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CORPORATE INFORMATION

BOARD OF DIRECTORS	Aitzaz Ahmad Khan Imtiaz Ahmad Khan Arwaar Ahmad Khan Aftab Ahmad Khan Masroor Ahmad Khan Reema Arwaar Ayesha Aftab Hafiz Awaiz Ghani Junaid Ghani Faysal Essam T. Hamza Shahid Khan (Alternate)	Chairman Chief Executive Officer Deputy Chief Executive Officer Nominee SJC Pakistan LLC
AUDIT COMMITTEE	Aftab Ahmad Khan Mrs. Reema Arwaar Mrs. Ayesha Aftab	Chairman
CHIEF FINANCIAL OFFICER	Umer Farooq	
COMPANY SECRETARY	Asmir Shahzad Mughal	
AUDITORS	KPMG Taseer Hadi & Co. Chartered Accountants	
LEGAL ADVISOR	Ally Law Associates	CORPORATE CONSULTANTS Syed Hussain & Consulting (Pvt) Ltd Muhammad Siddique Chaudhary
BANKERS	Albaraka Islamic Bank Allied Bank of Pakistan Limited Bank Alfalah Limited, IBD Dawood Islamic Bank Limited Dubai Islamic Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited, IBD Meezan Bank Limited MCB Bank Limited, IBD National Bank of Pakistan Royal Bank of Scotland (ABN Amro) Soreni Bank Limited, IBD Standard Chartered Bank Limited, IBD	

HEAD OFFICE

40-L Model Town Lahore , Pakistan
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MARKETING OFFICE-NORTH**

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GGL PLANT-II

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Karachi-74000
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E-mail purlcm1@khi.wolnet.pk

GGL PLANT-III

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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 16th Annual General Meeting of shareholders of Ghani Glass Limited will be held on Thursday October 30, 2008 at 11: am at Avani Hotel, The Mall, Lahore for transacting the following business:-

1. To confirm the minutes of 15th Annual General Meeting.
2. To receive and adopt the annual audited accounts of the company together with auditors and directors reports for the period ended June 30, 2008.
3. To approve the issuance of bonus shares @ 5% and payment of cash dividend @ 20% as recommended by the board.
4. To appoint auditors and fix their remuneration. Present auditors M/s KPMG Taseer Hadi & Co., Chartered Accountants being eligible offer themselves for reappointment.
5. To transact any other business with permission of the chair.

Lahore ,
October 09, 2008

By order of the Board
Aamir Shahzad Mughal
Company Secretary

NOTES:

The share transfer books of the company will remain closed from Friday October 24, 2008 to Thursday October 30, 2008 (both days inclusive). The members whose names appear in the register of members as at the close of business on Thursday October 23, 2008 shall qualify for the payment of bonus shares, cash dividend and attendance of this meeting.

A member entitled to attend and vote at the meeting may appoint another member as his or her proxy to attend and vote. Proxies in order to be effective must be received at the registered office of the company not less than 48 hours before the time of holding the meeting. A proxy must be a member of the company.

CDC account holders will have to follow the following guidelines for attending the meeting

- i. In case of individuals the account holders, sub account holders and the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/ her identity by showing original I.D. Cards or passport at the time of attending the meeting. The shareholders registered on CDC are also requested to bring their participation I.D. numbers and account number in CDC.
- ii. In case of corporate entity, Board of Directors resolution / power of attorney with specimen signature of nominee shall be produced (unless provided earlier) at the time of meeting.

DIRECTORS' REPORT TO THE SHARE HOLDERS

The Board of Directors of the company is pleased to present their Annual Report together with the Company's Audited Financial Statements for the year ended June 30, 2008.

PAST IS OUR PREFACE

Reflecting back through the years, your company has come a long way from the producer of amber glass containers for pharmaceutical industry in 1995, with a capacity of 30,000 tons per annum, to the present status as the country's leading producer of amber, green, flint glass containers and float glass, with the available capacity of 240,000 tons per annum. During the same period, the company's annual revenues have grown from Rs.41 million to Rs.4,033 million and its assets have grown from Rs.160 million to Rs. 4,680 million.

The company has proved itself as a trustworthy supplier of glass packaging to the pharmaceutical, food & beverage and construction industries in both the domestic and international markets. Ghani Glass Ltd is the leading producer of glass products with diversified range and strong market presence within Pakistan and its share of the international markets is growing too. One of the company's core focuses is to generate shareholders value by investing in state-of-the-art technology, plant and equipment, training of its human resources, investing in related businesses and creating synergy with its core business and managing its operating costs efficiently.

Your directors take this opportunity to thank the company's valuable customers, shareholders and other stakeholders who showed their confidence and supported the company since its inception. We would also like to thank our past and present employees, who with their dedication and efforts have made the company what it is today.

The past of the company was steadfast and now the future faces new challenges which will generate many interesting opportunities for your company. We look forward to facing the challenges and promised to continue striving in being the leading glass manufacturer in both the local and international markets.

GENERAL OVERVIEW

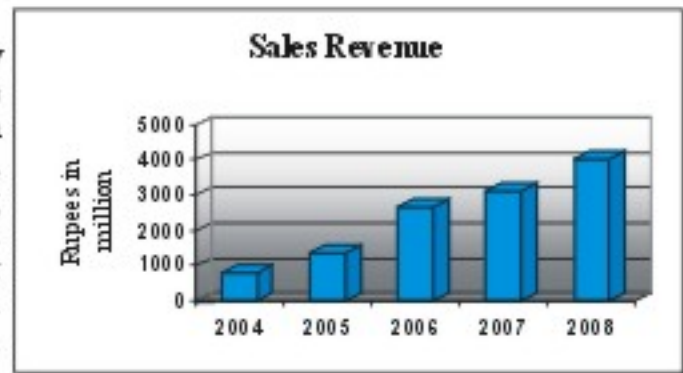
The company's net sales during the year increased by Rs. 0.90 billion, an increase of 29% from the previous year. This increase has also contributed positively in the national exchequer in the form of sales tax; imposition of 1% special excise duty on all of company's products as well increase in sales tax rate on green and brown float glass from 15% to 20%. Thus, the company's contribution to the government exchequer has increased year on year.

The company's net sales grew by 29% and its export business registered a growth of 73%. During this financial year, the company achieved its target to ship 200 containers in a single month, which is an attestation that the company's products and brand have gained international acceptance and recognition. The company remains committed to delivering quality products to all its customers in both the domestic and international markets. We also remain focused on enhancing the use of glass by providing innovative downstream products.

COMPANY RESULTS

Net revenue of the company increased by 29%, but at the same time input costs also increased due to unprecedented increase in petroleum products, soda ash, cullet, packaging and other materials forming integral part of the production mix. Petroleum prices escalated the freight charges for all imported and local materials. Soda ash, cullet and furnace oil showed a significant increase in prices of about 57%,

38% and 79% respectively. Furnace oil is required during gas curtailment period in winters and during the year it was longer than the previous one. This price escalation coupled with increase in freight charges and foreign currency exchange rate has resulted in a significant increase in over all raw material cost.

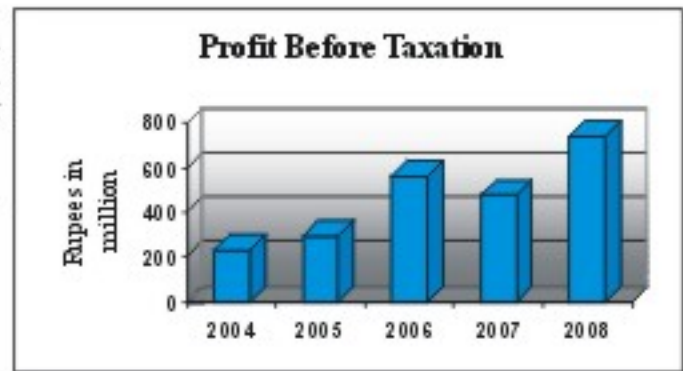


The financial results of the company are as follows:-

	2008	2007
	(Rupees in 000)	
NET SALES	4,033,218	3,124,633
GROSS PROFIT	1,244,267	777,139
PROFIT FROM OPERATIONS	878,761	499,211
FINANCE COST	70,960	45,938
OTHER INCOME	92,325	71,395
PROFIT BEFORE TAX	807,801	475,618
PROFIT AFTER TAX	538,990	402,379
EARNINGS PER SHARE	6.42	4.79

The increase in cost was compensated with increased efficiency, and the implementation of cost cutting process which include but not limited to;

- i) Commissioning of automatic batch plant at float glass unit.



- ii) Electric boosting systems at Hattar and Karachi plants reduced wastage and boosted production.
- iii) Efficient gas burners to reduce energy wastage and consumption.

MAJOR PROJECTS

Completed

Your company keeps on accumulating its assets and during the year additions in fixed assets of around rupees 640 million were made. Major projects completed and commissioned successfully during the year include:

- **FURNACE 5** project at Landhi unit
- **AUTOMATIC BATCH PLANT** at Float Glass Unit
- **ELECTRIC BOOSTING SYSTEMS** at Hattar and Landhi Plant
- **ONLINE COATING SYSTEM** Float Glass Unit and
- **PRINTING MACHINE** at Hattar unit.

