

Ghani

THE GLASS EXPERTS

ANNUAL
REPORT

2	0
1	2

GHANI VALUE GLASS LIMITED

www.ghanivalueglass.com

CONTENTS

Corporate Information	2
Mission and Vision	3
Notice of Annual General Meeting	4
Directors' Report	5
Statement of Compliance	9
Key Operating Data and Financial Ratios	11
Review Report	12
Auditors' Report To the Members	13
Balance Sheet	14
Profit and Loss Account	15
Cash Flow Statement	16
Statement of Changes in Equity	17
Notes to the Accounts	18
Pattern of Shareholdings	35
Form of Proxy	

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. Ayesha Aftab

Mrs. Reema Anwaar

Mrs. Jaweria Obaid

CHIEF EXECUTIVE OFFICER

Mr. Anwaar Ahmad Khan

AUDIT COMMITTEE

Chairman

Mr. Aftab Ahmad Khan

Members

Mrs. Ayesha Aftab

Mrs. Reema Anwaar

HR & R COMMITTEE

Chairman

Mr. Aftab Ahmad Khan

Members

Mr. Junaid Ghani

Mr. Jubair Ghani

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, Pakistan
Phones : (042) 35916714, 35916719
Fax : (042) 35869037

BANKERS

Habib Metropolitan 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 : info@ghanivalueglass.com
http://www.ghanivalueglass.com

PLANT

Hussain Nagar
District Sheikhpura
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 46th Annual General Meeting of the members of **GHANI VALUE GLASS LIMITED** will be held on Saturday October 6, 2012 at 10:30 a.m., at Hospitality Inn (*formerly Holiday Inn*) Lahore to transact the following business:

Ordinary Business

1. To confirm the minutes of last Annual General Meeting held on October 27, 2011.
2. To receive, consider and adopt the audited annual accounts of **GHANI VALUE GLASS LIMITED** for the year ended June 30, 2012 together with the Directors' and Auditors' Reports thereon.
3. To appoint auditors for 2013 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.
4. To transact any other business with the permission of the Chair.

By order of the Board

Lahore: September 12, 2012

Hafiz Mohammad Imran Sabir
Company Secretary

Notes:

1. The share transfer books of the Company will remain closed from September 30, 2012 to October 6, 2012 (both days inclusive). Members whose names appear on the register of members as at the close of business on September 28, 2012 shall qualify for the attendance of this meeting.
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 46th annual report along with audited Financial Statements for the year ended June 30, 2012.

Financial Performance

Alhamdulillah your Company has showed an excellent growth even in the economic challenges faced by the country in the form of energy shortages, rising inflation and devastating floods. The company has been able to enhance its productivity and diversity by producing value added tempered glass, silver coating mirror, aluminum coating mirror and double glazing glass. Besides mirror and tempered glass, the Company also produced double glazing and sand blasting glass. Net revenue in the form of local Sales and Exports was increased to Rupees 521 million as compared to Rupees 346 million for the last year demonstrating a growth of 51%. The company has earned a Pretax Profit of Rupees 34 million as compared to Rupees 23 million for the last year which shows an increase of 47%. Net Profit was Rupees 26 million as compared to last year Net Profit of Rupees 18 million depicting a rise of 45%. Resultantly, earning per share of the company also increased to Rupees 3.40 as compared to Rupees 2.35 for the last year. The highlights of the Operating and Financial results of the Company are as follow:

Highlights	2011	2012
	(Rupees)	
Net Sales	346,418,810	521,423,590
Gross Profit	41,742,031	45,861,682
Profit from Operations	16,878,971	17,453,146
Finance Cost	358,172	315,392
Other Income	8,402,888	19,178,353
Profit before Tax	23,096,771	33,993,144
Profit after Tax	17,686,127	25,620,805
Earnings per Share	2.35	3.40

Economic Review

The year under review faced natural calamity of floods like previous year which adversely effected the revival of the economy. Severe damage to crops, infrastructure and human settlement was caused by these unprecedented floods in Southern Pakistan, the Sindh Province and adjoining areas of Northern Baluchistan. The natural calamity along with other factors including energy shortages, sharp increase in fuel and commodity prices, recessionary trend globally, rising inflation and bad law & order situation further contributed towards sluggish progress of the economy. During the last year the National Economy has grown at 3.7% as against 3% last year. Large Scale Manufacturing (LSM) has showed a growth of 1.1%.

Projects Completed

During the year under review your company has successfully started commercial production at Double Glazing Line and Aluminum Coating Mirror Line. Market response to the products was 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. Mrs. Reema Anwaar
3. Mrs. Ayesha Aftab

- **Key Operating Data**

Key operating data for the last six years is annexed.

