THE GLASS EXPERTS

GHANI VALUE GLASS LIMITED

ANNUAL REPORT 2011

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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 Mr. Jubair Ghani Mrs. Jaweria Obaid 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
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,Pakistan 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 45th Annual General Meeting of the members of **GHANI VALUE GLASS LIMITED** will be held on Thursday October 27, 2011 at 10:30 a.m., at Avari Hotel, The Mall, Lahore to transact the following business:

Ordinary Business

1. To confirm the minutes of Extraordinary General Meeting held on March 31, 2011.

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

3. To approve as recommended by directors cash dividend @10% i.e. Re.1 per share to the shareholders of the Company except the Directors, Sponsors and their family members.

4. To appoint auditors for 2012 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: October 5, 2011.

Hafiz Mohammad Imran Sabir
Company Secretary

Notes:

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

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

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

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

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

DIRECTORS' REPORT TO SHAREHOLDERS

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

The Directors of your company are pleased to present the 45th annual report along with audited Financial Statements for the year ended June 30, 2011.

Financial Performance

During the year company's financial performance has been affected adversely by increasing energy costs, rising inflation and devastating floods. The company has been able to utilize about 23% and 55% of its production capacity in mirror and tempering respectively producing around 5,683 tons of mirror and 718 tons of tempered glass. Local and export sales (Net) to the extent of 346 million were made during the year. The company earned a Gross Profit of Rupees 42 million as compared to last year gross profit of Rupees 72 million. Net profit of the company stood at Rupees 17.7 million as compared to Rupees 34.2 million for the last year. Resultantly earning per share of the company also reduced to Rupees 2.35 as compared to Rupees 4.53 for the last year.

Economic Review

The year under review started with economic revitalization. But natural catastrophes are not under human control. Heavy Floods adversely effected the revival of the economy. These floods resulted in shrinking the growth rate by huge damage of about $10 billion of country's economic structure. About 20 million people lost their shelters as more than 50,000 Sq. Km area was submerged in water. The Real GDP growth rate was 2.4% as against actual growth of 3.8% last year and target of 4.5%. Growth in agriculture was 1.2% on the back of 3.7% growth in the livestock sector. Large Scale Manufacturing tended to recover and grew by 0.98% as against 4.9 % last year.

Projects Completed

During the year under review your company has commissioned successfully Double Glazing Line and Aluminum Coating Mirror Line. Commercial Production on the above lines has been started from July 2011. Market response to the products is positive. Management of your company firmly believes that the diversified quality products of value added glass will prove to be a worthwhile to fulfill the local as well as international demands.

Future Outlook

With the on-going energy crisis, continued economic instability, rising inflationary trends and the on-going security situation and natural catastrophe, the overall economic situation of Pakistan is under severe pressure. However, remaining optimistic, we will continue to streamlining and expanding our operations and further strengthening it by our focus on positively enhancing the quality standards through R & D. We are hopeful for the economic prosperity of Pakistan in future.

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 @ 10% i.e. Re.1 per share for the year ended June 30, 2011. Keeping in view the financial position of the Company, the Directors, Sponsors and their family members have forgone their rights to accept the said cash dividend.

- **Staff Retirement Benefits**

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

- **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**

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

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

** Mr. Jubair Ghani and Mrs. Jaweria Obaid have been elected as director on March 31, 2011 for the next term of three years.*

- **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 the patterns of shareholding as on June 30, 2011 is attached in the prescribed form as required under Code of Corporate Governance.

- **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: **October 5, 2011**

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 nine 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 during the year. However, election of directors was held on March 31, 2011 in which nine (9) directors as fixed by the board of directors u/s 178 of the Companies Ordinance 1984, were elected for a tenure of three years starting from April 1, 2011.

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: October 5, 2011

KEY OPERATING DATA AND FINANCIAL RATIOS

Particulars	Year ended June 30,2011	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
		Glass Operations			Textile Operations	
Operating Data						
Sales-net	346,418,810	390,640,660	265,270,248	20,496,485	148,496,152	119,695,878
Gross profit	41,742,031	72,078,274	16,300,476	(14,612,568)	391,618	8,889,252
Net Profit/(loss) before tax	23,096,771	50,557,113	6,551,798	(15,926,057)	(6,685,645)	2,707,546
Net Profit/(loss) after tax	17,686,127	34,170,313	6,428,015	(16,795,942)	(7,426,124)	1,918,649
Total Assets	373,884,206	329,224,438	287,883,935	91,454,165	39,847,225	44,850,522
Dividend	10% to minority	25%	8%	-	-	-
Ratios						
Gross profit (%)	12.05	18.45	6.14	(71.29)	0.26	7.43
Net Profit (%)	5.11	8.75	2.42	(81.95)	(5.00)	1.60
Current ratio	0.85	0.88	0.64	0.58	0.21	0.34
Earning / (loss) per share	2.35	4.53	1.70	(11.15)	4.93	1.27
Return on total assets	0.05	0.10	0.02	(0.18)	(0.19)	0.04

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

We have reviewed the Statement of Compliance with the best practices (the Statement) contained in the Code of Corporate Governance (the Code) for the year ended **30 June 2011** prepared by the Board of Directors of **Ghani Value Glass Limited** (the Company) to comply with the Listing Regulations No. 35 (chapter XI) of the Karachi Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) Limited, where the Company is listed.

