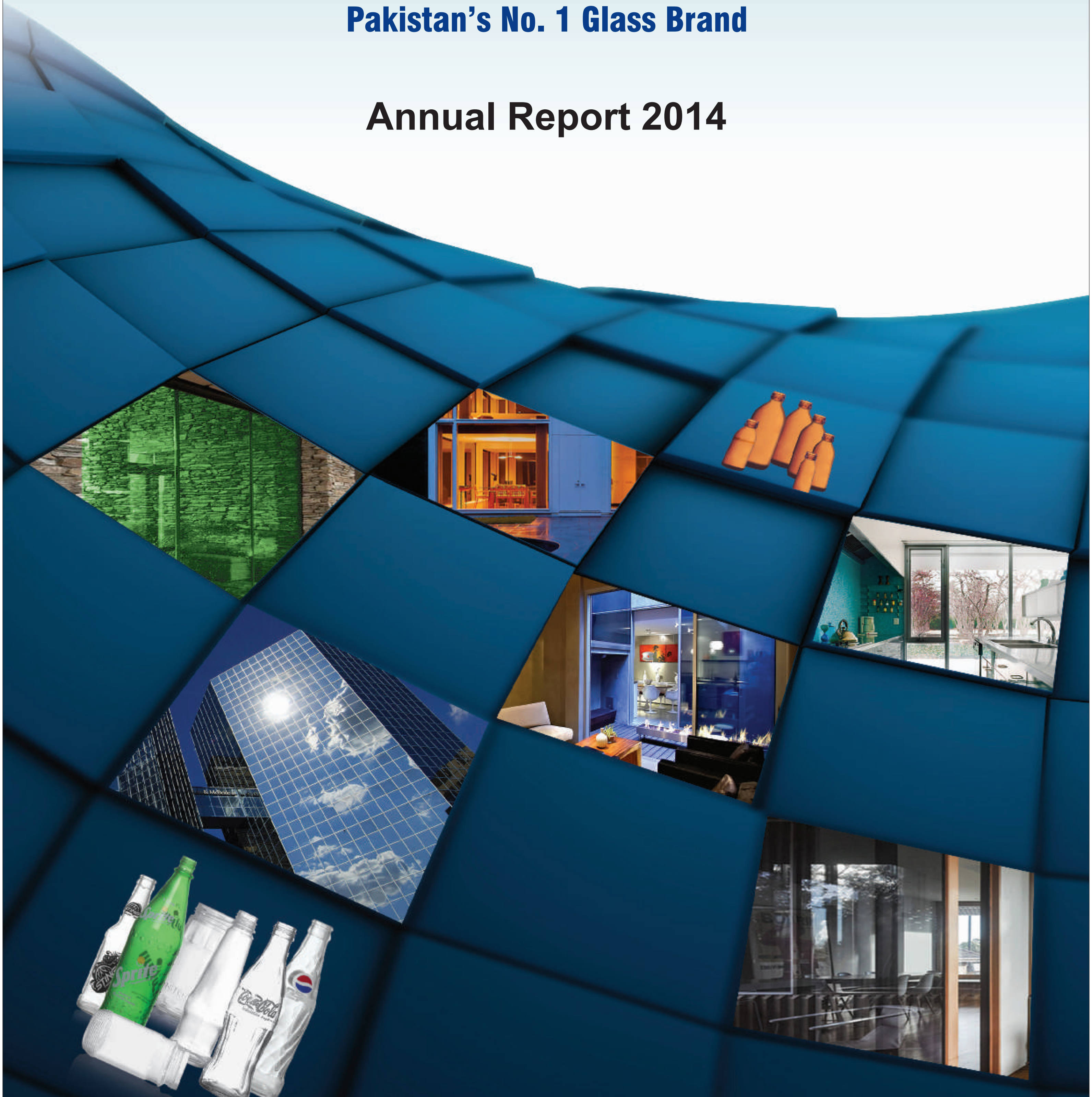
Ghani

Pakistan's No. 1 Glass Brand

Annual Report 2014



Ghani Glass Limited

بسم الله الرحمن الرحيم

Table of Contents

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

Mission Statement

To be successful by

effectively & efficiently

Utilizing our Philosophies,

so that We achieve & Maintain

constantly the High Standards of

Product Quality

&

Customer Satisfaction

Corporate Information

Board of Directors	Mr. Aitzaz Ahmad Khan	Chairman
	Mr. Imtiaz Ahmad Khan	Chief Executive Officer
	Mr. Anwaar Ahmad Khan	Deputy Chief Executive Officer
	Mr. Aftab Ahmad Khan	Deputy Chief Executive Officer
	Mrs. Ayesha Aftab	
	Hafiz Farooq Ahmad	
	Mr. Zaid Ghani	
	Mr. Junaid Ghani	
	Mr. Jubair Ghani	
	Mr. Shamim Ahmed	
	Mr. Ali Jehangir Siddiqui	
	Syed Hasan Akbar Kazmi *(Alternate Director)*	
Audit Committee	Mr. Aftab Ahmad Khan	Chairman
	Mrs. Ayesha Aftab	Member
	Mr. Zaid Ghani	Member
HR & R Committee	Mr. Anwaar Ahmad Khan	Chairman
	Mrs. Ayesha Aftab	Member
	Mr. Zaid Ghani	Member
Chief Financial Officer	Mr. Umer Farooq Khan	
Company Secretary	Hafiz Mohammad Imran Sabir	
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants	
Legal Advisor	Ally Law Associates	Corporate Consultants • Muhammad Siddique Chaudhry • Ernst & Young 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	Albaraka Islamic Bank Bank Alfalah Limited, IBD Burj Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited, IBD Meezan Bank Limited MCB Bank Limited, IBD Soneri Bank Limited, IBD Standard Chartered Bank Limited, IBD Bank Islami Pakistan Limited Faysal Bank Limited, IBD United Bank Limited	

Head Office & Registered Office
40-L Model Town
Lahore, Pakistan
UAN : (042) 111 949 949
Fax : (042) 35172263
E-mail :info@ghaniglass.com
http://www.ghaniglass.com

Marketing Office
12 D/5,Chandni Chowk
KDA Scheme No. 7-8
Karachi - 74000
UAN : (021) 111 949 949
Fax : (021) 34926349
E-mail : marketing@ghaniglass.com

GGL Plant-1 & Regional Marketing Office-North
22 km Haripur Taxila Road, (From Haripur)
Thesil & District Haripur (KPK)
Phones :(0995) 639236-40 & (0995) 539063-65
Fax : (0995) 639067

GGL Plant-2
H-15, Landhi Industrial Area
Karachi-74000
Phone :(021) 35020761-63
Fax :(021) 35020280

GGL Plant-3
29-km Lahore Sheikhupura Road,
District Sheikhupura
Phones : (056) 3406810-11
Fax : (056) 3406795
Email : ghanifloat@ghaniglass.com

Ghani & Stakeholders

Ghani Glass Limited endeavors to add best-in-class value to all its stakeholders which include our consumers, customers, suppliers, employees and shareholders along with the communities we operate in. They are all important pieces of the whole and their successful integration means win-win situation for all.

