Ghani

LEADERS IN GLASS

GHANI GLASS LIMITED

ANNUAL REPORT 2011

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. Aitzaz Ahmad Khan	Chairman
	Mr. Imtiaz Ahmad Khan	Chief Executive Officer
	Mr. Anwaar Ahmad Khan	Deputy Chief Executive Officer
	Mr. Aftab Ahmad Khan	
	Mrs. Ayesha Aftab	
	Hafiz Farooq Ahmad	
	Hafiz Avais Ghani	
	Mr. Junaid Ghani	
	Mr. Jubair Ghani	
	Mrs. Reema Anwaar (Alternate)	
	Mr. Salman Malik	Nominee SJC Pakistan LLC
	Mr. Faysal Essam T. Hamza (Alternate)	
AUDIT COMMITTEE	Mr. Aftab Ahmad Khan	Chairman
	Mr. Jubair Ghani	
	Mrs. Ayesha Aftab	
CHIEF FINANCIAL OFFICER	Mr. Umer Farooq Khan	
COMPANY SECRETARY	Hafiz Mohammad Imran Sabir	
AUDITORS	KPMG Taseer Hadi & Co. Chartered Accountants	
		CORPORATE CONSULTANTS
LEGAL ADVISOR	Ally Law Associates	• Muhammad Siddique Chaudhary • E & Y Ford Rhodes Sidat Hyder Chartered Accountants
SHARE REGISTRAR	Corplink (Pvt) Ltd Wings arcade, 1-K Commercial Model Town, Lahore Phones : (042)- 35916714, 35916719 Fax : (042)- 35869037	
BANKERS	Albaraka Islamic Bank Bank Alfalah Limited,IBD Burj Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited, IBD Meezan Bank Limited MCB Bank Limited, IBD Soneri Bank Limited, IBD Standard Chartered Bank Limited, IBD Bank Islami Pakistan Limited Askari Islamic Bank, IBD	

HEAD OFFICE
40-L Model Town
Lahore,Pakistan
UAN: (042) 111 949 949
Fax:(042) 35172263
E-mail : ggc49@wol.net.pk
Http://www.ghanigroup.com

REGISTERED OFFICE
50-L Model Town
Lahore, Pakistan
Phones :(042) 35203975-76
Fax :(042) 35160314

MARKETING OFFICE
12 D/5,Chandni Chowk
KDA Scheme No. 7-8
Karachi - 74000
UAN : (021) 111 949 949
Fax :(021) 34926349
E-mail :marketing@ghanigroup.com

GGL PLANT-1 & REGIONAL MARKETING OFFICE-NORTH
22 km Haripur Taxila Road, (From Haripur)
The.& Dist. Haripur (NWFP)
Phones :(0995) 639236-40 & (0596) 539063-65
Fax : (0995) 639067
Email :gglplant@hrp.wol.net.pk

GGL PLANT-2
H- 15,Landhi Industrial Area
Karachi-74000
Phone :(021) 35020761-63
Fax :(021) 35020280
Email:purkml@khi.wol.net.pk

GGL PLANT-3
29-km Lahore Sheikhupura Road,
District Sheikhupura
Phones : (0563) 406796
Fax :(0563) 406795
Email :ghanifloat@ghanigroup.com

MISSION STATEMENT

To be successful by

effectively & efficiently

Utilizing our Philosophies,

so that We achieve & Maintain

constantly the High Standards of

Product Quality

&

Customer Satisfaction

VISION & PHILOSOPHY

Nothing in this earth or in the heavens

Is hidden from ALLAH

To indulge in honesty, integrity and self

Determination, to encourage

in performance and

most of all to put our trust in ALLAH,

so that we may, eventually through our

Efforts and belief,

become the leader amongst glass manufacturers

of South Asian Countries

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 19th Annual General Meeting of the members of **GHANI GLASS LIMITED** will be held on Thursday October 27, 2011 at 11:30 a.m., at Avari Hotel, The Mall, Lahore to transact the following business:

Ordinary Business

1. To confirm the minutes of Extraordinary General Meeting held on May 20, 2011.

2. To receive, consider and adopt the audited annual accounts of **GHANI GLASS LIMITED** for the year ended June 30, 2011 together with the Directors' and Auditors' reports thereon.

3. To approve as recommended by directors cash dividend @10% i.e. Re.1 per share.

4. To appoint auditors for 2012 and fix their remuneration.

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

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

By order of the Board

Lahore: October 3, 2011.

Hafiz Mohammad Imran Sabir
Company Secretary

Notes:

1. The share transfer books of the Company will remain closed from October 21, 2011 to October 27, 2011 (both days inclusive) for entitlement of cash dividend. Members whose names appear on the register of members as at the close of business on October 20, 2011 will be entitled to the above entitlement.

2. Any member entitled to attend and vote at the Annual General Meeting is entitled to appoint another member as a proxy to attend and vote on his/her behalf. A corporation being a member may appoint as its proxy any of its official or any other person whether a member of the Company or not.

3. Members whose shares are deposited with Central Depository Company of Pakistan Limited are requested to bring their original Computerized National Identity Cards (C.N.I.C.) along with the participant's I.D. Number and their account numbers in Central Depository Company of Pakistan Limited to facilitate identification at the time of Annual General Meeting. In case of proxy, an attested copy of proxy's Identity Card (C.N.I.C.), Account & Participant's ID number be enclosed. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced at the time of the meeting (unless it has been provided earlier).

   Proxies, in order to be valid, must be deposited at the registered office of the Company not less than 48 hours before the time of meeting.

4. Members are requested to promptly notify Company's Shares Registrar M/s. Corplink (Pvt.) Ltd., Wings Arcade, 1-K Commercial, Model Town, Lahore, Ph: 042-35916714, 35916719 Fax: 042-35869037 of any change in their addresses to ensure delivery of mail.

DIRECTORS' REPORT

The Directors of the company take pleasure in presenting their Report together with Company's Audited Financial Statements for the year ended June 30, 2011.

OPERATING FINANCIAL RESULTS

During the year under review the management continued to focus on the progress and growth strategy with the objective of further strengthening the performance of company and maximizing shareholder value. Considering persistent energy crisis, rising inflation, adverse security situation, heavy floods, and the major repairs of float glass furnace, the performance of your Company has been exceptional. As part of the continuing BMR, the management had taken the challenge of repairing the float glass furnace and successfully accomplished this task in a record time resulting in smooth operations and significant addition in the life of furnace.

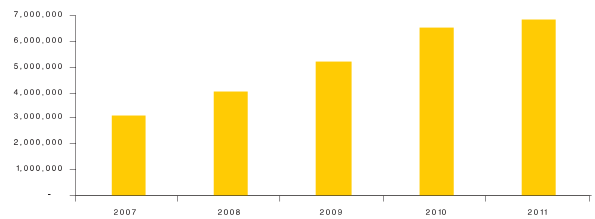
Ongoing cost saving and control measures were further augmented to partially offset the negative impact of escalating raw material prices, as high as 56%, and usage of high priced furnace oil in the absence of gas availability. Your Company has delivered excellent results even against all these odds, difficulties and historical natural calamity showing the ability of your Company to take challenges and deliver shareholder value.

The management is pleased to report that your Company was able to improve its top-line performance with a positive Sales growth of Rs.6.869 billion as compared to Rs.6.533 billion for the last year. Despite the fact that the float furnace was under repair for almost two months, your company has earned a Net Profit of Rs.970.569 million as compared to Rs.947.196 million for the last year. This has been made possible only with the help of Allah (SWT) and sustainable strategy pursued by your Company. The highlights of the Operating and Financial results of the Company are as follow:

Highlights	**2011**	**2010**
	(Rupees in 000)	
Net Sales	6,869,476	6,533,756
Gross Profit	2,001,462	1,888,996
Profit from Operations	1,427,771	1,372,889
Finance Cost	40,559	64,784
Other Income	68,661	41,264
Profit before Tax	1,348,879	1,278,004
Profit after Tax	**970,569**	**947,196**
Earnings per Share	**9.10**	**8.88**

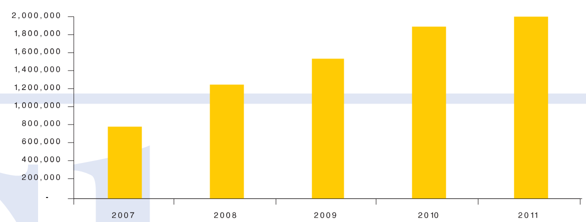
Net sales revenue increased to Rupees 6.869 billion as compared to Rupees 6.533 billion last year.

NET SALES



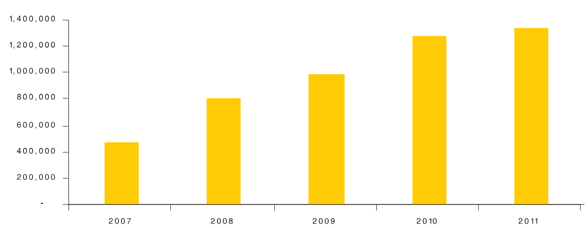
Your company earned a gross profit of Rupees 2.001 billion against Rupees 1.888 billion of the previous year and showed upward trend of 5%.

GROSS PROFIT



Profit before tax has gone up to Rupees 1.348 billion as compared to Rupees 1.278 billion of for the last year.

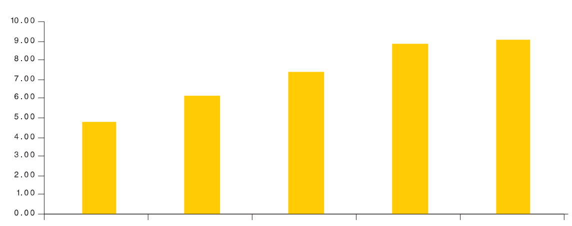
PROFIT BEFORE TAX



EARNING PER SHARE

Earning per share has increased to 9.10 as compared to 8.88 for the last year.

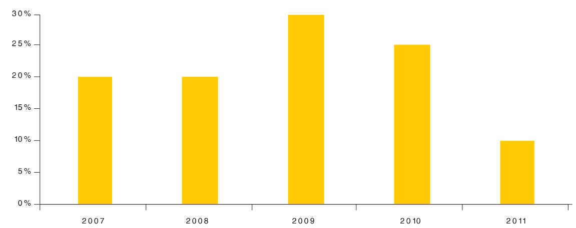
EARNING PER SHARE

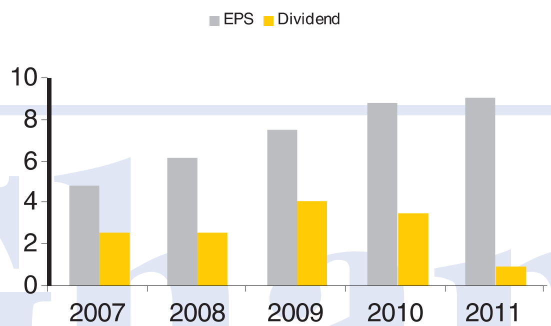


DIVIDEND

Keeping in view the future projects, the Board of Directors has recommended 10% Cash Dividend for the year ended June 30, 2011.

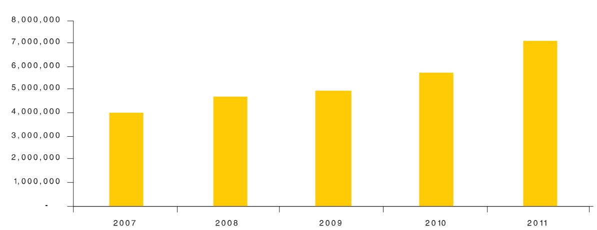
CASH DIVIDEND



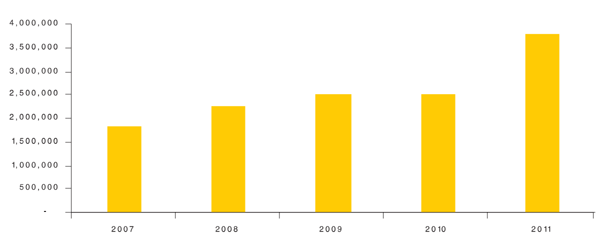


Asset Base of your Company has gone up by 24% as compared to 15% last year.

