ANNUAL REPORT 2010

GHANI VALUE GLASS

THE GLASS EXPERTS

GHANI VALUE GLASS LIMITED

A Company of Ghani Group

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS	Chairman Mr. Imtiaz Ahmad Khan Directors Mr. Anwaar Ahmad Khan Mr. Aftab Ahmad Khan Mr. Junaid Ghani Mr. Obaid Ghani Mrs. Ayesha Aftab Mrs. Reema Anwaar
CHIEF EXECUTIVE OFFICER	Mr. Anwaar Ahmad Khan
AUDIT COMMITTEE	Chairman Mr. Aftab Ahmad Khan Members Mrs. Ayesha Aftab Mrs. Reema Anwaar
CHIEF FINANCIAL OFFICER	Mr. Umer Farooq Khan
COMPANY SECRETARY	Hafiz Mohammad Imran Sabir
AUDITORS	E & Y Ford Rhodes Sidat Hyder Chartered Accountants Lahore.
SHARE REGISTRAR	Corplink (Pvt) Ltd. Wings Arcade,1-k Commercial Area Model Town, Lahore. Ph: 042-35916714, 35916719 Fax: 042-35869037
BANKERS	Allied Bank Limited Habib Metropolitan Bank Limited United Bank Limited MCB Bank Limited
REGISTERED OFFICE	50/L, Model Town,Lahore Ph: 042-35203975-76, Fax: 042-35160314
HEAD OFFICE	40-L Model Town Lahore,Pakistan UAN: (042) 111 949 949 Fax:(042) 35172263 E-mail : ggc49@wol.net.pk Http://www.ghanigroup.com
MILLS	Hussain Nagar District Sheikhupura Ph: (0563) 406171

MISSION STATEMENT

To be successful by

Effectively & efficiently

Utilizing our

Philosophies, so that

We achieve & maintain

Constantly the High Standards of Product Quality

And 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 44th Annual General Meeting of the members of **GHANI VALUE GLASS LIMITED** will be held on Thursday, October 21, 2010 at 10:30 a.m. at Avari Hotel, The Mall, Lahore to transact the following business:

Ordinary Business

1. To confirm the minutes of last Annual General Meeting held on October 28, 2009.

2. To receive, consider and adopt the audited annual accounts of **GHANI VALUE GLASS LIMITED** for the year ended June 30, 2010 together with the Directors' and Auditors' reports thereon.

3. To approve as recommended by directors cash dividend @25% i.e. Rs 2.5 per share.

4. To appoint auditors for 2011 and fix their remuneration.

   The retiring auditors namely M/s. E & Y Ford Rhodes Sidat Hyder., Chartered Accountants being eligible have offered themselves for re-appointment.

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

By order of the Board

Lahore: September 23, 2010.

Hafiz Mohammad Imran Sabir
Company Secretary

Notes:

1. The share transfer books of the Company will remain closed from October 15, 2010 to October 21, 2010 (both days inclusive) for entitlement of cash dividend. Members whose names appear on the register of members as at the close of business on October 14, 2010 will be entitled to the above entitlement.

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

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

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

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

Directors' Report to Shareholders

In the name of Allah, The Most merciful and The beneficent

The Directors of your company are pleased to present the 44th annual report along with audited Financial Statements for the year ended June 30, 2010.

Overview

The control and management of the company had been taken up by the current management during April 2008. As intended, subsequent to the take up, the management has been able to change the operating sector of your company from textile to glass related products. The name of company has also been changed to "Ghani Value Glass Limited" from "Chaudhary Textile Mills Limited".

By the Grace of Allah Almighty, a mirror line was installed and set to production during the month of November 2008. The said line is fully automated unit having the craft of producing high quality mirror. The plant remained in production during the year ended on June 30, 2010 and has been able to produce some 9,586 tons of mirror. Market response to the product is captivating and management believes that the plant shall soon be able to meet up with the expectations of all stakeholders.

Besides mirror line, a full set glass tempering line is also being installed. The erection process was underway during June 2009 and has been completed subsequent to year end. Glass tempering line has begun production during October 2009. The plant remained in production during the eight months period ended on June 30, 2010 and has been able to produce some 251 tons of tempered glass. Management of your company firmly believes that the production of tempered glass will prove to be a worthwhile addition to the family of premium quality glass products of Ghani Group.

Financial Performance

During the year of operation the company's financial performance has been encouraging. The company has been able to utilize about 41% of its production capacity, producing around 9,586 tons of mirror and 251 tons of tempered glass. Local and export sales (gross) to the extent of 434 million were made during the year. Owing to the Mercy of Allah SWT and to the efforts of your management these sales were able to fetch a gross profit of Rupees 72 million i.e. 18.45% as compared to last year gross profit (reclassified) of 6.14 %. Earning per share of the company has been Rupees 4.53 as compared to earning per share of Rupees 1.70 for the year ended June 30, 2009.

Pursuant to the business philosophy of your management the company's equity comprises the shareholders capital only. A further capital has been injected in the business by way of issuance of Right shares last year. A 'four for one' Right Issue was made during the last year, and hence capital amounting to Rupees 60 million has been raised through the issue, whereas the funds have been utilized efficiently to further strengthen the asset base of your company. Total capitalization has reached to 193 million.

Future Outlook

It is already known and widely understood that the global economy has seen a downturn of its own kind and signs of revival haven't been observed so far. The economy of our country has not only been affected by the external factors, the internal state of affairs has further aggravated the situation. GDP growth of the country was as low as 4.1% during the year under review and a trade deficit stands at 1.24 billion.

In such circumstances setting up a new project has been a riskier venture but the management rigidly believes that its only Allah SWT to whom all the profits and losses belongs and it is HE who bless the mankind with success or put them to failures.

Based upon the believe your management has in Allah SWT and seeking HIS mercy, the Board sincerely believes that the mirror line together with glass tempering line will up keep its performance and shall be able to come up to the expectations of all the stake holders and will become a valuable contributory to the National exchequer as well.

Corporate Governance

The directors are pleased to report that your company has taken necessary steps to comply with the provisions of the Code of Corporate Governance as incorporated in the listing regulations of stock exchanges.

Corporate Financial Reporting Framework

The board firmly believes in the adherence to laws and regulations. The board considers such compliance an essence of success and hence takes vigilant part in setting and monitoring company's strategic direction. We give following statement on Corporate and Financial Reporting Framework;

- **Presentation of Financial Statements**

  The financial statements prepared by the management of the company fairly present its state of affairs, the results of its operations, cash flows and changes in equity.

- **Books of Accounts**

  Proper books of accounts have been maintained by the company.

- **Accounting Policies**

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

- **International Accounting Standards**

  International accounting standards and international financial reporting statements as applicable in Pakistan has been applied in preparation of financial statements.

- **Internal Controls**

  The system of internal control has been reviewed and necessary changes are being made to strengthen it further.

- **Going Concern**

  Management sternly believes that with the blessings of Allah SWT and the continued support of all the stakeholders, company shall be able to perform profitably and shall be able to meet up its all liabilities as and when they fall due and hence it is and shall remain a going concern with a booming future ahead.