- **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**

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

Written notices along with working papers were sent to the directors seven days before Board meetings. A total of four meetings of the Board of Directors and the Audit Committee were held during the period of one year, from July 01, 2011 to June 30, 2012. The attendance of the Board members was as follows:

Name of the Director	No. of Board of Directors' Meetings attended	No. of Audit Committee Meetings attended
Mr. Imtiaz Ahmad Khan	4	-
Mr. Anwaar Ahmad Khan	4	-
Mr. Aftab Ahmad Khan	4	4
Mr. Junaid Ghani	4	-
Mr. Obaid Ghani	4	-
Mr. Jubair Ghani	4	-
Mrs. Ayesha Aftab	4	4
Mrs. Reema Anwaar	4	4
Mrs. Jaweria Obaid	4	-

- **Code of Conduct**

Code of Conduct in line with the future outlook of the company has been developed and communicated to all the employees of the company.

- **Pattern of Share Holding**

The statement of the patterns of shareholding as on June 30, 2012 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



Anwaar Ahmad Khan
Chief Executive Officer

Lahore: **September 12, 2012**

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2012

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

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

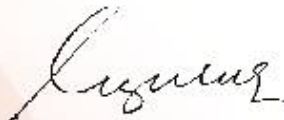
1. The company encourages the representation of independent non-executive directors and the directors representing minority independent directors on its Board of Directors. At present the Board includes:

Name of the Director	Status
Mr. Imtiaz Ahmad Khan	Executive Director
Mr. Anwaar Ahmad Khan	Executive Director
Mr. Aftab Ahmad Khan	Executive Director
Mr. Junaid Ghani	Non - Executive Director
Mr. Obaid Ghani	Non - Executive Director
Mr. Jubair Ghani	Non - Executive Director
Mrs. Ayesha Aftab	Non - Executive Director
Mrs. Reema Anwaar	Non - Executive Director
Mrs. Jaweria Obaid	Non - Executive Director

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this company.
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. There was no casual vacancy occurred on the Board during the year.
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decision on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-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. One of the Board members attended Board Development Series at Pakistan Institute of Corporate Governance during the year.

GHANI VALUE GLASS LIMITED

10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. The Directors' report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance 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 of Corporate Governance.
15. The Board has formed an audit committee. It comprises of three members, majority of them are non-executive directors.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the Code. The terms of reference of the committee have been formulated and advised to the committee for compliance.
17. The Board has formed an HR and Remuneration (HR & R) Committee. It comprises of three members majority of whom are non-executive directors.
18. The Board has earlier set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
20. 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.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. We confirm that all other material principles enshrines in the Code of Corporate Governance have been complied with.



Imtiaz Ahmad Khan
Director

Lahore: September 12, 2012

For and Behalf of the Board of Directors



Anwaar Ahmad Khan
Chief Executive Officer

KEY OPERATING DATA AND FINANCIAL RATIOS

	2012	2011	2010	2009	2008	2007
			Glass Operations		Textile Operations	
Operating Data						
Sales-net	521,423,590	346,418,810	390,640,660	265,270,248	20,496,485	148,496,152
Gross profit	45,861,682	41,742,031	72,078,274	16,300,476	(14,612,568)	391,618
Profit/(loss) before tax	33,993,144	23,096,771	50,557,113	6,551,798	(15,926,057)	(6,685,645)
Profit/(loss) after tax	25,620,805	17,686,127	34,170,313	6,428,015	(16,795,942)	(7,426,124)
Total Assets	410,649,367	373,884,206	329,224,438	287,883,935	91,454,165	39,847,225
Dividend	-	10%*	25%	8%	-	-
Ratios						
Gross profit (%)	8.80	12.05	18.45	6.14	(71.29)	0.26
Net Profit (%)	4.91	5.11	8.75	2.42	(81.95)	(5.00)
Current ratio	1.01	0.85	0.88	0.64	0.58	0.21
Earning / (loss) per share	3.40	2.35	4.53	1.70	(11.15)	(4.93)
Return on total assets	0.06	0.05	0.10	0.02	(0.18)	(0.19)

** only to minority shareholders as the directors, sponsors and their family members had forgone their rights to accept the cash dividend*

REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE 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) prepared by the Board of Directors of the Management Company of Ghani Value Glass Limited (the Company) to comply with the Listing Regulations of the Lahore Stock Exchange where the Fund 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 reflects the status of the Company's compliance with the provisions of the Code in respect of the Company and report if it does not. A review is limited primarily to inquiries of the Company's 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, the Listing Regulation, of the Lahore Stock Exchange requires the Company to place before the Board of Directors for their consideration and approval related party transactions, distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price, recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the Audit Committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the Audit Committee. We have not carried out any procedure 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 does not appropriately reflect the status of the Company's compliance, in all material respects, with the best practices contained in the Code in respect of the Company for the year ended 30 June 2012.

