

3rd Quarter

Financial Statements

March 31, 2011



GHANI GLASS

Leaders in Glass

GHANI GLASS LIMITED

A Company of Ghani Group

CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. Aitzaz Ahmad Khan Mr. Imtiaz Ahmad Khan Mr. Anwaar Ahmad Khan Mr. Aftab Ahmad Khan Mrs. Ayesha Aftab Hafiz Farooq Ahmad Hafiz Avais Ghani Mr. Junaid Ghani Mr. Jubair Ghani Mrs. Reema Anwaar (Alternate) Mr. Shahid Khan Mr. Faysal Essam T. Hamza (Alternate)	Chairman Chief Executive Officer Deputy Chief Executive Officer Nominee SJC Pakistan LLC
AUDIT COMMITTEE	Mr. Aftab Ahmad Khan Mr. Jubair Ghani Mrs. Ayesha Aftab	Chairman
CHIEF FINANCIAL OFFICER	Mr. Umer Farooq Khan	
COMPANY SECRETARY	Hafiz Mohammad Imran Sabir	
AUDITORS	KPMG Taseer Hadi & Co. Chartered Accountants	
LEGAL ADVISOR	Ally Law Associates	CORPORATE CONSULTANTS <ul style="list-style-type: none">● 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 Allied Bank of Pakistan Limited Bank Alfalah Limited, IBD Dawood Islamic 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

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REGISTERED OFFICE

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MARKETING OFFICE

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GGL PLANT-1 & REGIONAL MARKETING OFFICE-NORTH

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The. & Dist. Haripur (NWFP)
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Fax : (0995) 639067
Email : gglplant@hrp.wol.net.pk

GGL PLANT-2

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Karachi-74000
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GGL PLANT-3

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DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors of Ghani Glass Limited is pleased to present the Third Quarterly Financial Statements of the Company for the period ended March 31, 2011.

Operating Results

Al Hamdu Lillah, despite very tight economic conditions and energy shortages your Company with the help of Almighty Allah has been able to maintain a steady growth during the period under review.

	Period ended March 31, 2011	Period ended March 31, 2010
	(Rupees in '000')	
Net Sales	5,018,746	4,729,088
Gross Profit	1,574,110	1,360,694
Profit from Operations	1,080,986	979,417
Profit before Tax	1,047,386	909,447
Profit after Tax	786,470	675,329
Earning per Shares	7.37	6.33

During the nine months period the performance of your company remained upto the expectations. Due to cost optimization and process improvement there has been recorded a growth in profitability of the company. Keeping in view above results, we hope that by the grace of Almighty Allah, your company will achieve better results at the end of the current financial year.

Float Glass Expansion Project

The progress on the Float Expansion Project continues to be satisfactory. Some of the imported machinery has arrived at the plant while the remaining is under way. The Project will Insha Allah be commissioned in December this year as planned.

Acknowledgement

The Board and the management would like to thank senior executives of the pharmaceutical, food & beverage industries and dealers of float glass for their constant support and confidence reposing on our quality products. The Board also appreciates the cooperation of our suppliers, contractors and bankers.

The Board acknowledges and puts on record its sincere appreciation for the employees, staff and workers of the company for their hard work, enthusiasm and loyalty.

We pray to almighty Allah for the success of our company.

For and on behalf of the Board

Lahore: April 27, 2011

Anwaar Ahmed Khan
Director

3rd Quarter Financial Statements March-2011

Ghani Glass Limited
Condensed Interim Balance Sheet
As at 31 March 2011 (Un-audited)