Upcoming

RAK Ghani Glass

It gives us great pleasure that our joint venture project with RAK Investment Authority, JS Group of Pakistan and Swicorp of Saudi Arabia to set up a 40 KTPA Container Glass Plant at Ras Al Khaima is in its final stages of completion and it is expected to be commissioned soon. During the year under review, your company's investment in RAK Ghani Glass reached Rs. 65902 million as share of equity in RAK Ghani Glass LLC.

Sand Washing

The project for Silica Sand washing, drying and grading at Qamar Mashani is expected to be commissioned in January 2009 with capacity of 500 tons per day. This centralized facility will supply Silica Sand to all three plants of glass at Hattar, Karachi & Sheikhpura and will save freight cost along with rejection of material.

Furnace rebuild

The company is also planning to rebuild one of its furnaces in Hattar by the end of current financial year. This project is expected to cost Rs. 300 million and the new furnace will have a capacity of 38,500 tons and will be technologically more superior to the existing furnace.

BALANCING, MODERNIZATION AND REPLACEMENT

Commensurate with the BMR projects of the organization, successful commissioning of the automatic batch plant at Sheikhpura is completed. This will not only increase our efficiency but will also reduce material wastage. Electric boosting systems at Hattar & Karachi have been installed and they are working successfully. A similar system is being implemented at the Sheikhpura plant.

FUTURE OUTLOOK

As this was a challenging year for Ghani Glass in the light of the economic issues facing Pakistan: hyper inflation, high interest rates, depreciating currency, increasing utility and fuel charges and last but not least rising cost of commodities. Nevertheless, Ghani Glass managed to achieve strong operating results by achieving production efficiencies, improvement in operations, implementation of certain cost cutting measures, locating better sources of purchases and imports. Going forward, we will continue to focus our attention on reducing operating costs, improving production efficiency and explore new and more attractive foreign markets for our products.

AUDITORS

The present auditors M/s KPMG Taseer Hadi & Company Chartered Accountants retire and offer themselves for reappointment. As suggested by the Audit Committee, the Board of Directors has recommended their reappointment as auditors of the company for the year ending June 30, 2009, at a mutually agreed fee.

HUMAN RESOURCE

Management and employee relations continued to remain congenial. Development of Human Resource has always been a priority area in the Company as the Directors consider human capital as the best asset of your Company. During the year, recruitment, training and performance management have been further strengthened to achieve higher employee motivation.

By the grace of Almighty Allah our employees' commitment, professionalism and focus on quality and customer care continue to help us achieve our growth targets.

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.

COMPANY'S RECOGNITION

By the grace of Almighty Allah your Company was selected second time consecutively by the Lahore Chamber of Commerce & Industry as best company in glass sector for the year 2007.

As a token of appreciation your Company has been awarded with Gold Medal by the Prime Minister of Pakistan in a ceremony held at Aiwan-e-Iqbal, Lahore during July 2008.

SHARE PRICE TREND

During the year under review minimum price of share of Rs. 10 each fell up to Rs. 62 and at one stage rose as high as Rs. 128 and close at Rs. 113 as on June 30, 2008.

Overall market capitalization of Ghani Glass Ltd during the year rose by Rs. 3.372 to Rs. 9.478 billion.

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, 2008 have been adopted by the company and have been duly complied with.

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 regulations.

SUBSEQUENT EVENTS (after June 30, 2008)

There have been no material changes since June 30, 2008 and the company has not entered into any commitment, which would materially affect its financial position at the date.

BOARD OF DIRECTORS

The Board of Directors, which consist of Ten members and one alternate member, 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 six meetings of the Board of Directors were held during the period of one year, from July 01, 2007 to June 30, 2008. The attendance of the Board members was as follows:

S. #	NAME OF DIRECTOR	MEETINGS ATTENDED
1.	Mr. Aitzaz Ahmad Khan	2
2.	Mr. Imtiaz Ahmad Khan	5
3.	Mr. Anwaar Ahmad Khan	5
4.	Mr. Aftab Ahmad Khan	6
5.	Mr. Masroor Ahmad Khan	5
6.	Mr. Reema Anwaar	6
7.	Mr. Ayesha Aftab	6
8.	Mr. Attique Ahmed Khan (Resigned)	1
9.	Mr. Hafiz Avais Ghani	6
10.	Mr. Junaid Ghani	4
11.	Mr. Faysal Essam T. Hamza	4
	Mr. Shahid Khan (Alternate)	

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

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 4 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.

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.

The International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.

The system of internal control is sound in design and has been effectively implemented and monitored. There are no doubts upon the company's ability to continue as a going concern.

There has been no 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. 54.434 million
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The value of investment includes accrued interest.

Trading of Shares by Chief Executive, Directors, Chief Financial Officer, Company Secretary and their spouses and minor children:

PURCHASE OF SHARES		NO. OF SHARES
Mr. Imtiaz Ahmad Khan	CEO	305,811
Mr. Anwar Ahmad Khan	Deputy CEO	305,810
Mr. Aftab Ahmad Khan	Director	301,830
Chief Financial Officer		Nil
Company Secretary		Nil
Spouses		Nil
 SALE OF SHARES:		
Mr. Aftab Ahmad Khan	Chairman	6,997,086
Mr. Masroor Ahmad Khan	Director	3,998,543
Hafiz Awais Ghani	Director	1,000,000

PATTERN OF SHARE HOLDINGS

A statement of the pattern of shareholding of certain class of shareholders as at June 30, 2008, 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.

On behalf of the Board of Directors
Imtiaz Ahmed Khan
 Chief Executive Officer

DETAILS OF PATTERN OF SHAREHOLDING
AS PER REQUIREMENTS OF CODE OF CORPORATE GOVERNANCE

	SHARES HELD
ASSOCIATED COMPANIES AND RELATED PARTIES	
Ghani Mines (Pvt) Limited	630,598
Jamia Tul Ghani Ul Islam	87,208
	717,806
NIT / ICP	
National Bank of Pakistan, Trustee Wing	2,046,514
Investment Corporation of Pakistan	500
	2,047,014
PUBLIC LIMITED COMPANIES	
Sinaco Engineers (Pvt) Ltd	75,306
Shahid Asim Capital Managment (Smc) Pvt Ltd	5,000
Prograssive Investment Managment (Pvt) Ltd	1,312
Akhai Securities (Private) Limited	25
Al-Asar Securities (Pvt) Ltd	78
Amin Tai Securities (Pvt) Ltd	371,100
Azee Securities (Pvt) Ltd	200
Beaming Investment & Securities (Pvt) Ltd	4,331
Capital Vision Securities (Pvt) Ltd	422
Craftsman (Pvt) Ltd	150
Darson Securities (Pvt) Ltd	9,446
Fair Deal Securities (Pvt) Ltd	1,000
Fdm Capital Securities (Pvt) Ltd	50
Genral Investment & Securities (Pvt) Ltd	353
Harvest Smartrend Securities (Pvt) Ltd	22,000
Ismail Abdul Shkoor Securities (Pvt) Ltd	55
Jahangir Siddiqui & Co. Limited	3,113,800
Kai Securities (Pvt) Ltd	6
M.R. Securities (Pvt) Ltd	24
Mam Securities (Pvt) Ltd	11
Mars Securities (Pvt) Ltd	76,155
Mazhar Hussain Securities (Pvt) Ltd	10,100
Mian Muhammad Akram Securities (Pvt) Ltd	500
Millennium Securities & Investment (Pvt) Ltd	1,000
Moneyline Securities (Pvt) Ltd	6,000
Pasha Securities (Pvt) Ltd	38

Progressive Inv. Managment (Pvt) Ltd	3,225
Rafi Securities (Pvt) Ltd	13
S. S. Corporation (Pvt) Ltd	62
Salman Capital Investments (Pvt) Ltd	25,000
Shafi (Private) Ltd	50
SJC Pakistan LLC	16,793,880
Stock Master Securities (Pvt) Ltd	535
Tariq Sayeed Securities (Pvt) Ltd	63
United Capital Securities (Pvt) Ltd	1,004
Universal Equities (Pvt) Ltd	31,000
Value Stock Securities (Pvt) Ltd	595
Y.S. Securities & Services (Pvt) Ltd	469
	20,554,358
Banks, Development Finance Institutions,	
Non Banking Finance Institutions	
Habib Metropolitan Bank Limited	45,672
Bank Alfalah Limited-Islamic Division	376,922
IDBP (ICP Unit)	662
First Dawood Investment Bank	50
Invest Capital Investment Bank Limited	1
	423,307
Insurance Companies	
Efu Genral Insurance Limited	81,000
Efu Life Assurance Limited	162,500
Habib Insurance Co. Limited	6,500
	250,000
Modarabas & Mutual Funds	
Al - Meezan Mutual Fund Limited	254
	54,212
Others Companies	
Trustees Muhammad Amin Wakf Estate	35,437
Trustees Saeeda Amin Wakf	13,125
CDC - Trustee Nafa Islamic Multi Asset Fund	28,300
CDC - Trustee United Commposite Islamic Fund	91,275
CDC - Trustee United Stock Advantage Fund	75,000
Trustee - Crosby Dragon Fund	855,000
	1,098,137
Foreign Companies	
Brown Brothers Haniman & Co.	6,052
FMG Middle East North Africa (Mena) Fund Ltd	208,100
	214,152