- **Corporate Social Responsibility**

  We are endeavoring to be a trusted Corporate Citizen and fulfill our responsibility to the society.

- **Best Practices of Corporate Governance**

  There has been no departure from the best practices of corporate governance as detailed in listing regulations.

- **Audit Committee**

  The board in compliance with the code of corporate Governance has established audit committee and the following directors are its members;
  1. Mr. Aftab Ahmad Khan
  2. Ms. Reema Anwaar
  3. Ms. Ayesha Aftab

- **Key Operating Data**

  Key operating data for the last six years is annexed.

- **Dividend**

  Directors are pleased to announce the cash dividend @ 25% for the year ended June 30, 2010.

- **Staff Retirement Benefits**

  Management has decided to recognize provident fund to meet up with the retirement benefits requirement of the company.

- **Dealings in Company Shares**

  During the year there was no trading of shares by Directors, CEO, CFO, Company secretary and their spouses and minor children.

- **Meetings of Directors**

  Four Meetings of Board were held during the period and the attendance was as follows;

Sr. No.	Name	Attended
1.	Mr Imtiaz Ahmad Khan	4
2.	Mr Anwaar Ahmad Khan	3
3.	Mr Aftab Ahmad Khan	4
4.	Mrs Reema Anwaar	4
5.	Mrs Ayesha Aftab	4
6.	Mrs Junaid Ghani	2
7.	Mr Obaid Ghani	2

- **Code of Ethics and Business Practices**

  Code of ethics and business practices in line with the future outlook of the company has been developed and communicated to the board and employees of the company.

- **Pattern of Share Holding**

  The statement of share holding as at June 30, 2010 is annexed.

- **Acknowledgement**

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

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

For and on behalf of the Board of Directors

Lahore: **September 23, 2010**

Anwaar Ahmad Khan
Chief Executive Officer

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERANCE

This statement is being presented to comply with the code of corporate governance contained in listing regulation No.37 of Karachi Stock Exchange (Guarantee) Limited and Chapter xiii of the Lahore Stock Exchange (Guarantee) Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

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

1- The company encourages the representation of independent non-executive directors and the director representing minority interests on its board of directors. At present there are seven directors on the Board out of which three are executive directors.

2- The directors have confirmed that none of them is serving as 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 banking company, a DFI or NBFI or, being a member of a stock exchange, has been declared as defaulter by that stock exchange.

4- No casual vacancy occurred in the Board during the year.

5- The business of the company is conducted in accordance with the Statement of Ethics and Business Practices signed by all the directors and employees.

6- The business operations of the company are carried out in accordance with the company's vision/mission statement, overall corporate strategy and significant policies. 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 decisions on material transaction, 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 a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meeting. The minutes of the meetings were appropriately recorded and circulated.

9- No. specific orientation course was held during the year, however, the management continues to apprise and familiarize with changes in law to discharge their duties and responsibilities.

10- The CFO, Company Secretary and head of Internal Audit have executed their responsibilities pursuant to the approved appointment by the Board including their remuneration and terms and conditions of employment, as determined by the CEO.

11- The directors' report has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

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

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 shareholding.

14- The Company has complied with all the corporate and financial reporting requirements of the Code.

15- The audit committee as formed by the Board is fully functional. The committee comprises of three members, two of them are non-executive directors (including its chairman).

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 formed and advised to the committee for compliance.

17- The Board has set up an effective internal audit function.

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 firm, their spouses and minor children do not hold any shares of the Company and that the firm and all its partner are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by institute if 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 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.

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

22- All significant issues have been discussed in board meeting as per requirement of code of corporate governance.

23- The system of internal control has been reviewed and necessary changes are being made to strengthen it further.

For and Behalf of the Board of Directors

Imtiaz Ahmad Khan
Director

Anwaar Ahmad Khan
Chief Executive Officer

Lahore: **September 23, 2010**

KEY OPERATING DATA AND FINANCIAL RATIOS

	Year ended June 30,2010	Year ended June 30,2009	Year ended June 30,2008	Year ended June 30,2007	Year ended June 30,2006	Year ended June 30,2005
	Glass Operations			Textile Operations		
Operating Data						
Sales-net	390,640,660	265,270,248	20,496,485	148,496,152	119,695,878	69,197,769
Gross profit	72,078,274	16,300,476	(14,612,568)	391,618	8,889,252	7,870,081
Net Profit/(loss) before tax	50,557,113	6,551,798	(15,926,057)	(6,685,645)	2,707,546	3,148,259
Net Profit/(loss) after tax	34,170,313	6,428,015	(16,795,942)	(7,426,124)	1,918,649	5,846,621
Total Assets	329,224,438	287,883,935	91,454,165	39,847,225	44,850,522	43,594,262
Dividend	25%	8%	-	-	-	10% to minority
Ratios						
Gross profit (%)	18.45	6.14	(71.29)	0.26	7.43	11.37
Net Profit (%)	8.75	2.42	(81.95)	(5.00)	1.60	8.45
Current ratio	0.88	0.64	0.58	0.21	0.34	0.33
Earning / (loss) per share	4.53	1.70	(11.15)	4.93	1.27	3.88
Return on total assets	0.10	0.02	(0.18)	(0.19)	0.04	0.13

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMLIANCE 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 for the year ended 30 June 2010 prepared by the Board of Directors of GHANI VALUE GLASS LIMITED (the Company) to comply with the Listing Regulation No.37 of Karachi Stock Exchange and Chapter XIII of the Lahore Stock Exchange where the company is listed.

The responsibility for compliance wit the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control 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, 2010.

ERNST & YOUNG FORD RHODES SIDAT HYDER
Chartered Accountants

Audit Engagement Partner: Mohammed Junaid

Lahore: September 23, 2010

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Ghani Value Glass Limited (the Company)** as at 30 June 2010 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. The financial statement of the Company as at 30 June 2009 was audited by another auditor whose report dated 30 September 2009 expressed an unqualified opinion on those financial statements.

