Note	2019	2018
			(Rupees)	
33	**TAXATION**			
	Current taxation			
	Current year	33.2	-	-
	prior year		-	(3,300,082)
			-	(3,300,082)
	Deferred taxation	33.3	-	-
			-	(3,300,082)

33.1 Assessment up to tax year 2018 is finalized (deemed assessment) and the available tax losses of the company are Rupees 1,139.232 million (2018: Rupees 912.883 million)

33.2 Current tax is charged on the basis of minimum tax on turnover under section 113 or Alternate Corporate Tax (ACT) on accounting profit under section 113-C of Income Tax Ordinance 2001, whichever is higher. During the year, the Company falls under minimum tax and provision on accounting profit has been made after taking into account applicable tax credits and rebates and unused tax losses.

	2019	2018
	(Rupees)	
33.3 This is composed of:		
Temporary differences:		
Taxable		
Accelerated tax depreciation	**211,612,819**	178,822,975
Tax amortization	**2,296,112**	1,722,084
	213,908,931	180,545,059
Deductible		
Allowance for expected credit loss	**(351,084)**	-
Unused tax losses	**(330,377,272)**	(264,162,130)
Tax credits	**(21,914,818)**	(35,286,293)
	(352,643,174)	(299,448,423)
Deferred tax asset	**(138,734,243)**	(118,903,364)
Deferred tax asset not recognized	**138,734,243**	118,903,364
	-	-

33.4 Deferred tax asset on unused tax losses available for carry forward are recognized to the extent that the realization of related tax benefits through future taxable interests is probable. Accordingly, the Company has not recognized deferred tax assets of Rupees 138.734 million (2018: Rupees 118.903 million) due to unabsorbed tax depreciation as sufficient tax interests would not be available to set these off in the foreseeable future.

33.5 Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate is not meaningful due to application of minimum tax on turnover under section 113 of Income Tax Ordinance 2001 in current year and previous year.

		2019	2018
34 EARNINGS PER SHARE			
Loss attributable to ordinary shareholders	*(Rupees)*	**(147,598,784)**	(122,930,513)
Weighted average number of ordinary shares outstanding during the year	*(Number)*	**100,000,000**	100,000,000
Earnings per share	*(Rupees)*	**(1.48)**	(1.23)

34.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at reporting date which would have any effect on the earnings per share if the option to convert is exercised.

		Note	2019	2018
			(Rupees)	
35	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	Loss before taxation		**(147,598,784)**	(126,230,595)
	Adjustments to reconcile loss to net cash provided by operating activities:			
	Depreciation	6.1	**69,650,582**	97,934,197
	Finance costs	32	**103,058,231**	77,510,088
	Reversal of allowance for expected credit loss	11	**(1,437,541)**	-
	Exchange translation loss		**-**	4,221,037
	Credit balances written back		**(3,286,708)**	(25,200,000)
	Gain on disposal of operating fixed assets	31	**(174,015)**	-
	Cash flows from operating activities before working capital changes		**20,211,765**	28,234,727
	Cash flows from working capital changes			
	(Increase) / decrease in current assets:			
	Stores, spares and loose tools		**(10,605,367)**	(20,906,405)
	Stock in trade		**151,987,210**	(93,816,319)
	Trade debts		**(56,913,966)**	(62,488,794)
	Advances		**(81,434,613)**	(128,074)
	Trade deposits and prepayments		**196,398**	47,638,268
	Other receivables		**(23,726)**	22,367
	Tax refunds due from government		**18,913,182**	(4,607,832)
	Increase / (decrease) in current liabilities:			
	Trade and other payables		**(14,085,831)**	21,390,844
	Payable to related party		**9,096,047**	-
	Net cash generated from / (used in) working capital changes		**17,129,334**	(112,895,945)
	Cash generated from / (used in) operating activities		**37,341,099**	(84,661,218)

36 CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES' REMUNERATION

The aggregate amount charged to profit and loss in respect of chief executive, directors and executives on account of managerial remuneration, allowances and perquisites, post employment benefits and the number of such chief executive directors, and executives is as follows.