Consumers

GGL is part of one's daily life. We are with our Consumers in joy, health and pain. Our float products beautify the homes and offices, be it the windows or furniture. Our food and beverage containers entertain everyone on daily basis. Vitamins in our glass bottles help maintain one's health while other medicinal products in our bottles provide relief and assistance in getting over the illnesses. Trust of our Consumers have made Ghani as Pakistan's No. 1 glass brand.

Customers

Our wide array of customers include all multinational pharmaceutical and food/beverage companies along with major local manufacturers in these business segments as well as with distributors and dealers in our Float Business. We also export our products to several countries around the globe. We strive to provide all customers with Quality Products at Competitive Prices with best Customer Service in the country and abroad. Our Customers' confidence and support have made GGL market leader in both segments of the business.

Suppliers

We procure major quantities of our raw and packaging materials locally. We are one of the largest purchaser of minerals like silica, feldspar, dolomite, lime stone etc. thereby supporting economies of far flung areas having mines of these materials. We also actively support the conservation efforts through recycling used and broken glass (cullet) throughout the country.

Employees

Employees are GGL's biggest asset and we work as one big family. GGL strives to provide everyone with an enabling work environment where they can maximize their potential as well as fulfill their religious obligations. All workers (permanent or through contractor) are given free meals. The Company shares the business results with all employees through bonuses on both Eids as well as other performance based compensation.

Shareholders

Ghani Group has been showing best industry rating and constant profit growth for its shareholders. Alhamdulillah the graph of our industry rating and profit growth remains upward. This statistical fact shows company's strong base and financial strength.

Communities

GGL is a strong advocate of Corporate Social Responsibility and is actively involved in various community support programs. In education, we provide assistance to deserving students in Message Grammar School – Izmir Town, Chand Bagh School – Muridke and Al Ghani Trust School – Pasroor along with a special program for education of convicts in jails to make them better citizens upon their release. GGL also supports needy patients in Iftikhar Ghani Trust Dispensary.

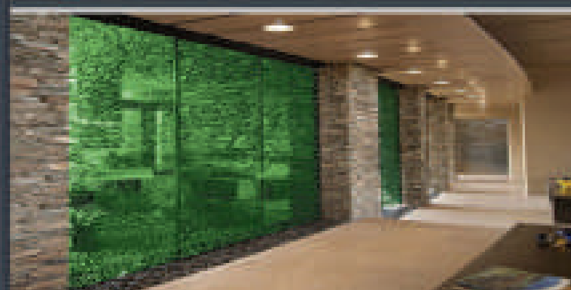
PRODUCT PORTFOLIO

FLOAT GLASS

DIVISION

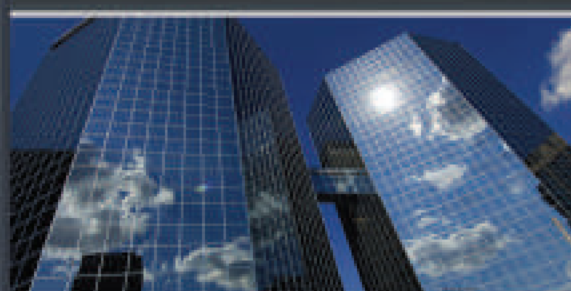
GHANI CLEAR

GHANI GREEN



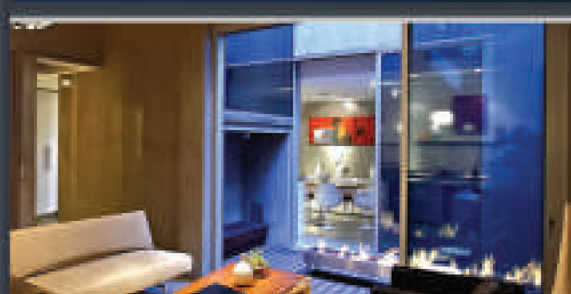
GHANI BROWN

GHANI REFLECTIVE



GHANI GREY

GHANI BLUE



PRODUCT PORTFOLIO

CONTAINER GLASS

DIVISION

Pharmaceuticals

Food

Beverages

Ceo's Message

Dear Shareholders,

I would like to start by expressing my gratitude to Almighty Allah who bestowed us continued growth during the year 2013-14.

The FY14 has observed higher GDP growth of 4.14% since the year 2008-09. The positive indicators of the National Economy were attributed to stepping up economic growth, restriction of inflation on single digit, strengthening of PAK Rupee and maintaining the foreign exchange reserves. Large-Scale Manufacturing Sector has recorded a growth of 5.31% as compared to 4.08% last year. The growth of Agriculture Sector has shrunk to 2.1% compared with 2.9% for the last year. Economic activity has enhanced by steady Discount Rate through accommodative approach of SBP towards Monetary Policy amid higher inflows, single digit inflation and growth in Private Sector Credit. Private Sector has been encouraged by improvement in sentiment, relatively better availability of energy and reduction in government borrowing from the banking system. Pak Rupee has strengthened against Dollar owing to inflow of foreign investment, successful launching of Euro Bond & auction of long pending 3G/4G licenses, new height in worker remittances and significant rise in foreign exchange reserves.

The Company has continued with its long term business strategy and resource optimization. As a part of expansion strategy, your Company has successfully commissioned new project of pharma container glass having a production capacity of 500 million bottles per anum. With the effective cost controlling measures through initiating Cost Reduction Programs (CRPs) the cost of sales has decreased by 3% comparing with the last year. General and Administrative expenses have remained at previous year's level as a percentage to sales. We also feel pleasure to inform our valued shareholders that during the year under review, there seemed an increasing trend in Share of Profit from RAK Ghani Glass LLC *(Associated Company)*. Alhamdulillah Ghani Glass has maintained its market leadership position in both Float and Container divisions.