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

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

(b) in our opinion -

i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied, except for the change as stated in note 2.3 to the accompanying financial statements, with which we concur;

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 **30 June 2010** and of the profit, its cash flows and changes in equity for the year then ended; and

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

ERNST & YOUNG FORD RHODES SIDAT HYDER
Chartered Accountants

Audit Engagement Partner: Mohammed Junaid

Lahore: September 23, 2010

BALANCE SHEET
AS AT 30 JUNE 2010

	Note	2010	2009
		(Rupees)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	172,570,560	175,226,130
Long term loans	6	-	41,000
Long term deposit	7	4,633,044	913,400
Deferred taxation	8	-	2,004,000
		177,203,604	178,184,530
CURRENT ASSETS			
Stores, spares and loose tools	9	3,124,978	2,255,866
Stock in trade	10	82,826,119	57,356,986
Trade debts-unsecured, considered good	11	18,597,417	21,657,599
Loans and advances	12	16,735,041	13,630,023
Investments		-	10,271
Taxes and duty refundable	13	15,850,833	11,309,884
Cash and bank balances	14	14,886,446	3,478,776
		152,020,834	109,699,405
		329,224,438	287,883,935
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Capital			
8,000,000 (2009: 8,000,000) ordinary shares of Rs 10/- each (2009: Rs 10/- each)		80,000,000	80,000,000
Issued, subscribed and paid up capital	15	75,350,000	75,350,000
Revenue reserves			
General reserve		3,680,000	3,680,000
Accumulated loss		(16,739,385)	(44,881,698)
		62,290,615	34,148,302
SURPLUS ON REVALUATION OF FIXED ASSETS	5.1	82,594,706	82,594,706
		144,885,321	116,743,008
NON CURRENT LIABILITIES			
Deferred taxation	8	12,146,382	-
		157,031,703	116,743,008
CURRENT LIABILITIES			
Loans from directors	16	24,197,000	33,230,000
Trade and other payables	17	145,759,317	137,910,927
Provision for taxation		2,236,418	-
		172,192,735	171,140,927
		329,224,438	287,883,935
CONTINGENCIES AND COMMITMENTS	18	-	-
		329,224,438	287,883,935

The annexed notes from 1 to 32 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010	2009
		(Rupees)	
Sales-net	19	**390,640,660**	265,270,248
Cost of sales	20	**318,562,386**	248,969,772
Gross profit		**72,078,274**	16,300,476
Distribution cost	21	**9,825,723**	7,059,775
Administrative expenses	22	**9,300,564**	7,483,301
		19,126,287	14,543,076
Operating profit		**52,951,987**	1,757,400
Bank charges		**391,467**	556,278
Other operating income	23	**(3,329,530)**	(7,820,083)
Other operating expenses	24	**5,332,937**	1,325,601
Underwriting commission		**-**	1,143,806
		2,394,874	(4,794,398)
Profit before tax		**50,557,113**	6,551,798
Taxation	25	**16,386,800**	123,783
Profit after tax		**34,170,313**	6,428,015
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**34,170,313**	6,428,015
Earning per share-basic and diluted	26	**4.53**	1.70

The annexed notes from 1 to 32 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	2010 Rupees	2009 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year before taxation	50,557,113	6,551,798
Adjustments for non-cash charges and other items:		
Depreciation	7,628,886	3,833,578
Provision for WPPF	2,715,205	-
Provision for WWF	1,031,778	-
Gain on disposal of property, plant and equipment	(346,279)	(6,839,148)
Unrealized exchange loss	-	184,429
Fair value gain on re-measurement of investments	-	(947)
Profit on sale of Investment	(655)	(847,374)
Profit on savings account	(703,910)	-
Staff retirement benefits -gratuity net	-	(105,200)
	60,882,138	2,777,136
Working capital adjustments		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(869,112)	(2,255,866)
Stock-in-trade	(25,469,133)	(57,356,986)
Trade debts	3,060,182	(21,657,599)
Loans and advances	(3,105,018)	(11,001,703)
Taxes and duty refundable	1,578,272	(8,246,260)
Increase /(decrease) in current liabilities:		
Trade and other payables	4,033,191	44,398,010
Short term loans- net	(9,033,000)	3,230,000
	(29,804,618)	(52,890,404)
CASH GENERATED FROM / (USED IN) OPERATIONS	31,077,520	(50,113,268)
Taxes paid	(6,119,221)	(3,343,598)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	24,958,299	(53,456,866)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure incurred	(7,402,037)	(83,986,915)
Proceeds from sale of property, plant and equipment	2,775,000	10,749,000
Profit on savings account received	703,910	-
Loans term loans	41,000	(41,000)
Long term deposit	(3,719,644)	-
Proceeds from disposal of Investments	10,926	56,217,807
NET CASH USED IN INVESTING ACTIVITIES	(7,590,845)	(17,061,108)
CASH OUTFLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	60,280,000
Dividend paid	(5,959,784)	-
NET CASH GENERATED FROM/ (USED IN) FINANCING ACTIVITIES	(5,959,784)	60,280,000
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	11,407,670	(10,237,974)
CASH AND CASH EQUIVALENTS - At the beginning of the year	3,478,776	13,716,750
CASH AND CASH EQUIVALENTS - At the end of the year	14,886,446	3,478,776

The annexed notes from 1 to 32 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2010

	Share Capital	Revenue Reserves		Total
		General Reserve	Accumulated loss	
	Rupees			
Balance as at 01 July 2008	15,070,000	3,680,000	(51,309,713)	(32,559,713)
Ordinary shares issued	60,280,000	-	-	60,280,000
Total comprehensive income for the year	-	-	6,428,015	6,428,015
Balance as at 30 June 2009	75,350,000	3,680,000	(44,881,698)	34,148,302
Dividend for the year ended 30 June 2009			(6,028,000)	(6,028,000)
Total comprehensive income for the year	-	-	34,170,313	34,170,313
Balance as at 30 June 2010	**75,350,000**	**3,680,000**	**(16,739,385)**	**62,290,615**

The annexed notes from 1 to 32 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

1. LEGAL STATUS AND NATURE OF BUSINESS

Ghani Value Glass Limited (the Company) was incorporated in Pakistan on 17 March, 1967 as a Public Limited Company and its shares are quoted on Karachi and Lahore Stock Exchanges. The principal activity of the Company is manufacturing and sale of mirror and tempered glass. The Company's registered office is at 50-L Block, Model Town Lahore.

2. STATEMENT OF COMPLIANCE

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

2.1. Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation		Effective date (accounting periods Beginning on or after)
IFRS 2	Share-based Payments: Amendments relating to Group Cash-settled Share-based Payment Transactions	01 January 2010
IAS 24	Related Party Disclosures (Revised)	01 January 2011
IAS 32	Financial Instruments: Presentation - Classification of Right Issues (Amendment)	01 February 2010
IFRIC 14	IAS 19 – The Limit on Defined Benefit Assets, Minimum Funding Requirements and their Interaction (Amendments)	01 January 2011
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	01 July 2010

The Company expects that the adoption of the above revisions, amendments and interpretations of the standards will not affect the Company's financial statements in the period of initial application.

In addition to the above, amendments to various accounting standards have also been issued by the IASB as a result of its annual improvement project in April 2009. Such improvements are generally effective for accounting periods beginning on or after 01 January 2010. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

2.2 Standards, interpretations and amendments to published approved accounting standards that is effective in current accounting year

The Company has adopted the following new and amended IFRS and IFRIC interpretations which became effective during the year:

IFRS 2	Share Based Payment – Amendments regarding Vesting Conditions and Cancellations (Amendment)
IFRS 3	Business Combinations (Revised)
IFRS 7	Financial Instruments: Disclosures (Amendments)
IFRS 8	Operating Segments
IAS 1	Presentation of Financial Statements (Revised)
IAS 23	Borrowing Costs (Revised)
IAS 27	Consolidated and Separate Financial Statement - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (Amendments)
IAS 27	Consolidated and Separate Financial Statements (Amendment)
IAS 32	Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation (Amendments)
IAS 39	Financial Instruments: Recognition and Measurement – Eligible hedged items (Amendments)
IFRIC 15	Agreements for the Construction of Real Estate
IFRIC 16	Hedges of a Net Investment in a Foreign Operation
IFRIC 17	Distributions of Non-cash Assets to owners
IFRIC 18	Transfers of Assets from Customers

The adoption of the above standards, amendments and interpretations did not have any effect on the financial statements except for IAS-1(revised) which is explained in note 2.3 below.