	2019	2018	2019	2018
	(Rupees)		(Rupees)	
	Chief Executive		Executive	
Managerial remuneration	**15,391,606**	11,413,635	**6,750,000**	2,361,272
Allowances and perquisites	**897,594**	1,141,365	**590,000**	236,127
Post employment benefits	**1,230,343**	1,045,831	**562,275**	249,900
	17,519,543	13,600,831	**7,902,275**	2,847,299
	1	1	**2**	1

36.1 During the year, no remuneration was paid to directors of the Company (2018: Nil). The chief executive, directors and certain executives are provided with free use of the Company maintained cars in accordance with their entitlement.

36.2 No meeting fee was paid to directors for attending Board meetings during the year (2018: Nil).

37 PROVIDENT FUND RELATED DISCLOSURES

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

38 FAIR VALUE MEASUREMENTS

Fair value hierarchy

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. Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity - specific estimates. If all significant inputs required to fair value an instrument are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices), the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

As at reporting date, the Company has no item to report in these levels.

39 DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX

Following information has been disclosed as required under Paragraph 10 of Part I of the 4th Schedule to the Companies Act, 2017 relating to "All Shares Islamic Index".

Description	2019		2018	
	Carried under		Carried under	
	Non - Sharia arrangements	Sharia arrangements	Non - Sharia arrangements	Sharia arrangements
	(Rupees)		(Rupees)	
(i) Loans and advances obtained as per islamic mode				
Long term financing	-	503,505,873	-	376,240,893
Short term borrowings	-	495,936,195	-	544,077,547
(ii) Bank balances - current and deposits	-	60,252,476	-	71,818,104
(iii) Profit earned from bank deposits	-	1,903,406	-	1,457,741

Description	2019		2018	
	Carried under		Carried under	
	Non - Sharia arrangements	**Sharia arrangements**	Non - Sharia arrangements	Sharia arrangements
	(Rupees)		(Rupees)	
(iv) Revenue earned	**-**	**792,024,270**	-	496,002,081
(v) Profit paid	**-**	**79,301,749**	-	71,331,629

(vi) The Company has banking relationship with Islamic windows of conventional banking system as well as shariah compliant banks only.

40 FINANCIAL RISK MANAGEMENT

This note represents information about the Company's exposure to each of the following financial risks, the Company's objectives, policies and processes for measuring and managing risk, fair value of financial instruments and the Company's management of capital.

40.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, equity price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board. The Company is exposed to interest rate risk, currency risk and market price risk.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the EURO and United States Dollar (USD). As on reporting date, financial liabilities include Rupees Nil (2018: Rupees 65.783 million) which were subject to currency risk.

Following is the gross balance sheet exposure classified into separate foreign currencies:

	2019	2018	2019	2018
	(USD)		(EURO)	
Trade and other payables	-	19,600	-	479,020
Gross balance sheet exposure	-	19,600	-	479,020

The following significant exchange rates were applied during the year:

	Average rate		Reporting date rate	
	June 30, 2019	June 30, 2018	**June 30, 2019**	June 30, 2018
	(Rupees)		(Rupees)	
PKR per				
EURO	**178.88**	132.02	-	141.57
USD	**134.19**	110.63	-	121.60

Sensitivity analysis

At June 30, 2019, had Pakistan rupee weakened / strengthened by 5% against the USD and Euro with all other variables held constant, the impact on profit after taxation for the year would have been lower / higher by Rupees Nil (2018: Rupees 3.511 million).

(ii) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates.

The Company has no significant long-term profit-bearing assets. The Company's profit rate risk arises from liabilities. Borrowings obtained at variable rates expose the Company to cash flow profit rate risk. Borrowings obtained at fixed rate expose the Company to fair value profit rate risk.

As at reporting date the profit rate profile of the Company's profit bearing financial instruments was:

	2019	2018
	(Rupees)	
Floating rate instruments		
Financial assets		
Cash at bank - deposit accounts	**53,315,902**	46,411,400
Financial liabilities		
Long term financing	**503,505,873**	376,240,893
Short term borrowings	**495,936,195**	544,077,547

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in profit rate at the balance sheet date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

The following analysis demonstrates the sensitivity to a reasonably possible change in profit rates, with all other variables held constant, of the company's profit before tax. This analysis is prepared assuming the amounts of floating rate instruments outstanding at reporting dates were outstanding for the whole year.