DIRECTORS, CEO THEIR SPOUSE AND MINOR CHILDREN

Aitzaz Ahmad Khan	Chairman	2,684,905
Imtiaz Ahmad Khan	Chief Executive Officer	10,654,18
Anwaar Ahmad Khan	Deputy Chief Executive Officer	10,833,782
Aftab Ahmad Khan		10,350,765
Masroor Ahmad Khan		698,099
Reema Anwaar		2,086,176
Ayesha Aftab		2,206,398
Hafiz Awaiz Ghani		2,032,653
Junaid Ghani		1,275,052
Obaid Ghani		1,566,359
Faysal Essam T. Hamza	Nominee SJC Pakistan LLC	-
Shahid Khan (Alternate)		-
		44,388,298

EXECUTIVES**SHAREHOLDERS HOLDING 10% OR MORE**

Imtiaz Ahmad Khan	9,396,774
Anwaar Ahmad Khan	10,833,782
Aftab Ahmad Khan	10,350,765
SJC Pakistan LLC	16,793,880
	47,375,201

TRADING BY DIRECTORS, CEO, CFO, CS AND THEIR SPOUSES AND MINOR CHILDREN

S. No.	NAME	BONUS	PURCHASE	GIFT RECEIVED	SALE
1	Mr. Aitzaz Ahmad Khan	127,852			6,997,086
2	Mr. Imtiaz Ahmad Khan	432,902	305,811		
3	Mr. Anwaar Ahmad Khan	494,891	305,810	135,247	
4	Mr. Aftab Ahmad Khan	472,076	301,830	135,320	
5	Mr. Masroor A Khan	33,242		1,222,844	3,998,543
6	Mrs. Reema Anwaar	99,341			
7	Mrs. Ayesha Aftab	105,066			
8	Mr. Hafiz Awaiz Ghani	96,793			1,000,000
9	Mr. Junaid Ghani	60,716			
10	SJC Pakistan LLC	799,708	15,994,172		

PATTERN OF HOLDING OF SHARES

Held by the shareholders as at 30th June 2008 Incorporation Number : 0029265(L-05841)

Number of Shareholders	Shareholding		Total Shares Held
	From	To	
306	1	100	11,597
241	101	500	74,204
91	501	1,000	66,630
245	1,001	5,000	455,599
30	5,001	10,000	220,436
16	10,001	15,000	197,465
5	15,001	20,000	92,156
4	20,001	25,000	89,109
4	25,001	30,000	112,975
3	30,001	35,000	97,912
2	35,001	40,000	73,259
1	40,001	45,000	43,000
2	45,001	50,000	95,672
1	50,001	55,000	54,212
1	55,001	60,000	56,451
1	65,001	70,000	65,500
1	70,001	75,000	75,000
5	75,001	80,000	380,349
1	80,001	85,000	81,000
2	85,001	90,000	172,716
2	90,001	95,000	181,598
1	100,001	105,000	104,900
1	110,001	115,000	112,903
3	130,001	135,000	395,668
1	160,001	165,000	162,500
2	165,001	170,000	339,209
1	195,001	200,000	200,000
1	205,001	210,000	208,100
1	230,001	235,000	232,557
1	245,001	250,000	250,000
2	370,001	375,000	745,818
1	375,001	380,000	376,922
1	415,001	420,000	415,368
1	430,001	435,000	430,598
1	435,001	440,000	435,218
1	485,001	490,000	487,900
1	525,001	530,000	526,727
1	680,001	685,000	682,641
1	695,001	700,000	698,099
1	795,001	800,000	799,708
1	850,001	855,000	855,000
1	855,001	860,000	858,000

1	2,205,001	2,210,000	2,206,398
1	2,680,001	2,685,000	2,684,905
1	3,110,001	3,115,000	3,113,800
1	3,305,001	3,310,000	3,306,834
1	3,315,001	3,320,000	3,319,878
1	3,585,001	3,590,000	3,586,366
1	7,040,001	7,045,000	7,043,931
1	7,245,001	7,250,000	7,247,415
1	7,555,001	7,560,000	7,558,057
1	15,990,001	15,995,000	15,994,172

1010 **83,969,400**

Categories of Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and their spouse and minor children	44,388,298	52.86%
Associated companies, undertaking And related parties	717,806	0.85%
NIT and ICP	2,047,014	2.44%
Banks Development Financial Institutions, Non Banking Financial Institutions	423,307	0.50%
Modarabas and Mutual Funds	54,212	0.06%
*Share holders holding 10% or more	47,375,201	56.42%
General public		
A. Local	14,472,116	17.24%
B. Foreign	214,152	0.26%
Other Companies	1,098,137	1.31%
Joint Stock Companies	20,554,358	24.48%

* Total number of shares held and percentage is included in categories of shareholders of directors and chief executive officer.

Lahore:
2008

Aamir Shahzad Mughal
Company Secretary

STAKEHOLDERS INFORMATION

SIX YEARS AT GLANCE

	2008	2007	2006	2005	2004	2003
	(Rupees in thousands)					
Operating Results						
Sales	4,033,218	3,124,633	2,745,108	1,389,107	817,742	536,371
Gross profit	1,244,267	777,138	774,530	359,181	280,281	212,631
Profit before tax	807,801	475,618	558,404	292,921	231,046	182,211
Financial data						
Fixed assets	2,261,022	1,809,541	1,834,372	595,436	378,885	193,577
Capital work-in-progress	-	143,854	58,105	1,238,723	92,427	1,246
Negative goodwill	-	-	(22,345)	(40,152)	(60,075)	-
Long term investment / Advances, and deposits	83,086	78,678	9,719	66,112	4,846	77,084
Current assets	2,336,500	1,943,407	1,561,090	1,048,580	680,265	404,487
Current liabilities	1,349,378	1,225,161	796,130	752,243	234,542	78,801
Assets employed	3,331,230	2,750,319	2,644,811	2,156,456	861,806	597,594
Financed by:						
Ordinary capital	839,694	799,709	639,767	302,082	241,665	149,500
Reserves	<u>2,076,354</u>	<u>1,737,291</u>	<u>1,558,830</u>	<u>1,310,324</u>	<u>570,941</u>	<u>448,094</u>
Shareholders equity	2,916,048	2,537,000	2,198,597	1,612,406	812,606	597,594
Finances and deposits	100,115	36,035	373,500	52,921	49,200	-
Deferred taxation	315,067	177,284	72,713	-	-	-
Funds invested	3,331,230	2,750,319	2,644,811	2,156,456	861,806	597,594
Earnings per share	6.42	4.79	6.07	6.30	9.09	8.95
Break-up-value	34.76	31.72	34.37	33.51	33.63	39.97
Dividend%						
-Cash	20	20	30	25	10	15
-Bonus shares	05	05	25	05	25	35
Total	25	25	55	30	35	50

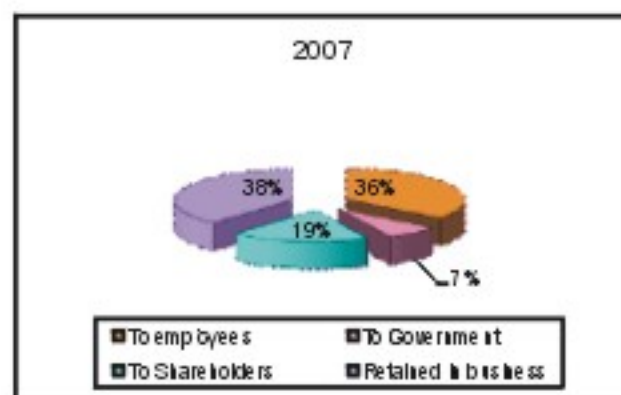
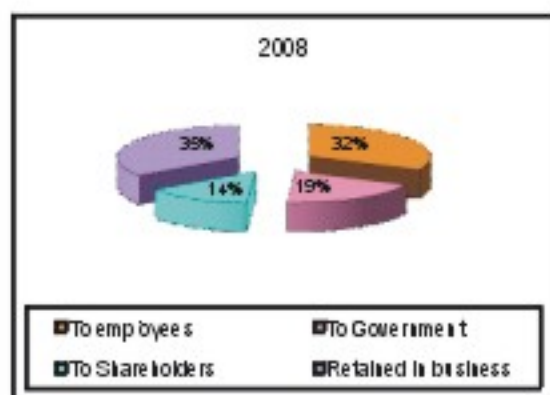
INVESTOR INFORMATION