2.3 Change in accounting Policy and disclosures

The accounting policies adopted in preparation of these financial statements are consistent with those of the previous financial year except for the adoption of IAS 1 (Revised) as of 1 July 2009.

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non owner changes in equity presented as a single line item in the statement of changes in equity. In Addition, the standard introduces the statement of comprehensive income which presents all items of recognized income and expense, either in one single statement (the statement of comprehensive income), or in two linked statements (the income statement and statement of comprehensive income).

The Company has chosen to present all non-owner changes in equity in one performance statement; statement of comprehensive income (profit and loss account). The Company does not have any items of income and expenses representing other comprehensive income. Accordingly, the adoption of the above standard does not have any significant impact on the presentation of the Company's financial Statements and does not require the restatement or reclassification of comparative information.

3. SIGNIFICANT ACCOUNITNG JUDGEMENTS AND ESTIMEATES

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimate and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to these financial statements:

Property, plant and equipment

The Company has made certain estimates with respect to residual value, depreciation method and depreciable lives of property, plant and equipments. Further, the Company reviews the value of assets for possible impairment on each reporting period. Any change in the estimates in future years might affect the remaining amounts of respective items of property, plant and equipments with corresponding effect on the depreciation charge and impairment.

Income taxes

In making the estimates for income taxes payable by the Company, the management considers current income tax law and the decision of appellate authorities on certain cases issued in past.

Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgments as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the outcome/ non occurrence of the uncertain future events.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1. Accounting convention

These financial statements have been prepared under the historical convention except for the land which is stated at revalued amount.

4.2. Property, plant and equipment

Owned assets

These, except for freehold land which is stated at revalued amount, are stated at cost less accumulated depreciation and impairment loss, if any.

Depreciation is calculated using reducing balance method at the rates disclosed in relevant note, which are considered appropriate to write-off the cost of the assets over their estimated remaining useful lives.

Depreciation on additions is charged from the month in which an asset is acquired or capitalized while no depreciation is charged for the month in which the asset is disposed-off.

The carrying amount of the Company's assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment is recognized in the income currently. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted for the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Subsequent cost are included in the asset's carrying amount or recognized as 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.

The gain or loss on disposal or retirement of an asset represents the difference between the sale proceeds and the carrying amount of the asset and is recognized as an income or expense in the period it relates.

Capital work-in-progress

These are stated at cost. All expenditure, connected to the specific assets, incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when assets are available for use.

4.3. Stores, spares and loose tools

These are valued at lower of moving average cost and net realizable value, except items-in-transit, which are valued at cost.

4.4. Stock-in-trade

These are stated at the lower of cost and net realizable value. The method used for the calculation of cost is as follows:

Raw materials	weighted moving average cost.
Finished goods	weighted moving average cost which consists of prime cost and appropriate manufacturing overheads.

Net realizable value signifies the selling price in the ordinary course of business less cost necessary to be incurred to affect such sale.

4.5. Trade debts and other receivables

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

4.6. Investments at fair value through profit or loss

A non-derivative financial asset is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Investments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction cost is recognized in profit or loss when incurred. Investments at fair value through profit or loss are measured at fair value and changes therein are recognized in profit or loss.

4.7. Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of cash flow statement, cash and cash equivalents comprise of cash-in-hand and bank balances.

4.8. Staff retirement benefit

Define benefit plan

The Company operates unfunded gratuity scheme for those permanent employees who have completed two year of service from their date of joining. No actuarial valuation has been carried out as the employees eligible for this scheme are 13 and the amount of provision required is considered to be immaterial. Further, the provision for the year has been calculated on the basis of last drawn salary at the year end.

4.9. Trade and other payables

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

4.10. Provisions

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

4.11. Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits available, if any and tax paid on final tax regime basis.

Deferred

Deferred tax is provided in full using the balance sheet liability method on all temporary differences arising at the balance sheet date, between the tax bases of the assets and the liabilities and their carrying amounts. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which these can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the difference reverse, based on tax rates that have been enacted or substantively enacted by the balance sheet date. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirement of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan. Deferred tax is charged or credited to profit and loss account.

4.12. Revenue recognition

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have been transferred to the buyer i.e. on dispatch of goods to customer.

Return on bank deposit is recognized on a time proportion basis on the principal amount outstanding and the rate applicable.

4.13. Foreign currency transactions

Transactions in foreign currencies are initially recorded at the rates of exchange ruling on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the exchange rates prevailing on the balance sheet date. All exchange differences are charged to profit and loss account.

4.14. Financial assets and liabilities

All the financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instruments. The Company derecognizes a financial asset or a portion of financial asset when, and only when, the enterprise loses control of the contractual rights that comprise the financial asset or portion of financial asset. While a financial liability or part of financial liability is derecognized from the balance sheet when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expires.

Financial assets are investments, deposits, trade debts, advances, other receivables, cash and bank balances. These are stated at their fair value as reduced by the appropriate allowances for estimating irrecoverable amount.

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities are short term running finance utilized under mark-up arrangements, creditors, accrued and other liabilities. Mark-up bearing finances are recorded at the gross proceeds received. Other liabilities are stated at their nominal value.

4.15. Off-setting of financial instruments

Financial assets and liabilities are off-set and the net amount is reported in the balance sheet when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

4.16. 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 recoverable amount of the assets is estimated in order to determine the extent of impairment loss, if any. Impairment losses are recognized as expense in the profit and loss account.

4.17. Related party transactions

Sale, purchase and other transactions with related parties are made at arm's length prices determined in accordance with the comparable uncontrolled price method.

4.18. Dividend and appropriation to reserves

Dividend distribution to the Company's shareholders and appropriation to reserves are recognized in the period in which these are approved.

4.19. Functional and Presentation currency

These financial statements are presented in Pak Rupee, which is the Company’s functional and presentation currency.