ERNST & YOUNG FORD RHODES SIDAT HYDER
Chartered Accountants

Audit Engagement Partner: Mohammad Junaid
Lahore: September 12, 2012

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Ghani Value Glass Limited (the Company)** as at 30 June 2012 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 except for the changes as stated in note 2.2.1 of these 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 2012 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: Mohammad Junaid

Lahore: September 12, 2012

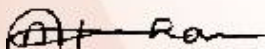
GHANI VALUE GLASS LIMITED

BALANCE SHEET

AS AT 30 JUNE 2012

	Note	2012 Rupees	2011 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	187,872,455	184,596,549
Long term deposits	6	4,633,044	4,633,044
		192,505,499	189,229,593
CURRENT ASSETS			
Stores, spares and loose tools	7	10,343,787	6,529,709
Stock in trade	8	72,620,652	106,910,065
Trade debts - unsecured, considered good	9	101,847,209	30,301,755
Loans and advances	10	11,493,982	16,288,951
Taxes and duty refundable	11	18,232,763	22,610,813
Cash and bank balances	12	3,605,475	2,013,320
		218,143,868	184,654,613
		410,649,367	373,884,206
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Capital			
8,000,000 (30 June 2011: 8,000,000) ordinary shares of Rs.10/- each (30 June 2011: Rs. 10/- each).		80,000,000	80,000,000
Issued, subscribed and paid up capital			
7,535,000 (30 June 2011: 7,535,000) ordinary shares of Rs.10/- each (30 June 2011: Rs. 10/- each).	13	75,350,000	75,350,000
Revenue reserves			
General reserve		3,680,000	3,680,000
Unappropriated profit / (accumulated loss)		6,780,310	(17,890,758)
		85,810,310	61,139,242
SURPLUS ON REVALUATION OF FIXED ASSET	5.2	92,932,206	82,594,706
		178,742,516	143,733,948
NON CURRENT LIABILITIES			
Deferred taxation	14	16,143,932	13,488,701
		194,886,448	157,222,649
CURRENT LIABILITIES			
Loans from directors	15	48,197,000	24,197,000
Trade and other payables	16	161,848,811	188,396,232
Provision for taxation		5,717,108	4,068,325
		215,762,919	216,661,557
		410,649,367	373,884,206
CONTINGENCIES AND COMMITMENTS	17	410,649,367	373,884,206

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



CHIEF EXECUTIVE



DIRECTOR

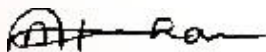
GHANI VALUE GLASS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 Rupees	2011 Rupees
Sales-net	18	521,423,590	346,418,810
Cost of sales	19	475,561,908	304,676,779
Gross profit		45,861,682	41,742,031
Distribution cost	20	15,774,796	13,874,382
Administrative cost	21	12,633,740	10,988,678
		28,408,536	24,863,060
Operating profit		17,453,146	16,878,971
Bank Charges		315,392	358,172
Other operating income	22	(19,178,353)	(8,402,888)
Other operating expenses	23	2,322,963	1,826,916
		(16,539,998)	(6,217,800)
Profit before tax		33,993,144	23,096,771
Taxation	24	8,372,339	5,410,644
Profit after tax		25,620,805	17,686,127
Other comprehensive income for the year		-	-
Total comprehensive income for the year		25,620,805	17,686,127
Earnings per share - basic and diluted	25	3.40	2.35

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



CHIEF EXECUTIVE

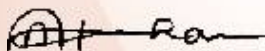


DIRECTOR

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 Rupees	2011 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year before taxation		33,993,144	23,096,771
Adjustments for non-cash charges and other items:			
Depreciation		10,446,822	9,437,265
Provision for WPPF		1,825,625	1,240,428
(Reversal) / Provision for WWF		(809,403)	471,363
Write-offs		1,306,741	-
Profit on savings account		(510,169)	(838,320)
		46,252,761	33,407,507
Working capital adjustments			
(Increase) / decrease in current assets:			
Stores, spares and loose tools		(3,814,078)	(3,404,731)
Stock-in-trade		34,289,413	(24,083,946)
Trade debts		(71,545,454)	(11,704,338)
Loans and advances		4,794,969	446,090
Taxes and duty refundable		5,170,375	(1,627,499)
Increase / (decrease) in current liabilities:			
Trade and other payables		(26,322,141)	43,495,428
Short term loans - net		24,000,000	-
		(33,426,916)	3,121,004
CASH GENERATED FROM OPERATIONS		12,825,844	36,528,511
Taxes paid		(6,167,391)	(7,368,898)
WPPF paid		(1,240,428)	(2,715,205)
Profit on savings account received		510,169	838,320
NET CASH GENERATED FROM OPERATING ACTIVITIES		5,928,195	27,282,728
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred		(3,385,230)	(21,463,254)
NET CASH USED IN INVESTING ACTIVITIES		(3,385,230)	(21,463,254)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		(950,810)	(18,692,600)
NET CASH USED IN FINANCING ACTIVITIES		(950,810)	(18,692,600)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		1,592,155	(12,873,126)
CASH AND CASH EQUIVALENTS - at the beginning of the year		2,013,320	14,886,446
CASH AND CASH EQUIVALENTS - at the end of the year	12	3,605,475	2,013,320

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



CHIEF EXECUTIVE



DIRECTOR

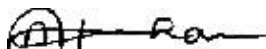
GHANI VALUE GLASS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2012