The management gives great value to the Islamic Principles of Business Ethics. It is distinction of your Company that it always seeks guidance from Shariah in complex business models and strives to pursue the same in true letter and spirit. For this purpose, the Company has been sorting direction from Islamic Jurists to achieve maximum level of Shariah Compliance in overall business. As per policy, the Company has been doing riba free business with Islamic Banking. We look for the happiness of ALLAH subhana wa taala in every aspects of our lives. Utmost efforts are being made to create an encouraging environment for employees to adhere to the Shariah.

Alhamdulillah your Company, being the pioneer in glass industry has been maintaining its effective role as a socially responsible citizen and its extensive contribution towards economic development of the country by creating opportunities for the people, business community and uplifting the economic well-being of the nation. During the year under review, it has contributed Rupees 7.5 billion on account of various Government levies, taxes, custom duty, sales tax and reduction in import bill.

Economy of Pakistan is on the track to achieve sustainability and growth. We are hopeful that the year 2014-15 would bring more opportunities with it. Government has been doing well to take measures to address issues faced by the economy. The natural resources of the country should be utilized optimally to overcome the challenges faced by the economy. May ALLAH SUBHANA WA TAALA guide us to contribute towards the betterment of our nation.

Please join us in praying to Almighty Allah to give us the courage and wisdom to face the challenges ahead and work with more enthusiasm for the success of the Company and to create value for its shareholders.

Lahore: September 12, 2014

Imtiaz Ahmed Khan
Chief Executive Officer

Directors' Report

The Directors of the company have the pleasure of presenting Annual Report of your Company along with Audited Financial Statements for the year ended June 30, 2014.

PERFORMANCE HIGHLIGHTS

The highlights of the Operating and Financial results of the Company are as follow:

(Rupees in Million)

Financial Indicators	2014	2013
Net Sales	10,200	10,362
Gross Profit	2,442	2,330
Profit from Operations	1,466	1,362
Finance Cost	374	336
Share of Profit from Associate	158	41
Profit before Tax	1,250	1,067
Profit after Tax	916	871
Earning per Share (Rupees)	7.44	7.07

Alhamdulillah, your Company has maintained its sustainable performance during another challenging year of 2013-14. Due to the impact of competition, the value of Net Sales with a nominal decline stood at Rupees 10.2 Billion as compared to Rupees 10.4 Billion for the last year. The management has introduced a new concept of Cost Reduction Programs (CRPs) by creating a sense of responsibility towards cost controlling all over the plants and head office. With the great efforts of the management, the cost of sales has been reduced by 3% as compared to the last year. Gross Profit has increased to Rupees 2.4 Billion as compared to Rupees 2.3 Billion for the last year. Operational Profit has increased to Rupees 1.5 Billion as compared to Rupees 1.3 Billion for the last year. Profit before tax has increased to Rupees 1.3 Billion as compared to Rupees 1 Billion for the last year reflecting as increase of 17%. Net profit also increased to Rupees 916 Million as compared to Rupees 871 Million.

PROJECTS ACCOMPLISHED

The management considers the importance of business modernization and maintaining international production standards through continuous improvement. During the year under review the Company has successfully commissioned new project at Karachi to meet the demand of Pharma segment. The new furnace has a production capacity of 130 tons of glass per day and 500 million bottles per anum.

OUTLOOK

With the positive gestures of the National Economy, we are confident for sustainable growth of the Company during the years ahead by effective implementation of CRPs, capacity development and energy conservation. We will also enhance investment in technology and R & D for better customer relationship, continuous innovation, agility and stronger focus on maintaining our standards. The management is committed to continue to have a strategic outlook for the Company which will help to mitigate the adverse impact of increasing competition, rising input cost, usage of expensive alternate fuels etc. We are determined to further expand and strengthen our operations by concentrating positively on our long term expansion strategy and improving our quality standards. We will have even more opportunities to enhance our business and add further value to our stakeholders.

HUMAN RESOURCE MANAGEMENT & EMPLOYEE RELATIONSHIP

Human Resource management plays a vital role in hiring, promoting and retaining the best employees for every position. We put in place a targeted recruitment strategy for recruiting people with the core skills and traits. The management believes that in the modern era, the human resource management has become vital for any organization to successfully compete in the market place with increased output and productivity. Your company attaches great importance to having a dedicated and motivated team to meet these modern challenges.

Your Company has always encouraged to foster a culture of continuous development of the skills of its employees and to create an environment which supports sustainable high performance. We are committed to give our employees the opportunity to grow, evolve and contribute. With our enthusiastic team of high caliber professionals, we have full confidence that with Allah Tallah's blessing our business will be flourished more within the local as well as international markets.

Following are some other examples of our strong association with employees:

- The Company provides hygienic meals to its entire workforce at all sites including persons hired through contractors;
- Seven persons in each year are selected through random balloting and sent to perform Holy Hajj at the expense of the Company;
- Medical facilities for workers, Interest-Free loans and first aid (for plant workers) are also provided to the employees;
- The Company encourages and promotes all employees to participate in sports and various extracurricular activities. In this regard, the Company arranges cricket tournaments for its employees;
- There are masajids at each plant and head office for praying and to learn teachings of Religion.

The relationship with the workers and staff remained cordial and our employees' commitment, professionalism and focus on quality and customer care helped us achieving our growth targets during these challenging times.

We are proud of our employees for demonstrating commitment and delivering great performance during the year. Their consistent endeavors for achieving excellence in all operational spheres of the business reassures us for a more prosperous future with the help of Allah (SWT).

CORPORATE SOCIAL RESPONSIBILITY

We are determined to contribute to society by providing good employment, contributing to national exchequer, saving foreign exchange and working for the welfare of surrounding communities. We are committed to follow the highest social standards in how we conduct our business. The company took several initiatives to meet its Corporate Social Responsibility (CSR) and continued with reasonable financial support for the welfare of its employees, their families, the local community and society at large.

The Company contributes in Education and Health Sectors, the brief summary of which is given below:

- **Message Grammar School, Izmir Town, Lahore**

  Over 1,250 students are getting highest quality education in this higher secondary school.

- **Chandbagh School and College, Muridke**

  Full boarding school with over 1000 students.

- **Al Ghani Trust School, Pasroor**

  Over 175 students have been 'providing Financial Support to get free education till Metric level.

- **Free Financial Assistance and Education for convicts in Jails**

  Prisoners whose have completed their punishment but are not free because of being unable to pay off the financial penalty imposed by the court of law have been providing Financial Support;

  Regular classes are arranged for prisoners *(Adult and children)* for hygiene awareness, basic religion teachings and Prayers and Quran teachings;

  Training is providing to prisoners on how to become a useful member of the community once out of jail and Character building courses

- **Iftikhar Ghani Trust Dispensary**

  Over 3000 non affording patients being treated and provided free medicine on monthly basis.