5 PROPERTY PLANT AND EQUIPMENT

	Note	2010	2009
		(Rupees)	
Operating fixed assets		**172,570,560**	131,776,156
Capital work in progress	5.4	-	41,367,744
Stores held for capital expenditure		-	2,082,230
		172,570,560	175,226,130

2010

ASSET		Rate	COST / FAIR VALUE: As at 01 July 2009	Additions / Adjustments	Disposal / Adjustments	As at 30 June 2010	DEPRECIATION: Accumulated as at 01 July 2009	Adjustments	Charge for the year	Disposals	Accumulated as at 30 June 2010	Book Value: Net Book Value as at 30 June 2010
			(Rupees)									(Rupees)
Freehold land owned	5.1		82,700,000	-	-	82,700,000	-	-	-	-	-	82,700,000
Building on freehold land		10%	19,132,600	1,168,752	-	20,301,352	8,014,181	-	1,171,728	-	9,185,909	11,115,443
Plant and machinery		10%	25,408,060	42,223,823	-	67,631,883	1,693,871	-	4,834,475	-	6,528,346	61,103,537
Electric Installations		10%	14,205,221	5,609,930	-	19,815,151	3,076,236	-	1,391,146	-	4,467,382	15,347,769
Equipment		10%	342,217	813,269	-	1,155,486	18,878	-	59,805	-	78,683	1,076,803
Furniture and fixtures		10%	293,880	34,727	-	328,607	42,564	-	26,945	-	69,509	259,098
Office equipment		10%	67,620		-	67,620	6,098	-	6,152	-	12,250	55,370
Computers		30%	65,800	44,840	-	110,640	16,135	-	18,679	-	34,814	75,826
Vehicles		20%	2,749,496	956,670	2,749,496	956,670	320,775	-	119,956	320,775	119,956	836,714
Total			144,964,894	50,852,011	2,749,496	193,067,409	13,188,738		7,628,886	320,775	20,496,849	172,570,560

2009

ASSET		Rate	COST / FAIR VALUE: As at 01 July 2008	Additions / Adjustments	Disposal / Adjustments	As at 30 June 2009	DEPRECIATION: Accumulated as at 01 July 2008	Adjustments	Charge for the year	Disposals	Accumulated as at 30 June 2009	Book Value: Net Book Value as at 30 June 2009
			(Rupees)									(Rupees)
Freehold land owned	5.1		105,294	82,594,706	-	82,700,000	-	-	-	-	-	82,700,000
Building on freehold land		10%	3,197,063	15,935,537	-	19,132,600	2,921,857	4,224,454	867,870	-	8,014,181	11,118,419
Plant and machinery		10%	19,370,790	25,408,060	19,370,790	25,408,060	15,460,937	-	1,693,871	15,460,937	1,693,871	23,714,189
Electric Installations		10%	1,199,396	13,005,825	-	14,205,221	491,742	1,680,431	904,063	-	3,076,236	11,128,985
Equipment		10%	2,000	340,217	-	342,217	1,852	-	17,026	-	18,878	323,339
Furniture and fixtures		10%	30,600	263,280	-	293,880	29,267	-	13,297	-	42,564	251,316
Office equipment		10%	5,820	61,800	-	67,620	5,557	-	541	-	6,098	61,522
Computers		30%	-	65,800	-	65,800	-	-	16,135	-	16,135	49,665
Vehicles		20%	-	2,749,496	-	2,749,496	-	-	320,775	-	320,775	2,428,721
Total			23,910,963	140,424,721	19,370,790	144,964,894	18,911,212	5,904,885	3,833,578	15,460,937	13,188,738	131,776,156

5.1 Freehold land having a cost of Rs 105,294 was revalued on 09 September, 2008 by M/s Spell Vision - Evaluators, Surveyors and Corporate Consultants, Lahore on the basis of market value. This resulted in a surplus of Rs.82,594,706.

5.2 Depreciation charge for the year has been allocated as follows:

	Note	2010	2009
		(Rupees)	
Cost of sales	21	7,457,154	3,482,830
Distribution cost	22	42,933	-
Administrative expense	23	128,799	350,748
Total		7,628,886	3,833,578

5.3 Detail of property, plant and equipment disposed off during the year are as follows

Particulars	Cost	Accumulated Depreciation	Book Value	Sales proceeds	Gain/ (Loss)	Mode of Disposal	Particulars of buyer
	Rupees						
Vehicle Toyota Mark-X	2,749,496	320,775	2,428,721	2,775,000	346,279	Tender/ Negotiation	Mr. Farhan Ijaz S/O M Ijaz
Total	2,749,496	320,775	2,428,721	2,775,000	346,279		

5.4 The following is the movement in capital work in progress during the year:

	Opening balance 2009	Additions	(Adjustment)	Transferred to operating fixed assets	Closing balance 2010
	Rupees				
Plant and machinery	37,213,033	4,390,529	-	41,603,562	-
Electric Installations	4,154,711	-	(160,000)	3,994,711	-
	41,367,744	**4,390,529**	**(160,000)**	**45,598,273**	**-**

		Note	2010	2009
			(Rupees)	
6	**LONG TERM LOANS**			
	Loan to Staff-Unsecured, considered good			
	Opening Balance		41,000	-
	Add: disbursed during the year		-	77,000
	Less: repayments/adjusted during the year		(41,000)	-
			-	77,000
	Less: current maturity		-	(36,000)
			-	41,000

6.1 No advance was given to Chief Executive, Directors and Executives of the Company(2009:Nil)

		Note	2010	2009
7	**LONG TERM DEPOSITS**			
	Security deposit			
	LESCO		3,810,225	900,900
	CDC		12,500	12,500
	Margin deposit			
	Margin Deposit	7.1	810,319	-
			4,633,044	913,400

7.1 This represents 25% margin deposited with a bank against letter of guarantee issued in favor of LESCO, amounting to Rs. 3,241,275.

		Note	2010	2009
8	**DEFERRED TAXATION**		(Rupees)	
	Credit balance arising in respect of taxable temporary differences:			
	Accelerated tax depreciation		(15,477,841)	(7,505,295)
	Debit balance arising in respect of deductible temporary differences			
	Unused tax losses		972,315	8,632,519
	Minimum tax available for carry forward		1,867,044	844,963
	Gratuity Payable		492,100	31,813
			3,331,460	9,509,295
			(12,146,382)	2,004,000
9	**STORES, SPARES AND LOOSE TOOLS**			
	Stores		2,792,563	2,111,197
	Spares		167,220	76,558
	Loose tools		165,195	68,111
			3,124,978	2,255,866
10	**STOCK-IN-TRADE**			
	Raw material		41,593,777	23,279,898
	Finished goods		41,232,342	34,077,088
			82,826,119	57,356,986
11	**TRADE DEBTS**			
	Unsecured - considered good			
	-Related parties		-	-
	-Others	11.1	18,597,417	21,657,599
			18,597,417	21,657,599

11.1 The aging of trade debts as at 30 June 2010 is as follows:

	2010	2009
	(Rupees)	
neither past due nor impaired	**9,507,535**	10,069,281
Past due but not impaired		
-within 31-90 days	**8,422,540**	11,588,218
-within 91-180 days	**131,310**	-
-within 181-360 days	**186,036**	-
-above 360 days	**349,996**	-
	18,597,417	21,657,499

11.2 Management considers the balances having aging of 360 days or above are good and recoverable as the Company enjoys good relationship with these customers in respect of businesses being done with them by the other companies of the group.