The responsibility for compliance with the Code 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 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 are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, sub regulation (xiii a) of Listing Regulation No. 35 notified by The Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated 19 January 2009 and sub regulation (xiii a) of Listing Regulation No. 35 notified by Lahore Stock Exchange (Guarantee) Limited requires the Company to place before the board of directors for their consideration and approval of related party transactions, distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance, for the year ended **30 June 2011**.

ERNST & YOUNG FORD RHODES SIDAT HYDER
Chartered Accountants

Audit Engagement Partner: Mohammed Junaid

Lahore: October 5, 2011

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Ghani Value Glass Limited (the Company)** as at 30 June 2011 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

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

(b) in our opinion -

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

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

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

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2011 and of the profit, its 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: October 5, 2011

BALANCE SHEET
AS AT 30 JUNE 2011

	Note	2011	2010
		(Rupees)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	184,596,549	172,570,560
Long term deposits	6	4,633,044	4,633,044
		189,229,593	177,203,604
CURRENT ASSETS			
Stores, spares and loose tools	7	6,529,709	3,124,978
Stock in trade	8	106,910,065	82,826,119
Trade debts	9	30,301,755	18,597,417
Loans and advances	10	16,288,951	16,735,041
Taxes and duty refundable	11	22,610,813	15,850,833
Cash and bank balances	12	2,013,320	14,886,446
		184,654,613	152,020,834
		373,884,206	329,224,438
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Capital			
8,000,000 (2010: 8,000,000) ordinary shares of Rs.10/- each (2010: Rs 10/-each).		80,000,000	80,000,000
Issued, subscribed and paid up capital	13	75,350,000	75,350,000
Revenue reserves			
General reserve		3,680,000	3,680,000
Accumulated losses		(17,890,758)	(16,739,385)
		61,139,242	62,290,615
SURPLUS ON REVALUATION OF FIXED ASSETS	5.1.1	82,594,706	82,594,706
		143,733,948	144,885,321
NON CURRENT LIABILITIES			
Deferred taxation	14	13,488,701	12,146,382
		157,222,649	157,031,703
CURRENT LIABILITIES			
Loans from directors	15	24,197,000	24,197,000
Trade and other payables	16	188,396,232	145,759,317
Provision for taxation		4,068,325	2,236,418
		216,661,557	172,192,735
		373,884,206	329,224,438
CONTINGENCIES AND COMMITMENTS	17	-	-
		373,884,206	329,224,438

The annexed notes from 1 to 33 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011	2010
		(Rupees)	
Sales-net	18	**346,418,810**	390,640,660
Cost of sales	19	**304,676,779**	318,562,386
Gross profit		**41,742,031**	72,078,274
Distribution cost	20	**13,874,382**	9,825,723
Administrative expenses	21	**10,988,678**	9,300,564
		24,863,060	19,126,287
Operating profit		**16,878,971**	52,951,987
Bank charges		**358,172**	391,467
Other operating income	22	**(8,402,888)**	(3,329,530)
Other operating expenses	23	**1,826,916**	5,332,937
		(6,217,800)	2,394,874
Profit before tax		**23,096,771**	50,557,113
Taxation	24	**5,410,644**	16,386,800
Profit after tax		**17,686,127**	34,170,313
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**17,686,127**	**34,170,313**
Earnings per share - basic and diluted	**25**	**2.35**	4.53