	Share Capital	Revenue Reserves		Total
		General Reserve	Accumulated profit / (loss)	
Rupees				
Balance as at 01 July 2010	75,350,000	3,680,000	(16,739,385)	62,290,615
Dividend @ Rs. 2.5/- per share for the year ended 30 June 2010	-	-	(18,837,500)	(18,837,500)
Profit for the year ended 30 June 2011	-	-	17,686,127	17,686,127
Balance as at 30 June 2011	75,350,000	3,680,000	(17,890,758)	61,139,242
Dividend @ Rs. 1/- per share for the year ended 30 June 2011, other than sponsored shares	-	-	(949,737)	(949,737)
Profit for the year ended 30 June 2012	-	-	25,620,805	25,620,805
Balance as at 30 June 2012	75,350,000	3,680,000	6,780,310	85,810,310

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 2012

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 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 interpretations	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 offsetting of financial assets and financial liabilities	01 January 2013
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 32 – Offsetting Financial Assets and Financial Liabilities- (Amendment)	01 January 2014

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 SECP for the purpose of applicability in Pakistan.

Standards	Effective date (annual periods Beginning on or after)
IFRS 9 – Financial Instruments	01 January 2015
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

2.2.1 Amendments to published standards effective in 2011

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

- IFRS 7 – Financial Instruments: Disclosures (Amendment)
- IAS 24 – Related Party Disclosure (Revised)
- IFRIC 14 – Prepayments of a Minimum Funding Requirement.

Improvements to various standards issued by IASB Issued in May 2010

- IFRS 7 – Financial Instruments: Disclosures (Clarification of disclosures)
- IAS 1 – Presentation of Financial Statements
(Clarification of statement of changes in equity)
- IAS 34 – Interim Financial Reporting (Significant events and transactions)
- IFRIC 13 – Customer Loyalty Programmes (Fair value of award credits)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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 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 year 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 contribution plan

The Company operates a provident fund scheme covering for all its eligible employees. Equal monthly contributions are made by the Company and employees to the fund at the rate of 8.33% of gross salary of employees.

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	2012 (Rupees)	2011 (Rupees)
	187,221,664	177,340,086
(5.1)	650,791	7,256,463
(5.4)	187,872,455	184,596,549

Operating fixed assets
Capital work in progress

5.1 Operating fixed assets

Particulars	2012			Rate	2011			Net Book Value Rupee
	COST				DEPRECIATION			
	Balance as at 01 July 2011	Revaluation	Additions		Balance as at 01 July 2011	Charge for the period	Balance as at 30 June 2012	
Freehold land	82,700,000	10,337,500	-	-	-	-	93,037,500	
Building on freehold land	22,989,938	-	-	10,400,413	1,258,952	11,659,365	11,330,573	
Plant and machinery	77,900,659	-	9,120,151	12,820,208	7,322,418	20,142,626	66,878,184	
Electric installations	19,815,151	-	-	6,002,159	1,381,299	7,383,458	12,431,693	
Mills equipment	1,486,085	-	-	191,271	129,481	320,752	1,165,333	
Furniture and Fixture	678,347	-	75,180	109,991	59,770	169,761	583,766	
Office equipment	67,620	-	-	17,787	4,983	22,770	44,850	
Computers	110,640	-	98,969	57,562	18,398	75,960	133,649	
Vehicles	1,525,760	-	696,600	334,723	271,521	606,244	1,616,116	
	207,274,200	10,337,500	9,990,900	29,934,114	10,446,822	40,380,936	187,221,664	

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

GHANI VALUE GLASS LIMITED

5.2 Freehold land having a Value of Rs. 82,700,000 was revalued on 14 June 2012 by M/s Spell Vision - Evaluators, Surveyors and Corporate Consultants, Lahore on the basis of market value. This resulted in a surplus of Rs. 10,337,500.

5.3 Depreciation/amortisation charge for the year has been allocated as follows:

	Note	2012 (Rupees)	2011 (Rupees)
Cost of sales	(19)	10,092,150	9,153,730
Distribution expense	(20)	88,668	70,884
Administrative expense	(21)	266,003	212,651
		<u>10,446,822</u>	<u>9,437,265</u>

5.4 Capital work in progress

2012				
Balance as at 01 July 2011	Additions	Transferred to operating fixed assets	Balance as at 30 June 2012	
------(Rupees)-----				
Plant and machinery	7,038,943	1,368,961	8,407,904	-
Furniture and fixtures	-	75,180	75,180	-
Stores held for capital expenditure	217,520	1,145,518	712,247	650,791
	<u>7,256,463</u>	<u>2,589,659</u>	<u>9,195,331</u>	<u>650,791</u>

2011				
Balance as at 01 July 2010	Additions	Transferred to operating fixed assets	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
Furniture and fixtures	-	349,740	349,740	-
Stores held for capital expenditure	-	217,520	-	217,520
	<u>-</u>	<u>20,563,565</u>	<u>13,307,102</u>	<u>7,256,463</u>

GHANI VALUE GLASS LIMITED

	Note	2012 Rupees	2011 Rupees
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 (2011: Rs 3,241,275).