		Changes in Interest Rate	Effects on Profit Before Tax
		(%)	(Rupees)
Bank balances - deposit accounts	**2019**	**+1.50**	**799,739**
		-1.50	**(799,739)**
	2018	+1.50	696,171
		-1.50	(696,171)
Long term financing	**2019**	**+1.00**	**5,035,059**
		-1.00	**(5,035,059)**
	2018	+1.00	3,762,409
		-1.00	(3,762,409)
Short term borrowings	**2019**	**+1.00**	**4,959,362**
		-1.00	**(4,959,362)**
	2018	+1.00	5,440,775
		-1.00	(5,440,775)

(iii) Other 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 currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company does not have financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market prices.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure.

Credit risk of the Company arises from deposits with banks, trade deposits, trade debts, long term deposits and other receivables. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. Carrying values of financial assets exposed to credit risk and which are neither past due nor impaired are as under:

	Note	2019	2018
		(Rupees)	
Long term deposits	8	**4,884,900**	7,797,691
Trade debts	11	**194,326,433**	138,623,102
Trade deposits	13	**8,460,872**	8,755,208
Other receivables	14	**104,848**	81,122
Deposits with banks	17	**60,252,476**	71,818,104
		268,029,529	227,075,227

Concentration of credit risk

The Company identifies concentrations of credit risk by reference to type of counterparty. Maximum exposure to credit risk by type of counterparty is as follows:

	2019	2018
	(Rupees)	
Trade debts	**194,326,433**	138,623,102
Banking companies and financial institutions	**60,252,476**	71,818,104

Out of the total financial assets credit risk is concentrated in trade debts and deposits with banks as they constitute 95% (2018: 93%) of the total financial assets. The Company's exposure to credit risk in respect of trade debts is influenced mainly by the individual characteristics of each customer. The Company establishes an allowance for expected credit loss that represents its estimate of incurred losses in respect of trade receivables. Age of trade debts at the date of balance sheet was as follows:

	2019	2018
	(Rupees)	
Not past due	**173,295,361**	68,208,193
1 - 180 days	**15,558,093**	56,605,589
181 - 365 days	**3,294,846**	9,889,402
1 - 2 years	**3,388,768**	3,919,918
	195,537,068	138,623,102

Trade debts

Trade debts shall be essentially due from local customers against sale of glass products. Sales to the Company's customers shall be made on specific terms and conditions. Customer credit risk shall be managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Credit limits are being established for all customers based on internal rating criteria. Credit quality of the customer is also being assessed based on an extensive credit rating. Outstanding customer receivables shall be regularly monitored.

Trade debts of the Company are not exposed to significant credit risk as the Company trades with credit worthy customers. Trade debts of Rupees 22.241 million (2018: Rupees 70.415 million) are past due of which Rupees 1,210,635 (2018: Rupees Nil) have been impaired. Appropriate allowance / reversal in lieu of impairment loss against trade debts as per IFRS 9 - 'Financial Instruments - Recognition and measurement' amounting to Rupees 1,437,541 (2018: Rupees Nil) has been made in these financial statements.

Cash at banks

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counter party default rate. The table below shows the bank balances held with some major counter parties at the reporting date:

Banks	Agency	Short term	Long term	2019	2018
				(Rupees)	
Al-Baraka Bank (Pakistan) Limited	PACRA	A-1	A	**971,831**	1,033,113
Allied Bank Limited	PACRA	A-1+	AAA	**1,234,135**	2,013,751
Askari Bank Limited	PACRA	A-1+	AA+	**25,819**	11,765,373
Bank Al Habib Limited	PACRA	A-1+	AA+	**6,668,773**	2,873,675
Bank Alfalah Limited	PACRA	A-1+	AA+	**16,932,391**	2,589,270
Balance carried forward				**25,832,949**	20,275,182

Banks	Agency	Short term	Long term	2019	2018
				(Rupees)	
Balance brought down				**25,832,949**	20,275,182
BankIslami Pakistan Limited	PACRA	A-1	A+	**31,754**	1,667,395
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+	**5,046,885**	24,788,284
MCB Islamic Bank Limited	PACRA	A-1	A	**38,266**	38,266
Meezan Bank Limited	VIS	A-1+	AA+	**25,818,233**	11,523,665
National Bank of Pakistan	PACRA	A-1+	AAA	**224,038**	2,339,532
Standard Chartered Bank (Pakistan) Limited	PACRA	A-1+	AAA	**36,800**	36,913
Summit Bank Limited	VIS	A-3	BBB-	**224,306**	1,983,827
The Bank of Khyber	PACRA	A-1	A	**43,517**	43,517
The Bank of Punjab	PACRA	A-1+	AA	**1,212,440**	308,564
United Bank Limited	VIS	A-1+	AAA	**1,743,288**	8,812,959
				60,252,476	71,818,104