The annexed notes from 1 to 33 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year before taxation	23,096,771	50,557,113
Adjustments for non-cash charges and other items:		
Depreciation	9,437,265	7,628,886
Provision for Workers' Profit Participation Fund - (WPPF)	1,240,428	2,715,205
Provision for Workers' Welfare Fund - (WWF)	471,363	1,031,778
Gain on disposal of fixed assets	-	(346,279)
Profit on sale of investment	-	(655)
Profit on saving account	(838,320)	(703,910)
	33,407,507	60,882,138
Working capital adjustments		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(3,404,731)	(869,112)
Stock-in-trade	(24,083,946)	(25,469,133)
Trade debts	(11,704,338)	3,060,182
Loans and advances	446,090	(3,105,018)
Taxes and duty refundable	(1,627,499)	1,578,272
Increase / (decrease) in current liabilities:		
Trade and other payables	43,495,428	4,033,191
Short term loans - net	-	(9,033,000)
	3,121,004	(29,804,618)
CASH GENERATED FROM OPERATIONS	36,528,511	31,077,520
Taxes paid	(7,368,898)	(6,119,221)
WPPF paid	(2,715,205)	-
NET CASH GENERATED FROM OPERATING ACTIVITIES	26,444,408	24,958,299
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(21,463,254)	(7,402,037)
Proceeds from sale of fixed assets	-	2,775,000
Profit received on saving account	838,320	703,910
Loans and advances	-	41,000
Long term deposits	-	(3,719,644)
Investments realized	-	10,926
NET CASH USED IN INVESTING ACTIVITIES	(20,624,934)	(7,590,845)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(18,692,600)	(5,959,784)
NET CASH USED IN FINANCING ACTIVITIES	(18,692,600)	(5,959,784)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(12,873,126)	11,407,670
CASH AND CASH EQUIVALENTS - At the beginning of the year	14,886,446	3,478,776
CASH AND CASH EQUIVALENTS - At the end of the year	2,013,320	14,886,446

The annexed notes from 1 to 33 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Share Capital	Revenue Reserves: General Reserve	Revenue Reserves: Accumulated losses	Total
	(Rupees)			
Balance as at 01 July 2009	75,350,000	3,680,000	(44,881,698)	34,148,302
Total comprehensive income for the year	-	-	34,170,313	34,170,313
Final dividend @ Rs. 0.80 per share	-	-	(6,028,000)	(6,028,000)
Balance as at 30 June 2010	**75,350,000**	**3,680,000**	**(16,739,385)**	**62,290,615**
Total comprehensive income for the year	-	-	17,686,127	17,686,127
Final dividend @ Rs. 2.50 per share	-	-	(18,837,500)	(18,837,500)
Balance as at 30 June 2011	**75,350,000**	**3,680,000**	**(17,890,758)**	**61,139,242**

The annexed notes from 1 to 33 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

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 situated 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 (IASB) 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 issued but 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 (annual periods beginning on or after)
IAS 1 – Presentation of Financial Statements - Amendments to revise the way other comprehensive income is presented	01 July 2012
IFRS 7 – Financial Instruments : Disclosures - Amendments enhancing disclosures about transfers of financial assets	01 July 2011
IAS 12 – Income Tax (Amendment) – Deferred Taxes : Recovery of Underlying Assets	01 January 2012
IAS 19 – Employee Benefits - Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects	01 January 2013
IAS 24 – Related Party Disclosures (Revised)	01 January 2011
IFRIC 14 – Prepayments of a Minimum Funding Requirement (Amendment)	01 January 2011

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. Such improvements are generally effective for accounting periods beginning on or after 01 January 2011. 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.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

Standards	Effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments	01 January 2013
IFRS 10 – Consolidated Financial Statements	01 January 2013
IFRS 11 – Joint Arrangements	01 January 2013
IFRS 12 – Disclosure of Interest in Other Entities	01 January 2013
IFRS 13 – Fair Value Measurement	01 January 2013

2.2 Standards, interpretations and amendments to published approved accounting standards

Amendments to published standards effective in 2010

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

IFRS 2 – Group Cash-settled Share-based Payment Arrangements
IAS 32 – Financial Instruments: Presentation – Classification of Rights Issues (Amendment)
IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments

Improvements to various standards issued by IASB

Issued in 2009
IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations
IFRS 8 – Operating Segments
IAS 1 – Presentation of Financial Statements
IAS 7 – Statement of Cash flows
IAS 17 – Leases
IAS 36 – Impairment of Assets
IAS 39 – Financial Instruments: Recognition and Measurement

Issued in April 2010
IFRS 3 – Business Combinations
IAS 27 – Consolidated and Separate Financial Statements

The adoption of the above standards, amendments / improvements and interpretations did not have any effect on the financial statements of the Company.

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. Estimates 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 equipment 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 laws 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 accumulated impairment losses, 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 in the current period. 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 benefits

With effect from 01 July 2010, the Company, in agreement with the respective members, has switched its retirement benefit from defined benefit plan to defined contribution plan. Equal monthly contributions are made by the Company and employees to the fund at the rate of 8.33% of gross salary of employees.

The balance payable to the employees as at 30 June 2010, on account of defined benefit plan, has been subsequently paid on 22 November 2010.

Legal formalities for the recognition of provident fund under Part I of Schedule VI of Income Tax Ordinance, 2001 are under process.