	Note	31 March 2011 Rupees	30 June 2010 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,518,792,521	2,708,018,200
Long term investment	6	190,666,483	60,118,298
Long term advances		-	146,962,846
Long term deposits		18,215,231	19,238,230
		<u>3,727,674,235</u>	<u>2,934,337,574</u>
Current assets			
Stores, spares and other consumables		742,920,661	697,690,503
Stock in trade		897,415,676	888,199,679
Trade debts		615,261,326	634,559,273
Advances, deposits, prepayments and other receivables		465,368,879	417,714,018
Other receivables		13,543,915	16,451,888
Cash and bank balances		69,948,540	136,836,069
		<u>2,804,458,996</u>	<u>2,791,451,430</u>
		<u>6,532,133,232</u>	<u>5,725,789,004</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
142,500,000 ordinary shares of Rs 10 each		<u>1,425,000,000</u>	<u>1,425,000,000</u>
Issued, subscribed and paid up capital			
106,683,122 (30 June 2010: 96,984,657) ordinary shares of Rs 10 each		<u>1,066,831,227</u>	<u>969,846,570</u>
Reserves		<u>3,620,740,070</u>	<u>3,173,716,133</u>
		<u>4,687,571,297</u>	<u>4,143,562,703</u>
Non-current liabilities			
Long term deposits		<u>1,157,500</u>	<u>1,157,500</u>
Deferred taxation		<u>397,442,463</u>	<u>402,051,146</u>
		<u>398,599,963</u>	<u>403,208,646</u>
Current liabilities			
Short term morabaha against bill		<u>141,463,933</u>	<u>89,283,459</u>
Short term morabaha		<u>278,187,221</u>	<u>7,079,771</u>
Accrued markup		<u>6,028,731</u>	<u>2,145,971</u>
Provision for taxation		<u>86,892,589</u>	<u>67,978,436</u>
Trade and other payables		<u>933,389,498</u>	<u>1,012,530,018</u>
		<u>1,445,961,972</u>	<u>1,179,017,655</u>
Contingencies and commitments	7	<u>6,532,133,232</u>	<u>5,725,789,004</u>

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

Lahore:

Chief Executive Officer

Director

3rd Quarter Financial Statements March-2011

Ghani Glass Limited
Condensed Profit and Loss Account (Un-audited)
 FOR THE PERIOD ENDED 31 MARCH 2011



	Note	Quarter ended		Period ended	
		31 March 2011 Rupees	31 March 2010 Rupees	31 March 2011 Rupees	31 March 2010 Rupees
Sales	8	1,841,236,839	1,649,280,587	5,018,746,396	4,729,088,418
Cost of sales	9	(1,305,364,643)	(1,247,618,940)	(3,444,635,708)	(3,368,393,431)
Gross profit		535,872,196	401,661,648	1,574,110,688	1,360,694,988
General and administrative expenses		(31,289,367)	(25,413,255)	(159,887,784)	(120,221,870)
Selling and distribution expenses		(80,275,071)	(78,455,860)	(272,093,282)	(216,097,704)
Other expenses		(33,168,917)	(19,117,955)	(98,734,000)	(67,402,644)
Other income		19,605,390	6,936,284	37,590,932	22,444,998
		(125,127,964)	(116,050,786)	(493,124,133)	(381,277,220)
Operating profit		410,744,232	285,610,862	1,080,986,555	979,417,768
Share of loss of associate		(2,079,900)	(9,120,000)	(16,414,661)	(26,408,627)
Finance cost		(11,643,958)	(18,536,995)	(17,185,832)	(43,561,865)
Profit before taxation		397,020,375	257,953,867	1,047,386,062	909,447,276
Provision for taxation		(123,302,290)	(48,332,657)	(260,915,826)	(234,117,731)
Profit after taxation		273,718,085	209,621,210	786,470,237	675,329,545
Earnings per share - basic and diluted		2.57	1.96	7.37	6.33

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

Lahore:

Chief Executive Officer

Director

3rd Quarter Financial Statements March-2011



Ghani Glass Limited Condensed Cash Flow Statement (Un-audited)