TOTAL ASSETS



FIXED ASSETS



NATIONAL ECONOMY

The economy of Pakistan has been moving at a slower pace affected by the anemic world economic recovery which is still faltering and growth rates are slowing in most of the major economies. The year under review, along with other persistent challenges of the energy crisis and high inflation saw the unprecedented disaster of heavy floods. These devastating floods resulted into slowing down the GDP growth rate as low as 2.4% and inflicted a massive damage of an estimated $10 billion on country's economic structure in the form of huge losses of livestock, physical infrastructure and National Income. During the year oil prices also went up from $70/barrel to as high as $115/barrel creating a new hazard to the macro economic structure. The difficult economic conditions faced by the country have had their adverse effect on the overall business growth.

BALANCING, MODERNIZING AND REPLACEMENT (BMR)

The BMR Project at Float Glass Site at Sheikhupura is progressing on schedule. All Civil Works, Major Piping and Electrical Works have been completed. Equipment installation is in progress as also the Furnace construction. The project is expected to be completed in the 3rd quarter of the current financial year.

This Project has utilized several service facilities from the existing Project thereby saving capital as well operational costs.

This BMR Project, in addition to capacity enhancement by 550 Tons/day, will bring in product value addition as it will produce all product variants including coloured and reflective glass in all thickness from 2 MM to 19 MM.

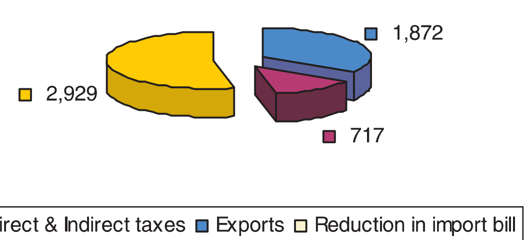
SHARIAH COMPLIANCE

The management feels proud to mention that your Company is trying its best to observe full adherence to Shariah in all activities of business. For this purpose, the management has appointed **'AN-NAFI'** as its Shariah Advisors which has developed a mechanism for all activities of business in the light of Shariah. By the vision of management the level of implementation of Shariah Principals has been improving day by day in your Company.

CONTRIBUTION TO NATIONAL EXCHEQUER

The company contributed an amount of Rupees 5.518 billion by way of reduction in import bill, taxes, levies, custom duty, sales tax etc.

(Rupees in million)



FUTURE OUTLOOK

Despite on-going economic challenges to the national economy, we remain optimistic, as we will continue to streamline, expand and strengthen our operations by focusing positively on enhancing our quality standards through R & D. We look forward for the improvement of economic structure of Pakistan in future.

HUMAN RESOURCE

The management believes that in the modern era, the role of human resources (“HR”) has become vital to allow any organization to compete in the market place with increased output and effectiveness. Your company attaches great importance to having a dedicated and motivated team to meet the modern challenges. Staff training and development has, therefore, been upgraded.

The relationship with the staff remained positive and our employees’ commitment, professionalism and focus on quality and customer care helped us achieve our growth targets during these challenging times.

STATUTORY AUDITORS OF THE COMPANY

The present auditors M/s KPMG Taseer Hadi & Company, Chartered Accountants retire and offer themselves for re-appointment. As suggested by the Audit Committee, the Board of Directors has recommended their re-appointment as auditors of the company for the year ending June 30, 2012, at a mutually agreed fee.

STAFF RETIREMENT BENEFIT

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

SHARE PRICE TREND

During the year under review minimum price of share of Rs. 10 each fell up to Rs. 45.30 and at one stage rose as high as Rs. 61.99 and closed at Rs. 52.55 as on June 30, 2011.

BOARD OF DIRECTORS

The Board of Directors, which consist of Ten members and two alternate members, have responsibility to independently and transparently monitor the performance of the company and take strategic decisions to achieve sustainable growth in the company value.

A written notice of the Board meeting along with working papers was sent to the members seven days before meetings. A total of four meetings of the Board of Directors were held during the period of one year, from July 01, 2010 to June 30, 2011. The attendance of the Board members was as follows:

Name of the Director	No. of Meetings attended
Mr. Aitzaz Ahmad Khan	4
Mr. Imtiaz Ahmad Khan	4
Mr. Anwaar Ahmad Khan	4
Mr. Aftab Ahmad Khan	4
Mr. Ayesha Aftab	4
Mr. Hafiz Avais Ghani	3
Mr. Hafiz Farooq Ahmad	4
Mr. Junaid Ghani *	2
Mrs. Rubina Imtiaz (Alternate)	2
Mr. Jubair Ghani **	-
Mrs.Reema Anwaar (Alternate) **	4
Mr. Shahid Sayf Al-Din Khan	3
Mr. Salman Malik ***	1
Mr. Faysal Essam T. Hamza (Alternate)	-

** Mrs. Rubina Imtiaz, alternate of Mr. Junaid Ghani ceased office of director on February 14, 2011 on resuming office by Mr. Junaid Ghani.*
*** Mrs. Reema Anwaar had been appointed as an alternate of Mr. Jubair Ghani.*
**** Mr. Salman Malik (Nominee of SJC) has been co-opted as Director in place of Mr. Shahid Sayf Al-Din Khan (Nominee of SJC) on May 3, 2011*

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

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The requirements of the Code of Corporate Governance set out by the Karachi, Lahore and Islamabad Stock Exchanges in their Listing Regulations, relevant for the year ended June 30, 2011 have been adopted by the company and have been duly complied with.

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

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

STATEMENT OF ETHICS AND BUSINESS PRACTICES

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

SUBSEQUENT EVENTS *(after June 30, 2011)*

There have been no material changes since June 30, 2011 and the company has not entered into any commitment, which would materially affect its financial position at the date.

AUDIT COMMITTEE

An audit committee of the Board has been in existence since the enforcement of the Code of Corporate Governance, which comprises of one executive and two non executive directors *(including its Chairman)*. During the year four meetings of the Audit Committee were held. The Audit Committee has its terms of reference which were determined by the Board of Directors in accordance with the guidelines provided in the Listing Regulations.

RELATIONS WITH STAKEHOLDERS

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

CORPORATE SOCIAL RESPONSIBILITY

We believe in playing a constructive role in the communities in which we operate. We are committed to follow the highest social standards in every way we conduct our business. The company took several initiatives to meet its Corporate Social Responsibility (CSR) and continued with reasonable financial support for the welfare of its employees, their families, the local community and society at large. The Company contributed towards the Corporate Social Responsibility (CSR) through Corporate Philanthropy, Energy Conservation, Community Investment, Welfare Schemes, Occupational Safety & Health, Business Ethics and Contribution to National Exchequer.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

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

The financial statements together with the notes thereon have been drawn up by the management in conformity with the Companies Ordinance, 1984. These statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity.

Proper books of account have been maintained by the company.

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

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

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

There are no significant doubts upon the company's ability to continue as a going concern.
There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.

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

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

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

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

Provident Fund **Rs.153.422 million**

The value of investment includes accrued interest.

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

Name	No. of Shares sold	No. of Shares purchased
Mr. Anwaar Ahmad Khan	-	294,117
Mr. Aftab Ahmad Khan	-	531,294

PATTERN OF SHARE HOLDINGS UNDER CLAUSE XIX (I) AND (J) OF CODE OF CORPORATE GOVERNANCE

A statement of the pattern of shareholding of certain class of shareholders as at June 30, 2011, whose disclosure is required under the reporting framework, is included in the annexed shareholder's information. The directors, CEO, CFO, Company Secretary and their spouses or minor children did not carry out any trade in shares of the company during the year, except as noted above.

ACKNOWLEDGMENT

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

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

For and on behalf of the Board of Directors

Lahore: October 3, 2011

Imtiaz Ahmed Khan
Chief Executive Officer

INFORMATION UNDER CLAUSE XIX (I) OF THE
CODE OF CORPORATE GOVERNANCE AS ON JUNE 30, 2011

		SHARES HELD
ASSOCIATED COMPANIES:		
1	JAMIA-TUL-GHANI	110,796
2	GHANI MINES (PVT) LIMITED - (CDC)	801,656
		912,452
NIT & ICP:		
1	NATIONAL BANK OF PAKISTAN, TRUSTEE DEPARTMENT- (CDC)	2,072,370
2	NATIONAL INVESTMENT TRUST LIMITED (CDC)	13,192
3	IDBP (ICP UNIT) - (CDC)	975
4	INVESTMENT CORPORATION OF PAKISTAN	500
		2,087,037
DIRECTORS, CEO THEIR SPOUSES & MINOR CHILDREN:		
1	MR. IMTIAZ AHMAD KHAN	9,602,509
	MR. IMTIAZ AHMAD KHAN - (CDC)	2,469,184
2	MR. JUNAID GHANI	1,147,207
	MR. JUNAID GHANI. (CDC)	476,077
3	MR. ANWAAR AHMAD KHAN	9,207,839
	MR. ANWAAR AHMAD KHAN - (CDC)	5,128,643
4	MR. AFTAB AHMAD KHAN	8,954,364
	MR. AFTAB AHMAD KHAN - (CDC)	4,773,756
5	MRS. AYESHA AFTAB	2,803,226
6	MR. AITZAZ AHMED GHANI - (CDC)	1,321,171
7	HAFIZ AVAIS GHANI - (CDC)	5,806,340
	HAFIZ AVAIS GHANI - (CDC)	580,634
8	MR. FAROOQ AHMAD KHAN (CDC)	2,774,599
9	MR JUBAIR GHANI	836,938
10	MR. SALMAN MALIK (Nominee Director)	
11	MRS. RUBINA IMTIAZ W/O IMTIAZ AHMAD KHAN	1,597,443
12	MRS. REEMA ANWAAR W/O ANWAAR AHMAD KHAN	2,650,485
	MRS. REEMA ANWAAR W/O ANWAAR AHMAD KHAN	299,893
13	MRS.ZAHIDA AITZAZ W/O AITZAZ AHMED	5,750
		60,436,058
PUBLIC SECTOR COMPANIES AND CORPORATIONS		
JOINT STOCK COMPANIES		
1	SINACO ENGINEERS (PVT) LIMITED	95,675
2	AMER SECURITIES (PVT) LTD (CDC)	220
3	AMIN TAI SECURITIES (PRIVATE) LIMITED (CDC)	833,857
4	B & B SECURITIES (PRIVATE) LIMITED (CDC)	1,300
5	CAPITAL VISION SECURITIES (PVT) LTD (CDC)	1,050
6	CAPITAL VISION SECURITIES (PVT) LTD. (CDC)	752
7	DARSON SECURITIES (PRIVATE) LIMITED (CDC)	3,180
8	ELEVEN STARS SECURITIES (PVT) LTD (CDC)	200,001
9	ENERGY INFRASTRUCTURE HOLDING (PRIVATE) LIMITED (CDC)	4,657,169
10	FIRST NATIONAL EQUITIES LIMITED (CDC)	560