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	2011	2010
		(Rupees)	
Operating fixed assets	5.1	**177,340,086**	172,570,560
Capital work in progress	5.2	**7,256,463**	-
		184,596,549	172,570,560

5.1 Operating fixed assets

2011

Particluars	COST / FAIR VALUE				Rate	DEPRECIATION				Net Book Value
	As at 01 July 2010	Additions	Disposals	As at 30 June 2011		Accumulated as at 01 July 2010	Charge for the year	Disposals	Accumulated as at 30 June 2011	
	(Rupees)					(Rupees)				(Rupees)
Freehold land	82,700,000	-	-	82,700,000		-	-	-	-	82,700,000
Building on freehold land	20,301,352	2,688,586	-	22,989,938	10%	9,185,909	1,214,504	-	10,400,413	12,589,525
Plant and machinery	67,631,883	10,268,776	-	77,900,659	10%	6,528,346	6,291,862	-	12,820,208	65,080,451
Electric installations	19,815,151	-	-	19,815,151	10%	4,467,382	1,534,777	-	6,002,159	13,812,992
Equipment	1,155,486	330,599	-	1,486,085	10%	78,683	112,588	-	191,271	1,294,814
Furniture and fixture	328,607	349,740	-	678,347	10%	69,509	40,482	-	109,991	568,356
Office equipment	67,620	-	-	67,620	10%	12,250	5,537	-	17,787	49,833
Computers	110,640	-	-	110,640	30%	34,814	22,748	-	57,562	53,078
Vehicles	956,670	569,090	-	1,525,760	20%	119,956	214,767	-	334,723	1,191,037
	193,067,409	14,206,791	-	207,274,200		20,496,849	9,437,265	-	29,934,114	177,340,086

2010

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

5.1.1 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.

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

	Note	2011	2010
		(Rupees)	
Cost of sales	19	**9,153,730**	7,457,154
Distribution expense	20	**70,884**	42,933
Administrative expense	21	**212,651**	128,799
Total		**9,437,265**	7,628,886

5.2 Capital work in progress

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

	Opening balance as at 01 July 2010	Additions	Transferred to operating fixed assets	Closing balance as at 30 June 2011
	----(Rupees)----			
Building on freehold land	-	2,688,586	2,688,586	-
Plant and machinery	-	17,307,719	10,268,776	7,038,943
Electric Installations	-	-	-	-
Mills Equipment	-	-	-	-
Computers	-	-	-	-
Furniture and fixtures	-	349,740	349,740	-
Vehicles	-	-	-	-
Stores held for capital expenditure	-	217,520	-	217,520
	-	20,563,565	13,307,102	7,256,463

6 LONG TERM DEPOSITS

Security deposit			
Lahore Electric Supply Company (LESCO)		**3,810,225**	3,810,225
Central Depository Company (CDC)		**12,500**	12,500
Margin deposit			
Margin deposit	**(6.1)**	**810,319**	810,319
		4,633,044	4,633,044

6.1 This represents the 25% margin deposited with a bank against letter of guarantee issued in favor of LESCO, amounting to Rs. 3,241,275 (2010: Rs 3,241,275).

7 STORES, SPARES AND LOOSE TOOLS

Stores and spares	**5,697,222**	2,959,783
Loose tools	**832,487**	165,195
	6,529,709	3,124,978

8 STOCK-IN TRADE

Raw material	**62,909,877**	41,593,777
Finished goods	**44,000,188**	41,232,342
	106,910,065	82,826,119

9 TRADE DEBTS

Unsecured - considered good	**(9.1)**	**30,301,755**	18,597,417

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

	neither past due nor impaired	past due but not impaired: Not Later than 90 days	Not later than 180 days	Not later than 360 days	Later than one year	Total
	(Rupees)					
2011	**3,839,273**	**20,042,687**	**6,183,606**	**-**	**236,189**	**30,301,755**
2010	9,507,535	8,422,540	131,310	186,036	349,996	18,597,417

9.2 At 30 June 2011 the Company had 7 customers (2010: 4 customers) that owed the Company more than Rs. 1,000,000 each and accounted for approximately 94% (2010: 91%) of all receivables owing.

9.3 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.

	Note	2011 (Rupees)	2010 (Rupees)
10 LOANS AND ADVANCES - Considered good			
Due from an associated company			
Ghani Glass Limited.	**(10.1)**	**217,064**	166,795
Advances:			
- To suppliers		**15,978,859**	16,322,942
- To an employee		**47,050**	154,100
- For expenses		**45,978**	91,204
		16,288,951	16,735,041

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

11 TAXES AND DUTY REFUNDABLE

	Note	2011	2010
Income tax refundable		**14,315,325**	9,182,845
Sales tax refundable	**(11.1)**	**7,029,916**	5,902,867
Special excise duty refundable	**(11.1)**	**1,265,572**	765,121
		22,610,813	15,850,833

11.1 These represent claims lodged with the sales tax and excise authorities in respect of excess of input tax over output tax.