FOR THE PERIOD ENDED 31 MARCH 2011

Cash flows from operating activities

Profit before taxation
Adjustments for non cash and other items:
Depreciation
Impairment loss on property, plant and equipment
Financial charges
Share of loss of associate
Gain on sales of fixed assets
Workers' profit participation fund
Workers' welfare fund

Operating profit before working capital changes (Increase)/decrease in current assets:

Stores and spares
Stock in trade
Trade debtors
Other receivables
Advances, deposits and prepayments

Increase/(decrease) in current liabilities:

Trade and other payables
Securities deposits

Cash generated from operations

Financial charges paid
Taxes paid
Workers' profit participation fund paid

Net cash generated from operating activities

Cash flows from investing activities

Additions in operating fixed assets
Additions in capital work in progress
Proceed from sale of fixed assets
Long term advance
Long term deposits

Net cash used in investing activities

Cash flows from financing activities

Interest free loans from directors - unsecured
Ijarah finances
Diminishing musharika
Murabaha finances
Murabaha finances against bills
Dividend paid

Net cash generated from financing activities

Net increase in cash and cash equivalents during the period

Cash and cash equivalents at the beginning of the period

Cash and cash equivalents at the end of the period

Nine months ended

31 March 2011 Rupees	31 March 2010 Rupees
1,047,386,062	909,447,276
195,518,740	185,791,070
20,569,512	-
17,185,832	43,561,865
16,414,661	26,408,627
(3,018,812)	(1,132,042)
56,277,528	48,842,496
21,886,960	-
324,834,420	303,472,016
1,372,220,482	1,212,919,292
(45,230,158)	(124,021,385)
(9,215,997)	(43,207,940)
19,297,947	(301,542,054)
2,907,973	-
(47,654,861)	(13,258,069)
(79,895,095)	(482,029,448)
(101,075,798)	(29,452,284)
(101,075,798)	18,312,257
(101,075,798)	(11,140,027)
1,191,249,588	719,749,817
(13,303,072)	(36,877,056)
(272,396,289)	(302,937,098)
(58,332,680)	(50,089,843)
(344,032,041)	(429,521,437)
847,217,548	290,228,380
(339,149,607)	(162,444,935)
(689,365,324)	(59,888,098)
4,164,000	1,861,786
-	(6,527,068)
1,022,999	(3,838,299)
(1,023,327,932)	(230,836,614)
-	(12,896,000)
-	(30,071,607)
-	(5,000,001)
271,107,450	323,472,660
52,180,474	-
(214,065,069)	(244,432,622)
109,222,855	31,072,430
(66,887,529)	90,464,196
136,836,069	34,482,368
69,948,540	124,946,564

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

Lahore:

Chief Executive Officer

Director

3rd Quarter Financial Statements March-2011

Ghani Glass Limited

Condensed Statement of Other Comprehensive Income (Un-audited)

FOR THE PERIOD ENDED 31, MARCH 2011



	Quarter ended		Period Ended	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
	Rupees	Rupees	Rupees	Rupees
Profit for the period	273,718,085	209,621,210	786,470,237	675,329,545
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	273,718,085	209,621,210	786,470,237	675,329,545

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

Lahore:

Chief Executive Officer

Director

3rd Quarter Financial Statements March-2011



Ghani Glass Limited
Condensed Interim Statement of Changes in Equity (Un-audited)
 For the period ended 31 March 2011