7 STORES, SPARES AND LOOSE TOOLS

Stores		8,027,796	5,391,502
Spares		619,337	305,720
Loose tools		1,696,654	832,487
		10,343,787	6,529,709

8 Stock-In Trade

Raw material		47,061,390	62,909,877
Finished goods		25,559,262	44,000,188
		72,620,652	106,910,065

9 TRADE DEBTS

Unsecured - considered good			
-Others	(9.1)	101,847,209	30,301,755
		101,847,209	30,301,755

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

	Past due but not impaired					Total
	Neither past due nor impaired	Not later than 90 days	Not later than 180 days	Not later than 360 days	Later than one year	
	(Rupees)					
2012	34,475,000	46,425,322	11,222,809	-	9,724,078	101,847,209
2011	3,839,273	20,042,687	6,183,606	-	236,189	30,301,755

9.2 At 30 June 2012 the Company had 17 Customers (2011: 7 Customers) that owed the Company more than Rs. 1,000,000 each and accounted for approximately 96% (2011: 94%) of all receivables.

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.

10 LOANS AND ADVANCES - Considered good

Due from an Associated Company			
Ghani Glass Ltd.	(10.1)	297,417	217,064
Advances:			
- to suppliers		11,032,375	15,978,859
- to employees		64,836	47,050
- for expenses		99,354	45,978
		11,493,982	16,288,951

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

GHANI VALUE GLASS LIMITED

	Note	2012 Rupees	2011 Rupees
11 TAXES AND DUTY REFUNDABLE			
Income tax refundable		16,414,391	14,315,325
Sales tax refundable	(11.1)	1,818,372	7,029,916
Special excise duty refundable		-	1,265,572
		18,232,763	22,610,813
11.1	This represents claims lodged with the sales tax authorities in respect of excess of input tax over output tax.		
12 CASH AND BANK BALANCES			
Cash-in-hand		11,518	22,580
Cash at banks on:			
- current accounts		1,314,149	135,042
- dividend accounts		300,886	271,711
- demand deposit account	(12.1)	1,978,922	1,583,987
		3,605,475	2,013,320
12.1	Rate of profit on demand deposit account ranges from 9% to 10% per annum.(2011: 9% to 11% per annum).		
13 ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
		2012	2011
		7,303,000	7,303,000
		232,000	232,000
		7,535,000	7,535,000
		Ordinary shares of Rs. 10 each issued for cash	Ordinary shares of Rs. 10 each issued for cash
		73,030,000	73,030,000
		Ordinary shares of Rs. 10 each issued as bonus shares	Ordinary shares of Rs. 10 each issued as bonus shares
		2,320,000	2,320,000
		75,350,000	75,350,000
14 DEFERRED TAXATION			
Credit balance arising in respect of taxable temporary differences			
Accelerated tax depreciation		17,859,401	17,416,435
Debit balance arising in respect of deductible temporary differences			
Minimum tax available for carry forward		1,715,470	3,927,734
		16,143,932	13,488,701
15 LOAN FROM DIRECTORS			
Mr. Imtiaz Ahmed Khan		15,899,000	7,899,000
Mr. Anwaar Ahmed Khan		15,899,000	7,899,000
Mr. Aftab Ahmed Khan		16,399,000	8,399,000
	(15.1)	48,197,000	24,197,000
15.1 Loans received from directors			
Opening balance		24,197,000	24,197,000
Funds received during the year		24,000,000	1,500,000
Funds repaid during the year		-	(1,500,000)
Closing balance		48,197,000	24,197,000
15.2	These represent unsecured, interest free loans from Directors for working capital and are payable on demand .		

GHANI VALUE GLASS LIMITED

16 TRADE AND OTHER PAYABLES	Note	2012 Rupees	2011 Rupees
Due to Associated Companies:			
- Ghani Group Services (Pvt.) Ltd.	(16.1)	377,785	377,785
Dealer's advance balances	(16.2)	119,771,100	162,535,693
Creditors		15,035,572	8,039,773
Security deposit - transporters	(16.3)	1,350,000	1,350,000
Accrued expenses		22,173,089	9,396,744
WWF payable	(16.4)	693,738	1,503,141
WPPF payable	(16.5)	1,825,625	1,240,428
Income tax deducted at source		328,551	3,658,243
Unclaimed dividends		293,352	294,425
		<u>161,848,811</u>	<u>188,396,232</u>

16.1 This represent amount payable in respect of underwriting commission.

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

16.3 These represent interest free deposits received from transporters and are repayable on cancellation or withdrawal of transporters arrangements. The company has right to use these deposits as per the agreement.

16.4 Workers welfare fund

Balance at the beginning of the year		1,503,141	1,031,778
Charge for the year		693,738	471,363
		<u>2,196,879</u>	<u>1,503,141</u>
Less:			
Payments made during the year		-	-
Provision reversed	16.4.1	1,503,141	-
Closing balance		<u>693,738</u>	<u>1,503,141</u>

16.4.1 The provision has been reversed in light of the decision of the Honorable High court, in disposing of the case presented before it by some companies.