11	GUL DHAMI SECURITIES (PVT) LIMITED. (CDC)	2,420
12	IGI FINEX SECURITIES LIMITED (CDC)	1
13	ISMAIL ABDUL SHAKOOR SECURITIES (PRIVATE) LIMITED (CDC)	68
14	JAHANGIR SIDDIQUI SECURITIES SERVICES LIMITED (CDC)	609,400
15	M.R. SECURITIES (SMC-PVT) LTD. (CDC)	6,000
16	MAAN SECURITIES (PVT) LTD. (CDC)	29
17	MAAN SECURITIES (PVT) LTD. (CDC)	9,000
18	MAM SECURITIES (PVT) LIMITED (CDC)	13
19	MAZHAR HUSSAIN SECURITIES (PVT) LIMITED (CDC)	5,000
20	MILLWALA SONS (PVT.) LIMITED (CDC)	70
21	MONEY LINE SECURITIES (PVT.) LTD (CDC)	26,500
22	MONEY LINE SECURITIES (PRIVATE) LIMITED (CDC)	974
23	NH SECURITIES (PVT) LIMITED. (CDC)	5
24	PEARL CAPITAL MANAGEMENT (PRIVATE) LIMITED (CDC)	124
25	PRUDENTIAL SECURITIES LIMITED (CDC)	302
26	SAFE SECURITIES (PVT) LTD. (CDC)	10,000
27	SHAFFI SECURITIES (PVT) LIMITED (CDC)	8,834
28	SJC PAKISTAN LLC (CDC)	21,336,624
29	STOCK MASTER SECURITIES (PRIVATE) LIMITED (CDC)	363
30	TIME SECURITIES (PVT.) LTD. (CDC)	5,229
31	UNIVERSAL EQUITIES (PRIVATE) LIMITED (CDC)	60
		27,814,780

BANKS, DEVELOPMENT FINANCE INSTITUTIONS,
NON BANKING FINANCE INSTITUTIONS:

1	HABIB METROPOLITAN BANK LIMITED - (CDC)	58,025
2	JS BANK LIMITED (CDC)	37,954
3	ESCORTS INVESTMENT BANK LIMITED (CDC)	1,270
4	NATIONAL BANK OF PAKISTAN. (CDC)	261,971
5	NATIONAL BANK OF PAKISTAN. (CDC)	47,870
		407,090

INSURANCE COMPANIES:

1	EFU LIFE ASSURANCE LIMITED - (CDC)	11,550
2	HABIB INSURANCE CO. LIMITED - (CDC)	8,257
		19,807

MODARABAS & MUTUAL FUNDS:

1	CDC - TRUSTEE AKD INDEX TRACKER FUND (CDC)	6,483
2	CDC - TRUSTEE JS PENSION SAVINGS FUND- EQUITIES (CDC)	26,450
3	CDC - TRUSTEE JS ISLAMIC PENSION SAVINGS FUND. (CDC)	50,000
		82,933

OTHERS COMPANIES:

1	GHANI GLASS LTD EMPLOYEES PROVIDENT	1,139
2	TRUSTEES GHANI GLASS LTD EMPLOYEES PROVIDENT FUND. (CDC)	18,876
3	TRUSTEES GHANI GLASS LTD EMPLOYEES PROVIDENT FUND. (CDC)	11,235
4	TRUSTEES MUHAMMAD AMIN WAKF ESTATE - (CDC)	26,870
5	TRUSTEES SAEEDA AMIN WAKF - (CDC)	4,574
		62,694

FOREIGN COMPANIES:	NIL
SHARES HELD BY THE GENERAL PUBLIC:	14,860,272
	106,683,123

SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL

1	MR. IMTIAZ AHMAD KHAN	12,071,693
2	MR. ANWAAR AHMAD KHAN	14,336,482
3	MR. AFTAB AHMAD KHAN	13,728,120
4	SJC PAKISTAN LLC - (CDC)	21,336,624
		61,472,919

PATTERN OF SHAREHOLDING

OF SHARES HELD BY THE SHAREHOLDERS
OF GHANI GLASS LIMITED AS AT JUNE 30, 2011

	Shareholding		
No. of Shareholders	**From**	**To**	**Total Shares Held**
287	1	100	8,059
236	101	500	62,071
129	501	1,000	89,565
304	1,001	5,000	606,203
46	5,001	10,000	322,667
24	10,001	15,000	294,959
16	15,001	20,000	282,616
7	20,001	25,000	164,738
6	25,001	30,000	163,081
2	30,001	35,000	64,372
4	35,001	40,000	148,254
3	40,001	45,000	127,614
4	45,001	50,000	192,108
1	55,001	60,000	58,025
1	60,001	65,000	62,950
1	70,001	75,000	71,720
1	75,001	80,000	77,092
1	80,001	85,000	82,500
2	95,001	100,000	195,675
3	100,001	105,000	313,165
2	110,001	115,000	225,660
1	130,001	135,000	130,132
1	165,001	170,000	166,284
1	185,001	190,000	189,688
1	190,001	195,000	193,600
2	195,001	200,000	392,763
1	200,001	205,000	200,001
1	235,001	240,000	237,160
1	250,001	255,000	253,003
1	260,001	265,000	261,971
1	295,001	300,000	299,893
1	330,001	335,000	332,097
1	475,001	480,000	476,077
1	580,001	585,000	580,634
1	605,001	610,000	609,400
1	800,001	805,000	801,656
1	830,001	835,000	833,857
1	835,001	840,000	836,938
1	865,001	870,000	867,295
1	1,090,001	1,095,000	1,090,089
1	1,145,001	1,150,000	1,147,207
1	1,290,001	1,295,000	1,292,812
1	1,320,001	1,325,000	1,321,171
1	1,595,001	1,600,000	1,597,443
1	1,880,001	1,885,000	1,880,350
1	2,070,001	2,075,000	2,072,370
1	2,410,001	2,415,000	2,413,548
1	2,425,001	2,430,000	2,427,852
1	2,465,001	2,470,000	2,469,184
1	2,650,001	2,655,000	2,650,485
1	2,770,001	2,775,000	2,774,599
1	2,800,001	2,805,000	2,803,226
1	4,655,001	4,660,000	4,657,169
1	4,770,001	4,775,000	4,773,756
1	5,125,001	5,130,000	5,128,643
1	5,805,001	5,810,000	5,806,340
1	8,950,001	8,955,000	8,954,364
1	9,205,001	9,210,000	9,207,839
1	9,600,001	9,605,000	9,602,509
1	21,335,001	21,340,000	21,336,624
1,120			**106,683,123**

Categories of shareholders	Share held	Percentage
Directors, Chief Executive Officers, and their spouse and minor children	60,436,058	56.6501%
Associated Companies, undertakings and related parties.	912,452	0.8553%
NIT and ICP	2,087,037	1.9563%
Banks Development Financial Institutions, Non Banking Financial Institutions.	407,090	0.3816%
Insurance Companies	19,807	0.0186%
Modarabas and Mutual Funds	82,933	0.0777%
General Public		
a. Local	14,860,272	13.9294%
b. Foreign	0	0.0000%
Others (to be specified)		
Joint Stock Companies	27,814,780	26.0723%
Other Companies	62,694	0.0588%

STAKEHOLDERS INFORMATION

SIX YEARS AT GLANC E

	2011	2010	2009	2008	2007	2006
				(Rupees in thousnads)		
Operating Results						
Sale	6,869,476	6,533,756	5,191,729	3,972,224	3,124,633	2,745,108
Gross profit	2,001,462	1,888,996	1,526,090	1,183,272	777,138	774,530
Profit before tax	1,348,879	1,278,004	993,285	807,801	475,618	558,404
Financial data						
Fixed assets	2,622,134	2,504,073	2,501,292	2,261,022	1,809,541	1,834,372
Capital work-in-progress	1,155,169	203,945	135,229	-	143,854	58,105
Negative goodwill	-	-	-	-	-	(22,345)
Long term investment/ Advancs, and deposits	206,643	226,319	151,878	83,086	78,678	9,719
Current assets	3,155,361	2,791,451	2,187,798	2,336,500	1,943,407	1,561,090
Current liabilities	1,846,128	1,179,018	1,106,714	1,349,378	1,225,161	796,130
Assets employed	**8,985,435**	**6,904,807**	**6,082,911**	**3,331,230**	**2,750,319**	**2,644,811**
Financed by:						
Ordinary capital	1,066,831	969,847	881,679	839,694	799,709	639,767
Reserves	3,804,839	3,173,716	2,579,192	2,076,354	1,737,291	1,558,830
Shareholders equity	4,871,670	4,143,563	3,460,871	2,916,048	2,537,000	2,198,597
Finances and deposits	611,638	97,521	166,327	100,115	36,035	373,500
Deferred taxation	420,201	402,051	375,496	315,067	177,284	72,713
Funds invested	**5,903,509**	**4,643,135**	**4,002,695**	**3,331,230**	**2,750,319**	**2,644,811**
Earnings per share	9.10	8.88	7.35	6.11	4.79	6.07
Break-up-value	45.66	42.72	39.26	34.76	31.72	34.37
Dividend %						
- cash	10	25	30	20	20	30
-Bonus shares	-	10	10	05	05	25
Total	**10**	**35**	**40**	**25**	**25**	**55**

INVESTOR INFORMATION

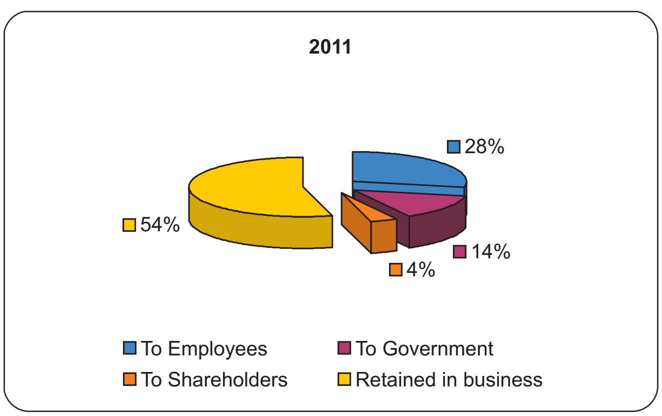
SIX YEARS AT GLANC E

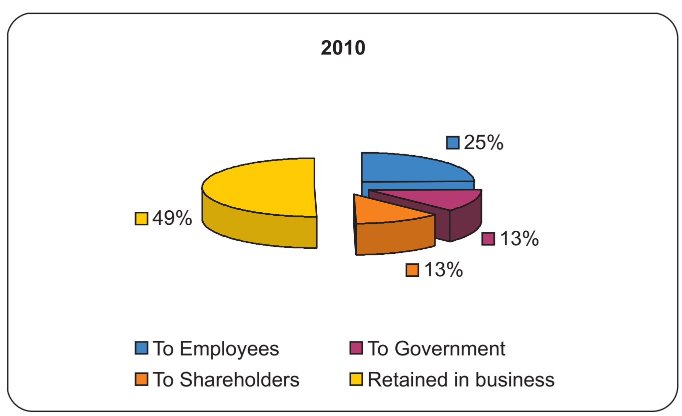
	2011	2010	2009	2008	2007	2006
Gross profit rate	29	29	29	30	25	28
Profit before tax rate	20	20	19	20	15	20
Investory rurnover ratio	6.22	7.36	6.55	6.13	5.67	4.04
Total assets turnover ratio	0.96	1.14	1.04	0.86	0.79	0.78
Fixed assets turnover ratio	1.72	2.23	1.86	1.78	1.60	1.45
Price earing ratio	5.77	5.83	7.05	18.49	15.87	13.51
Return on capital employed	25.48	28.11	25.65	18.48	15.86	22.06
Market value per share						
(at the end of year)	52.55	57	57	113	76	82
Debt:Equity ratio	1:7.96	1:42.5	1:18	1:5	1:4.6	1:8
Current ratio	1.71:1	2.37:1	1.98:1	1.73:1	1.59:1	1.96:1
Interest cover ratio	35.20	22.51	12.29	12.38	11.35	9.93

STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION

(Rupees in thousand)

	2011		2010	
Value Addition				
Net sales	6,869,476		6,533,755	
Material and services	(4,062,499)		(3,858,584)	
Other income	68,661		37,281	
	2,875,638		**2,712,452**	
Value Distribution				
To Employees				
Salaries, wages and amenities	734,445		601,637	
Workers profit participation fund	72,188		67,263	
	806,633	28%	**668,900**	25%
To Government				
Tax	378,309		330,808	
Workers welfare fund	22,689		11,293	
	400,998	14%	**342,101**	13%
To Shareholders				
Cash dividend	106,683		242,465	
Bonus shares	-		96,985	
	106,683	4%	**339,450**	13%
Retained in business				
Depreciation	292,121		249,553	
Retained profit	1,269,203		1,112,448	
	1,561,324	54%	**1,362,001**	50%
	2,875,638	100%	**2,712,452**	





PRODUCT RANGE

BEVERAGE CONTAINERS - FLINT

BEVERAGE CONTAINERS - GREEN

FOOD CONTAINERS - FLINT

PHARMACEUTICAL CONTAINERS - AMBER

GHANI CLEAR

GHANI GREEN

GHANI REFLECTIVE

GHANI BROWN

TECHNICAL FACILITIES

GGL-I HATTAR
(CONTAINER GLASS
MANUFACTURING PLANT)

GGL-II LANDHI
(CONTAINER GLASS
MANUFACTURING PLANT)

Pakistan's first state-of-the-art Syno European Technology based Float Glass Plant having capacity of 350 tons / day, capable to produce 2mm to 12mm thickness Float Glass.