12 CASH AND BANK BALANCES

	2011	2010
Cash-in-hand	**22,580**	90,241
Cash at banks on:		
- Current accounts	**135,042**	6,238
- Dividend accounts	**271,711**	125,478
- Demand deposit account	**1,583,987**	14,664,489
	2,013,320	14,886,446

12.1 Rate of profit on demand deposit account ranges from 9 to 11% (2010: 9% to 11%).

13 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2011	2010		Note	2011	2010
No. of Shares				(Rupees)	(Rupees)
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

14 DEFERRED TAXATION

	2011 (Rupees)	2010 (Rupees)
Credit balance arising in respect of taxable temporary differences		
Accelerated tax depreciation	17,416,435	15,477,841
Debit balance arising in respect of deductible temporary differences		
Unused tax losses	-	972,315
Minimum tax available for carry forward	3,927,734	1,867,044
Gratuity payable	-	492,100
	3,927,734	3,331,460
	13,488,701	12,146,382

15 LOAN FROM DIRECTORS

	Note	2011 (Rupees)	2010 (Rupees)
Mr. Anwaar Ahmed Khan		7,899,000	7,899,000
Mr. Imtiaz Ahmed Khan		7,899,000	7,899,000
Mr. Aftab Ahmed Khan		8,399,000	8,399,000
	(15.1)	24,197,000	24,197,000

15.1 Loans received from directors

	2011 (Rupees)	2010 (Rupees)
Opening balance	24,197,000	33,230,000
Funds received during the year	1,500,000	9,864,000
Funds repaid during the year	(1,500,000)	(18,897,000)
Closing balance	24,197,000	24,197,000

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

16 TRADE AND OTHER PAYABLES

	Note	2011 (Rupees)	2010 (Rupees)
Due to an associated company:			
- Ghani Group Services (Private.) Limited	(16.1)	377,785	377,785
Dealer's advance balances	(16.2)	162,535,693	116,057,732
Creditors		8,039,773	13,274,469
Security deposit - transporters	(16.3)	1,350,000	1,600,000
Accrued expenses		9,396,744	5,670,718
WWF payable	(16.4)	1,503,141	1,031,778
WPPF payable	(16.5)	1,240,428	2,715,205
Income tax deducted at source		3,658,243	3,327,295
Unclaimed dividends		294,425	148,025
Gratuity payable		-	1,556,310
		188,396,232	145,759,317

16.1 This represents amount payable in respect of underwriting commission.

16.2 These represent the advance received from dealers adjustable against sales.

16.3 These represent intrest free deposits received from transporters and are repayable on cancellation or withdrawl of transporters arrangements and under the agreement.

	2011	2010
	(Rupees)	(Rupees)
16.4 Workers' Welfare Fund		
Balance at the beginning of the year	1,031,778	-
Charge for the year	471,363	1,031,778
	1,503,141	1,031,778
Less: payments made during the year	-	-
Closing balance	1,503,141	1,031,778
16.5 Workers' Profit Participation Fund		
Balance at the beginning of the year	2,715,205	-
Charge for the year	1,240,428	2,715,205
	3,955,633	2,715,205
Less: payments made during the year	2,715,205	-
Closing balance	1,240,428	2,715,205
17 CONTINGENCIES AND COMMITMENTS		
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	3,241,275

18 SALES - Net

	2011	2010
Local:		
- Mirror glass	346,936,271	421,367,573
- Tempered glass	48,498,737	13,042,110
	395,435,008	434,409,683
Export:		
- Mirror glass	17,648,325	37,728,220
- Tempered glass	4,325,710	-
	21,974,035	37,728,220
Less:		
- Commission on sale	9,962,657	18,354,341
- Sales tax	56,223,529	59,430,234
- Special excise duty	4,804,047	3,712,668
	70,990,233	81,497,243
	346,418,810	390,640,660