16.5 Workers profit participation fund

Balance at the beginning of the year		1,240,428	2,715,205
Charge for the year		1,825,625	1,240,428
		<u>3,066,053</u>	<u>3,955,633</u>
Less: Payments made during the year		1,240,248	2,715,205
Closing balance		<u>1,825,805</u>	<u>1,240,428</u>

17 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

Nil

Nil

COMMITMENTS

Stores, spares and packing material under letter of credit
Bank guarantee issued on behalf of the Company to LESCO

4,306,874

-

3,241,275

3,241,275

GHANI VALUE GLASS LIMITED

	Note	2012 Rupees	2011 Rupees
18 SALES - Net			
Local		580,755,056	395,435,008
Export		29,311,850	21,974,035
Less: Sales tax, excise duty and commission		88,643,316	70,990,233
		521,423,590	346,418,810
19 COST OF SALES			
Raw Material consumed		359,797,535	234,491,216
Packing, loading and unloading		11,002,239	9,489,140
Salaries, wages and benefits	(19.1)	16,288,662	12,425,542
Directors remuneration	(19.1)	9,110,148	7,921,872
Fuel and power		23,950,698	12,403,395
Stores consumed		18,180,993	14,611,945
Repair and maintenance		565,180	543,165
Depreciation		10,092,150	9,153,730
Takaful expense		3,813	55,248
Communication		180,430	155,725
Travelling & conveyance		358,851	311,786
Rent, rates & taxes		30,334	93,496
Printing & stationery		64,464	69,611
Freight and handling		607,333	358,156
Entertainment, canteen and mess expenses		6,406,514	4,706,075
Misc plant expenses		481,637	654,523
Cost of goods manufactured		457,120,981	307,444,625
Finished goods			
Add: Opening		44,000,188	41,232,342
Less: Closing		(25,559,262)	(44,000,188)
		475,561,908	304,676,779
19.1	This includes Rs. 1,447,130 (2011: Rs. 1,231,136) in respect of the staff retirement benefits.		
20 DISTRIBUTION COST			
Salaries and benefits	(20.1)	4,495,379	4,110,905
Directors remuneration	(20.1)	9,110,148	7,921,872
Communication		116,161	87,020
Freight, handling and forwarding		96,000	697,422
Traveling and conveyance		727,596	388,885
Vehicles' maintenance		109,685	92,904
Advertisement		745,767	281,800
Entertainment		-	8,517
Clearing charges on export		-	70,422
Sale promotion		267,300	66,527
Depreciation		88,668	70,884
Others		18,092	77,224
		15,774,796	13,874,382

20.1 This includes Rs. 1,018,116 (2011: Rs. 830,615) in respect of the staff retirement benefits.

GHANI VALUE GLASS LIMITED

21	ADMINISTRATIVE EXPENSES	Note	2012 Rupees	2011 Rupees
	Salaries and benefits	(21.1)	1,410,241	1,247,897
	Directors remuneration	(21.1)	9,110,148	7,921,872
	Traveling and conveyance		173,628	108,362
	Takaful expense		-	3,813
	Vehicles' maintenance		89,204	18,615
	Printing and stationery		184,196	182,439
	Subscription and periodicals		343,097	214,951
	Legal and professional charges (other than Auditors')		302,500	298,900
	Auditors' s remuneration	(21.2)	490,000	415,000
	Depreciation		266,003	212,651
	Communication		182,672	189,905
	Boarding and lodging		-	11,316
	Entertainment		58,408	156,540
	Miscellaneous expense		23,643	6,417
			12,633,740	10,988,678
21.1	This includes Rs. 804,058 (2011: Rs. 680,069) in respect of staff retirement benefits.			
21.2	Auditors' remuneration			
	Audit fee		330,000	275,000
	Half yearly review fee		90,000	75,000
	Code of Corporate Governance and other certification		30,000	25,000
	Out of pocket expenses		40,000	40,000
			490,000	415,000
22	OTHER OPERATING INCOME			
	Income from non-financial assets			
	Scrap sales (Includes cullet sales)		13,634,150	4,633,769
	Rent income		5,034,034	2,930,799
	Income from financial assets			
	Profit on saving account		510,169	838,320
			19,178,353	8,402,888
23	OTHER OPERATING EXPENSES			
	WPPF		1,825,625	1,240,428
	WWF		693,738	471,363
	Write off Expenses		(196,400)	-
			2,322,963	1,826,916
24	TAXATION			
	Current tax expense		5,717,108	4,068,325
	Deferred tax expense		2,655,231	1,342,319
			8,372,339	5,410,644
24.1	Numerical reconciliation between the average effective tax rate and the applicable tax rate is as follows:			
	Applicable tax rate		35.00	
	Tax effect on separate block of income (taxable at reduced rate)		(8.07)	
	Tax effect of expenses that are not deductible for tax purposes		10.24	
	Tax effects of credits and rebates		(11.16)	
	Tax effects of others		(1.38)	
			24.63	

24.2 Numerical tax reconciliation has not been presented for last year as the Company's income was under Final Tax Regime (FTR) and minimum tax under section 113 of Income Tax Ordinance, 2001 at that time.