GGL-III SHEIKHUPURA
(FLOAT GLASS
MANUFACTURING PLANT)

PROMOTIONAL ACTIVITIES

Central Dealers Convention (Glory of Road to Success Convention) was attended by central region dealers and sub dealers, held in PC Lahore.

Road To Success Convention of North Region of Float Glass Division held at PC Pindi

Ghani Glass sponsored the Lahore Shopping Festival held in collaboration with Lahore Chamber of Commerce and Industry.

ADC 2010 was a three day event and was arranged outdoors at Greenfield Country Club. It was attended by nationwide dealers, sub dealers & customers of float glass.

Hyderabad Dealers and Customers Convention of Float Glass Division was held which hosted the float customers of South region

Ghani Shop Campaign Phase I done Nationwide, in which shops have been branded.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2011

This statement is being presented to comply with the Code of Corporate Governance contained in listing regulations of the Karachi, Lahore and Islamabad stock exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the Code in the following manner:

1. The company encourages the representation of independent non-executive directors and the directors representing minority independent directors on its Board of Directors. At present the Board includes five non-executive directors.

2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this company.

3. Directors, CEO, CFO, Company Secretary and their spouse and minor children have not made transactions in the Company's shares during the year other than that disclosed in the pattern of shareholding.

4. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

5. Mr. Salman Malik *(Nominee of SJC)* co-opted as Director in place of Mr. Shahid Sayf Al-Din Khan *(Nominee of SJC)* on May 3, 2011. Mrs. Rubina Imtiaz, alternate of Mr. Junaid Ghani ceased office of director on February 14, 2011 on resuming office by Mr. Junaid Ghani.

6. Executive Directors of the Company are not in excess of 75% of total number of Directors.

7. The company has prepared a "Statement of Ethics and Business Practices" which has been signed by all the directors and employees up to the level of Manager of the company.

8. 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.

9. All the powers of the Board have been duly exercised and decision on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors, have been taken by the Board.

10. 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 and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meeting. The minutes of the meetings were appropriately recorded and circulated.

11. All the Directors on the Board are fully conversant with their duties and responsibilities as Director of corporate bodies.

12. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the CEO.

13. The Directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

14. The financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.

15. The company has complied with all the corporate and financial reporting requirements of the Code.

16. The Board has formed an audit committee. It comprises of three members, majority of them are non-executive directors.

17. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the code. The terms of reference of the committee have been formulated and advised to the committee for compliance.

18. The Board has earlier set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company and they are involved in the Internal Audit function of the company on a full time basis.

19. The related party transactions have been reviewed and approved by the Board of Directors and placed before the Audit Committee in accordance with the listing regulations of Stock Exchange.

20. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, 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 Institute of Chartered Accountants of Pakistan.

21. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

22. All other material principles contained in the Code have been complied with.

For and Behalf of the Board of Directors

Aftab Ahmad Khan
Director

Imtiaz Ahmad Khan
Chief Executive Officer

Lahore: October 3, 2011

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the statement of compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **Ghani Glass Limited ("the Company")** to comply with the Listing Regulations of Karachi and Lahore Stock Exchanges.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the statement of compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code. As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control system sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, Sub- Regulation (xiii a) of Listing Regulation No. 35 (previously Regulation No. 37) notified by The Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated 19 January 2009 requires the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee.

We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price.

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 best practices contained in the Code of Corporate Governance as applicable to the Company the year ended 30 June 2011.

Lahore: October 3, 2011

KPMG Taseer Hadi & Co
Chartered Accountants
(Bilal Ali)

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Ghani Glass Limited** ("the Company") as at 30 June 2011 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:
   i. the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

   ii. the expenditure incurred during the year was for the purpose of the Company's business; and

   iii. the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2011 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and

d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Lahore: October 3, 2011

KPMG Taseer Hadi & Co.
Chartered Accountants
(Bilal Ali)

Balance Sheet

As at 30 June 2011

	Note	2011 Rupees	2010 Rupees
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised share capital			
142,500,000 (2010: 142,500,000) ordinary shares of Rs. 10 each		**1,425,000,000**	1,425,000,000
Issued, subscribed and paid up capital	4	**1,066,831,227**	969,846,570
Reserves	5	**3,804,839,210**	3,173,716,133
		4,871,670,437	4,143,562,703
NON-CURRENT LIABILITIES			
Security deposits	6	**1,307,500**	1,157,500
Deferred taxation	7	**420,200,842**	402,051,146
		421,508,342	403,208,646
CURRENT LIABILITIES			
Short term morabaha finances	8	**516,499,955**	7,079,771
Short term morabaha finances against bills	9	**93,830,705**	89,283,459
Trade and other payables	10	**1,174,007,075**	1,012,530,018
Provision for taxation		**50,652,904**	67,978,436
Markup accrued		**11,137,387**	2,145,971
		1,846,128,026	1,179,017,655
Contingencies and commitments	11		
		7,139,306,805	5,725,789,004

	Note	2011 Rupees	2010 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	**3,777,302,806**	2,708,018,200
Investment in associate	13	**189,317,139**	60,118,298
Long term advance	14	**-**	146,962,846
Long term deposits and prepayments	15	**17,325,930**	17,126,230
		3,983,945,875	2,932,225,574
CURRENT ASSETS			
Current maturity of long term deposits and prepayements	15	**2,112,000**	2,112,000
Stores, spares and other consumables	16	**697,073,118**	697,690,503
Stock in trade	17	**1,104,281,035**	888,199,679
Trade debtors	18	**533,038,597**	634,559,273
Advances, deposits and prepayments	19	**439,551,905**	417,714,018
Other receivables	20	**11,724,598**	16,451,888
Cash and bank balances	21	**367,579,677**	136,836,069
		3,155,360,930	2,793,563,430
		7,139,306,805	5,725,789,004

The annexed notes 1 to 39 form an integral part of these financial statements.

Lahore **Chief Executive** **Director**

Profit and Loss Account
For the year ended 30 June 2011

	Note	2011 Rupees	2010 Rupees
Sales - net	22	**6,869,476,221**	6,533,755,609
Cost of sales	23	**(4,868,014,697)**	(4,644,759,751)
Gross profit		**2,001,461,524**	1,888,995,858
General and administrative expenses	24	**(216,495,175)**	(187,079,813)
Selling and distribution expenses	25	**(330,980,042)**	(291,733,849)
Other operating expenses	26	**(94,876,367)**	(78,556,248)
Other operating income	27	**68,661,102**	41,263,873
		(573,690,482)	(516,106,037)
Operating profit		**1,427,771,042**	1,372,889,821
Finance cost	28	**(40,559,019)**	(64,784,068)
Impairment loss on property, plant and equipment		**(20,569,512)**	-
Share of loss of associate	13	**(17,764,005)**	(30,102,019)
Profit before taxation		**1,348,878,506**	1,278,003,734
Taxation	29	**(378,309,129)**	(330,808,134)
Profit after taxation		**970,569,377**	947,195,600
			Restated
Earnings per share - basic and diluted	30	**9.10**	8.88

The annexed notes 1 to 39 form an integral part of these financial statements.

Lahore **Chief Executive** **Director**

Cash Flow Statement
For the year ended 30 June 2011

	Note	2011 Rupees	2010 Rupees
Cash flows from operating activities			
Cash generated from operations	35	**1,840,716,493**	1,386,409,579
Finance cost paid		**(31,567,603)**	(63,338,851)
Workers' Profit Participation Fund paid		**(58,510,680)**	(51,989,843)
Workers' Welfare Fund paid		**(25,785,933)**	(19,865,694)
Income taxes paid		**(377,484,965)**	(367,800,924)
		(493,349,181)	(502,995,312)
Net cash generated from operating activities		**1,347,367,312**	883,414,267
Cash flows from investing activities			
Fixed capital expenditure		**(1,383,704,938)**	(320,699,003)
Proceeds from sale of fixed assets		**5,689,000**	1,861,786
Long term deposits		**(199,700)**	1,968,583
Long term advance		**-**	(100,351,385)
Net cash used in investing activities		**(1,378,215,638)**	(417,220,019)
Cash flow from financing activities			
Loan from sponsors - net		**-**	(12,896,000)
Ijarah finances - net		**-**	(55,309,398)
Morabaha finances - net		**509,420,184**	(102,487,259)
Short term morabaha finances against bills		**4,547,246**	89,283,459
Diminishing musharaka		**-**	(20,000,000)
Dividend paid		**(252,525,496)**	(262,431,349)
Security deposits		**150,000**	-
Net cash generated from / (used in) financing activities		**261,591,934**	(363,840,547)
Net increase in cash and cash equivalents		**230,743,608**	102,353,701
Cash and cash equivalents at the beginning of the year		**136,836,069**	34,482,368
Cash and cash equivalents at the end of the year	21	**367,579,677**	136,836,069

The annexed notes 1 to 39 form an integral part of these financial statements.

Lahore **Chief Executive** **Director**

Statement of Comprehensive Income
For the year ended 30 June 2011

	2011 Rupees	2010 Rupees
Profit for the year	**970,569,377**	947,195,600
Other comprehensive income	**-**	-
Total comprehensive income for the year	**970,569,377**	947,195,600

The annexed notes 1 to 39 form an integral part of these financial statements.

Lahore **Chief Executive** **Director**

Statement of Changes in Equity

For the year ended 30 June 2011

	Share capital	Capital reserve: Merger reserve	Capital reserve: Share premium	Revenue reserve: Unappropriated profit	Total
	(------------------	------------------	Rupees	------------------	------------------)
Balance as at 30 June 2009	881,678,700	427,419,290	75,000,000	2,076,772,723	**3,460,870,713**
Final cash dividend @ 3 per share				(264,503,610)	**(264,503,610)**
for the year ended 30 June 2009	-	-	-		**-**
Bonus shares issued @ 10% for the year					
ended 30 June 2009	88,167,870	-	-	(88,167,870)	**-**
Total comprehensive income for the year	-	-	-	947,195,600	**947,195,600**
Balance as at 30 June 2010	**969,846,570**	**427,419,290**	**75,000,000**	**2,671,296,843**	**4,143,562,703**
Final cash dividend 2.5 per share				(242,461,643)	**(242,461,643)**
for the year ended 30 June 2010	-	-	-	-	**-**
Bonus shares issued @ 10% for the year					
ended 30 June 2010	96,984,657	-	-	(96,984,657)	**-**
Total comprehensive income for the year	-	-	-	970,569,377	**970,569,377**
Balance as at 30 June 2011	**1,066,831,227**	**427,419,290**	**75,000,000**	**3,302,419,920**	**4,871,670,437**

The annexed notes 1 to 39 form an integral part of these financial statements.

Lahore **Chief Executive** **Director**

Notes to the financial statements

For the year ended 30 June 2011

1 Legal status and nature of business

Ghani Glass Limited ('the Company') was incorporated in Pakistan in 1992 as a limited liability company under the Companies Ordinance, 1984 and is listed on Karachi and Lahore Stock Exchanges. The registered office of the Company is located at 50 - L, Model Town Extension, Lahore. The Company is engaged in the business of manufacturing and sale of glass containers and float glass of different types.