	Note	2011 (Rupees)	2010 (Rupees)
19 COST OF SALES			
Raw material consumed		**234,491,216**	262,370,944
Packing, loading and unloading		**9,489,140**	9,750,563
Salaries, wages and benefits	**(19.1)**	**12,425,542**	9,394,296
Directors remuneration	**(19.1)**	**7,921,872**	6,547,998
Fuel and power		**12,403,395**	11,929,246
Stores consumed		**14,611,945**	11,713,220
Repair and maintenance		**543,165**	342,631
Depreciation		**9,153,730**	7,457,154
Takaful expense		**55,248**	35,038
Commnication		**155,725**	209,255
Travelling and conveyance		**311,786**	284,124
Rent,rates and taxes		**93,496**	45,371
Printing and stationery		**69,611**	23,175
Freight and handling		**358,156**	534,390
Entertainment, canteen and mess expenses		**4,706,075**	4,035,459
Misc. plant expenses		**654,523**	1,044,776
Cost of goods manufactured		**307,444,625**	325,717,640
Finished goods			
Add: Opening		**41,232,342**	34,077,088
Less: Closing		**(44,000,188)**	(41,232,342)
		(2,767,846)	(7,155,254)
Cost of goods sold		**304,676,779**	318,562,386

19.1 This includes Rs. 1,231,136 (2010: Rs. 478,650) in respect of the staff retirement benefits.

	Note	2011 (Rupees)	2010 (Rupees)
20 DISTRIBUTION COST			
Salaries and benefits	**(20.1)**	**4,110,905**	1,978,363
Directors remuneration	**(20.1)**	**7,921,872**	6,547,998
Communication		**87,020**	69,232
Freight, handling and forwarding		**697,422**	-
Traveling and conveyance		**388,885**	233,582
Vehicles' maintenance		**92,904**	78,869
Advertisement		**281,800**	64,900
Entertainment		**8,517**	11,236
Clearing charges on export		**70,422**	-
Sale promotion		**66,527**	757,957
Depreciation		**70,884**	42,933
Others		**77,224**	40,653
		13,874,382	9,825,723

20.1 This includes Rs. 830,615 (2010: Rs. 562,710) in respect of the staff retirement benefits.

		Note	2011	2010
			(Rupees)	(Rupees)
21	**ADMINISTRATIVE EXPENSES**			
	Salaries and benefits	(21.1)	1,247,897	731,510
	Directors remuneration	(21.1)	7,921,872	6,547,998
	Traveling and conveyance		108,362	177,685
	Takaful expense		3,813	29,250
	Vehicles' maintenance		18,615	119,261
	Printing and stationery		182,439	127,781
	Subscription and periodicals		214,951	204,750
	Legal and professional charges		298,900	337,000
	Auditors's remuneration	(21.2)	415,000	390,000
	Depreciation		212,651	128,799
	Communication		189,905	83,751
	Boarding and lodging		11,316	70,191
	Entertainment		156,540	112,769
	Miscellaneous expenses		6,417	239,819
			10,988,678	9,300,564

21.1 This includes Rs. 680,069 (2010: Rs. 468,750) in respect of the staff retirement benefits.

			2011	2010
21.2	**Auditors' remuneration**			
	Audit fee		275,000	250,000
	Half yearly review fee		75,000	75,000
	Code of Corporate Governance and other certification		25,000	25,000
	Out of pocket expenses		40,000	40,000
			415,000	390,000
22	**OTHER OPERATING INCOME**			
	Income from non financial assets			
	Gain on sale of fixed assets		-	346,279
	Scrap sales (includes cullet sale)		4,633,769	692,292
	Rental income		2,930,799	1,245,700
	Income from financial assets			
	Profit on saving account		838,320	703,910
	Profit on sale of investment		-	655
	Exchange gain		-	340,694
			8,402,888	3,329,530
23	**OTHER OPERATING EXPENSES**			
	WPPF	(16.5)	1,240,428	2,715,205
	WWF	(16.4)	471,363	1,031,778
	Exchange fluctuation loss - net		115,125	-
	Bad debts expense		-	1,585,954
			1,826,916	5,332,937
24	**TAXATION**			
	Current tax expense		4,068,325	2,236,418
	Deferred tax expense		1,342,319	14,150,382
			5,410,644	16,386,800

24.1 Numerical tax reconciliation has not been presented as the Company's income fall under Final Tax Regime (FTR) and minimum tax under section 113 of Income Tax Ordinance, 2001.