12 LOANS AND ADVANCES

	Note	2010	2009
		(Rupees)	
Due from an associated company			
Ghani Glass Ltd.	**12.1**	**166,795**	-
OZO Switzerland (Private) Limited	**12.1**	**-**	766,021
Current portion of loan to an executive		**-**	36,000
Advances -Unsecured, considered good			
- to suppliers		**16,322,942**	12,567,152
- to employee		**154,100**	11,500
- for expenses		**91,204**	249,350
		16,735,041	13,630,023

12.1 This interest free advance was in the normal course of business.

13 TAXES AND DUTY REFUNDABLE

	Note	2010	2009
Income tax		**9,182,845**	3,063,624
Sales tax	**13.1**	**5,902,867**	7,232,201
Federal excise duty	**13.1**	**765,121**	1,014,059
		15,850,833	11,309,884

13.1 This represents claims lodged with the sales tax and excise authorities in respect of excess of input tax over output tax.

14 CASH AND BANK BALANCES

	2010	2009
	(Rupees)	
Cash-in-hand	**90,241**	101,327
Cash at banks on:		
- current accounts	**6,238**	1,238
- dividend accounts	**125,478**	55,319
- demand deposit account	**14,664,489**	3,320,892
	14,886,446	3,478,776

14.1 Rate of profit on demand deposit account ranges from 9 to 11%.(2009:9%).

15 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2010	2009		2010	2009
7,303,000	7,303,000	Ordinary shares of Rs. 10 each issued for cash	**73,030,000**	73,030,000
232,000	232,000	Ordinary shares of Rs. 10 each issued as bonus shares	**2,320,000**	2,320,000
7,535,000	7,535,000		**75,350,000**	75,350,000

		Note	2010	2009
16	**LOAN FROM DIRECTORS**		(Rupees)	
	Mr. Anwaar Ahmed Khan		7,899,000	11,730,000
	Mr. Imtiaz Ahmed Khan		7,899,000	15,750,000
	Mr Aftab Ahmed Khan		8,399,000	5,750,000
			24,197,000	33,230,000
16.1	**Loans received from directors**			
	Opening Balance		33,230,000	30,000,000
	Funds received during the year		9,864,000	17,250,000
	Funds repaid during the year		(18,897,000)	(14,020,000)
	Closing Balance		24,197,000	33,230,000

16.2 These represent unsecured, interest free loans from Directors for working capital and are payable on demand .

		Note	2010	2009
17	**TRADE AND OTHER PAYABLES**		(Rupees)	
	Due to Associated Companies:			
	- Ghani Glass Limited		-	670,176
	- Ghani Group Services (Pvt.) Ltd.	17.1	377,785	1,143,806
	Dealer's advance balances	17.2	116,057,732	107,576,316
	Creditors		13,274,469	12,078,962
	Security deposit-transporter	17.3	1,600,000	1,200,000
	Accrued expenses		5,670,718	8,766,726
	WWF payable		1,031,778	-
	WPPF payable		2,715,205	-
	Income tax deducted at source		3,327,295	6,289,932
	Unclaimed dividends		148,025	79,809
	Gratuity payable		1,556,310	105,200
			145,759,317	137,910,927

17.1 This represent amount payable in respect of underwriting commission.

17.2 These represent the advances received, which are adjustable against sales.

17.3 These represent interest free deposits received from transporters and are repayable on cancellation or withdrawal of transporters arrangements

		Note	2010	2009
18	**CONTINGENCIES AND COMMITMENTS**		(Rupees)	
	CONTINGENCIES		Nil	Nil
	COMMITMENTS			
	Stores, spares and packing material under letter of credit		2,109,000	-
	Bank guarantee issued on behalf of the company to LESCO		3,241,275	-

		2010	2009
19	**SALES - Net**		
	Local:		
	- Mirror Glass	421,367,573	277,569,925
	- Tempered Glass	13,042,110	-
		434,409,683	277,569,925
	Export:		
	- Mirror Glass	37,728,220	36,071,694
	- Tempered Glass	-	-
		37,728,220	36,071,694
	Less:		
	- discount/commission on sales	18,354,341	9,407,617
	- sales tax	59,430,234	36,671,769
	- special excise duty	3,712,668	2,291,985
		81,497,243	48,371,371
		390,640,660	265,270,248

		Note	2010	2009
			(Rupees)	
20	**COST OF SALES**			
	Raw material consumed	20.1	262,370,944	237,469,910
	Packing, loading and unloading		9,750,563	11,733,761
	Salaries, wages and benefits	20.2	9,394,296	7,833,145
	Directors remuneration	20.2	6,547,998	4,054,248
	Fuel and Power		11,929,246	8,312,271
	Stores Consumed		11,713,220	7,643,929
	Repair and Maintenance		342,631	46,497
	Depreciation		7,457,154	3,482,830
	Takaful Expense		35,038	-
	Communication		209,255	-
	Travelling & conveyance		284,124	-
	Rent, Rates & Taxes		45,371	-
	Printing & Stationery		23,175	-
	Freight and handling		534,390	933,095
	Entertainment, canteen and mess expenses		4,035,459	-
	Misc. plant expenses		1,044,776	1,537,174
	Cost of good manufactured		325,717,640	283,046,860
	Finished goods			
	Add: Opening		34,077,088	-
	Less: Closing		(41,232,342)	(34,077,088)
			318,562,386	248,969,772
20.1	**Raw Material Consumed**			
	Opening stock		23,279,898	-
	Purchases		280,684,823	260,749,808
			303,964,721	260,749,808
	Closing stock		(41,593,777)	(23,279,898)
			262,370,944	237,469,910

20.2 This includes Rs. 478,650 (2009: Rs. 50,200) in respect of the staff retirement benefits-gratuity.

		Note	2010	2009
21	**DISTRIBUTION COST**			
	Salaries and benefits	21.1	1,978,363	900,000
	Directors remuneration	21.1	6,547,998	4,054,248
	Communication		69,232	5,917
	Freight, handling and forwarding		-	933,837
	Traveling and conveyance		233,582	66,155
	Vehicles' maintenance		78,869	-
	Advertisement		64,900	771,585
	Entertainment		11,236	-
	Sale Promotion		757,957	-
	Depreciation		42,933	-
	Others		40,653	328,033
			9,825,723	7,059,775

21.1 This includes Rs. 562,710(2009: Rs. Nil) in respect of the staff retirement benefits-gratuity.

		Note	2010	2009
			(Rupees)	
22	**ADMINISTRATIVE EXPENSES**			
	Salaries and benefits	22.1	731,510	691,550
	Directors remuneration	22.1	6,547,998	4,873,947
	Traveling and conveyance		177,685	89,286
	Takaful Expense		29,250	-
	Vehicles' maintenance		119,261	235,807
	Printing and stationery		127,781	116,646
	Subscription and periodicals		204,750	375,492
	Legal and professional charges		337,000	202,029
	Auditors 's Remuneration	22.2	390,000	250,000
	Depreciation		128,799	350,748
	Communication		83,751	260,836
	Boarding and Lodging		70,191	-
	Entertainment		112,769	36,960
	Misc Exp		239,819	-
			9,300,564	7,483,301