SIX YEARS AT GLANCE

	2008	2007	2006	2005	2004	2003
Gross profit rate	31	25	28	26	34	40
Profit before tax rate	20	15	20	21	28	34
Inventory turnover ratio	6.13	5.67	4.04	2.90	2.37	5.93
Total assets turnover ratio	0.86	0.79	0.78	1.04	0.75	0.79
Fixed assets turnover	1.78	1.60	1.45	2.68	1.74	2.75
Price earning ratio	17.60	15.87	13.51	12.06	8.14	6.82
Return on capital employed	18.48	15.86	22.06	23.80	27.61	30.40
Market value per share (at the end of year)	113	76	82	76	74	61
Debt: Equity ratio	1:5	1:4.6	1:8	1:4	1:17	N/A
Current ratio	1.73:1	1.59:1	1.96:1	1.4:1	3:1	5:1
Interest cover ratio	12.38	11.35	9.93	N/A	N/A	N/A

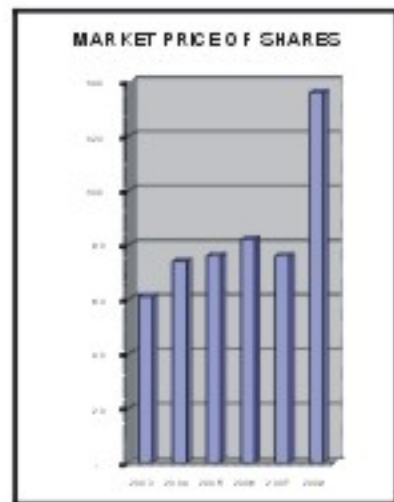
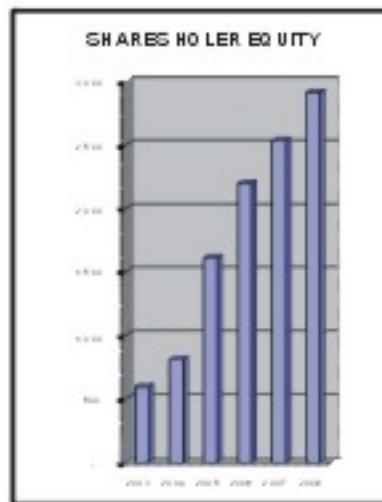
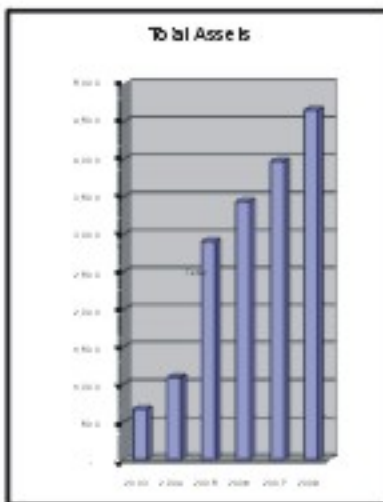
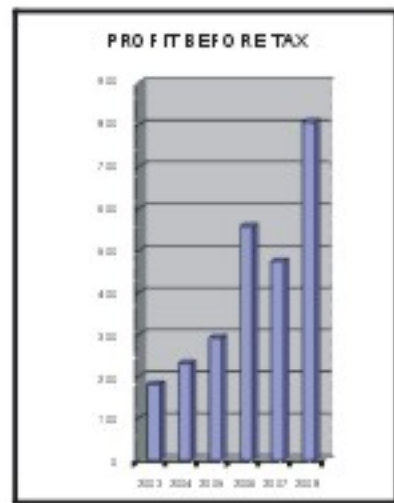
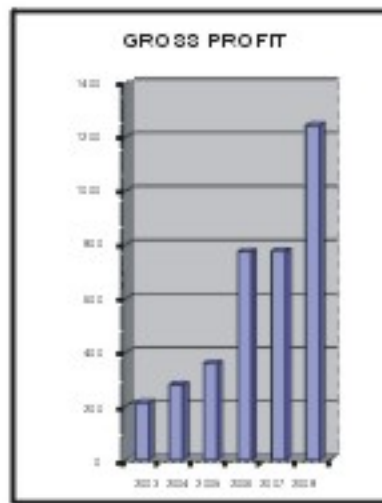
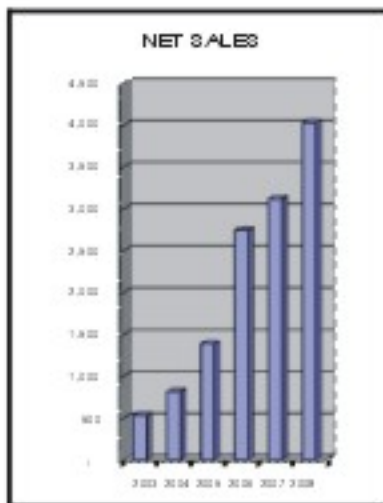
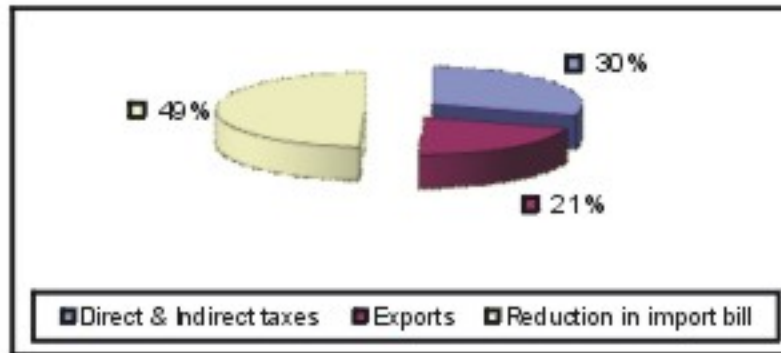
STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION

	2008	(Rupees in thousands)		2007
Value Addition				
Net sales	4,033,200			3,124,800
Material and services	(2,637,700)			(2,155,800)
Other income	92,300			93,500
	<u>1,487,800</u>			<u>1,062,300</u>
Value Distribution				
To employees		%		%
Salaries, wages and amenities	431,800	29	351,550	33
Workers profit participation fund	43,400	3	25,300	2
	<u>475,200</u>	<u>32</u>	<u>376,850</u>	<u>35</u>
To Government				
Tax	288,800	18	73,200	7
Workers welfare fund	16,500	1	5,250	1
	<u>285,300</u>	<u>19</u>	<u>78,450</u>	<u>8</u>
To Shareholders				
Cash dividend	168,000	11	160,000	15
Bonus shares	42,000	3	40,000	4
	<u>210,000</u>	<u>14</u>	<u>200,000</u>	<u>19</u>
Retained in business				
Depreciation	188,300	13	204,700	19
Retained profit	329,000	22	202,300	19
	<u>517,300</u>	<u>35</u>	<u>407,000</u>	<u>38</u>
	<u>1,487,800</u>	<u>100</u>	<u>1,062,300</u>	<u>100</u>



GRAPHIC REPRESENTATION

Contribution to National Exchequer
(Rs. in Millions)



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance contained in listing regulations of stock exchanges in Pakistan 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 directors representing minority independent directors on its Board of Directors. Board comprise of five executive and five non-executive directors. However there is Number representation of minority shareholders on the board.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this company.
3. 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 NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. During the year no casual vacancy occurred in the board of directors.
5. 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 Managers of the company.
6. 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.
7. 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.
8. The meetings of the Board were presided over by the Chairman, and in his absence, by the 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 meetings. The minutes of the meetings were appropriately recorded and circulated.
9. All the Directors on the Board are fully conversant with their duties and responsibilities as Directors of corporate bodies through study of pamphlets issued by the SECP and discussion with corporate advisors. Some of the directors attended orientation courses.
10. 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.
11. The Director's report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclose.

12. The financial statements of the company were duly endorsed by CEO and CFO before approval by the
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of share holding.
14. The company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an audit committee. It is comprised of five members, all to whom are non executive directors.
16. 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.
17. The Board had earlier set up an internal audit function which is being further strengthened to enhance its effectiveness.
18. 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 are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. We confirm that all other material principles contained in the Code have been complied with.

For and on Behalf of the Board

Aftab Ahmad Khan
Director

Imtiaz Ahmad Khan
Chief Executive Officer

Lahore
October 07, 2008

**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 the Stock Exchanges where the Company is listed.

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 of Corporate Governance.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We 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.

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 for the year ended June 30, 2008.

Date: October 07, 2008
LAHORE

(KPMG TASEER HADI & COMPANY)
CHARTERED ACCOUNTANTS

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **GHANI GLASS LIMITED** ("the company") as at June 30, 2008 and the related profit and loss account, 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 misstatements. 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, 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 June 30, 2008 and of the profit, its cash flows and changes in equity for the year then ended
- d. in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the company and deposited in the zakat fund established under section 7 of that ordinance.