25 EARNINGS PER SHARE

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

	2011	2010
Profit after tax attributable to ordinary shareholders-Rupees	17,686,127	34,170,313
Weighted average number of ordinary shares in issue during the year-Numbers	7,535,000	7,535,000
Earnings per share-Rupees	2.35	4.53

26 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Particulars	Chairman		Chief Executive		Director		Executives	
	2011	2010	2011	2010	2011	2010	2011	2010
	(Rupees)							
Managerial remuneration	7,312,500	6,547,998	7,312,500	6,547,998	7,312,500	6,547,998	4,496,508	2,207,520
Staff retirement benefits	609,372	468,750	609,372	468,750	609,372	468,750	333,987	93,960
Rent and utilities	-	-	-	-	-	-	54,000	-
Medical expenses reimbursed	-	-	-	-	-	-	39,985	-
	7,921,872	7,016,748	7,921,872	7,016,748	7,921,872	7,016,748	4,924,480	2,301,480
Number of persons	1	1	1	1	1	1	5	2

27 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:

		2011	2010
Associated companies		(Rupees)	(Rupees)
Ghani Group Services (Private) Limited	Underwriting commission payable / (commission paid)	-	(766,021)
Ghani Glass Limited	Purchases	167,278,512	195,494,169
Ghani Glass Limited	Cullet sales	(2,803,816)	-
Ghani Glass Limited	Rent income	(2,930,799)	(1,245,700)
Ghani Glass Limited	Shared expenses	1,913,979	440,861
OZO Switzerland (Private) Limited	Advance (paid) or received	-	766,021
Ghani Automobile Industries Limited	Purchase of motor vehicles	-	75,000
Directors			
Mr. Anwaar Ahmed Khan	Dividend paid	4,619,760	1,478,323
Mr. Imtiaz Ahmed Khan	Dividend paid	4,218,350	1,349,872
Mr Aftab Ahmed Khan	Dividend paid	5,378,148	1,721,007
Mr Junaid Ghani	Dividend paid	633,450	202,704
Mr Obaid Ghani	Dividend paid	633,438	202,700
Mrs Ayesha Aftab	Dividend paid	107,050	34,256
Mrs Reema Anwaar	Dividend paid	859,213	274,948
Executive	Dividend paid	1,126,250	360,400
Staff retirement benefit			
Contribution to Provident Fund	Employer contribution	2,741,820	44,666

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

28 PRODUCTION CAPACITY

	2011	2010
	Square Meters	
Mirror glass		
Production capacity	2,592,000	2,592,000
Actual production	602,463	1,058,853
Tempered Glass		
Production capacity	72,462	29,956
Actual production	39,614	13,587

28.1 The Company achieved 23% (2010: 41%) production capacity in mirror glass and 55% (2010: 45%) production capacity in tempered glass due to difficult business environment prevalent both in domestic and export markets.

29 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.

29.1 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 30 June 2011 and 2010.

29.1.1 Mark-up rate risk

Mark-up 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 mark-up free short term borrowings or balances of insignificant amount placed in profit or loss sharing bank accounts.

29.1.2 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 5% (2010: 8%) of the Company's sales are denominated in currencies other than rupees, while almost 95% (2010: 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 30 June 2011, 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 30 June 2011 and 2010 is as follows:

	Increase/ decrease US Dollars to Pak Rupee	Effect on profit before tax	
		2011	2010
USD		**Rupees**	
Pak rupees	+5%	**2,627**	6,299
Pak rupees	-5%	**(2,627)**	(6,299)
EURO			
Pak rupees	+5%	**-**	(349,764)
Pak rupees	-5%	**-**	349,764

29.1.3 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.

29.2 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:

	2011 **(Rupees)**	2010 (Rupees)
Trade debts-unsecured, considered good	**30,301,755**	18,597,417
Advance to employee	**47,050**	154,100
Bank balances	**1,990,740**	14,796,205
	32,339,545	33,547,722

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

Ratings				
Short Term	**Long Term**	**Agency**	**2011** **(Rupees)**	2010 (Rupees)
A1+	AA	PACRA	**450**	450
A1+	AA+	PACRA	**1,934,466**	14,739,648
A-1+	AA+	JCR-VIS	**55,824**	56,107
			1,990,740	14,796,205

29.3 Liquidity risk

Liquidity 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 (Rupees)	Total (Rupees)
30 June 2011		
Trade and other payables	188,396,232	188,396,232
Loan from directors	24,197,000	24,197,000
	212,593,232	**212,593,232**
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**

29.4 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.

29.5 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 30 June 2011.

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.

30 Segment Reporting

The Company's activities are broadly caegorized into two primary business segments namely mirror glass and tempred glass

Segment analysis of profit and loss account for the year ended 30 June 2011

	Mirror Glass (Rupees)	Tempered Glass (Rupees)	Total (Rupees)
Sales	302,301,070	44,117,740	346,418,810
Cost of sales	(273,454,626)	(31,222,153)	(304,676,779)
	28,846,444	12,895,587	41,742,031
Unallocated expenses			
Distribution cost			(13,874,382)
Administrative expenses			(10,988,678)
Bank charges			(358,172)
Other operating income			8,402,888
Other operating expenses			(1,826,916)
Taxaion			(5,410,644)
Profit after taxation			17,686,127