	Share Capital Rupees	Capital reserve		Revenue reserve	Total Rupees
		Merger Reserve Rupees	Share Premium Rupees	Accumulated Profit Rupees	
Balance as at 30 June 2009	881,678,700	427,419,290	75,000,000	2,076,772,723	3,460,870,713
Bonus shares issued @ 10% for the year ended 30 June 2009	88,167,870	-	-	(88,167,870)	-
Final dividend for the year ended 30 June 2009 @ Rs. 3 per share	-	-	-	(264,503,610)	(264,503,610)
Total comprehensive income for the nine months period ended 31 March 2010	-	-	-	675,329,545	675,329,545
Balance as at 31 March 2010	969,846,570	427,419,290	75,000,000	2,399,430,788	3,871,696,648
Total comprehensive income for the six months period ended 30 June 2010	-	-	-	271,866,055	271,866,055
Balance as at 30 June 2010	969,846,570	427,419,290	75,000,000	2,671,296,843	4,143,562,703
Bonus shares issued @ 10% for the year ended 30 June 2010	96,984,657	-	-	(96,984,657)	-
Final dividend for the year ended 30 June 2010 @ Rs. 2.5 per share	-	-	-	(242,461,643)	(242,461,643)
Total comprehensive income for the nine months period ended 31 March 2011	-	-	-	786,470,237	786,470,237
Balance as at 31 March 2011	1,066,831,227	427,419,290	75,000,000	3,118,320,780	4,687,571,297

The annexed notes 1 to 12 form an integral part of this condensed interim financial information.

Lahore:

 Chief Executive Officer

 Director

3rd Quarter Financial Statements March-2011



Ghani Glass Limited

Notes to the Condensed financial Information (Un-audited)

FOR THE PERIOD ENDED 31 MARCH 2011

1 Status and nature of business

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

2 Basis of preparation

The condensed financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 June 2010.

3 Estimates

The preparation of the condensed financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The significant judgments made by management is in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements for the year ended 30 June 2010.

4 Accounting policies

4.1 The accounting policies and methods of computation adopted in the preparation of the condensed interim financial information are the same as those applied in preparation of preceding annual financial statements for the year ended 30 June 2010.

4.2 In addition to above, following amendments to the International Financial Reporting Standards/ International Accounting Standards are mandatory for the first time for the financial year beginning on or after 1 January 2011, however, the adoption of these amendments is either not yet effective or the amendments did not have any significant impact on the financial information of the Company.

- IFRS 7 (amendment) - Disclosures - Transfers of Financial Assets
- IAS 12 (amendment) - Deferred Tax on Investment Property
- IAS 24 (Revised) - Related Party Disclosures
- IAS 32 (amendment) - Financial Instruments: Presentation - Classification of Right Issues
- IFRIC 14 (amendment) - The Limit on a Defined Benefit Assets - Minimum Funding Requirements
- IFRIC 19 - Extinguishing financial liabilities with equity instruments

3rd Quarter Financial Statements March-2011



	Note	Un-audited 31 March 2011 Rupees	Audited 30 June 2010 Rupees
5 Property, plant and equipment			
Operating assets	5.1	2,625,481,889	2,504,072,882
Capital work in progress	5.2	893,310,632	203,945,318
		<u>3,518,792,521</u>	<u>2,708,018,200</u>
5.1 Operating assets			
Net book value at the beginning of the period		2,504,072,892	2,501,292,267
Add: Additions during the period		339,149,607	253,063,354
Less: Disposals during the period (at book value)		5,087,500	(3,214,200)
Add: Accumulated depreciation on disposals		3,435,142	2,484,456
Less: Depreciation charged during the period		(195,518,740)	(249,552,985)
Less: Impairment charge during the period		(20,569,512)	-
		<u>2,625,481,889</u>	<u>2,504,072,892</u>
5.2 Capital work in progress			
Opening balance at the beginning of the period		203,945,318	135,228,659
Add: Additions during the period		1,011,578,245	281,561,254
Less: Transfers to Fixed assets		(322,212,931)	(212,844,595)
Balance at the end of the period		<u>893,310,632</u>	<u>203,945,318</u>
6 Investment in associate			
Rak Ghani Glass LLC			
13,200 (June 2010: 6,800) fully paid ordinary shares of AED 1,000 each	6.1	190,666,483	60,118,298
6.1 Movement in equity instruments of associated company is as follows:			
Balance as at 01 July		60,118,298	90,220,317
Shares issued against advance		146,962,846	-
		<u>207,081,144</u>	<u>90,220,317</u>
Share of losses		(16,414,661)	(30,102,019)
Balance as at 31 March		<u>190,666,483</u>	<u>60,118,298</u>

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

Percentage interest held	Rupees			
	Assets	Liabilities	Revenue	Loss
30%	825,265,108	466,443,764	261,224,286	16,414,661

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7 Contingencies and commitments

7.1 Contingencies

7.1.1 There is no material change in contingencies from the preceding annual published financial statements of the Company for the year ended 30 June 2010.