Date: October 08, 2008
LAHORE

(KPMG TASEER HADI & COMPANY)
CHARTERED ACCOUNTANTS

Balance Sheet

As at 30 June 2008

	Note	2008 Rupees	2007 Rupees
Share capital and reserves			
Share capital	4	839,694,000	799,708,570
Reserves	5	2,076,354,301	1,737,291,058
		2,916,048,301	2,536,999,628
Non current liabilities			
Ijarah finances	6	41,693,293	24,839,766
Security deposits	7	58,422,269	11,195,007
Deferred taxation	8	315,066,533	177,284,422
		415,182,095	213,319,195
Current liabilities			
Current portion of non current liabilities	9	63,295,168	199,951,704
Short term morabaha finances	10	487,663,437	323,049,251
Trade and other payables	11	720,596,460	693,988,163
Provision for taxation		58,406,128	-
Markup accrued		19,416,670	8,172,315
		1,349,377,863	1,225,161,433
Contingencies and commitments			
	12	4,680,608,259	3,975,480,256
Non current assets			
Property, plant and equipment	13	2,261,022,359	1,953,395,041
Long term investments	14	6,592,000	6,592,000
Long term advance	15	59,328,000	59,328,000
Long term deposits	16	17,166,163	12,757,921
		2,344,108,522	2,032,072,962
Current assets			
Current maturity of long term deposits	16	523,500	4,240,400
Stores, spares and other consumables	17	767,460,286	463,530,724
Stock in trade	18	658,120,782	615,745,861
Trade debtors	19	427,309,558	379,694,925
Advances, deposits and prepayments	20	365,806,093	248,195,456
Other receivables	21	73,146,429	30,337,032
Income tax refundable		-	68,483,991
Cash and bank balances	22	44,133,089	133,178,905
		2,336,499,737	1,943,407,294
		4,680,608,259	3,975,480,256

The annexed notes 1 to 40 form an integral part of these financial statements.

Profit and Loss Account

For the year ended 30 June 2008

	Note	2008 Rupees	2007 Rupees
Sales - net	23	4,033,218,398	3,124,633,248
Cost of sales	24	(2,788,951,340)	(2,347,494,327)
Gross profit		1,244,267,058	777,138,921
General and administrative expenses	25	(116,770,600)	(98,069,640)
Selling and distribution expenses	26	(281,191,858)	(220,787,411)
Other operating expenses	27	(59,869,277)	(30,465,817)
Other operating income	28	92,325,980	71,394,850
		(365,505,755)	(277,928,018)
Operating profit		878,761,303	499,210,903
Finance cost	29	(70,959,910)	(45,938,375)
Amortization of negative goodwill		-	22,345,417
Profit before taxation		807,801,393	475,617,945
Taxation	30	(268,811,006)	(73,238,491)
Profit after taxation		538,990,387	402,379,454
Earnings per share - Basic and diluted	31	6.42	4.79

The annexed notes 1 to 40 form an integral part of these financial statements.

Chief Executive

Director

Cash Flow Statement

For the year ended 30 June 2008

	Note	2008 Rupees	2007 Rupees
Cash flows from operating activities			
Cash generated from operations	35	594,148,670	737,365,159
Financial charges paid		(53,797,753)	(40,738,129)
Provident fund payments		(17,718,710)	(11,180,937)
Workers profit Participation fund paid		(45,841,980)	(24,160,417)
Income tax paid		(2,731,376)	33,285,876
		(120,089,819)	(42,793,607)
Net cash generated from operating activities		474,058,851	694,571,552
Cash flows from investing activities			
Additions in operating fixed assets		(640,562,095)	(180,114,415)
Additions in capital work in progress		143,854,523	(85,749,510)
Proceeds from sale of fixed assets		1,823,000	180,000
Long term deposits		(691,342)	(2,093,830)
Long term investments		-	(6,592,000)
Long term advance		-	(60,147,307)
Net cash used in investing activities		(495,575,914)	(334,517,062)
Cash flow from financing activities			
Interest free loans from directors		(96,190,551)	(84,050,526)
Ijarah finances		(2,907,311)	(117,065,633)
Morabaha finances		143,909,039	78,495,370
Dividend paid		(159,567,193)	(63,686,947)
Security deposits		47,227,263	(73,108,462)
Net cash used in financing activities		(67,528,753)	(259,416,198)
Net (decrease) / increase in cash and cash equivalents		(89,045,816)	100,638,292
Cash and cash equivalents at the beginning of the year		133,178,905	32,540,613
Cash and cash equivalents at the end of the year	22	44,133,089	133,178,905

The annexed notes 1 to 40 form an integral part of these financial statements.

Chief Executive

Director

Statement of Changes in Equity

For the year ended 30 June 2008

	Share capital	Capital reserve		Revenue reserve	Total
		Merger reserve	Share premium	Appropriated profit	
(----- Rupees -----)					
Balance as at 01 July 2006	639,766,860	427,419,290	75,000,000	1,056,410,710	2,198,596,860
Final cash dividend @ Re. 1 per share for the year ended 30 June 2006	-	-	-	(63,976,686)	(63,976,686)
Bonus shares issued @ 25% for the year 2006	159,941,710	-	-	(159,941,710)	-
Net profit for the year	-	-	-	402,379,454	402,379,454
Balance as at 30 June 2007	799,708,570	427,419,290	75,000,000	1,234,871,768	2,536,999,628
Final cash dividend @ Re. 2 per share for the year ended 30 June 2007	-	-	-	(159,941,714)	(159,941,714)
Bonus shares issued @ 5% for the year 2007	39,985,430	-	-	(39,985,430)	-
Net profit for the year	-	-	-	538,990,387	538,990,387
Balance as at 30 June 2008	839,694,000	427,419,290	75,000,000	1,573,935,011	2,916,048,301

The annexed notes 1 to 40 form an integral part of these financial statements.

Chief Executive

Director

Notes to the draft financial statements

For the year ended 30 June 2008

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 SO-L, Model Town Extension, Lahore. The Company is engaged in the business of manufacturing and sale of glass containers and sheet glass of different types.

2 Statement of compliance

2.1 These financial statements have been prepared in accordance with approved International Accounting Standards (IAS) as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved Accounting Standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Standard Board as notified under provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984 or of the said directives take precedence.

2.2 Standards, Interpretations and amendments to published approved accounting standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

Amendments to published standards effective in current year

Amendments to IAS 1 'Presentation of Financial Statements' - Capital disclosure is mandatory for the Company's accounting period beginning on 01 July 2007. Its adoption by the Company only impacts the format and extent of disclosures presented in the financial statements.

Amendments and Interpretations to published standards applicable to the Company not yet effective

The following amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after their respective effective dates:

- Certain amendments to IAS 23 'Borrowing Costs' have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after 01 July 2009. Adoption of these amendments would require the Company to capitalize the borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing these borrowing costs will be removed. Its adoption will not have any impact on the Company's financial statements.

- IFRS 14, 'IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction, is effective from 01 July 2008. IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognized as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. The Company will apply IFRIC 14 from 01 July 2008, but it is not expected to have any significant impact on the Company's financial statements.

Standards and interpretations to existing standards that are not applicable to the Company and not yet effective

Standards or interpretation	Effective date (accounting periods beginning on or after)
IFRS 2 - Share based payment	01 July 2009
IFRS 7 - Financial instruments disclosure	01 July 2008
IFRS 8 - Operating segments	01 July 2009
IFRIC 12 - Service concession arrangements	01 July 2009
IFRIC 13 - Customer loyalty programmes	01 July 2009
IFRIC 15 - Accounting for agreements for the construction of real estate	01 July 2009
IFRIC 16 - Hedge of net investment in a foreign operation	01 July 2009

In addition to the above, a new standard 'IFRS 4 - Insurance Contracts' has been issued by the International Accounting Standards Board but has not yet been adopted by the Institute of Chartered Accountants of Pakistan (ICAP) or notified by the SECP and, hence, presently do not form part of the local financial reporting framework.

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 value and foreign currency translations.

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amount 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 discussed in note 37.

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 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 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 13.1.

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 capitalised, 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 recognised 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.

3.2 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.

3.3 Ijarah finances

Ijarah where the Company 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 charges, are included in liabilities against assets subject to Ijarah finance as referred to in note 6. 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 charges 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 at the rates given in note 13.1. Depreciation of 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.

3.4 Investments

Investment in associate

Investments in associates on which the Company has significant influence are accounted for using the equity method unless otherwise the investment is acquired with a view to its disposal within twelve months.

3.5 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.

3.6 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:

Packing and raw 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.

3.7 Financial instruments

Financial assets

Significant financial assets include investments, 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 jarah finances, 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 loses 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.

3.8 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 amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are charged to 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 realised 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.

Revenue from sale of goods is recognised 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.

Dividend income and entitlement of bonus shares are recognized when right to receive such dividend and bonus shares is established.

Technical fee is recognized on time proportionate basis.

3.15 Related party transactions

The Company enters into transactions with related parties on an arm's length basis. 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 contribution 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 Borrowing costs

Mark-up, interest and other charges on borrowings are capitalised 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.