Segment analysis of assets and liabilities as at 30 June 2011

	Mirror Glass (Rupees)	Tempered Glass (Rupees)	Total (Rupees)
Segment assets	104,390,951	35,990,462	140,381,413
Unallocated assets			233,502,793
Total			373,884,206
Unallocated liabilities			230,150,258

Segment analysis of profit and loss account for the year ended 30 June 2010

	Mirror Glass (Rupees)	Tempered Glass (Rupees)	Total (Rupees)
Sales	380,045,309	10,595,351	390,640,660
Cost of sales	(311,226,081)	(7,336,305)	(318,562,386)
	68,819,228	3,259,046	72,078,274
Unallocated expenses			
Distribution cost			(9,825,723)
Administrative expenses			(9,300,564)
Bank charges			(391,467)
Other operating income			3,329,530
Other operating expenses			(5,332,937)
Taxaion			(16,386,800)
Profit after taxation			34,170,313

Segment analysis of assets and liabilities as at 30 June 2010

	Mirror Glass (Rupees)	Tempered Glass (Rupees)	Total (Rupees)
Segment assets	88,427,030	38,835,248	127,262,278
Unallocated assets			201,962,160
Total			329,224,438
Unallocated liabilities			184,339,117

The sales percentage by geographic region is as follows:

	2011 %	2010 %
Pakistan	**94.74**	92.01
Afghanistan	**3.53**	7.84
India	**1.73**	0.15

27.09% revenue is arising from sale to two customers.
All non current assets of the Company as at 30 June 2011 and 30 June 2010 are located in Pakistan

31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on October 5, 2011 by the board of directors of the Company

32 SUBSEQUENT EVENT

The Board of Directors has proposed a final cash dividend of Re.1 per share to minority shareholders only (2010: Rs. 2.5 per share to all) amounting to Rs.949,737 (2010: Rs.18,837,500) for the year ended 30 June 2011 at their meeting held on 5 October 2011 for approval of members at the Annual General Meeting to be held on 27 October 2011. These financial statements do not reflect these appropriations.

33 GENERAL

Figures have been rounded off to the nearest rupee

CHIEF EXECUTIVE

DIRECTOR

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

	------Shareholding------		
No. of Shareholders	From	To	Total Shares Held
260	1	100	11,027
155	101	500	45,259
42	501	1,000	32,118
41	1,001	5,000	96,622
10	5,001	10,000	68,098
4	10,001	15,000	47,619
2	15,001	20,000	33,542
3	20,001	25,000	66,287
1	25,001	30,000	25,999
1	30,001	35,000	32,730
1	40,001	45,000	42,820
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
528			**7,535,000**

Categories of shareholders	Share held	Percentage
Directors, Chief Executive Officers, and their spouse and minor childern	6,585,263	87.3957%
Associated Companies, undertakings and related parties.	0	0.0000%
NIT and ICP	750	0.0100%
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	839,993	11.1479%
b. Foreign	0	0.0000%
Others (to be specified)		
Joint Stock Companies	27,671	0.3672%
Others	1	0.0000%
ABANDONED PROPERTIES	330	0.0044%

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

S. No.	NAME	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	550
		750
	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	MRS. JAVARIA OBAID	500
5	MR. ANWAAR AHMAD KHAN	1,846,516
	MR. ANWAAR AHMAD KHAN (CDC)	1,388
6	MRS. REEMA ANWAAR	343,685
7	MR. AFTAB AHMAD KHAN	2,118,529
	MR. AFTAB AHMAD KHAN (CDC)	32,730
8	MRS. AYESHA AFTAB	42,820
9	MR. JUBAIR GHANI	4,500
	MR. JUBAIR GHANI (CDC)	500
		6,585,263
	JOINT STOCK COMPANIES	
1	JAN MOHD A. LATIF NINI & SONS (PVT) LTD. (CDC)	25,999
2	M. NAEEM SECURITIES LTD.	135
3	MONEYLINE SECURITIES (PVT) LTD.(CDC)	1,000
4	SARFRAZ MAHMOOD (PVT) LTD.(CDC)	113
5	SNM SECURITIES (PVT) LTD.(CDC)	423
6	UNEX SECURITIES (PVT) LTD (CDC)	1
		27,671

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		**839,993**
	TOTAL:	**7,535,000**

SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL

S. No.	Name	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 45th ANNUAL GENERAL MEETING of the members of the Company to be held at Avari Hotel, The Mall, Lahore on Thursday October 27, 2011 at 10:30 AM and at every adjournment thereof.

As witness my/our hand(s) this ____________________ day of ____________ 2011

Witness's Signature

Signature ____________________

Name: ____________________

Address: ____________________

Signature and Revenue Stamp

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

THE GLASS EXPERTS

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