2 Statement of compliance

2.1 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984 or directives issued under the Companies Ordinance, 1984 differ, the provision or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Standards, Interpretations and Amendments not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2011:

- IAS 24 Related Party Disclosures (revised 2009) – (effective for annual periods beginning on or after 1 January 2011). The revision amends the definition of a related party and modifies certain related party disclosure requirements for government-related entities. The amendment would result in certain changes in disclosures.

- Amendments to IAS 12 – deferred tax on investment property (effective for annual periods beginning on or after 1 January 2012). The 2010 amendment provides an exception to the measurement principle in respect of investment property measured using the fair value model in accordance with IAS 40 Investment Property. The measurement of deferred tax assets and liabilities, in this limited circumstance, is based on a rebuttable presumption that the carrying amount of the investment property will be recovered entirely through sale. The presumption can be rebutted only if the investment property is depreciable and held within a business model whose objective is to consume substantially all of the asset’s economic benefits over the life of the asset. The amendment has no impact on financial statements of the Company.

- Amendments to IFRIC 14 IAS 19 – The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after 1 January 2011). These amendments remove unintended consequences arising from the treatment of prepayments where there is a minimum funding requirement. These amendments result in prepayments of contributions in certain circumstances being recognised as an asset rather than an expense. This amendment has no impact on Company's financial statements.

- Improvements to IFRSs 2010 – In May 2010 the IASB issued improvements to IFRSs 2010 which comprise of 11 amendments to 7 standards. Effective dates, early application and transitional requirements are addressed on a standard by standard basis. The majority of amendments are effective for annual periods beginning on or after 1 January 2011. The amendments include list of events or transactions that require disclosure in the interim financial statements, add an explicit statement that qualitative disclosure should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments and fair value of award credits under the customer loyalty programmes to take into account the amount of discounts or incentives that otherwise would be offered to customers that have not earned the award credits. Certain of these amendments will result in increased disclosures in the financial statements.

- IAS 27 Separate Financial Statements (2011) - (effective for annual periods beginning on or after 1 January 2013). IAS 27 (2011) supersedes IAS 27 (2008). IAS 27 (2011) carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications. The amendments have no impact on financial statements of the Company.

- IAS 28 Investments in Associates and Joint Ventures (2011) - (effective for annual periods beginning on or after 1 January 2013). IAS 28 (2011) supersedes IAS 28 (2008). IAS 28 (2011) makes the amendments to apply IFRS 5 to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale; and on cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture. The amendments have no impact on financial statements of the Company.

- IAS 19 Employee Benefits (amended 2011) - (effective for annual periods beginning on or after 1 January 2013). The amended IAS 19 includes the amendments that require actuarial gains and losses to be recognised immediately in other comprehensive income; this change will remove the corridor method and eliminate the ability for entities to recognise all changes in the defined benefit obligation and in plan assets in profit or loss, which currently is allowed under IAS 19; and that the expected return on plan assets recognised in profit or loss is calculated based on the rate used to discount the defined benefit obligation.

- Presentation of Items of Other Comprehensive Income (Amendments to IAS 1) - (effective for annual periods beginning on or after 1 July 2012). The amendments require that an entity present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The amendments do not address which items are presented in other comprehensive income or which items need to be reclassified. The requirements of other IFRSs continue to apply in this regard. The amendments have no impact on financial statements of the Company.

- Disclosures – Transfers of Financial Assets (Amendments to IFRS 7) - (effective for annual periods beginning on or after 1 July 2011). The amendments introduce new disclosure requirements about transfers of financial assets, including disclosures for financial assets that are not derecognised in their entirety; and financial assets that are derecognised in their entirety but for which the entity retains continuing involvement. The amendments have no impact on financial statements of the Company.

3 Significant accounting policies

These financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities which are re-measured at their fair values and foreign currency translations.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are:

	Note
- residual values and useful lives of depreciable assets	*3.2*
- provision for taxation	*3.13*
- provisions and contingencies	*3.18*

Depreciation method and useful lives are reviewed at each reporting date and adjusted, if appropriate. Estimates in respect of certain items of property, plant and equipment have been revised during the year (refer to note 3.1)

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.

3.1 Changes in Accounting estimates

During the year the Company conducted an operational efficiency review of the furnaces' installed in its plants, which resulted in revision in the expected useful lives of the furnaces. Previously depreciation was charged at the rate of 10% on reducing balance method. The remaining useful lives of different components of furnaces' including its civil works and steel structure have been reassessed at 3-15 years and depreciation is now being charged on a straight line basis. The change in estimate of useful life has been applied prospectively as required by IAS 8 - Accounting policies, changes in accounting estimates and errors and the effect of change on current and future periods is given below.

Increase in depreciation expense

Year	**Rupees**
2011	24,997,332
2012	30,411,778
2013	33,913,467
2014	23,563,600
2015	29,059,672

3.2 Property, plant and equipment

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

Depreciation on all property, plant and equipment is charged except for furnace on which depreciation is charged on straight line basis, (refer note in 3.1) to income using "reducing balance method" so as to write off the historical cost of an asset over its estimated useful life at the rates mentioned in note 12.1.

Depreciation methods, residual values and the useful lives of the assets are reviewed at least at each financial year end and adjusted if impact on depreciation is significant.

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.

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

Profit or loss on disposal of operating fixed assets represented by the difference between the sale proceeds and the carrying amount of the asset is recognized in income or expense.

3.3 Capital work in progress

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

3.4 Ijarah finances and Ijarah assets

Ijarah where the lessor has substantially transferred all the risks and rewards of ownership are classified as Ijarah finance. At inception Ijarah finances are capitalized at the lower of present value of minimum Ijarah payments under the Ijarah agreements and the fair value of the assets.

The rental obligation, net of finance costs, are included in liabilities against assets subject to Ijarah finance. The liabilities are classified as current and long term depending upon the timing of the payment.

Each Ijarah payment is allocated between the liability and the finance costs so as to achieve a constant rate on the balance outstanding. The interest element of the rental is charged to profit over the Ijarah term.

Assets acquired under a finance Ijarah are depreciated over the useful life of the assets on reducing balance method. Depreciation on Ijarah assets is charged to profit and loss account.

Depreciation on additions to Ijarah assets is charged from the month in which an asset is acquired while no depreciation is charged for the month in which the asset is disposed off.

Depreciation method, residual value and useful lives of Ijarah assets are reviewed at least at each year end and adjusted if impact on depreciation is significant.

3.5 Investments

Investment in associate

Associates are all entities over which the Company has significant influence but not control. Investment in associate is accounted for using the equity method of accounting and are initially recognized at cost. The Company's investment in associate includes goodwill (net of any accumulated impairment loss) identified on acquisition. The Company's share of its associates' post acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate. Unrealized gains on transactions between the Company and its associate are eliminated to the extent of the Company's interest in the associate. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment.

Investments at fair value through profit and loss account

Investments that are acquired principally for the purpose of generating profit from short term fluctuations in price or dealer's margin are classified as held for trading.

Investments at fair value through profit or loss are initially recognized at cost, being the fair value of the consideration given. Transaction costs are charged to profit and loss. Subsequent to initial recognition these are recognized at fair value unless fair value can not be reliably measured. The investments for which quoted market price is not available are measured at cost. Any surplus or deficit on revaluation of investments is charged to income currently.

3.6 Stores, spares and other consumables

These are valued at lower of cost and net realizable value. Cost is determined at weighted average except items in transit which are valued at cost comprising invoice value plus other charges paid thereon.

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

3.7 Stock-in-trade

These are valued at the lower of cost and net realizable value except for stock in transit, which are valued at cost comprising invoice value plus other charges paid.

Cost is determined as follows:

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

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

3.8 Financial instruments

Financial assets

Significant financial assets include trade debts, advances and receivables, long term deposits and cash and bank balances. Finances and receivables from clients are stated at their nominal value as reduced by provision for doubtful finances and receivable, while other financial assets are stated at cost.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities include short and long term ijarah finances, musharika and morabaha finances, accrued markup, trade and other payables and dividends payable. Markup based financial liabilities are recorded at gross proceeds received. Other liabilities are stated at their nominal value.

Recognition and derecognition

All the financial assets and financial liabilities are recognized at the time when the Company becomes party to the contractual provisions of the instrument. Financial assets are derecognized when the Company looses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

Offsetting of financial assets and financial liabilities

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

3.9 Trade debts

Trade debts are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

3.10 Cash and cash equivalents

Cash and cash equivalents are carried at cost in the balance sheet. For the purpose of cash flow statement cash and cash equivalents comprise cash in hand and with banks.

3.11 Impairment

The carrying amount of the assets except for inventories are reviewed at each balance sheet date to identify the circumstances indicating the occurrence of impairment loss or reversal of previously recognized impairment losses. If any such indication exists, the recoverable amount of such asset is estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

Where an impairment loss subsequently reverses, the carrying amount of such asset is increased to the extent that it does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss has been charged. A reversal of the impairment loss is recognized in income.

3.12 Trade and other payables

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and services received, whether or not billed to the Company.

3.13 Taxation

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to profit for the year if enacted after taking into account tax credits, rebates and exceptions, if any. The charge for the current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

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

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

3.14 Revenue recognition

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

Profit on receivables is recognized on time proportionate basis when the right to receive is established.

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have been transferred to the buyer i.e. on the dispatch of goods to the customer in case of local sales and a preparation of bill of lading in case of exports.

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

Technical fee is recognized on time proportionate basis.

3.15 Related party transactions

Prices for transactions with related parties are determined using admissible valuation methods, except in extremely rare circumstances where, subject to approval of the Board of Directors, it is in the interest of the Company to do so.

3.16 Foreign currency transactions

All monetary assets and liabilities in foreign currencies are translated into rupees at exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated into rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into rupees at exchange rates prevailing at the date when fair values are determined. Exchange gains and losses are included in the income currently.

3.17 Employees retirement benefit

Defined contribution plan

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

3.18 Provision

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

3.19 Borrowing costs

Mark-up, interest and other charges on borrowings are capitalized upto the date of commissioning of the related property, plant and equipment acquired out of the proceeds of such borrowings. All other mark-up, interest and other charges are charged to profit in which they are incurred.

3.20 Dividend

Dividend distribution to the Company's shareholders is recognized as a liability in the period in which the dividends are approved.

	Note	2011 Rupees	2010 Rupees
4 Issued, subscribed and paid up capital			
14,950,000 (2010: 14,950,000) Ordinary shares of Rs. 10 each fully paid in cash		**149,500,000**	149,500,000
55,490,987 (2010: 45,792,522) Ordinary shares of Rs. 10 each issued as fully paid bonus shares		**554,909,877**	457,925,220
36,242,135 (2010: 36,242,135) Ordinary shares of Rs. 10 each issued under the scheme of amalgamation	*4.1*	**362,421,350**	362,421,350
		1,066,831,227	969,846,570

4.1 In accordance with the scheme of amalgamation, the Company has issued 3,984,064 ordinary shares of Rs. 10 each to the shareholders of former Ka'as ul Musaf'fa (Private) Limited and 32,258,071 ordinary shares of Rs. 10 each to the shareholders of the former Ghani Float Glass Limited in accordance with the scheme of amalgamation.

	Number of shares	
	2011	2010
4.2 Reconciliation of ordinary shares		
Opening balance of ordinary shares of Rs. 10 each	**96,984,657**	88,167,870
Bonus shares issued during the year	**9,698,466**	8,816,787
Closing balance of ordinary shares of Rs. 10 each	**106,683,123**	96,984,657

4.3 21,336,624 (2010: 19,396,931) ordinary shares of the Company are held by SJC Pakistan LLC and 110,796 (2010: 95,930) ordinary shares of the Company are held by Jamia Tul Ghani Ul Islam, associated undertakings.