DIVIDEND

Due to economic conditions of the country subsequent to the year end and in view of the expected CAPEX required for BMR during the next year, it has been decided to retain the earnings in operations.

STATUTORY AUDITORS OF THE COMPANY

The present auditors M/s KPMG Taseer Hadi & Company, Chartered Accountants retire and offer themselves for re-appointment. As suggested by the Audit Committee, the Board of Directors has recommended their re-appointment as auditors of the company for the year ending June 30, 2015, at a mutually agreed fee.

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.

SHARE PRICE TREND

During the year under review minimum price of share of Rs.10 each fell up to Rs.49.40 and at one stage rose as high as Rs.77.50 and closed at Rs.54 as on June 30, 2014.

BOARD OF DIRECTORS

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

Written notices of the Board meetings along with working papers were sent to the members seven days before meetings. A total of four meetings of the Board of Directors, five meetings of the Audit Committee and one meeting of HR & R Committee were held during the period of one year, from July 01, 2013 to June 30, 2014. The attendance of the Board members was as follow:

Name of the Director	No. of Board of Directors' Meetings attended	No. of Audit Committee Meetings attended	No. of HR & R Committee Meetings attended
Mr. Aitzaz Ahmad Khan	1	-	-
Mr. Imtiaz Ahmad Khan	3	-	-
Mr. Anwaar Ahmad Khan	4	-	1
Mr. Aftab Ahmad Khan	4	5	-
Mrs. Ayesha Aftab	4	5	1
Hafiz Farooq Ahmad	2	-	-
Mr. Junaid Ghani	3	-	-
Mr. Jubair Ghani	4	1*	-
Mr. Zaid Ghani	3	4	1
Mr. Ali Jehangir Siddiqui	1	-	-
Mr. Shamim Ahmed	4	-	-
Syed Hasan Akbar Kazmi *(Alternate Director)*	1	-	-

** In Audit Committee Mr. Jubair Ghani has been replaced by Mr. Zaid Ghani on September 18, 2013*

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

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The requirements of the Code of Corporate Governance set out by the Karachi, Lahore and Islamabad Stock Exchanges in their Listing Regulations, relevant for the year ended June 30, 2014 have been adopted by the company and have been duly complied with.

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

The Statement of Compliance with the best practices of Code of Corporate Governance is annexed.

CODE OF CONDUCT

The board has adopted the Code of Conduct. All employees are informed of this Code and are required to observe these rules of conduct in relation to customers, suppliers and regulators.

SUBSEQUENT EVENTS *(after June 30, 2014)*

There have been no material changes since June 30, 2014 and the company has not entered into any commitment, which would materially affect its financial position at the date.

AUDIT COMMITTEE

An audit committee of the Board has been in existence since the enforcement of the Code of Corporate Governance, which comprises of one executive and two non executive directors *(including its Chairman)*. During the year five meetings of the Audit Committee were held. The Audit Committee has its terms of reference which were determined by the Board of Directors in accordance with the guidelines provided in the Listing Regulations.

RELATIONS WITH STAKEHOLDERS

We are committed to establish mutually beneficial relations with our suppliers, customers and business partners.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

In compliance with the Code of Corporate Governance, we give below statements on Corporate and Financial Reporting framework:

The financial statements together with the notes thereon have been drawn up by the management in conformity with the Companies Ordinance, 1984. These statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity.

Proper books of account have been maintained by the company.

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

International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements and any departure there from has been adequately disclosed and explained.

The system of internal control is sound in design and has been effectively implemented and monitored.

There are no significant doubts upon the company's ability to continue as a going concern.

There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.

There has been no departure from the best practices of transfer pricing.

The key operating and financial data for the last six years is annexed.

Information about taxes and levies is given in the notes to the accounts.

The value of investments and bank balances in respect of staff retirement benefits:

Provident Fund **Rs. 293 million**

The value of investment includes accrued interest.

TRADING OF SHARES BY THE CEO, DIRECTORS, CFO, COMPANY SECRETARY AND THEIR SPOUSES AND MINOR CHILDREN

Name	No. of Shares purchased	No. of Shares sold
Mr. Ali Jehangir Siddiqui	-	2,000,000

PATTERN OF SHARE HOLDINGS UNDER CLAUSE XIX (I) AND (J) OF CODE OF CORPORATE GOVERNANCE

A statement of the pattern of shareholding of certain class of shareholders as at June 30, 2014, whose disclosure is required under the reporting framework, is included in the annexed shareholder's information. The directors, CEO, CFO, Company Secretary and their spouses or minor children did not carry out any trade in shares of the company during the year, except as noted above.

ACKNOWLEDGMENT

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 endless mercy for all our endeavors, so that we shall be able to come up with dear rewards for all the stakeholders.

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

For and on behalf of the Board of Directors

Lahore: September 12, 2014

Imtiaz Ahmed Khan
Chief Executive Officer

Financial Performance

SIX YEARS AT GLANCE

	2014	2013	2012	2011	2010	2009
Operating Results			**(Rupees in Million)**			
Sale	10,200	10,362	8,620	6,869	6,534	5,192
Gross profit	2,442	2,330	1,999	2,001	1,889	1,526
Profit before tax	1,250	1,067	1,196	1,349	1,278	993
Financial data						
Fixed assets	7,168	6,063	6,002	2,622	2,504	2,501
Capital work-in-progress	9	713	-	1,155	204	135
Advances, and deposits	479	459	446	207	226	152
Long term investment/						
Current assets	4,538	3,713	3,581	3,155	2,791	2,188
Current liabilities	2,792	2,788	3,807	1,846	1,179	1,107
Assets employed	**9,402**	**8,160**	**6,222**	**5,293**	**4,547**	**3,869**
Financed by:						
Ordinary capital	1,232	1,174	1,067	1,067	970	882
Reserves	5,947	5,089	4,326	3,805	3,174	2,579
Shareholders equity	7,179	6,263	5,392	4,872	4,144	3,461
Finances and deposits	1,511	1,366	438	1	1	33
Deferred taxation	712	531	392	420	402	375
Funds invested	**9,402**	**8,160**	**6,222**	**5,293**	**4,547**	**3,869**
Earning per share	7.44	7.07	9.89	9.10	8.88	7.35
Break-up-value	58.26	53.37	50.55	45.66	42.72	39.26
Dividend %						
- cash	-	-	50	10	25	30
-Bonus shares	-	15	-	-	10	10
Total	**-**	**15**	**50**	**10**	**35**	**40**