25

EARNINGS PER SHARE

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

	2012	2011
Profit after tax attributable to ordinary shareholders-Rupees	25,620,805	17,686,127
Weighted average number of ordinary shares in issue during the year-Numbers	7,535,000	7,535,000
Earnings per share-Rupees	3.40	2.35

26

REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Particulars	Chairman		Chief Executive		Director		Executives	
	2012	2011	2012	2011	2012	2011	2012	2011
Managerial remuneration	8,409,372	7,312,500	8,409,372	7,312,500	8,409,372	7,312,500	5,747,496	4,496,508
Staff retirement benefits	700,776	609,372	700,776	609,372	700,776	609,372	478,896	333,987
Rent and utilities	-	-	-	-	-	-	-	54,000
Medical expenses reimbursed	-	-	-	-	-	-	30,664	39,985
Number of persons	1	1	1	1	1	1	6	5
	9,110,148	7,921,872	9,110,148	7,921,872	9,110,148	7,921,872	6,257,056	4,924,480

26.1 The company has not provided any company maintained car to Directors or Chief Executive officer, however some executives have been provided with company maintained vehicle.

GHANI VALUE GLASS LIMITED

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 these financial statements, are as follows:

Associated companies		2012	2011
		(Rupees)	(Rupees)
Ghani Glass Limited	Purchases	285,219,729	167,278,512
Ghani Glass Limited	Cullet sales	(1,199,325)	(2,803,816)
Ghani Glass Limited	Sales of mirror or tempered glass	(648,321)	-
Ghani Glass Limited	Rent income	(5,034,034)	(2,930,799)
Ghani Glass Limited	Shared expenses	3,535,242	1,913,979
Ghani Automobile Industries Limited	Purchase of motor vehicles	41,495	-
Directors			
Mr. Anwaar Ahmed Khan	Dividend paid	-	4,619,760
Mr. Imtiaz Ahmed Khan	Dividend paid	-	4,218,350
Mr. Aftab Ahmed Khan	Dividend paid	-	5,378,148
Mr. Junaid Ghani	Dividend paid	-	633,450
Mr. Obaid Ghani	Dividend paid	-	633,438
Mrs. Ayesha Aftab	Dividend paid	-	107,050
Mrs. Reema Anwaar	Dividend paid	-	859,213
Executive	Dividend paid	450,500	1,126,250
Staff retirement benefit			
Contribution to Provident Fund	Employer contribution	3,269,300	2,741,820

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

28 PRODUCTION CAPACITY

		2012	2011
		Square Meters	
Mirror glass			
Production capacity		3,703,968	2,592,000
Actual production		857,760	602,463
Tempered Glass			
Production capacity		72,462	72,462
Actual production		69,816	39,614

28.1 The Company achieved 23% (2011: 23%) production capacity in mirror glass, while in tempered glass 96% (2011: 55%) production capacity was achieved..

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 2012 and 2011.

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% (2011: 5%) of the Company's sales are denominated in currencies other than rupees, while almost 95% (2010: 95%) 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 2012, 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 2012 and 2011 is as follows:

GHANI VALUE GLASS LIMITED

USD	Increase/ decrease US Dollars to Pak Rupee	Effect on profit before tax	
		2012 Rupees	2011 Rupees
Pak rupees	+5%	58,187	2,627
Pak rupees	-5%	(58,187)	(2,627)
EURO			
Pak rupees	+5%	329,321	-
Pak rupees	-5%	(329,321)	-

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 market 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:

	2012 (Rupees)	2011 (Rupees)
Trade debts-unsecured, considered good	101,847,209	30,301,755
Advance to employee	64,836	47,050
Bank balances	3,593,957	1,990,740
	105,506,002	32,339,545

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			2012 (Rupees)	2011 (Rupees)
Short Term	Long Term	Agency		
A1+	AA	PACRA	-	450
A1+	AA+	PACRA	3,538,638	1,934,466
A-1+	AA+	JCR-VIS	55,319	55,824
			3,593,957	1,990,740

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 2012		
Trade and other payables	161,848,811	161,848,811
Loan from directors	48,197,000	48,197,000
	210,045,811	210,045,811
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

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 2012.