	Note	2011 Rupees	2010 Rupees
5 Reserves			
Capital			
Merger reserves	5.1	**427,419,290**	427,419,290
Share premium	5.2	**75,000,000**	75,000,000
		502,419,290	502,419,290
Revenue			
Unappropriated profit		**3,302,419,920**	2,671,296,843
		3,804,839,210	3,173,716,133

5.1 This represents the amount arising under the scheme of amalgamation of Ghani Float Glass Limited with the Company.

5.2 This reserve can be utilized by the Company only for the purposes specified in section 83(2) of the Companies Ordinance, 1984.

6 Security deposits

These are interest free security deposits obtained from transport contractors and are being utilized in accordance with the terms of agreement.

	2011 Rupees	2010 Rupees
7 Deferred taxation		
Deferred tax liability comprises of the following:		
Deferred tax liability arising in respect of tax depreciation allowances	**432,532,974**	413,127,141
Deferred tax asset arising on provision for doubtful debts	**(1,690,096)**	(2,210,359)
Others	**(10,642,036)**	(8,865,636)
	420,200,842	402,051,146

Ghani

8 Short term morabaha financing - secured

		Profit rate	2011 Rupees	2010 Rupees
I	Habib Metropolitan Bank Limited	Respective Kibor plus 1.00 %	198,867,695	-
II	Bank Islami Limited	Respective Kibor plus 0.70%	184,187,000	-
III	Soneri Bank Limited	Six month Kibor plus 0.75%	133,445,260	7,079,771
			516,499,955	7,079,771

8.1 Total Morabaha finance facilities available amount to Rs. 1,345 million (2010: Rs. 1,345 million). Morabaha availed from various banks is secured against first pari passu charge over all present and future current assets, stocks, book debts and fixed assets of the Company.

9 Short term morabaha finances against bills - secured

	Profit rate	2011 Rupees	2010 Rupees
Habib Metropolitan Bank Limited	Three month Kibor plus 2.00 %	93,830,705	89,283,459
		93,830,705	89,283,459

9.1 Morabaha availed from the Habib Metropolitan Bank Limited is secured against local documents bill collection (LDBC).

10 Trade and other payables

	Note	2011 Rupees	2010 Rupees
Creditors for goods and services	*10.1*	284,269,929	323,079,357
Bills payable		122,061,137	203,833,690
Advances from customers		471,543,029	168,412,973
Accrued expenses		117,379,294	126,288,611
Income tax deducted at source		29,351,733	12,482,827
Security deposits	*10.2*	400,500	400,500
Retention money		8,993,408	3,719,005
Workers' profit participation fund	*10.3*	80,144,870	66,467,806
Workers' welfare fund		19,410,584	22,507,894
Sales tax payable		34,710,966	58,531,854
Unclaimed dividend		2,433,460	12,497,313
Provident fund payable		3,308,165	14,308,188
		1,174,007,075	1,012,530,018

10.1 Creditors include an amount of Rs.4.24 million (2010: Rs. Nil) and Rs 4.20 million (2010: Rs Nil) payable to Ghani Value Glass Limited and Ahmed Brothers and Company - related parties, respectively.

10.2 These are the interest free security deposits obtained from various contractors and are being utilized in accordance with the terms of agreement.

	2011 Rupees	2010 Rupees
10.3 Workers' profit participation fund		
Balance as at 01 July	**66,467,806**	51,194,295
Provision for the year	**72,187,744**	67,263,354
Less: payments made during the year	**(58,510,680)**	(51,989,843)
	13,677,064	15,273,511
Balance as at 30 June	**80,144,870**	66,467,806

11 Contingencies and commitments

11.1 Contingencies

The tax department has opened reassessment proceedings regarding tax year 2008, and has raised additional tax demand of Rs. 305,013,625 u/s 122(1) and 122(5) of the Income Tax Ordinance, 2001. However, the Company has filed appeal before CIR (A), and proceedings are pending for adjudication.

The tax department has opened reassessment proceedings regarding tax year 2009 and a demand of Rs. 18,826,782 has been raised u/s 122(5A) of the Income Tax Ordinance, 2001. However, the Company has filed appeal before CIR (A) and proceeding are pending for adjudication.

No provision has been recorded in these financial statements against the said proceedings as based on legal opinion of the tax advisor, the management expects favorable outcome.

11.2 Commitments

11.2.1 Aggregate amount of bank guarantees issued by banks outstanding as at balance sheet date amounted to Rs. 349 million (2010: Rs. 317 million).

11.2.2 Letters of credit for import of materials and stores outstanding as at balance sheet date amounted to Rs. 1,579 million (2010: Rs. 262.78 million).

	Note	2011 Rupees	2010 Rupees
12 Property, plant and equipment			
Operating assets	*12.1*	**2,622,133,721**	2,504,072,892
Capital work in progress	*12.4*	**1,155,169,085**	203,945,308
		3,777,302,806	2,708,018,200

12.1 Operating assets

	Cost						Depreciation and impairment loss						Net book
	As at 1 July 2010	Additions during the year	Transfers/ adjustments	Disposals during the year	As at 30 June 2011	Rate	As at 1 July 2010	Impairment Loss	For the year	Transfers/ adjustments	On disposals	As at 30 June 2011	value as at 30 June 2011
	(---------------		Rupees		---------------)	%	(---------------			Rupees		---------------)	
Owned													
Freehold land	106,788,134	-	-	-	106,788,134	-	-		-		-	-	**106,788,134**
Building on freehold land	351,626,006	4,464,550	-	-	356,090,556	10	158,529,303	-	19,640,293	-	-	178,169,596	**177,920,960**
Plant and machinery	2,479,666,665	165,759,244	-	-	2,645,425,909	10	866,726,019	-	169,069,209	-	-	1,035,795,228	**1,609,630,681**
Furnace	787,673,687	247,349,873	-	-	1,035,023,560	6.66 - 33.33	272,741,167	20,569,512	88,182,805	-	-	381,493,484	**653,530,076**
Tools and office equipment	15,088,147	980,319	-	-	16,068,466	10	5,432,066	-	1,017,653	-	-	6,449,719	**9,618,747**
Electrical equipment	7,304,282	1,433,120	-	-	8,737,402	10	4,146,943	-	341,882	-	-	4,488,825	**4,248,577**
Furniture and fixtures	11,319,816	547,055	-	-	11,866,871	10	4,585,106	-	691,705	-	-	5,276,811	**6,590,060**
Vehicles	113,936,868	11,947,000	-	(6,747,500)	119,136,368	20	57,170,109	-	13,177,402	-	(5,017,629)	65,329,882	**53,806,486**
2011	**3,873,403,605**	**432,481,161**	-	**(6,747,500)**	**4,299,137,266**		**1,369,330,713**	**20,569,512**	**292,120,949**	-	**(5,017,629)**	**1,677,003,545**	**2,622,133,721**
Ijarah	-	-	-	-	-		-	-	-	-	-	-	-
2011	**3,873,403,605**	**432,481,161**	-	**(6,747,500)**	**4,299,137,266**		**1,369,330,713**	**20,569,512**	**292,120,949**	-	**(5,017,629)**	**1,677,003,545**	**2,622,133,721**

	Cost						Depreciation and impairment loss						Net book
	As at 1 July 2009	Additions during the year	Transfers/ adjustments	Disposals during the year	As at 30 June 2010	Rate	As at 1 July 2009	Impairement loss	For the year	Transfers/ adjustments	On disposals	As at 30 June 2010	value as at 30 June 2010
	(-----------------------------------Rupees			-------------------------------)		%	(--Rupees				--)		
Owned													
Freehold land	106,788,134	-	-	-	106,788,134	-	-		-	-	-	-	106,788,134
Building on freehold land	323,156,772	28,469,234	-	-	351,626,006	10	139,190,153	-	19,339,150	-	-	158,529,303	193,096,703
Plant and machinery	1,948,380,034	212,708,713	318,577,918	-	2,479,666,665	10	605,834,231	-	136,048,763	124,843,025	-	866,726,019	1,612,940,646
Furnace	752,374,297	1,671,000	33,628,390	-	787,673,687	10	211,778,183	-	54,198,861	6,764,123	-	272,741,167	514,932,520
Tools and office equipment	13,605,850	1,482,297	-	-	15,088,147	10	4,466,624	-	965,442	-	-	5,432,066	9,656,081
Electrical equipment	7,304,282	-	-	-	7,304,282	10	3,796,128	-	350,815	-	-	4,146,943	3,157,339
Furniture and fixtures	10,635,629	684,187	-	-	11,319,816	10	3,862,051	-	723,055	-	-	4,585,106	6,734,710
Vehicles	59,563,730	6,966,923	50,620,415	(3,214,200)	113,936,868	20	27,380,162	-	7,117,552	25,156,851	(2,484,456)	57,170,109	56,766,759
	3,221,808,728	251,982,354	402,826,723	(3,214,200)	3,873,403,605		996,307,532	-	218,743,638	156,763,999	(2,484,456)	1,369,330,713	2,504,072,892
Ijarah													
Plant and machinery	318,577,918	-	(318,577,918)	-	-	10	103,316,926	-	21,526,099	(124,843,025)	-	-	-
Furnace	33,628,390	-	(33,628,390)	-	-	10	3,779,204	-	2,984,919	(6,764,123)	-	-	-
Vehicles	49,539,415	1,081,000	(50,620,415)	-	-	20	18,858,522	-	6,298,329	(25,156,851)	-	-	-
	401,745,723	1,081,000	(402,826,723)	-	-		125,954,652	-	30,809,347	(156,763,999)	-	-	-
2010	3,623,554,451	253,063,354	-	(3,214,200)	3,873,403,605		1,122,262,184	-	249,552,985	-	(2,484,456)	1,369,330,713	2,504,072,892

		Note	2011 Rupees	2010 Rupees
12.2	Depreciation charge for the year has been allocated as follows:			
	Cost of sales	23	**270,132,038**	230,636,869
	General and administrative expenses	24	**19,639,173**	16,894,737
	Selling and distribution expenses	25	**2,349,738**	2,021,379
			292,120,949	249,552,985

12.3 Disposal of property, plant and equipment

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Profit	Mode of disposal	Particulars of buyer
	(-------	-------	Rupees	-------	-------)		
Vehicles							
Dahitsu Coure-LZV-4338	400,000	305,485	94,515	265,000	170,485	Negotiation	Mr. Rasheed Khan
Suzuki Ravi Pickup LEA-174	330,000	215,348	114,652	190,000	75,348	Negotiation	Mr. Asad Ali Khan
Suzuki Cultus-LZX-3178	609,000	430,984	178,016	530,000	351,984	Negotiation	Mr. Chaudhry M. Sardar
Suzuki Cultus-LZX-3565	609,000	442,247	166,753	440,000	273,247	Negotiation	Mr. Sarfarz Anwar
Dahitsu Coure-AEZ-749	434,000	357,995	76,005	262,000	185,995	Negotiation	Mr. Mustunsir Hussnain
Honda Civic-LZX-449	1,037,500	735,348	302,152	900,000	597,848	Negotiation	Mr. Aman Ullah Khan
Dahitsu Coure-LRS-1471	434,000	357,995	76,005	362,000	285,995	Negotiation	Mr. Naseer Ahmed
Suzuki Cultus-LRP-9959	609,000	496,260	112,740	445,000	332,260	Negotiation	Mr. M. Ilyas
Suzuki Mehran-LZV-5012	330,000	237,034	92,966	300,000	207,034	Negotiation	Mr. Asif Saeed Toor
Suzuki Mehran-LZQ-4867	330,000	239,226	90,774	325,000	234,226	Negotiation	Mr. Adeel Ilyas
Suzuki Mehran-LEA-8948	340,000	245,132	94,868	370,000	275,132	Negotiation	Mr. Hassan Farooqi
Suzuki Mehran-LEA-8951	340,000	245,316	94,684	370,000	275,316	Negotiation	Mr. Tariq Pervaiz
Suzuki Mehran-LZN-2381	330,000	238,515	91,485	315,000	223,515	Negotiation	Mr. Saeed Fakhar Ali
Suzuki Mehran-LRH-5049	285,000	235,547	49,453	280,000	230,547	Negotiation	Mr. Musharraf Hussain
Suzuki Mehran-LZS-3763	330,000	235,197	94,803	335,000	240,197	Negotiation	Mr. Imran Khan
2011	**6,747,500**	**5,017,629**	**1,729,871**	**5,689,000**	**3,959,129**		
Vehicles							
Honda Civic LRE - 3249	1,282,200	1,044,097	238,103	640,000	401,897	Negotiation	Mr. Khalid Ahmad
Suzuki Cultus LRK - 1649	609,000	498,429	110,571	415,000	304,429	Negotiation	Mr. Abbas Hussain
Suzuki Mehran	345,000	190,525	154,475	230,000	75,525	Negotiation	Mr. Mazhar Farid
Honda Civic AFJ - 049	978,000	751,405	226,595	576,786	350,191	Negotiation	Mr. Muhammad Ajmal
2010	**3,214,200**	**2,484,456**	**729,744**	**1,861,786**	**1,132,042**		