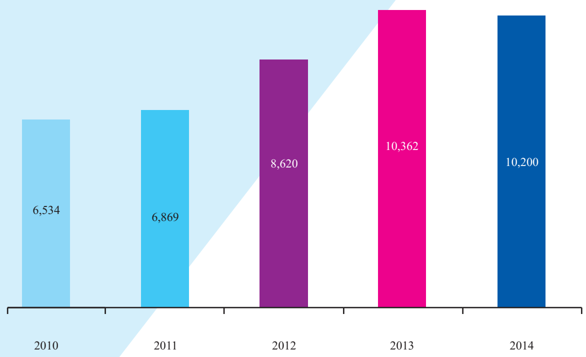
Financial Performance

SIX YEARS AT GLANCE

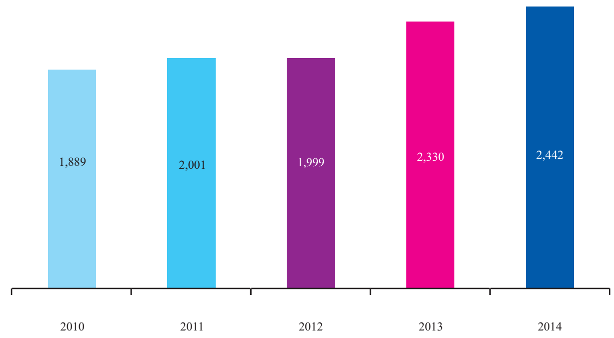
	2014	2013	2012	2011	2010	2009
Gross profit ratio %	24%	22%	23%	29%	29%	29%
Profit before tax ratio %	12%	10%	14%	20%	20%	19%
Inventory turnover ratio	6.17	7.96	6.73	6.22	7.36	6.55
Total assets turnover ratio	0.84	0.95	0.86	0.96	1.14	1.04
Fixed assets turnover ratio	1.33	1.43	1.34	1.72	2.23	1.86
Price earning ratio	7.26	8.85	5.25	5.77	5.83	7.05
Return on capital employed %	17.27%	17.19%	19.22%	25.48%	28.11%	25.65%
Market value per share (Rupees) at the end of year	54	62.60	57.16	52.55	57	57
Debt Equity ratio	1:2.44	1:2.28	1:2.21	1:7.96	1:42.5	1:18
Current ratio	1:0.62	1:0.75	1:1.06	1:0.59	1:0.42	1:0.51
Interest cover ratio	4.34	4.18	15.64	35.20	22.51	12.29
Earning per share (Rupees)	7.44	7.07	9.89	9.10	8.88	7.35

Financial Performance

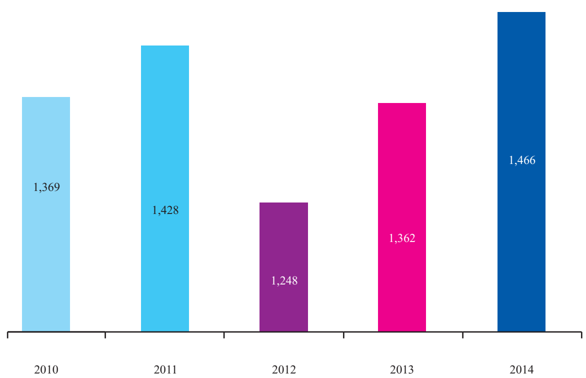
NET SALES
(RUPEES IN MILLION)



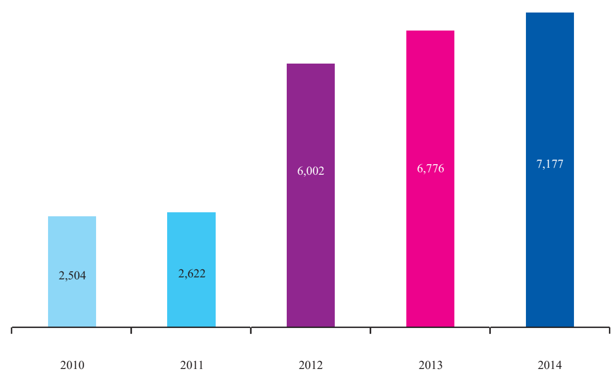
GROSS PROFIT
(RUPEES IN MILLION)



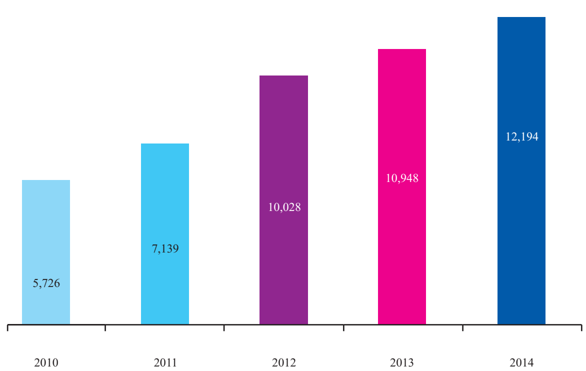
PROFIT FROM OPERATION
(RUPEES IN MILLION)



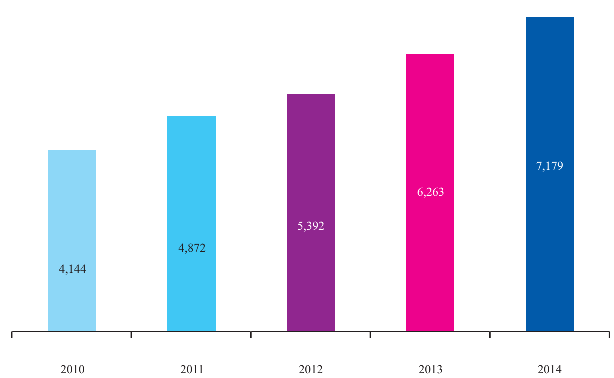
FIXED ASSETS
(RUPEES IN MILLION)



TOTAL ASSETS
(RUPEES IN MILLION)

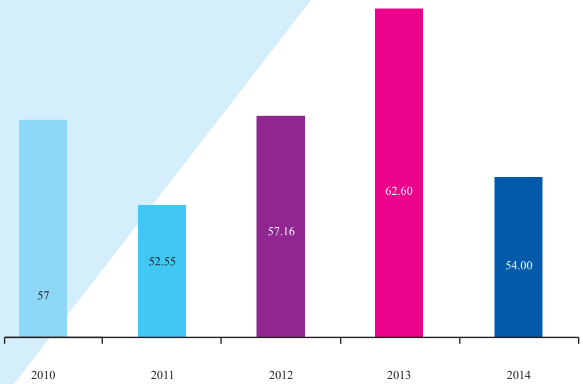


SHAREHOLDER EQUITY
(RUPEES IN MILLION)