Due to the Company's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. 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, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements and optimizing its return to stakeholders. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below analyses the Company's financial liabilities into relevant maturity grouping based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Carrying Amount	Contractual cash flows	Less than 1 year	Between 1 and 5years
	(Rupees)			
2019				
Long term financing	**503,505,873**	**503,505,873**	**241,742,517**	**261,763,356**
Long term security deposits	**400,000**	**400,000**	**-**	**400,000**
Trade and other payables	**74,156,916**	**74,156,916**	**74,156,916**	**-**
Payable to related party	**9,096,047**	**9,096,047**	**9,096,047**	**-**
Accrued profit on financing	**33,598,487**	**33,598,487**	**33,598,487**	**-**
Short term borrowings	**495,936,195**	**495,936,195**	**495,936,195**	**-**
	1,116,693,518	**1,116,693,518**	**854,530,162**	**262,163,356**

	Carrying Amount	Contractual cash flows	Less than 1 year	Between 1 and 5years
	(Rupees)			
2018				
Long term financing	376,240,893	376,240,893	151,726,685	224,514,208
Long term security deposits	400,000	400,000	-	400,000
Trade and other payables	105,417,975	105,417,975	105,417,975	-
Accrued profit on financing	13,340,104	13,340,104	13,340,104	-
Short term borrowings	544,077,547	544,077,547	544,077,547	-
	1,039,476,519	1,039,476,519	814,562,311	224,914,208

The contractual cash flows relating to the above financial liabilities have been determined on the basis of profit rates effective as at balance sheet dates. The rates of profit have been disclosed in respective notes to the financial statements.

40.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

40.3 Financial instruments by categories

	2019	2018
	(Rupees)	
Assets as per statement of financial position		
Long term deposits	**4,884,900**	7,797,691
Trade debts	**194,326,433**	138,623,102
Trade deposits	**8,460,872**	8,755,208
Other receivables	**104,848**	81,122
Cash and bank balances	**60,349,591**	72,679,861
	268,126,644	227,936,984
Financial liabilities at amortized cost		
Liabilities as per statement of financial position		
Long term financing	**503,505,873**	376,240,893
Long term security deposits payable	**400,000**	400,000
Trade and other payables	**74,156,916**	105,417,975
Payable to related party	**9,096,047**	-
Accrued profit on financings	**33,598,487**	13,340,104
Short term borrowings	**495,936,195**	544,077,547
	1,116,693,518	1,039,476,519

40.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide return for shareholders and benefits for other stakeholders and to maintain healthier capital ratios in order to support its business and maximize shareholders value. The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payments to the shareholders, return on capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes from the previous year. The Company monitors capital using gearing ratio, which is debt divided by equity plus debt which is total capital employed. Debt represents long term financing, short term borrowings obtained by the Company as referred. Total capital employed includes 'total equity' as shown in the balance sheet plus debt. The Company's strategy, which was unchanged from last year, was to maintain optimal capital structure in order to minimize cost of capital. The gearing ratio as at June 30 is as follows:

	2019	2018
	(Rupees)	
Debt	**999,442,068**	920,318,440
Equity	**1,319,189,491**	1,434,836,451
Total capital employed	**2,318,631,559**	2,355,154,891
Gearing ratio	**43%**	39%

41 **SEGMENT REPORTING**

41.1 The Company has following two strategic divisions which are its reportable segments. Following summary describes the operations of each reportable segments:

Glass tubes and glass ware
This segment covers sales of all glass tubes and other glass wares.

Chemicals
This segment covers revenue of ethylene ripener earned during the year.