3.19 Dividend

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

	Note	2008 Rupees	2007 Rupees
4 Share capital			
Authorised capital			
142,500,000 (2007: 142,500,000) Ordinary shares of Rs. 10 each		1,425,000,000	1,425,000,000
Issued, subscribed and paid up capital			
14,950,000 (2007: 14,950,000) Ordinary shares of Rs. 10 each fully paid in cash		149,500,000	149,500,000
32,777,265 (2007: 28,778,722) Ordinary shares of Rs. 10 each issued as fully paid bonus shares		327,772,650	287,787,220
36,242,135 (2007: 36,242,135) Ordinary shares of Rs. 10 each issued under the scheme of amalgamation	4.1	362,421,350	362,421,350
		839,694,000	799,708,570

- 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 Misaffa 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	
	2008	2007
4.2 Reconciliation of ordinary shares		
Opening balance of ordinary shares of Rs. 10 each	79,970,857	63,976,686
Bonus shares issued during the year	3,998,543	15,994,171
Closing balance of ordinary shares of Rs. 10 each	83,969,400	79,970,857

- 4.3** Ghani Mines Private Limited and Jannia Tul Ghani Ul Islam (associated companies) hold 630,599 and 87,209 (2007: 600,570 and 83,056) ordinary shares, respectively, of Rs.10 each.

	Note	2008 Rupees	2007 Rupees
5 Reserves			
<i>Capital</i>			
Merger reserves	5.1	427,419,290	427,419,290
Share premium		75,000,000	75,000,000
		502,419,290	502,419,290
<i>Revenue</i>			
Unappropriated profit		1,573,935,011	1,234,871,768
		2,076,354,301	1,737,291,058

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

	Note	2008 Rupees	2007 Rupees
6 Ijarah finances - secured			
<i>Minimum Ijarah payments</i>			
Due within one year		28,631,852	51,507,124
Due after one year but not later than five years		49,246,326	26,413,612
		77,878,178	77,920,736
Less: Future finance cost		8,167,650	5,302,897
Present value of minimum Ijarah payments		69,710,528	72,617,839
Less: Current maturity	9	28,017,235	47,778,073
		41,693,293	24,839,766

The Company has executed Ijarah agreements with various banks and financial institutions. The liabilities are repayable in a mix of monthly and quarterly instalments and subject to Ijarah finance charges at the discount rates ranging between 6.25% per annum to one year KIBOR plus 3% per annum (2007: 6.25% per annum to six months KIBOR plus 3% per annum). These are secured against title of fixed assets under Ijarah financing and personal guarantees of the directors of the Company.

7 Security deposits

These are interest free security deposits obtained from various customers and are being utilized in accordance with the terms of contract.

			2008	2007
			Rupees	Rupees
8	Deferred taxation			
	Deferred tax liability comprises of the following:			
	Deferred tax liability arising in respect of tax depreciation allowances			
	Leased assets		268,636,426	177,908,735
			67,186,882	-
			335,823,308	177,908,735
	Deferred tax asset comprises of the following:			
	Provision for doubtful debts			
	Leased assets		(359,254)	(624,313)
	Current portion of leased assets		(13,394,009)	-
			(7,003,512)	-
			(20,756,775)	(624,313)
			315,066,533	177,284,422
9	Current portion of non current liabilities			
	Ijarah finances	6	28,017,235	47,778,073
	Morabaha finances		-	20,705,147
	Interest free loans from directors		35,277,933	131,468,484
			63,295,168	199,951,704
10	Short term morabaha financing - secured			
	Secured	Mark-up rate	2008	2007
			Rupees	Rupees
I	Albaraka Bank Limited	One year KIBOR plus 1% with a floor of 11%	26,620,383	6,409,481
II	Bank Alfalah Limited	Six months KIBOR plus 0.7%	5,027,437	79,984,481
III	Bank Islami	Six months KIBOR plus 0.3%	171,367,728	-
IV	Dubai Islamic Bank Limited	Nine month KIBOR + 1%	-	5,908,392
V	Habb Metropolitan Bank Limited	One year KIBOR plus 0.5%; floor 10.50% and ceiling 13.5%	43,636,100	51,641,417
VI	MCB Bank Limited	One year KIBOR plus 0.4%	51,785,570	81,965,949
VII	Meezan Bank Limited	One year KIBOR plus 0.75%	96,526,054	47,172,315
VIII	Sonari Bank Limited	One year KIBOR plus 0.75%	92,700,165	49,967,216
			487,663,437	323,049,251

10.1 Total Morabaha finance facilities available amount to Rs. 1,275 million (2007: Rs. 875 million). These are secured by first pari passu charge over all current present and future current assets, stocks, book debts and fixed assets and through personal guarantees of all directors of the Company.

		2008	2007
		Rupees	Rupees
11	Trade and other payables		
	Creditors for goods and services	468,892,270	424,114,444
	Advances from customers	93,349,025	86,216,372
	Accrued expenses	88,853,106	71,667,370
	Income tax deducted at source	1,670,444	8,182,465
	Security deposits	400,500	475,500
	Retention money	3,719,005	3,719,005
	Workers' profit participation fund	30,510,759	32,969,205
	Workers' welfare fund	16,485,743	9,615,591
	Sales tax payable	9,274,857	-
	Unclaimed dividend	2,952,732	2,578,211
	Payable to official assignee of Sindh High Court	-	52,500,000
	Provident fund payable	4,488,019	-
	Other payables	-	1,950,000
		720,596,460	693,988,163

11.1 Creditors include an amount of Rs. 0.31 million (2007: Rs. 2.11 million) payable to related parties. Particulars of the amounts due to related parties are as follows:

	2008	2007
	Rupees	Rupees
Ahmad Brothers & Company	109,481	-
Al-Muhandis Corporation	-	1,499,003
Ghani Automobile Industries Limited	-	79,429
Ghani Mines (Private) Limited	203,977	537,012
	313,458	2,115,444

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

	2008 Rupees	2007 Rupees
11.3 Workers' profit participation fund		
Opening balance	32,969,205	29,354,214
Provision for the year	43,383,534	25,304,188
Add: Profit charged on funds utilized in the Company's business	-	2,471,220
	76,352,739	57,129,622
Less: Payments made during the year	(45,841,980)	(24,160,417)
Closing balance	30,510,759	32,969,205
11.4 Workers' welfare fund		
Opening balance	9,615,591	4,453,962
Allocation for the year	16,485,743	9,615,591
Less: Payments made / reversed during the year	(9,615,591)	(4,453,962)
	6,870,152	5,161,629
Closing balance	16,485,743	9,615,591

11.5 Payable to Sindh High Court

This represents the amount payable to official assignee of Sindh High Court ("the Court") for additional liability in respect of purchase of assets from Prince Glass Works Limited on liquidation. The contesting parties agreed to the enhancement of sale price to Rs. 185 million. The amount of Rs. 132.5 million has already been deposited with the Court and the same stands distributed as well. The remaining amount of Rs. 52.5 million was deposited on 30 September 2007.

12 Contingencies and commitments

- 12.1** Aggregate amount of bank guarantees issued by banks outstanding as at balance sheet date amounted to Rs. 177.779 million (2007: Rs. 99.457 million).
- 12.2** Letters of credit for import of materials and stores outstanding as at balance sheet date amounted to Rs. 255.089 million (2007: Rs. 229.879 million).

18 Property, plant and equipment

	2008	2007
Cost		
At July 2007	2,261,622,309	1,809,540,518
Less: Depreciation	(143,254,523)	(105,055,081)
Net book value at July 2008	2,118,367,786	1,704,485,437

Operating assets
Capital work in progress

18.1 Operating assets

Item	Cost		Rate %	Depreciation		Net book value at 30 June 2008
	At July 2007	At all during the year 2008		For the year 2008	At all 30 June 2008	
Plant						
Freehold land	72,081,907	25,059,621	-	-	-	97,141,528
Buildings (freehold land)	288,171,581	26,311,300	10	20,627,756	1,030,186,162	1,060,809,039
Plant machinery	1,285,183,256	519,333,014	10	90,627,234	475,709,565	1,290,006,687
Furniture	519,785,315	519,785,315	10	36,994,890	173,111,310	346,674,005
Tools and office equipment	10,055,419	1,654,412	10	784,862	3,549,543	6,505,876
Electric equipment	2,104,262	7,104,262	10	433,106	3,606,333	5,997,949
Furniture and fixtures	8,197,789	1,111,000	10	24,923,773	3,225,053	6,083,736
Motor vehicles	48,089,628	9,696,233	20	4,121,698	26,919,653	22,585,988
Plant	2,193,029,105	383,197,789		152,276,389	2,025,337,819	1,968,692,786
Plant						
Plant machinery	297,120,018	6,975,000	10	263,360,821	303,361,306	223,760,012
Furniture	30,071,690	33,628,100	20	462,628	662,628	30,409,062
Motor vehicles	327,192,406	16,368,025	20	5,086,652	11,357,466	315,844,940
Plant	2,522,221,605	693,362,095		158,382,111	1,330,097,7	2,291,822,369
Plant						
Freehold land	72,081,907	-	-	-	-	72,081,907
Buildings (freehold land)	242,060,773	46,310,808	10	69,419,067	68,786,386	193,645,195
Plant machinery	1,146,025,743	109,157,315	10	276,032,791	365,282,351	880,900,987
Furniture	519,785,315	519,785,315	10	92,046,321	1,542,164,20	366,000,095
Tools and office equipment	9,481,858	573,361	10	1,991,262	2,764,661	7,290,778
Electric equipment	6,031,716	1,272,366	10	2,583,634	3,693,593	4,337,122
Furniture and fixtures	3,707,289	490,300	10	20,348,771	603,802	3,503,786
Motor vehicles	43,007,034	491,200	20	24,614,672	1,914,684	18,392,362
Plant	2,193,029,105	158,296,597		409,625,338	653,593,837	1,541,435,765
Plant						
Plant machinery	297,120,018	21,817,855	10	19,548,546	53,248,221	243,871,797
Motor vehicles	305,176,533	21,817,855	20	2,076,672	3,203,344	298,780,666
Plant	2,342,136,168	180,114,473		218,625,426	712,681,165	1,629,455,003