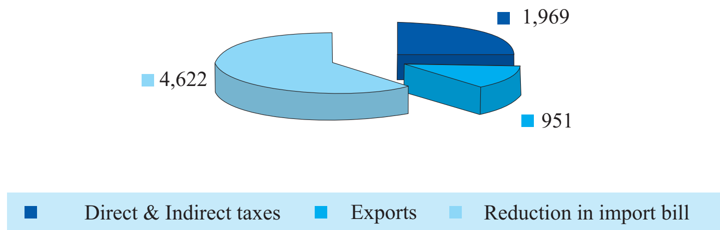
Financial Performance

SHARE PRICE TREND
(RUPEES)



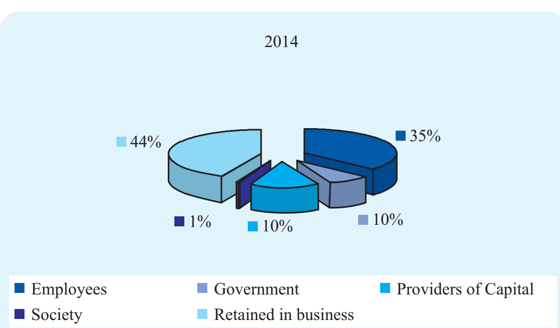
EARNING PER SHARE
(RUPEES)

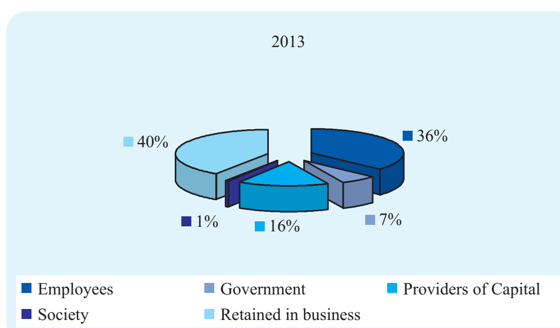
CONTRIBUTION TO NATIONAL EXCHEQUER
(RUPEES IN MILLION)



Statement of Value Addition and its Distribution

	2014		2013	
Value Addition	(Rupees in Million)			
Net sales	10,200		10,362	
Material and services	(6,896)		(7,231)	
Other income	254		81	
	3,558		**3,212**	
Value Distribution				
Employees				
Salaries, wages and amenities	1,175		1,118	
Workers profit participation fund	66		57	
	1,241	35%	**1,175**	36%
Government				
Tax	334		197	
Workers welfare fund	13		22	
	347	10%	**218**	7%
Providers of Capital				
Dividend	-		165	
Finance Cost	374		336	
	374	10%	**501**	16%
Society				
Donation	30		20	
	30	1%	**20**	1%
Retained in business				
Depreciation	650		592	
Retained profit	916		705	
	1,566	44%	**1,297**	40%
	3,558	100%	**3,212**	100%





Horizontal Analysis of Financial Statements

	2014	2013	2012	2011	2010	2009	% increase/(decrease) over preceeding year					
	(Rupees in Million)						2014	2013	2012	2011	2010	2009
Balance Sheet												
Total Equity and minority interest	7,179	6,263	5,392	4,872	4,144	3,461	14.63	16.14	10.69	17.57	19.73	18.68
Total non-current liabilities	2,222	1,897	829	422	403	409	17.14	128.79	96.73	4.54	-1.32	-1.58
Total current liabilities	2,792	2,788	3,807	1,846	1,179	1,107	0.16	-26.78	106.21	56.58	6.53	-17.98
Total Equity and Liabilities	**12,194**	**10,948**	**10,028**	**7,139**	**5,726**	**4,976**	**11**	**9**	**40**	**25**	**15**	**6**
Total non-current assets	7,656	7,235	6,447	3,984	2,934	2,788	5.82	12.22	61.83	35.77	5.23	18.95
Total current assets	4,538	3,713	3,581	3,155	2,791	2,188	22.22	3.67	13.50	13.04	27.59	-6.36
Total Assets	**12,194**	**10,948**	**10,028**	**7,139**	**5,726**	**4,976**	**11**	**9**	**40**	**25**	**15**	**6**
Profit and Loss Account												
Net Sales	10,200	10,362	8,620	6,869	6,534	5,192	-1.56	20.21	25.48	5.14	25.85	28.72
Cost of Sales	-7,758	-8,032	-6,621	-4,868	-4,645	-3,666	-3.42	21.32	36.00	4.81	26.71	31.43
Gross Profit	**2,442**	**2,330**	**1,999**	**2,001**	**1,889**	**1,526**	**5**	**17**	**(0)**	**6**	**24**	**23**
General and Administration Expenses	-304	-275	-300	-216	-187	-152	10.56	-8.30	38.70	15.72	23.15	30.10
Selling and Distribution Expenses	-688	-653	-400	-331	-292	-234	5.45	63.38	20.72	13.45	24.46	-16.64
Other operating Expenses	-79	-79	-89	-95	-79	-76	0.29	-10.76	-6.58	20.78	3.90	26.29
Other operating income	96	40	38	69	37	79	141.00	4.92	-44.82	84.17	-52.73	-14.57
	-976	**-967**	**-751**	**-574**	**-520**	**-383**	**1**	**29**	**31**	**10**	**36**	**5**
Operating Profit	**1,466**	**1,362**	**1,248**	**1,428**	**1,369**	**1,143**	**8**	**9**	**(13)**	**4**	**20**	**30**
Finance Cost	-374	-336	-80	-41	-61	-93	11.32	320.75	96.80	-33.29	-34.69	31.20
Share of profit/loss of associate	158	41	27	-18	-30	-57	284.61	50.13	-253.90	-40.99	-46.87	0.00
	-216	**-295**	**-52**	**-79**	**-91**	**-150**	**(27)**	**462**	**(33)**	**(13)**	**(39)**	**111**
Profit before taxation	**1,250**	**1,067**	**1,196**	**1,349**	**1,278**	**993**	**17**	**(11)**	**(11)**	**6**	**29**	**23**
Taxation	-334	-197	-35	-378	-331	-281	69.70	458.67	-90.69	14.36	17.93	4.36
Profit after taxation	**916**	**871**	**1,161**	**971**	**947**	**713**	**5**	**(25)**	**20**	**2**	**33**	**32**