22.1 This includes Rs. 468,750(2009: Rs. 55,000) in respect of the staff retirement benefits-gratuity.

22.2 Auditors' remuneration

	Ernst & Young Ford Rhodes Sidat Hyder	Hameed Chaudhri & Co
Audit fee	250,000	250,000
Half yearly review fee	75,000	-
Code of Corporate Governance and other certification	25,000	-
Out of pocket expenses	40,000	-
	390,000	250,000

		2010	2009
23	**OTHER OPERATING INCOME**		
	Income from non financial assets		
	Gain on Sale of Fixed Assets	346,279	6,839,148
	Scrap Sales	692,292	-
	Rental Income	1,245,700	-
	Income from financial assets		
	Profit on Saving Account	703,910	132,614
	Profit on Sale of Investment	655	847,374
	Exchange Gain	340,694	947
		3,329,530	7,820,083
24	**OTHER OPERATING EXPENSES**		
	Donations	-	1,141,172
	WPPF	2,715,205	-
	WWF	1,031,778	-
	Exchange fluctuation loss - net	-	184,429
	Bad debts expense	1,585,954	-
		5,332,937	1,325,601
25	**TAXATION**		
	Current year		
	Current	2,236,418	123,783
	Deferred	14,150,382	-
		16,386,800	123,783

25.1 Numerical tax reconciliation has not been presented as the Company's income fall under Final Tax Regime (FTR) and minimum tax under section 113.

26 EARNINGS PER SHARE

There is no dilutive effect on the earnings per share of the Company, which is based on:

	2010	2009
Profit after tax attributable to ordinary shareholders-Rupees	**34,170,313**	6,428,015
Weighted average number of ordinary shares in issue during-Numbers	**7,535,000**	3,780,058
Earnings per share-Rupees	**4.53**	1.70

27 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Particulars	Chairman		Chief Executive		Directors		Executives	
	2010	2009	2010	2009	2010	2009	2010	2009
Managerial remuneration	**6,547,998**	4,054,248	**6,547,998**	4,054,248	**6,547,998**	4,873,947	**2,207,520**	1,320,000
Staff retirement benefits	**468,750**	-	**468,750**	-	**468,750**	-	**93,960**	-
Rents and utilities	**-**	-	**-**	-	**-**	-	-	-
Medical expenses reimbursed	**-**	-	**-**	**-**	**-**	43,081	-	30,890
	7,016,748	4,054,248	**7,016,748**	4,054,248	**7,016,748**	4,917,028	**2,301,480**	1,350,890
Number of persons	**1**	1	**1**	1	**1**	2	**2**	2

28 **TRANSACTIONS WITH RELATED PARTIES**

Related parties comprise companies with common directorship, directors and key management personnel. Details of transactions with associated undertakings during the year, other than those which have been disclosed elsewhere in theses financial statements , are as follows:

		2010	2009
		(Rupees)	
Associated companies			
Ghani Group Services (Pvt) Ltd.	Issue of right shares	-	798,688
Ghani Group Services (Pvt) Ltd.	Underwriting commission payable / (commission paid	(766,021)	1,143,806
Ghani Glass Limited	Purchases	195,494,169	-
Ghani Glass Limited	Rent Income	(1,245,700)	-
Ghani Glass Limited	Shared expenses	440,861	-
OZO	Advance (paid) or received	766,021	(766,021)
Ghani Automobile Industries Ltd.	Purchase of motor vehicles	75,000	-
Directors			
Mr. Anwaar Ahmed Khan	Dividend paid	1,478,323	-
Mr. Imtiaz Ahmed Khan	Dividend paid	1,349,872	-
Mr Aftab Ahmed Khan	Dividend paid	1,721,007	-
Mr Junaid Ghani	Dividend paid	202,704	-
Mr Obaid Ghani	Dividend paid	202,700	-
Mrs Ayesha Aftab	Dividend paid	34,256	-
Mrs Reema Anwaar	Dividend paid	274,948	-
Executive	Dividend paid	360,400	-
Staff retirement benefit			
Contribution to Provident Fund	Employer Contribution	44,666	-

There are no transactions with key management personnel other than under the terms of employment.

29 **PRODUCTION CAPACITY**

	2010	2009
	Square Meter	
Mirror glass		
Production capacity	2,592,000	2,592,000
Actual production	1,058,853	886,272
Tempered Glass		
Production capacity	29,956	-
Actual production	13,587	-

29.1 Company achieved 41% production capacity in mirror glass due to difficult business environment prevalent both in domestic and export markets.

30 **FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**

The Company finances its operations through equity and management of working capital with a view to maximize the return to the stakeholders. The Company is exposed to market risk, credit risk and liquidity risk. The Company's principle financial liabilities comprise trade and other payables and short term loan from directors. The main purpose of these financial liabilities is to raise finance for Company's operations. The Company has various financial assets such as loans, advances, deposits, trade and other receivables and cash and bank balances, which are directly related to its operations.

30.1 **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk. Financial instruments susceptible to market risk include trade and other payables or receivables. The sensitivity analysis in the following sections relate to the position as at June 30, 2010 and 2009.

30.1.1 **Mark-up rate risk**

Markup rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company is not exposed to mark-up rate risk because it has markup free short term borrowings or balances of insignificant amount placed in profit or loss sharing bank accounts.

30.1.2 Foreign currency risk management

Foreign currency risk arises mainly due to fluctuation in foreign exchange rates. The Company also has transactional currency exposure. Such exposure arises from sales and purchases of certain materials by the Company in currencies other than rupees. Approximately 8% of the Company's sales are denominated in currencies other than rupees, while almost 92% of sales are denominated in local currency.

The following table demonstrates the sensitivity to a reasonably possible change in the USD and Euro exchange rates. As at June 30, 2010, if Pakistani Rupee (PKR) had weakened/strengthened by 5% against the USD, with all other variables held constant, the effect on the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities) at June 30, 2010 and 2009 is as follows:

	Increase/ decrease US Dollars to Pak Rupee	Effect on profit before tax Rupees
USD		
Pak rupees	+5%	6,299
Pak rupees	-5%	(6,299)
EURO		
Pak rupees	+5%	(349,764)
Pak rupees	-5%	349,764

30.1.3 Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in marker prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investment securities. As at the balance sheet date, the Company is not materially exposed to other price risk.

30.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if the counter parties failed to perform as contracted. The Company manages credit risk by limiting significant exposure to any individual customers, by obtaining advance against sales and does not have significant exposure to any individual customer. The carrying values of financial assets which are not impaired are as under:

	2010	2009
	(Rupees)	
Trade debts-unsecured, considered good	**18,597,417**	21,657,599
Advance to employee	**154,100**	-
Investments	**-**	10,271
Bank balances	**14,796,205**	3,377,449
	33,547,722	25,045,319

Credit quality of financial assets

The credit quality of cash at bank (in currency and deposit account) as per credit rating agencies are as follows:

	2010	2009
A1+	**14,796,205**	3,377,449
	14,796,205	3,377,449

30.3 Liquidity rate risk

Liquidity rate risk reflects the Company's inability in raising funds to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

	On demand	Total
	(Rupees)	
30 June 2010		
Trade and other payables	145,759,317	145,759,317
Loan from directors	24,197,000	24,197,000
	169,956,317	**169,956,317**
30 June 2009		
Trade and other payables	137,910,927	137,910,927
Loan from directors	33,230,000	33,230,000
	171,140,927	**171,140,927**

30.4 Fair value of financial assets and liabilities

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

30.5 Capital risk management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholder value and reduce the cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policy and processes during the year ended June 30, 2010.