	Note	2008 Rupees	2007 Rupees
13.2	Depreciation charge for the year has been allocated as follows:		
Cost of sales	24	174,065,779	189,398,548
General and administrative expenses	25	12,750,761	13,573,925
Selling and distribution expenses	26	1,525,571	1,459,953
		<u>188,342,111</u>	<u>204,432,426</u>

13.3 Disposals of property, plant and equipment

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Profit	Mode of disposal	Particulars of buyer
Vehicle - Hyundai Starex	535,000	454,813	78,187	245,000	184,813	No negotiation	Hasbi UDAH
Vehicle - Isuzu Spectra	744,000	523,553	240,447	290,000	49,553	No negotiation	M. Rizki
Vehicle - Mercedes Benz Van	1,530,000	1,299,500	230,500	525,000	274,500	No negotiation	M. Asraf
Vehicle - Suzuki Bolan	284,000	253,048	31,952	250,000	225,048	No negotiation	Mohammed Bashir
Vehicle - Suzuki Ekyber	439,400	397,081	42,319	180,000	117,481	No negotiation	Nasser Ahmed
Vehicle - Suzuki Ekyber	434,000	375,144	58,856	145,000	84,144	No negotiation	Mohd M. Aslam
Vehicle - Suzuki Pick up	213,300	198,774	14,526	140,000	145,274	No negotiation	M. Asraf
2008	<u>4,242,100</u>	<u>3,303,957</u>	<u>738,143</u>	<u>1,823,000</u>	<u>1,084,857</u>		
Vehicle - Suzuki Maloom	229,000	215,424	13,576	180,000	144,424	No negotiation	Asadul Mulkood
2007	<u>229,000</u>	<u>215,424</u>	<u>13,576</u>	<u>180,000</u>	<u>144,424</u>		

13.4 Capital work in progress

Plant and machinery		-	55,279,118
Civil works		-	88,575,403
	13.4.1	-	<u>143,854,523</u>
13.4.1 Movement during the year			
Opening balance		143,854,523	58,105,013
Additions during the year		83,997,314	81,749,510
Transferred to property, plant and equipment		(227,451,837)	-
Closing balance		-	<u>143,854,523</u>

	2008 Rupees	2007 Rupees
14 Long term investments		
Investment in associate	6,592,000	6,592,000

This represents cost of 33% investment in 400 (2007: 400) fully paid ordinary shares of AED 1000 each of Rak Ghani Glass LLC, UAE ("the Associate") as the associate has not yet commenced commercial production.

15 Long term advance

This represents the advance given to RAK Ghani Glass LLC, UAE (an associated Company) for purchase of shares.

	<i>Note</i>	2008 Rupees	2007 Rupees
16 Long term deposits			
Ijarah finances	161	12,154,413	15,457,106
Others	162	5,535,250	1,541,215
		<u>17,689,663</u>	<u>16,998,321</u>
Less: Current maturity		523,500	4,240,400
		<u>17,166,163</u>	<u>12,757,921</u>

16.1 These represents interest free security deposits for Ijarah finances and are adjustable at the expiry of respective Ijarah facilities.

16.2 These represent interest free security deposits to different entities.

17 Stores, spares and other consumables

Stores and spares	491,504,212	422,165,738
Stores and spares in transit	234,109,170	13,252,973
Fuel and lubricants	41,846,904	28,112,013
	<u>767,460,286</u>	<u>463,530,724</u>

17.1 Most of the items of stores and spares are of an interchangeable nature and can be used as machine spares or consumed as stores. Accordingly, it is not practicable to distinguish stores and spares until their actual usage.

	<i>Note</i>	2008 Rupees	2007 Rupees
18 Stock in trade			
Raw material		276,314,186	263,256,828
Raw material in transit		12,545,701	64,993,240
Work in process		43,173,361	22,121,306
Finished goods		281,136,618	230,340,052
Packing materials		44,950,916	35,034,435
		<u>658,120,782</u>	<u>615,745,861</u>
19 Trade debtors			
Local - unsecured			
Considered good		392,904,321	378,598,028
Considered doubtful		1,227,392	1,783,750
		<u>394,131,713</u>	<u>380,381,778</u>
Less: Provision for doubtful debts		<u>(1,227,392)</u>	<u>(1,783,750)</u>
		392,904,321	378,598,028
Foreign - secured, considered good		34,405,237	1,096,897
		<u>427,309,558</u>	<u>379,694,925</u>
20 Advances, deposits and prepayments			
Advances			
Employees - secured		27,314,863	10,588,510
Suppliers of goods and services - unsecured		330,833,524	226,845,037
Due from related parties	20.1	2,601,888	729,516
Trade deposits		3,817,500	1,930,531
Receivable from Provident fund trust		-	1,784,161
Excise duty receivable		46,601	29,349
Freight subsidy refundable		1,191,717	1,191,717
Sales tax refundable		-	5,096,635
		<u>365,806,093</u>	<u>248,195,456</u>
20.1 Due from related parties			
Ahmad Brothers		109,481	252,933
Al-Muharikus Corporation		590,078	313,856
Ghani Automobile Industries Limited		1,573,690	63,305
Ghani Corporation		59,662	34,422
Ghani Mines (Private) Limited		268,977	65,000
		<u>2,601,888</u>	<u>729,516</u>

	Note	2008 Rupees	2007 Rupees
21 Other receivables			
Technical fee receivable	21.1	54,111,931	25,041,430
Receivable from RAK Ghani Glass LLC	21.2	19,034,498	5,295,602
		73,146,429	30,337,032

21.1 This represents amounts receivable from RAK Ghani Glass LLC, UAE as consideration towards the transfer of technology, patent rights for design, engineering, procurement, construction, commissioning and management of the plant operations

21.2 This represents expenses incurred by the Company on behalf of RAK Ghani Glass LLC, UAE.

	Note	2008 Rupees	2007 Rupees
22 Cash and bank balances			
Cash at banks - current accounts		34,607,982	127,061,887
Cash in hand		9,525,107	6,117,018
		44,133,089	133,178,905
23 Sales - net			
Local sales		3,960,868,164	3,212,933,563
Less: Discount		(60,466,072)	(57,996,286)
		3,900,402,092	3,154,937,277
Less: Sales tax		(527,513,787)	(411,852,894)
		3,372,888,305	2,743,084,383
Export sales		660,330,093	381,548,865
		4,033,218,398	3,124,633,248

		2008 Rupees	2007 Rupees	
24	Cost of sales			
	Raw material consumed	24.1	1,054,800,356	800,594,890
	Fuel, gas and electricity		912,411,352	752,472,847
	Packing material consumed		241,996,916	206,774,033
	Stores and spares consumed		97,154,549	94,680,945
	Salaries, allowances and other benefits	24.2	348,668,118	290,823,046
	Depreciation	18.2	174,065,779	189,398,548
	Rent, rates and taxes		3,254,949	3,317,282
	Repair and maintenance		3,948,161	2,482,696
	Traveling and motor running		10,716,590	11,687,078
	Communication and stationery		3,832,178	3,583,642
	Other manufacturing expenses		9,951,013	12,325,598
			2,860,799,961	2,368,140,605
	Work in process			
	Opening balance		22,121,306	31,580,785
	Closing balance		(43,173,361)	(22,121,306)
			(21,052,055)	9,459,479
			2,839,747,906	2,377,600,084
	Finished goods			
	Opening balance		230,340,052	200,234,295
	Closing balance		(281,136,618)	(230,340,052)
			(50,796,566)	(30,105,757)
			2,788,951,340	2,347,494,327
24.1	Raw materials consumed			
	Opening balance		263,256,828	230,823,148
	Purchases		1,067,857,714	833,028,570
	Closing balance		(276,314,186)	(263,256,828)
			1,054,800,356	800,594,890

24.2 Salaries, allowances and other benefits include Rs. 7.17 million (2007: Rs. 4.62 million) in respect of retirement benefits.

	<i>Note</i>	2008 Rupees	2007 Rupees
25 Administration and other expenses			
Salaries, allowances and other benefits	25.1	56,615,862	43,692,555
Communication, stationery and supplies		9,198,645	11,378,278
Utilities		1,399,582	1,222,571
Rent, rates and taxes		1,099,150	423,401
Travelling and conveyance		13,827,398	13,049,939
Auditors' remuneration	25.2	490,000	440,000
Depreciation	23.2	12,750,761	13,873,925
Legal and professional expenses		6,301,794	4,310,397
Charity and donation	25.3	819,934	415,322
Provision for bad debts		1,227,392	1,783,750
Other expenses		13,040,082	7,479,502
		116,770,600	98,069,640

25.1 Salaries, allowances and other benefits include Rs. 4.1 million (2007: Rs. 2.4 million) in respect of retirement benefits.