Vertical Analysis of Financial Statements

Rupees in Million

	2014		2013		2012		2011		2010		2009	
	(Rs.)	%	(Rs.)	%	(Rs.)	%	(Rs.)	%	(Rs.)	%	(Rs.)	%
Balance Sheet												
Total Equity and minority interest	7,179	58.88	6,263	57.21	5,392	53.77	4,872	68.24	4,144	72.37	3,461	69.55
Total non-current liabilities	2,222	18.23	1,897	17.33	829	8.27	422	5.90	403	7.04	409	8.21
Total current liabilities	2,792	22.90	2,788	25.46	3,807	37.96	1,846	25.86	1,179	20.59	1,107	22.24
Total Equity and Liabilities	**12,194**	**100.00**	**10,948**	**100.00**	**10,028**	**100.00**	**7,139**	**100.00**	**5,726**	**100.00**	**4,976**	**100.00**
Total non-current assets	7,656	62.79	7,235	66.09	6,447	64.29	3,984	55.80	2,934	51.25	2,788	56.03
Total current assets	4,538	37.21	3,713	33.91	3,581	35.71	3,155	44.20	2,791	48.75	2,188	43.97
Total Assets	**12,194**	**100.00**	**10,948**	**100.00**	**10,028**	**100.00**	**7,139**	**100.00**	**5,726**	**100.00**	**4,976**	**100.00**
Profit and Loss Account												
Net Sales	10,200	100.00	10,362	100.00	8,620	100.00	6,869	100.00	6,534	100.00	5,192	100.00
Cost of Sales	-7,758	(76.06)	-8,032	(77.52)	-6,621	(76.81)	-4,868	(70.86)	-4,645	(71.09)	-3,666	(70.61)
Gross Profit	**2,442**	**23.94**	**2,330**	**22.48**	**1,999**	**23.19**	**2,001**	**29.14**	**1,889**	**28.91**	**1,526**	**29.39**
General and Administration Expenses	-304	(2.98)	-275	(3)	-300	(3.48)	-216	(3.15)	-187	(2.86)	-152	(2.93)
Selling and Distribution Expenses	-688	(6.75)	-653	(6)	-400	(4.64)	-331	(4.82)	-292	(4.47)	-234	(4.51)
Other operating Expenses	-79	(0.78)	-79	(1)	-89	(1.03)	-95	(1.38)	-79	(1.20)	-76	(1.46)
Other operating income	96	0.94	40	0	38	0.44	69	1.00	37	0.57	79	1.52
	-976	**(9.57)**	**-967**	**(9.34)**	**-751**	**(8.71)**	**-574**	**(8.35)**	**-520**	**(7.96)**	**-383**	**(7.38)**
Operating Profit	**1,466**	**14.37**	**1,362**	**13.14**	**1,248**	**14.48**	**1,428**	**20.78**	**1,369**	**20.95**	**1,143**	**22.02**
Finance Cost	-374	(3.67)	-336	(3.24)	-80	(0.93)	-41	(0.59)	-61	(0.93)	-93	(1.79)
Share of Profit/Loss of associate	158	1.55	41	0.40	27	0.32	-18	(0.26)	-30	(0.46)	-57	(1.09)
	-216	**(2.12)**	**-295**	**(2.84)**	**-52**	**(0.61)**	**-79**	**(1.15)**	**-91**	**(1.39)**	**-150**	**(2.88)**
Profit before taxation	**1,250**	**12.26**	**1,067**	**10.30**	**1,196**	**13.88**	**1,349**	**19.64**	**1,278**	**19.56**	**993**	**19.13**
Taxation	-334	(3.27)	-197	(1.90)	-35	(0.41)	-378	(5.51)	-331	(5.06)	-281	(5.40)
Profit after taxation	**916**	**8.98**	**871**	**8.40**	**1,161**	**13.47**	**971**	**14.13**	**947**	**14.50**	**713**	**13.73**

Statement of Compliance

with the Code of Corporate Governance for the Year Ended June 30, 2014

This statement is being presented to comply with the Code of Corporate Governance contained in regulation No.35 of listing regulations of the Karachi, Lahore and Islamabad 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 CCG in the following manner:

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

Independent Directors*	---
Executive Directors	Mr. Imtiaz Ahmad Khan
	Mr. Anwaar Ahmad Khan
	Mr. Aftab Ahmad Khan
	Mr. Junaid Ghani
	Mr. Jubair Ghani
Non - Executive Directors	Mr. Aitzaz Ahmad Khan
	Mrs. Ayesha Aftab
	Hafiz Farooq Ahmad
	Mr. Zaid Ghani
	Mr. Shamim Ahmed
	Mr. Ali Jehangir Siddiqui
	Syed Hasan Akbar Kazmi *(Alternate Director)*

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

4. No casual vacancy occurred on the Board during the current 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 decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors have been taken by the Board.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by 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 meetings. The minutes of the meetings were appropriately recorded and circulated.

9. As per criteria specified in clause xi of CCG, majority of the directors of the Company are exempted from the requirement of Directors' training program. However, one of the Board members got certification from Pakistan Institute of Corporate Governance under Corporate Governance Leadership Skills (CGLS) – Director Education Program during the year.

10. No new appointment of CFO, Company Secretary and Head of Internal Audit was made during the year ended June 30, 2014.

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. The terms of reference of the committee have been formed 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 them are non-executive directors.

18. The Board has 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 enshrined in the Code of Corporate Governance have been complied with.

For and Behalf of the Board of Directors

Aftab Ahmad Khan
Director

Imtiaz Ahmad Khan
Chief Executive Officer

Lahore: September 12, 2014

** The conditions of revised Code of Governance shall be applicable on next election of directors*

Review Report

to the Members on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **Ghani Glass Limited ("the Company")** for the year ended June 30, 2014 to comply with the Listing Regulation no. 35 of Karachi and Lahore Stock Exchanges, 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 and to highlight any non-compliance with the requirements of the Code. 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 the 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 of Directors' 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.

The Code requires the Company to place before the Audit Committee and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its 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 and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were under taken 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 as applicable to the Company for the year ended 30 June 2014.