The Company finances its operations through equity, short term loans and managing working capital. The Company has no gearing risk in current year that is to be managed as it does not have any long term borrowings.

31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on September 23, 2010 by the board of directors of the Company.

32 GENERAL

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

32.2 Corresponding figures have been re-arranged and re-classified wherever necessary, for better presentation and comparison. Major re-classifications or re-arrangement made during the year are as follows;

Note	Reclassification from the Caption Component	Reclassification to the Caption Component	Amount in Rupees
22	Administrative expenses-Salaries and benefit	Distribution cost-Directors remuneration	4,054,248
22	Administrative expenses-Salaries and benefit	Cost of sales-Directors remuneration	4,054,248
22	Administrative expenses-Salaries and benefit	Administrative expenses-Directors remunerat	4,873,947
22	Administrative expenses-Advertisement	Distribution cost-Advertisement	771,585

CHIEF EXECUTIVE

DIRECTOR

PATTERN OF SHAREHOLDING

OF SHARES HELD BY THE SHAREHOLDERS
OF GHANI VALUE GLASS LIMITED AS AT JUNE 30, 201 0

	------Shareholding------		
No. of Shareholders	**From**	**To**	**Total Shares Held**
231	1	100	10,531
153	101	500	45,928
41	501	1,000	30,722
50	1,001	5,000	117,647
10	5,001	10,000	67,390
4	10,001	15,000	49,140
1	15,001	20,000	18,400
2	20,001	25,000	44,313
1	30,001	35,000	32,730
2	40,001	45,000	85,320
1	80,001	85,000	80,942
2	250,001	255,000	506,755
1	340,001	345,000	343,685
1	450,001	455,000	450,500
1	1,685,001	1,690,000	1,685,952
1	1,845,001	1,850,000	1,846,516
1	2,115,001	2,120,000	2,118,529
503			**7,535,000**

Categories of shareholders	Share held	Percentage
Directors, Chief Executive Officers, and their spouse and minor childern	6,579,763	87.3227%
Associated Companies, undertakings and related parties.	0	0.0000%
NIT and ICP	850	0.0113%
Banks Development Financial Institutions, Non Banking Financial Institutions.	50	0.0007%
Insurance Companies	80,942	1.0742%
Modarabas and Mutual Funds	0	0.0000%
General Public		
a. Local	821,894	10.9077%
b. Foreign	0	0.0000%
Others (to be specified)		
Joint Stock Companies	51,170	0.6791%
Others	1	0.0000%
ABANDONED PROPERTIES	330	0.0044%

INFORMATION UNDER CLAUSE XIX (I)
OF THE CODE OF CORPORATE GOVERNANCE AS ON JUNE 30, 2010

		HOLDING
ASSOCIATED COMPANIES		0
NIT & ICP		
1	NATIONAL BANK OF PAKISTAN, TRUSTEE DEPTT.	100
2	IDBP (ICP UNIT) (CDC)	100
3	INVESTMENT CORPORATION OF PAKISTAN	650
		850
DIRECTORS, CEO THEIR SPOUSE AND MINOR CHILDREN		
1	MR. IMTIAZ AHMED KHAN	1,685,952
	MR. IMTIAZ AHMED KHAN (CDC)	1,388
2	MR. JUNAID GHANI	253,380
3	MR. OBAID GHANI	253,375
4	MR. ANWAAR AHMAD KHAN	1,846,516
	MR. ANWAAR AHMAD KHAN (CDC)	1,388
5	MRS. REEMA ANWAAR	343,685
6	MR. AFTAB AHMAD KHAN	2,118,529
	MR. AFTAB AHMAD KHAN (CDC)	32,730
7	MRS. AYESHA AFTAB	42,820
		6,579,763
JOINT STOCK COMPANIES		
1	JAN MOHD A. LATIF NINI & SONS (PVT) LTD. (CDC)	42,500
2	M. NAEEM SECURITIES LTD.	135
3	MAAN SECURITIES (PVT) LTD.(CDC).	4,409
4	MONEYLINE SECURITIES (PVT) LTD.(CDC)	2,500
5	PROGRESIVE SECURITIES (PVT.) LTD. (CDC)	1,090
6	SARFRAZ MAHMOOD (PVT) LTD.(CDC)	113
7	SNM SECURITIES (PVT) LTD.(CDC)	423
		51,170

BANKS, DEVELOPMENTS, FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS		
1	PAK INDUT. CREDIT & INVESTMENT CORP. LTD.	50
MODARABAS & MUTUAL FUND		0
INSURANCE COMPANIES		
1	STATE LIFE INSURANCE CORP. OF PAKISTAN (CDC)	80,942
ABANDONED PROPERTIES		
1	DEPUTY ADMINISTRATOR ABANDONEDPROPERTIES. (CDC)	330
OTHERS		
1	SECURITIES & EXCHANGE AUTHORITY OF PAKISTAN	1
SHARES HELD BY THE GENERAL PUBLIC		821,894
	TOTAL:	**7,535,000**

SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL

		HOLDING
1	MR. IMTIAZ AHMED KHAN	1,687,340
2	MR. ANWAAR AHMAD GHANI	1,847,904
3	MR. AFTAB AHMAD KHAN	2,151,259
		5,686,503

During the financial year the trading in shares of the company by the Directors, CEO, CFO, Company Secretary and their spouses and minor children is as follows **NIL**

Ghani Value Glass Limited

40-L, Model Town, Lahore

FORM OF PROXY

Folio No. ____________________

No. of Shares ____________________

I/WE ____________________

of ____________________

Being a member of Ghani Value Glass Limited ____________________

Hereby appoint Mr. ____________________

of ____________________

failing him Mr. ____________________ of ____________________

(Being a member of the company) as my/our proxy to attend, act and vote for me/us on my/our behalf at 18th ANNUAL GENERAL MEETING of the members of the Company to be held at Avari Hotel, The Mall, Lahore on Thursday October 21, 2010 at 10:30 AM and at every adjournment thereof.

As witness my/our hand(s) this ____________________ day of ____________________ 2010

Witness's Signature

Signature ____________________

Name: ____________________

Address: ____________________

Signature and Revenue Stamp

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

GHANI VALUE GLASS

Ghani Tempered
TEMPERED SAFETY GLASS

GHANI VALUE GLASS LIMITED

Head Office:
40 - L, Model Town Extn., Lahore, Pakistan.
Tel : + 92 - 42 - 111 949 949
Fax: + 92 - 42 - 3517 2263
www.ghaniglass.com

Marketing Office:
12 D/5, Chandni Chowk, KDA Scheme, 7/8, Karachi
Tel : + 92-21 - 111 949 949
Fax : + 92-21- 34926349
www.ghanivalueglass.com