41.2 Segment results are as follows:

	2019			2018		
	Glass tubes and glass ware	**Chemicals**	**Total**	Glass tubes and glass ware	Chemicals	Total
		(Rupees)			(Rupees)	
Sales - net	**636,928,532**	**155,095,738**	**792,024,270**	496,002,081	-	496,002,081
Cost of sales	**(634,475,714)**	**(105,375,072)**	**(739,850,786)**	(486,735,696)	-	(486,735,696)
Gross profit	**2,452,818**	**49,720,666**	**52,173,484**	9,266,385	-	9,266,385
Administrative expenses	**(58,298,897)**	**(3,281,067)**	**(61,579,964)**	(55,346,517)	-	(55,346,517)
Distribution expenses	**(32,412,322)**	**(2,628,026)**	**(35,040,348)**	(23,595,429)	-	(23,595,429)
Segment profit / (loss)	**(88,258,401)**	**43,811,573**	**(44,446,828)**	(69,675,561)	-	(69,675,561)
Unallocated corporate expenses / income						
Other operating expenses			**(6,895,395)**			(5,702,687)
Other income			**6,801,670**			26,657,741
			(44,540,553)			(48,720,507)
Finance costs			**(103,058,231)**			(77,510,088)
Loss before taxation			**(147,598,784)**			(126,230,595)
Taxation			**-**			3,300,082
Loss after taxation			**(147,598,784)**			(122,930,513)

41.3 The Company's customer base is diverse with no single customer accounting for more than 10% of the revenue.

41.4 The segment assets and liabilities as at reporting date are as follows:

	2019			2018		
	Glass tubes and glass ware	**Chemicals**	**Total**	Glass tubes and glass ware	Chemicals	Total
		(Rupees)			(Rupees)	
Segment assets	**1,941,792,308**	**113,708,946**	**2,055,501,254**	2,152,219,786	-	2,152,219,786
Unallocated assets			**397,238,984**			325,061,893
Total assets			**2,452,740,238**			2,477,281,679
Segment liabilities	**536,241,249**	**59,805,138**	**596,046,387**	652,464,231	-	652,464,231
Unallocated liabilities			**537,504,360**			389,980,997
Total liabilities			**1,133,550,747**			1,042,445,228

41.5 All non-current assets of the Company as at reporting date were located within Pakistan.

41.6 Disaggregation of revenue

Revenue is disaggregated by primary geographical market, major product lines and timing of revenue recognition.

	2019			2018		
	Glass tubes and glass ware	**Chemicals**	**Total**	Glass tubes and glass ware	Chemicals	Total
		(Rupees)			(Rupees)	
Geographical						
Local	**635,390,292**	**155,095,738**	**790,486,030**	496,002,081	-	496,002,081
Foreign	**1,538,240**	**-**	**1,538,240**	-	-	-
			792,024,270			496,002,081
Timing of revenue						
Point at time	**636,928,532**	**155,095,738**	**792,024,270**	496,002,081	-	496,002,081
Point over time	**-**	**-**	**-**	-	-	-
			792,024,270			496,002,081

41.7 Contract balances

	2019	2018
	(Rupees)	
Trade debts	**194,326,433**	138,623,102
Advance from customers	**15,937,205**	2,184,255

42 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of subsidiary, holding and associated companies, directors of the Company, companies in which directors also hold directorship, related companies, key management personnel and staff retirement benefit funds. The Company in the normal course of business carries out transactions with various related parties. Detail of related parties (with whom the Company has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

42.1 Name and nature of relationship

Sr. No.	Name of related party	Basis of relationship
1	Masroor Ahmad Khan	Director/ shareholder
2	Atique Ahmad Khan	Director/ shareholder
3	Hafiz Farooq Ahmad	Director/ shareholder
4	Ghani Chemical Industries Limited	Associated undertaking
5	Ghani Global Holdings Limited	Holding
6	Provident Fund Trust	Employees retirement fund

42.2 Transactions with related parties

Nature of relationship	Nature of Transaction	2019	2018
		(Rupees)	
Holding Company	Guarantee Commission	**2,600,000**	-
Associates	Guarantee Commission	-	2,600,000
	Services	**10,000,000**	12,000,000
	Purchases	**18,229,808**	26,359,622
	Sales	**116,602**	-
Sponsors	Loan received / (repaid)	**34,600,000**	389,500,000
Provident Fund Trust	Contribution	**10,472,908**	10,245,932

43 NUMBER OF EMPLOYEES

	2019	2018
	(Number)	
Total number of employees at year end	**196**	190
Average number of employees during the year	**173**	193

44 PLANT CAPACITY AND ANNUAL PRODUCTION

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

	Capacity of production		Actual production	
	2019	2,018	2019	2,018
	M. Tons		M. Tons	
Neutral glass tubing clear and amber	**7,300**	7,300	**1,241**	4,484

44.1 The efficiency of 17% (2018: 61%) in neutral glass tubing is under utilized primarily due to normal repair and maintenance, partly rebuild of furnace, introduction of new technology and shifting of product line.