		2011 Rupees	2010 Rupees
12.4	**Capital work in progress**		
	Expansion Project		
	Plant & machinery [material in transit Rs. 90.83million ,(2010: Rs Nil)]	**282,120,048**	-
	Civil works	**274,158,839**	15,838,453
	Advances	**284,753,682**	-
	Stores held for capital expenditure	**114,832,238**	-
		955,864,807	15,838,453
	Others		
	Stores held for capital expenditure	**199,304,278**	188,106,855
		1,155,169,085	203,945,308

	Note	2011 Rupees	2010 Rupees
13 Investment in associate			
Rak Ghani Glass LLC			
13,200 (2010: 6,800) fully paid ordinary shares of AED 1,000 each	*13.1*	**189,317,139**	60,118,298

13.1 Movement in equity interest of associated company is as follows:

	2011 Rupees	2010 Rupees
Balance as at 01 July	**146,880,000**	146,880,000
Purchase of equity investment	**146,962,846**	-
	293,842,846	146,880,000
Share of losses	**(104,525,707)**	(86,761,702)
Balance as at 30 June	**189,317,139**	60,118,298

The Company's share of the result of its associated company, which is unlisted and incorporated in UAE, and its share of the assets, liabilities and revenue is as follows:

	Rupees			
Percentage interest held	**Assets**	**Liabilities**	**Revenue**	**Loss**
30.00%	**822,126,764**	**449,336,883**	**373,332,213**	**104,525,707**

14 Long term advance

This represents the advance given to Rak Ghani Glass LLC, UAE for purchase of shares 2011: Rs. Nil (2010:146.96 million)

	Note	2011 Rupees	2010 Rupees
15 Long term deposits and prepayments			
Long term deposit	*15.1*	**17,112,430**	16,934,230
Long term prepayments		**2,325,500**	2,304,000
		19,437,930	19,238,230
Less: Current maturity of long term prepayments		**2,112,000**	2,112,000
		17,325,930	17,126,230

15.1 These represent interest free security deposits to different entities.

	Note	2011 Rupees	2010 Rupees
16 Stores, spares and other consumables			
Stores and spares [in transit Rs 67.73 million (2010: Rs 148.90 million)]		**571,455,980**	606,416,514
Fuel and lubricants		**125,617,138**	91,273,989
		697,073,118	697,690,503
17 Stock in trade			
Raw material [in transit Rs. 80.07 million (2010: Rs 55.78 million)]		**605,692,983**	449,834,939
Packing materials [in transit Rs Nil (2010: Rs 5.07 million)]		**68,310,917**	81,436,561
Work in process		**57,576,269**	48,003,686
Finished goods		**372,700,866**	308,924,493
		1,104,281,035	888,199,679
18 Trade debtors			
Local			
Secured - considered good		**105,727,762**	92,298,078
Unsecured			
Considered good		**396,261,307**	527,050,466
Considered doubtful		**5,438,846**	7,203,749
Less: Provision for doubtful debts	*18.1*	**(5,438,846)**	(7,203,749)
		396,261,307	527,050,466
		501,989,069	619,348,544
Foreign - secured, considered good	*18.2*	**31,049,528**	15,210,729
		533,038,597	634,559,273

18.1 Provision for doubtful debts - movement summary

	2011 Rupees	2010 Rupees
Balance as at 01 July	**7,203,749**	7,203,749
Add: provision for during the year	**546,156**	-
Less: written off during the year	**(2,311,059)**	-
Balance as at 30 June	**5,438,846**	7,203,749

18.2 Debtors include an amount of Rs. 11.76 million (2010: Rs. 8.19 million) receivable from Rak Ghani Glass LLC - a related party.

		Note	2011 Rupees	2010 Rupees
19	**Advances, deposits and prepayments**			
	Advances			
	Employees - unsecured but considered good		**62,613,800**	56,749,782
	Suppliers of goods and services - unsecured	*19.1*	**371,654,610**	356,014,465
	Due from related parties	*19.2*	**1,394,646**	2,984,295
	Other receivable		**3,888,849**	1,965,476
			439,551,905	417,714,018

19.1 This includes an advance given to Ahmed Brothers and Company - a related party for acquisition of land and building amounting to Rs. 14.20 million (2010: Rs. Nil)

		2011 Rupees	2010 Rupees
19.2	**Due from related parties**		
	Ahmad Brothers and Company	**-**	1,466,277
	Ghani Automobile Industries Limited	**1,394,646**	1,259,838
	Ghani Value Glass Limited	**-**	258,180
		1,394,646	2,984,295

These amounts are in the normal course of business and are interest free.

		Note	2011 Rupees	2010 Rupees
20	**Other receivables**			
	Receivable from RAK Ghani Glass LLC	*20.1*	**11,724,598**	16,451,888

20.1 This represents expenses incurred by the Company on behalf of Rak Ghani Glass LLC, UAE - a related party.

		Note	2011 Rupees	2010 Rupees
21	**Cash and bank balances**			
	Cash in hand		**631,060**	919,213
	Cash at bank			
	- Current accounts		**334,605,510**	126,528,677
	- Saving accounts	*21.1*	**32,343,107**	9,388,179
			366,948,617	135,916,856
			367,579,677	136,836,069

21.1 The balances in saving accounts bear mark-up at the rate of 8% to 11.75% per annum (2010: 8% to 11.75%).

		Note	2011 Rupees	2010 Rupees
22	**Sales - net**			
	Local sales		7,474,103,318	6,879,146,948
	Export sales		717,303,923	801,446,420
			8,191,407,241	7,680,593,368
	Less: Sales return, rejections and discounts		(34,836,802)	(49,188,788)
	Sales tax and special excise duty		(1,193,449,655)	(1,017,927,014)
	Commission on sales		(93,644,563)	(79,721,957)
			(1,321,931,020)	(1,146,837,759)
			6,869,476,221	6,533,755,609
23	**Cost of sales**			
	Raw material consumed	*23.1*	1,589,343,750	1,535,082,048
	Fuel, gas and electricity		1,856,728,331	1,767,380,736
	Packing expenses		388,685,915	382,947,604
	Stores and spares consumed		227,740,537	173,173,937
	Salaries, allowances and other benefits	*23.2*	550,790,424	453,332,968
	Depreciation	*12.2*	270,132,038	230,636,869
	Rent, rates and taxes		7,835,653	1,261,953
	Repair and maintenance		10,025,282	8,207,741
	Travelling and motor running expenses		14,937,705	16,269,947
	Communication and stationery		2,978,864	4,275,205
	Other manufacturing expenses		22,165,154	18,292,771
			4,941,363,653	4,590,861,779
	Work in process			
	Opening balance		**48,003,686**	56,695,560
	Closing balance		**(57,576,269)**	(48,003,686)
			(9,572,583)	8,691,874
			4,931,791,070	4,599,553,653
	Finished goods			
	Opening balance		308,924,493	354,130,591
	Closing balance		(372,700,866)	(308,924,493)
			(63,776,373)	45,206,098
			4,868,014,697	4,644,759,751

		2011 Rupees	2010 Rupees
23.1	**Raw materials consumed**		
	Opening balance	**394,059,606**	330,736,910
	Purchases	**1,706,220,672**	1,598,404,744
	Closing balance	**(510,936,528)**	(394,059,606)
		1,589,343,750	1,535,082,048

23.2 Salaries, allowances and other benefits include Rs. 15.19 million (2010: Rs. 13.70 million) in respect of retirement benefits.

	Note	2011 Rupees	2010 Rupees
24 Administration and other expenses			
Salaries, allowances and other benefits	*24.1*	122,831,133	95,737,635
Communication, stationery and supplies		11,177,144	10,452,778
Utilities		2,228,730	3,038,596
Rent, rates and taxes		5,457,150	4,765,480
Travelling and conveyance		21,256,706	19,174,141
Auditors' remuneration	*24.2*	1,250,000	1,150,000
Depreciation	*12.2*	19,639,173	16,894,737
Legal and professional expenses		9,630,511	13,916,583
Charity and donations	*24.3*	17,771,423	4,073,610
Other expenses		5,253,205	17,876,253
		216,495,175	187,079,813

24.1 Salaries, allowances and other benefits include Rs. 3.57 million (2010: Rs. 3.12 million) in respect of retirement benefits.

	2011 Rupees	2010 Rupees
24.2 Auditors' remuneration		
Statutory audit fee	**1,100,000**	1,000,000
Half yearly review	**125,000**	125,000
Out of pocket expenses	**25,000**	25,000
	1,250,000	1,150,000

24.3 None of the directors and their spouses had any interest in any of the donees during the year.

	Note	2011 Rupees	2010 Rupees
25 Selling and distribution expenses			
Salaries, allowances and other benefits	*25.1*	60,823,000	52,566,332
Communication, stationery and supplies		3,274,705	4,051,183
Utilities		451,033	480,284
Rent, rates and taxes		1,424,781	1,436,460
Travelling and conveyance		6,061,219	8,548,658
Advertisement and sale promotion		66,784,478	76,681,406
Depreciation	*12.2*	2,349,738	2,021,379
Provision for bad debts		546,156	-
Transportation and handling			
- Local		129,000,612	86,568,846
- Export		59,867,496	58,240,877
Other expenses		396,824	1,138,424
		330,980,042	291,733,849

25.1 Salaries, allowances and other benefits include Rs 2.66 million (2010: Rs. 2.49 million) in respect of retirement benefits.

		Note	2011 Rupees	2010 Rupees
26	**Other operating expenses**			
	Workers' profit participation fund	*10.3*	**72,187,744**	67,263,354
	Workers' welfare fund		**22,688,623**	11,292,894
			94,876,367	78,556,248
27	**Other operating income**			
	Income from financial assets			
	Gain on sale of investment		1,251,918	400,670
	Profit on savings account		2,565,350	1,438,017
	Profit on trade debts secured against local bills		17,889,763	3,983,372
	Exchange gain		225,082	3,257,965
			21,932,113	9,080,024
	Income from non-financial assets			
	Gain on sale of fixed assets		3,959,129	1,132,042
	Breakage recovery from packing contractors		2,551,724	4,213,901
	Scrap sales		40,218,136	26,837,906
			46,728,989	32,183,849
			68,661,102	41,263,873
28	**Finance cost**			
	Profit on Ijarah finances		-	3,221,892
	Profit on diminishing musharika		-	2,178,607
	Profit on short term morabaha finances		32,494,693	46,173,322
	Bank charges		8,064,326	13,210,247
			40,559,019	64,784,068

	2011 Rupees	2010 Rupees
29 Taxation		
Income tax		
Current year	**360,159,433**	329,267,801
Prior year	**-**	(25,014,323)
	360,159,433	304,253,478
Deferred tax	**18,149,696**	26,554,656
	378,309,129	330,808,134

29.1 The current year's provision for taxation represents tax chargeable under normal and final tax regimes.

29.2 Tax charge reconciliation

Numerical reconciliation between the average effective tax rate and the applicable tax rate.