7.2 Commitments

7.2.1 Aggregate amount of bank guarantees issued by banks outstanding as at balance sheet date amounting to Rs. 315 million (30 June 2010: Rs. 317 million).

7.2.2 Letter of credits for import of materials and stores outstanding as at balance sheet date amounting to Rs.750 million (30 June 2010: Rs. 262.78 million).

	Quarter ended		Half year ended	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
	Rupees	Rupees	Rupees	Rupees
8 Sales				
Local sales	1,990,105,451	1,746,925,751	5,266,818,131	4,856,687,107
Export sales	160,202,045	206,799,400	629,141,941	688,313,843
Gross sales	2,150,307,496	1,953,725,151	5,895,960,072	5,545,000,950
Less: Trade discount/commission	12,013,528	49,357,731	62,546,398	94,841,996
Sales tax/Excise duty	297,057,129	255,086,833	814,667,278	721,070,536
	309,070,657	304,444,564	877,213,676	815,912,532
	1,841,236,839	1,649,280,587	5,018,746,396	4,729,088,418
			Un-audited 31 march 2011 Rupees	Un-audited 31 March 2010 Rupees
9 Cost of good sold				
Raw material consumed			1,071,618,531	1,085,664,922
Fuel, gas and electricity			1,280,562,023	1,328,276,378
Stores and spares consumed			120,698,485	109,625,632
Salaries, allowances and other benefits			442,847,810	335,005,917
Employees retirement benefits			11,269,448	9,872,454
Packing expenses			278,418,464	273,123,776
Depreciation			180,698,419	171,708,106
Rent, rates and taxes			6,130,688	950,023
Repair and maintenance			9,132,136	5,255,071
Travelling and motor running			16,596,566	12,436,936
Communication and stationery			2,961,812	2,975,298
Other manufacturing expenses			12,103,126	15,384,226
			3,433,037,508	3,350,278,739
Work in process				
Opening balance			48,003,686	56,695,560
Closing balance			(54,580,889)	(58,089,829)
			(6,577,203)	(1,394,269)
			3,426,460,305	3,348,884,470
Finished goods				
Opening balance			308,924,493	354,130,591
Closing balance			(290,749,090)	(334,621,631)
			18,175,403	19,508,960
			3,444,635,708	3,368,393,431

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		Un-audited 31 March 2011 Rupees	Un-audited 31 March 2010 Rupees
10	Transactions with related parties		
	Name		
	Nature of Transaction		
	<i>Associates</i>		
	Ghani Value Glass Limited	106,248,599	117,637,576
	Other expenses	7,023,314	
	Ghani Automobiles Industries Limited	109,760	588,456
	Reimbursement of utility bills		
	Rak Ghani Glass LLC	4,560,696	-
	Sales		
	Advance for issuance of shares	4,745,696	38,456,850
	Other expenses	5,190,008	11,046,487
	<i>Other related parties</i>		
	Provident fund	31,770,980	27,977,714
	Contributions		

All transactions with related parties have been carried out on commercial terms and conditions.

11 Date of authorization

This unaudited condensed interim financial information for period ended 31 March 2011 was authorized for issue by the Board of Directors on 27 April, 2011.

12 General

Figures have been rounded off to nearest rupee.

Lahore:

Chief Executive Officer

Director



GHANI GLASS

Leaders in Glass

GHANI GLASS LIMITED

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