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 categorized into two primary business segments namely mirror glass and tempered glass

Segment analysis of profit and loss account for the year ended 30 June 2012:

	Mirror Glass (Rupees)	Tempering and Other (Rupees)	Total (Rupees)
Sales	437,318,597	84,104,993	521,423,590
Cost of sales	<u>(407,015,866)</u>	<u>(68,546,042)</u>	<u>(475,561,908)</u>
	30,302,731	15,558,951	45,861,682
Unallocated expenses			
Distribution cost			(15,774,796)
Administrative expenses			(12,633,740)
Bank charges			(315,392)
Other operating income			19,178,353
Other operating expenses			(2,322,963)
Taxation			<u>(8,372,339)</u>
Profit after taxation			<u><u>25,620,805</u></u>

Segment analysis of assets and liabilities as at 30 June 2012:

	Mirror Glass (Rupees)	Tempering and Other (Rupees)	Total (Rupees)
Segment assets			
Unallocated assets	<u>79,591,204</u>	<u>33,488,596</u>	<u>113,079,798</u>
Total			<u><u>410,649,367</u></u>
Unallocated liabilities			<u><u>231,906,851</u></u>

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

	Mirror Glass (Rupees)	Tempering and Other (Rupees)	Total (Rupees)
Sales	302,301,070	44,117,740	346,418,810
Cost of sales	<u>(273,454,626)</u>	<u>(31,222,153)</u>	<u>(304,676,779)</u>
	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)
Taxation			<u>(5,410,644)</u>
Profit after taxation			<u><u>17,686,127</u></u>

GHANI VALUE GLASS LIMITED

Segment analysis of assets and liabilities as at 30 June 2011:

	Mirror Glass (Rupees)	Tempering and Other (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

The sales percentage by geographic region is as follows:

	2012 %	2011 %
Pakistan	95.20	94.74
Afghanistan	4.80	3.53
India	0.00	1.73

22% revenue is arising from sale to two customers.

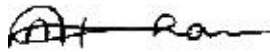
All non current assets of the Company as at 30 June 2012 and 30 June 2011 are located in Pakistan

31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on September 12, 2012. by the board of directors of the Company.

32 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, 2012

No. of Shareholders	-----Shareholding-----		Total Shares Held
	From	To	
285	1	100	11,409
156	101	500	45,979
44	501	1,000	34,418
43	1,001	5,000	96,821
11	5,001	10,000	72,584
5	10,001	15,000	60,447
2	15,001	20,000	35,200
3	20,001	25,000	69,713
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
559			7,535,000

Categories of shareholders	Share held	Percentage
Directors, Chief Executive Officers, and their spouse and minor children	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	865,493	11.4863%
b. Foreign	0	0.0000%
Others (to be specified)		
Joint Stock Companies	2,171	0.0288%
Others	1	0.0000%
Abandoned Properties	330	0.0044%

INFORMATION UNDER CLAUSE XVI (J)

OF THE CODE OF CORPORATE GOVERNANCE AS ON JUNE 30, 2012

NAME	HOLDING
<u>ASSOCIATED COMPANIES, UNDERTAKINGS & RELATED PARTIES</u>	
	<u>0</u>
<u>MUTUAL FUNDS</u>	
	<u>0</u>
<u>DIRECTORS, CEO THEIR SPOUSE AND MINOR CHILDREN</u>	
1 MR. IMTIAZ AHMED KHAN	1,687,340
2 MR. JUNAID GHANI	253,380
3 MR. OBAID GHANI	253,375
4 MRS. JAVARIA OBAID	500
5 MR. ANWAAR AHMAD KHAN	1,847,904
6 MRS. REEMA ANWAAR	343,685
7 MR. AFTAB AHMAD KHAN	2,151,259
8 MRS. AYESHA AFTAB	42,820
9 MR. JUBAIR GHANI	5,000
	<u>6,585,263</u>
<u>EXECUTIVES</u>	
	<u>456,388</u>
<u>PUBLIC SECTOR COMPANIES & CORPORATIONS</u>	
	<u>0</u>
<u>BANKS, DEVELOPMENTS FINANCE INSTITUTIONS, NON BANKING FINANCIE COMPANIES INSURANCE COMPANIES, TAKAFUL, MODARABAS & PENSION FUNDS</u>	
	<u>80,992</u>
<u>SHAREHOLDERS HOLDING 5% OR MORE VOTING INTEREST IN THE LISTED COMPANY</u>	
1 MR. IMTIAZ AHMED KHAN	1,687,340
2 MR. ANWAAR AHMAD GHANI	1,847,904
3 MR. AFTAB AHMAD KHAN	2,151,259
4 MR. MOHAMMAD SALIM LAKHANI (CDC)	456,388

During the financial year the trading in shares of the company by its Directors, Executives and their spouses and minor children is as follows

NIL

GHANI VALUE GLASS LIMITED

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 46th ANNUAL GENERAL MEETING of the members of the Company to be held at Hospitality Inn (formerly Holiday Inn), Lahore on Saturday October 6, 2012 at 10:30 AM and at every adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2012

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

THE GLASS EXPERTS

GHANI VALUE GLASS LIMITED

Head Office:

40-L, Model Town, Lahore, Pakistan.
UAN: +92-42-111 949 949
Fax: +92-42-35172263
www.ghanivalueglass.com

Marketing Office:

12-D/5 Chandni Chowk,
KDA Scheme, 7/8, Karachi, Pakistan.
UAN: +92-21-111 949 949
Fax: +92-21-34926349