	2008 Rupees	2007 Rupees
25.2 Auditors' remuneration		
Statutory audit fee	295,000	245,000
Half yearly review	125,000	125,000
Code of corporate governance review	30,000	30,000
Out of pocket expenses	40,000	40,000
	490,000	440,000

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

	<i>Note</i>	2008 Rupees	2007 Rupees
26 Selling and distribution expenses			
Salaries, allowances and other benefits	26.1	26,510,334	17,032,400
Communication, stationery and supplies		2,472,201	1,661,455
Utilities		295,600	237,954
Rent, rates and taxes		1,819,816	570,000
Travelling and conveyance		6,935,698	4,669,538
Advertisement and sale promotion		33,940,962	35,787,368
Commission on sales		60,994,749	37,572,698
Depreciation	13.2	1,525,571	1,659,953
Other expenses		851,351	1,755,826
Bad debts written off		-	543,410
Transportation and handling		145,845,576	119,296,809
		281,191,858	220,787,411

26.1 Salaries, allowances and other benefits include Rs 0.77 million (2007: Rs. 0.82 million) in respect of retirement benefits.

	<i>Note</i>	2008 Rupees	2007 Rupees
27 Other operating expenses			
Provision for workers' profit participation fund	11.3	43,383,534	25,304,188
Provision for workers' welfare fund	11.4	16,485,743	5,161,629
		59,869,277	30,465,817
28 Other operating income			
Income from financial assets			
Gain on sale of investment		2,058,777	-
Profit on savings account		313,942	-
Exchange gain		-	289,839
		2,372,719	289,839
Income from non-financial assets			
Gain on sale of fixed assets		1,084,857	166,624
Technical fee from RAK Project	21.1	61,902,407	58,613,652
Breakage by packing contractor		1,238,065	-
Scrap sales		25,727,932	12,324,735
		89,953,261	71,105,011
		92,325,980	71,394,850

	2008 Rupees	2007 Rupees
29 Finance cost		
Profit on Ijarah finances	7,428,250	11,128,734
Profit on short term morabaha finances	57,613,858	27,827,946
Bank charges	5,917,802	4,510,475
Profit on WPPF balance utilized	-	2,471,220
	70,959,910	45,938,375
30 Taxation		
Income tax		
Current year	131,028,895	14,373,550
Prior year	-	(45,706,892)
	131,028,895	(31,333,342)
Deferred tax	137,782,111	104,571,833
	268,811,006	73,238,491

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

30.2 Tax charge reconciliation

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

	2008 %	2007 %
Applicable tax rate	35.00	35.00
Tax effect of final tax/minimum tax	(1.72)	(21.86)
	33.28	13.14
31 Earnings per share - basic and diluted		
Profit after taxation	<i>Rupees</i> 538,990,387	402,379,454
Weighted average number of ordinary shares	<i>Number of shares</i> 83,969,400	83,969,400
Earnings per share	<i>Rupees</i> 6.42	4.79

32 Remuneration of Directors, Chief Executive and Executives

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

	Chief Executive		Directors		Executives	
	2008	2007	2008	2007	2008	2007
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	8,220,000	4,485,000	23,864,000	22,035,000	28,279,884	13,338,912
Bonus	2,466,000	1,121,230	7,149,200	5,508,750	4,333,180	1,449,150
Medical expenses	-	33,708	376,460	801,200	507,463	344,052
Retirement benefits	666,000	373,600	1,968,667	2,207,367	2,365,632	533,037
	11,371,000	6,013,538	33,388,347	30,552,317	35,476,869	15,665,151
Number of persons	1	1	4	7	8	8

321 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.

322 The aggregate amount charged in the financial statements in respect of remuneration to key management personnel is Rs. 79,352 million (2007: Rs. 51,052 million) out of which Rs. 5.03 million (2006: Rs. 3.11 million) relates to retirement benefits.

33 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 11 and 20 and remuneration to key management personnel are disclosed in note 32.

Related party	Relationship	Basis of relationship	Source of transactions	2008 Rupees	2007 Rupees
Almad Brothers and Company	Associated undertaking	Partners of firm are directors in the Company	Commercial purchases	6,030,929	4,732,207
A-1-Mulhandus Corporation	-do-	Partners of firm are directors in the Company	Reimbursement of utility expenses Purchase of vehicle	276,222	251,994 1,185,147
Ghani Automobile Industries Limited	-do-	Common directorship	Reimbursement of utility expenses Purchase of vehicle Other expenses	381,738 231,034	- 35,500 40,25
Ghani Corporation	-do-	Partners of firm are directors in the Company	Reimbursement of utility expenses	25,240	28,532
Ghani Mines (Private) Limited	-do-	Common directorship	Reimbursement of utility expenses Other expenses	249,233 2,304,847	252,176 65,000
Rak Ghani Glass LLC	-do-	Common directorship	Technical fee Other expenses	61,902,407 15,172,310	58,613,652 8,573,126

34.2 Financial risk management objectives

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining a reasonable mix between the various sources of finances to minimize risk.

Taken as a whole, risk arising from Company's financial instruments is limited as there is no significant exposure to market risk in respect of such instruments.

a) *Credit risk*

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The Company's credit risk is primarily attributable to its trade debts and its balances with the bank. The credit risk on liquid funds is limited because the counter parties are the banks with high credit ratings. The Company has no significant concentration of credit risk as exposure is spread over a large number of counter parties in case of trade debts.

To manage exposure to credit risk, the group applies credit limits to its customers and also obtains security deposits, where considered necessary.

b) *Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in interest rates. The Company has long term and short term financing agreements with suppliers which are subject to interest rate risk as disclosed in notes 7 and 11.

c) *Liquidity risk*

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Company follows an effective cash management and planning policy and maintains flexibility in funding by keeping committed credit lines available.

d) *Foreign exchange risk management*

The Company has a foreign currency investment and the Company's exposure to currency risk is considered to be minimum.

e) *Capital risk management*

The Board's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as net operation income divided by total capital employed. The Board of Directors also monitors the level of dividends to individual ordinary shareholders.

34.3 Fair value of financial instruments

The carrying value of financial assets and financial liabilities reflected in the financial statements are approximate their fair values. This assessment is based upon settlement/realizable values.

	2008 Rupees	2007 Rupees
35 Cash generated from operations		
Profit before taxation	807,801,393	475,617,945
Adjustments for non cash and other items:		
Depreciation	188,342,111	204,932,426
Amortization of goodwill	-	(22,345,417)
Gain on sale of investment	(2,058,777)	-
Financial charges	70,959,910	45,938,375
Exchange gain	-	(289,839)
Bad debts written off	-	543,410
Contribution to provident fund	10,985,051	9,396,776
Provision for WPPF	43,383,534	25,304,188
Provision for doubtful trade debts	1,227,392	1,783,750
Gain on sale of property, plant and equipment	(1,084,857)	(166,624)
	311,754,364	265,097,045
Operating profit before working capital changes	1,119,555,757	740,714,990
(Increase)/decrease in operating activities		
Store, spares loose tools and other consumable	(303,929,562)	(106,306,611)
Stock in trade	(42,374,921)	(123,747,950)
Trade debtors	(47,614,633)	38,764,190
Advances, deposits and prepayments	(119,394,798)	(59,907,140)
Other receivables	(42,809,397)	(30,337,032)
Creditors, accrued and other liabilities	30,716,224	278,184,712
	(525,407,087)	(3,349,831)
Cash generated from operations	594,148,670	737,365,159

36 Plant capacity and annual production

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

	Production capacity (Tons)		Actual production (Tons)	
	2008	2007	2008	2007
Float glass	127,750	109,500	92,272	84,467
Hollow glass	79,355	107,675	96,068	93,692
	207,105	217,175	188,340	178,159

The actual production is lower than the production capacity mainly due to shut down of one furnace at Karachi plant for a period of 3 months for enhancement of plant capacity.

37 Accounting estimates and judgments

Provision for doubtful debts

The Company has provided provision for debts that are considered doubtful in its financial statements.

Income taxes

The Company has provided provision for deferred tax and income tax in its financial statements

38 Subsequent event

The board of directors have proposed a final cash dividend @ Rs. 2 per share and issuance of bonus shares @ 5 % for the year ending 30 June 2008.

39 Date of authorization for issue

The financial statements were approved and authorized for issue on _____ by the board of directors of the Company.

40 General

Figures have been rounded off to nearest rupee.

Chief Executive

Director



GHANI GLASS LIMITED
50-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 as my/our proxy to attend, act and vote for me/us on my/our behalf at the 16th ANNUAL GENERAL MEETING of the members of the Company to be held at Avari Hotel, The Mall, Lahore, on Thursday October 30, 2008 at 11:00 am and at every adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2008

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.