	2011 %	2010 %
Applicable tax rate	**35.00**	35.00
Tax effect on separate block of income (taxable at reduced rate)	**(4.71)**	(7.30)
Tax effect of permanent differences	**0.45**	0.13
Tax effect of credits and rebates	**(3.81)**	-
Tax effect of additional flood surcharge	**1.12**	-
Tax effect of prior years provisions / reversals	**-**	(1.95)
	28.05	25.88

		2011	2010 Restated
30 Earnings per share - basic and diluted			
Basic			
Profit after taxation	*Rupees*	**970,569,377**	947,195,600
Weighted average number of ordinary shares	*Number of shares*	**106,683,123**	106,683,123
Earnings per share	*Rupees*	**9.10**	8.88

Diluted

There is no dilution in earnings per share as the Company has no such commitments.

31 Remuneration of Directors, Chief executive and Executives

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

	Chief Executive		Directors		Executives	
	2011	2010	**2011**	2010	**2011**	2010
	Rupees	Rupees	**Rupees**	Rupees	**Rupees**	Rupees
Managerial remuneration	**18,050,472**	15,217,963	**56,026,704**	49,233,794	**24,234,124**	18,885,583
Bonus	**5,404,620**	3,970,260	**16,521,084**	12,848,136	**5,234,980**	3,956,856
Medical expenses	**153,796**	70,893	**784,709**	500,655	**953,498**	846,018
Retirement benefits	**1,504,206**	945,300	**4,668,892**	3,059,460	**1,874,992**	1,455,411
House rent	**2,304,000**	2,304,000	**6,912,000**	6,654,000	**70,000**	-
	27,417,094	22,508,416	**84,913,389**	72,296,045	**32,367,594**	25,143,868
Number of persons	**1**	1	**4**	4	**15**	12

31.1 The chief executive, certain directors and executives are provided with free use of the Company maintained cars and mobile phones for official use as well as medical facility.

31.2 The aggregate amount charged in the financial statements in respect of remuneration to key management personnel is Rs. 144.70 million (2010: Rs. 119.95 million) out of which Rs. 8.04 million (2010: Rs 5.46 million) relates to retirement benefits.

32 Transactions with related parties

The related parties comprise of associated undertakings, staff retirement funds, directors and key management personnel. Amounts pertaining to related parties are disclosed in note 10, 18 and 19 and remuneration to key management personnel are disclosed in note 32.

Related party	Relationship	Basis of relationship	Nature of transactions	2011	2010
				Rupees	Rupees
Ahmad Brothers and Company	Associated undertaking	Partners of firm are directors in the Company	Commercial purchases	**17,161,829**	13,020,249
			Purchase of assets	**800,000**	-
			Advance for purchase of assets	**14,200,000**	-
Ghani Automobile Industries Limited	-do-	Common directorship	Reimbursement of utility expenses	**134,808**	239,471
Ghani Value Glass Limited	-do-	Common directorship	Sales	**191,089,736**	232,375,885
			Other expenses	**492,879**	258,280
Rak Ghani Glass LLC	-do-	Common directorship	Sales	**4,560,696**	8,196,849
			Other expenses	**5,023,049**	6,701,549

33 Financial instruments

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

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors have the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

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

33.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans to/due from related parties. Out of the total financial assets of Rs. 934.95 million (2010: Rs. 812.03 million) financial assets which are subject to credit risk amount to Rs. 934.32 million (2010: Rs. 811.11 million).

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

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

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

	2011 Rupees	2010 Rupees
Long term deposits	**17,325,930**	19,238,230
Trade debts	**533,038,597**	634,559,273
Advances, deposits and prepayments	**5,283,495**	4,949,771
Other receivables	**11,724,598**	16,451,888
Cash and bank balances	**366,948,617**	135,916,856
	934,321,237	811,116,018

The trade debts as at the balance sheet date are classified as follows:

	2011 Rupees	2010 Rupees
Foreign	**31,049,528**	15,210,729
Domestic	**501,989,069**	619,348,544
	533,038,597	634,559,273

	2011 Rupees	2010 Rupees
The aging of trade receivables at the reporting date is:		
Not past due	**405,009,995**	587,591,746
Past due 30 days	**53,730,735**	20,085,611
Past due 60 days	**48,534,664**	14,199,456
Past due 90 days	**16,109,828**	12,594,611
Past due 180 days	**9,653,375**	87,849
Past due above one year	**-**	-
	533,038,597	634,559,273

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

33.2 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. For this purpose the Company has sufficient running finance facilities available from various commercial banks to meet its liquidity requirements. Further liquidity position of the Company is closely monitored through budgets, cash flow projections and comparison with actual results by the Board.
Following is the maturity analysis of financial liabilities:

	Less than 6 months	**Between 6 to 12 months**	**Between 1 to 5 years**		**Total**
			Rupees		
Long term advances	**-**	**-**	**-**		**-**
Short term morabaha finances	**516,499,955**	**-**	**-**		**516,499,955**
Short term morabaha finances against bills	**93,830,705**				**93,830,705**
Trade and other payables	**568,197,626**	**-**	**-**		**568,197,626**
Markup accrued	**11,137,387**	**-**	**-**		**11,137,387**
2010-2011	**1,189,665,673**	**-**	**-**	**-**	**1,189,665,673**

	Less than 6 months	Between 6 to 12 months	Between 1 to 5 years		Total
			Rupees		
Short term morabaha finances against LDBC	89,283,459				89,283,459
Short term morabaha finances	7,079,771	-	-		7,079,771
Trade and other payables	696,609,491	-	-		696,609,491
Markup accrued	2,145,971	-	-		2,145,971
2009-2010	795,118,692	-	-	-	795,118,692

33.3 Market risk

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

33.4 Currency risk

The Company is exposed to currency risk on foreign trade debts that are denominated in a currency other than the functional currency primarily U.S. Dollars (USD). The Company believes that it is not exposed to material currency risks.

33.5 Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in market interest rates. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	2011	2010	**2011**	2010
	Effective rate (in Percentage)		**Carrying amount (Rupees in 000)**	
Short term morabaha finances	**12.65 to 15.24**	13.36 to 14.56	**516,499,955**	7,079,771
Short term morabaha finances against bills	**12.22 to 17.79**	13.83 to 18.23	**93,830,705**	89,283,459

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore a change in interest rates at the reporting date would not affect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2010.

	100 bps Increase	**100 bps Decrease**
	Rupees	
Effect on profit - 30 June 2011	**(6,103,306)**	**6,103,306**
Effect on profit - 30 June 2010	(963,632)	963,632

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

33.6 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is not exposed to any material price risk.

33.7 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

33.8 Capital management

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

The Company's objectives when managing capital are:

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

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

The Company monitors capital on the basis of the debt-to-equity ratio - calculated as a ratio of total debt to equity.

The debt-to-equity ratios as at 30 June 2011 and at 30 June 2010 were as follows:

	2011 Rupees	2010 Rupees
Total debt	**610,330,660**	96,363,230
Total equity and debt	**5,407,764,640**	4,150,642,474
Debt-to-equity ratio %age	**11%**	2%

The decrease in the debt-to-equity ratio in 2010 resulted primarily from the reduction in borrowings during the year. This is due to the reason that the Company's management is trying to maintain the minimum borrowings level and to keep the Company borrowing free.

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

34 Operating segments

The financial information has been prepared on the basis of a single reportable segment.

34.1 Sales from float glass, food and beverages products and pharmaceutical products represent 46.06%, 24.74% and 29.19% (2010: 49.25%, 20.86% and 29.89%) of total revenue of the Company respectively.

34.2 The sales percentage by geographic region is as follows:

	2011 %	2010 %
Pakistan	**89.50**	89.60
Afghanistan	**3.66**	3.40
Bangladesh	**1.92**	0.00
Philippines	**0.03**	2.70
India	**0.40**	1.40
Nepal	**1.02**	0.00
Mozambique	**0.63**	0.00
Turkey	**0.36**	0.00
Zambia	**1.62**	0.00
Others	**0.86**	2.90
	100.00	100.00

34.3 All non-current assets of the Company as at 30 June 2011 are located in Pakistan.

	2011 Rupees	2010 Rupees
35 Cash generated from operations		
Profit before taxation	**1,348,878,506**	1,278,003,734
Adjustments for non cash and other items:		
- Depreciation	**292,120,949**	249,552,985
- Finance cost	**40,559,019**	60,800,696
- Impairment loss on furnace	**20,569,512**	-
- Provision for doubtful trade debts	**546,156**	-
- Provision for Workers' Profit Participation Fund	**72,187,744**	67,263,354
- Provision for Workers' Welfare Fund	**22,688,623**	11,292,894
- Exchange gain	**(225,082)**	(3,257,965)
- Share of loss of associate	**17,764,005**	30,102,019
- Gain on sale of property, plant and equipment	**(3,959,129)**	(1,132,042)
	462,251,797	414,621,941
Operating profit before working capital changes	**1,811,130,303**	1,692,625,675
Effect on cash flow due to working capital changes:		
- Decrease / (Increase) in store, spares and other consumable	**617,385**	(86,057,734)
- (Increase) in stock in trade	**(216,081,356)**	(95,890,800)
- Decrease / (Increase) in trade debts	**101,199,602**	(285,144,324)
- (Increase) Advances, deposits and prepayments	**(21,837,887)**	(30,442,984)
- Decrease / (Increase) in other receivables	**4,727,290**	(6,666,199)
- Increase in trade and other payables	**160,961,156**	197,985,945
	29,586,190	(306,216,096)
Cash generated from operations	**1,840,716,493**	1,386,409,579

36 Plant capacity and annual production

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

	Production capacity (Tons)		Actual production (Tons)	
	2011	2010	**2011**	2010
Float glass	**110,400**	127,750	**88,481**	109,355
Hollow glass	**151,475**	142,715	**120,358**	122,609
	261,875	270,465	**208,839**	231,964

37 Date of authorization for issue

The financial statements were approved and authorized for issue on October 3, 2011 by the Board of Directors of the Company.

38 Subsequent event

The Board of Directors has proposed a final dividend of Re 1 per share (2010: Rs. 2.5 per share) amounting to Rs 106.683 million (2010: 242.46 million) and issuance of bonus share @ Nil (2010: 10%) for the year ended 30 June 2011 at their meeting held on October 3, 2011 for approval of the members at the Annual General Meeting to be held on October 27, 2011 . These financial statements do not reflect these appropriations.

39 General

39.1 Figures have been rounded off to nearest rupee.

39.2 Corresponding figures have been re-arranged or reclassified whenever necessary, for the purpose of comparison. During the year following significant re-arrangement has been made for better presentation.

- Profit on receivables amounting to Rs 3.98 million was previously netted-off against the finance cost, which has now been reclassified separately in other income. This reclassification has no impact on the profit of the corresponding year.

Ghani

Lahore	**Chief Executive**	**Director**

GHANI GLASS LIMITED
40-L, Model Town, Lahore

FORM OF PROXY

Folio No. ______________________

No. of Shares ______________________

I/WE ____

of ____

Being a member of GHANI GLASS LIMITED ______________________

Hereby appoint Mr. ____________________________________

of ____

failing him Mr. ______________________ of ______________________

(Being a member of the company) as my/our proxy to attend, act and vote for me/us on my/our behalf at 19th ANNUAL GENERAL MEETING of the members of the Company to be held on Thursday October 27, 2011 at 11:30 a.m at Avari Hotel, The Mall, Lahore. and at any adjournment thereof.

As witness my/our hand(s) this ______________________ day of ______________ 2011

Witness's Signature

Signature ______________________

Name: ______________________

Address: ______________________

Signature and Revenue Stamp

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

Ghani

LEADERS IN GLASS

GHANI GLASS LIMITED

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