45 CORRESPONDING FIGURES AND GENERAL

45.1 The corresponding figures have been rearranged and reclassified, wherever considered necessary and for the purposes of comparison and better presentation. Following important reclassifications have been made:

Reclassified from component	**Reclassified to component**	2018 (Rupees)
Advances to suppliers and contractors	Advance against imports	693,648
Advances to suppliers and contractors	Payable against supplies and services	1,175,580
Others - Administrative expenses	Insurance - Administrative expenses	332,901
Letter of credit margin	Security deposits	6,407,000

45.2 Figures have been rounded off to the nearest rupees, unless otherwise stated.

46 DATE OF AUTHORIZATION

These financial statements have been authorized for issue by Board of Directors of the Company on October 03, 2019.

Masroor Ahmad Khan	**Asim Mahmud**	**Hafiz Farooq Ahmad**
(Chief Executive Officer)	**(Chief Financial Officer)**	**(Director)**

Ghani Global Group

GHANI GLOBAL GLASS LIMITED

12th Annual General Meeting

FORM OF PROXY

I/We ______________________________

of ______________________________

being a member of GHANI GLOBAL GLASS LIMITED ______________________________

hereby appoint ______________________________

of ______________________________

failing him ______________________________

as my / our Proxy to attend act and vote for me/us on my/our behalf at 12th Annual General Meeting of the members of the Company to be held at Lahore on Monday, October 28, 2019 at 10:30 AM and at any adjournment(s) thereof.

Signed this __________ day of October 2019.

Sign by the said Member

Signed in the presence of:

1. Signature: ______________________________
   Name: ______________________________
   Address: ______________________________
   CNIC/Passport No. ______________________________

2. Signature: ______________________________
   Name: ______________________________
   Address: ______________________________
   CNIC/Passport No. ______________________________

Information required		For Member (Shareholder)	For Proxy	For alternate Proxy (*)
			(If member)	
Number of shares held				
Folio No.				
CDC Account No.	Participant I.D.			
	Account No.			

(*) Upon failing of appointed Proxy.

Affix Revenue Stamp of Rs.5/

غنی گلوبل گلاس لمیٹڈ

پراکسی فارم برائے بارواں سالانہ اجلاس عام

Ghani Global Group

میں مسمٰی/مسماۃ -- ساکن ----------------------

ضلع -------------- بحیثیت ممبر غنی گلوبل گلاس لمیٹڈ، مسمٰی/مسماۃ --------------------------

ساکن ------------------------------ کو بطورِ مختار (پراکسی) مقرر کرتا ہوں تا کہ وہ میری جگہ اور میری طرف سے

کمپنی کے بارواں سالانہ اجلاس عام جو بتاریخ پیر 28 اکتوبر 2019 کو 10:30 بجے صبح کمپنی کے رجسٹرڈ آفس لاہور میں منعقد ہو رہا ہے اور اس کے کسی ملتوی شدہ اجلاس میں ووٹ ڈالے۔

آج بروز ------------ بتاریخ ------------ 2019ء کو دستخط کیے گئے۔

دستخط ممبر

گواہان:

1. دستخط: ____________

نام: ____________

پتہ: ____________

شناختی کارڈ نمبر: ____________

2. دستخط: ____________

نام: ____________

پتہ: ____________

شناختی کارڈ نمبر: ____________

ضرورت معلومات		رکن کے لئے (شیئر ہولڈر)	پراکسی کے لئے	متبادل پراکسی کے لئے (*)
			(اگر رکن ہے)	
حصص کی تعداد				
فولیو نمبر				
سی۔ڈی۔سی اکاؤنٹ نمبر	پارٹیسپینٹ آئی۔ڈی			
	اکاؤنٹ نمبر			

پانچ روپے مالیت کے رسیدی ٹکٹ پر دستخط

(*) مقرر کردہ پراکسی کی ناکامی پر