KPMG Taseer Hadi & Co
Chartered Accountants
(Bilal Ali)

Lahore: September 12, 2014

Auditors' Report

to the Members

We have audited the annexed balance sheet of **Ghani Glass Limited** ("the Company")as at 30 June 2014 and the related profit and loss account, statement of comprehensive income, 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, statement of comprehensive income, 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 2014 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and

d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

KPMG Taseer Hadi & Co
Chartered Accountants
(Bilal Ali)

Lahore: September 12, 2014

Balance Sheet

As at 30 June 2014

	Note	2014 Rupees	2013 Rupees
EQUITY AND LIABILITIES			
Capital and reserves			
Authorised share capital			
142,500,000 (2013: 142,500,000) ordinary shares		1,425,000,000	1,425,000,000
of Rs. 10 each			
Issued, subscribed and paid up capital	4	1,232,190,060	1,173,514,350
Reserves	5	5,947,104,681	5,089,402,712
		7,179,294,741	6,262,917,062
Non-Current liabilities			
Long term finances	6	1,263,775,740	1,148,556,546
Security deposits	7	246,930,306	217,789,904
Deferred taxation	8	711,681,817	530,812,573
		2,222,387,863	1,897,159,023
Current liabilities			
Current portion of non current liabilities	9	387,199,259	305,016,763
Short term finances	10	1,294,066,604	1,294,163,227
Trade and other payables	11	1,082,140,097	1,169,833,435
Markup accrued		28,670,198	18,521,793
		2,792,076,158	2,787,535,218
Contingencies and commitments	12		
		12,193,758,762	10,947,611,303

	Note	2014 Rupees	2013 Rupees
ASSETS			
Non-Current assets			
Property, plant and equipment	13	7,176,867,037	6,775,583,377
Investment in associate	14	451,142,851	393,777,749
Long term deposits and prepayments	15	27,947,590	65,586,590
		7,655,957,478	7,234,947,716
Current assets			
Stores, spares and other consumables	16	765,005,655	850,414,171
Stock in trade	17	1,652,571,761	1,301,612,245
Trade debtors	18	1,168,805,622	678,206,928
Advances, deposits and prepayments	19	454,194,731	255,626,769
Income tax recoverable		241,892,502	286,884,469
Other receivables	20	17,953,277	19,113,449
Cash and bank balances	21	237,377,736	320,805,556
		4,537,801,284	**3,712,663,587**
		12,193,758,762	10,947,611,303

The annexed notes 1 to 42 form an integral part of these financial statements.

Lahore

Chief Executive

Director

Profit and Loss Account

For the year ended 30 June 2014

	Note	2014 Rupees	2013 Rupees
Sales - net	22	**10,200,398,815**	10,361,879,035
Cost of sales	23	**(7,757,966,908)**	(8,032,349,105)
Gross profit		**2,442,431,907**	2,329,529,930
General and administrative expenses	24	**(304,434,348)**	(275,362,037)
Selling and distribution expenses	25	**(688,324,349)**	(652,768,593)
Other operating expenses	26	**(79,326,047)**	(79,098,971)
Other income	27	**95,805,867**	39,754,266
		(976,278,877)	(967,475,335)
Operating profit		**1,466,153,030**	1,362,054,595
Finance cost	28	**(373,853,448)**	(335,835,715)
Share of profit of associate- net	14	**157,860,135**	41,044,039
Profit before taxation		**1,250,159,717**	1,067,262,919
Taxation	29	**(333,782,038)**	(196,684,195)
Profit after taxation		**916,377,679**	870,578,724
			Restated
Earnings per share - basic and diluted	39	**7.44**	7.07

The annexed notes 1 to 42 form an integral part of these financial statements.

Lahore **Chief Executive** **Director**

Statement of Comprehensive Income

For the year ended 30 June 2014

	2014	2013
	Rupees	Rupees
Profit for the year	**916,377,679**	870,578,724
Other comprehensive income	**-**	-
Total comprehensive income for the year	**916,377,679**	870,578,724

The annexed notes 1 to 42 form an integral part of these financial statements.

Lahore **Chief Executive** **Director**

Statement of Changes in Equity

For the year ended 30 June 2014

		Capital reserve		Revenue reserve	
	Share capital	Merger reserve	Share premium	Unappropriated profit	Total
	---------- Rupees ----------				
Balance as at 30 June 2012	1,066,831,227	427,419,290	75,000,000	3,823,087,821	5,392,338,338
Total comprehensive income for the year	-	-	-	870,578,724	870,578,724
Transaction with owners					
Interim bonus shares issued @ 10%					
- for the year 30 June 2013	106,683,123	-	-	(106,683,123)	-
Balance as at 30 June 2013	1,173,514,350	427,419,290	75,000,000	4,586,983,422	6,262,917,062
Total comprehensive income for the year	-	-	-	916,377,679	916,377,679
Transaction with owners					
Bonus shares issued @ 5%					
- for the year ended 30 June 2013	58,675,710	-	-	(58,675,710)	-
Balance as at 30 June 2014	**1,232,190,060**	**427,419,290**	**75,000,000**	**5,444,685,391**	**7,179,294,741**

The annexed notes 1 to 42 form an integral part of these financial statements.

Lahore **Chief Executive** **Director**

Cash Flow Statement

For the year ended 30 June 2014

	Note	2014 Rupees	2013 Rupees
Cash flows from operating activities			
Cash generated from operations	30	**1,114,155,936**	2,105,606,103
Finance cost paid		**(363,705,043)**	(395,167,536)
Workers' profit participation fund paid		**(57,804,861)**	(72,144,255)
Income taxes paid		**(95,545,740)**	(99,722,066)
		(517,055,644)	(567,033,857)
Net cash generated from operating activities		**597,100,292**	1,538,572,246
Cash flows from investing activities			
Fixed capital expenditure		**(1,054,420,541)**	(1,367,017,638)
Proceeds from sale of fixed assets		**9,376,193**	5,085,000
Dividend income from associate		**100,495,033**	-
Long term deposits and pre-payments		**37,639,000**	29,493,740
Net cash used in investing activities		**(906,910,315)**	(1,332,438,898)
Cash flow from financing activities			
Loan from sponsors - net		**-**	(65,145,650)
Short term finances - net		**(96,623)**	(658,979,545)
Diminishing musharaka- net		**440,299,750**	(48,327,125)
Certificates of leasing- net		**(242,898,060)**	1,371,813,184
Dividend paid		**(63,266)**	(535,375,899)
Security deposits		**29,140,402**	(141,661,045)
Net cash generated from/(used in) financing activities		**226,382,203**	(77,676,080)
Net (decrease)/increase in cash and cash equivalents		**(83,427,820)**	128,457,268
Cash and cash equivalents at the beginning of the year		**320,805,556**	192,348,288
Cash and cash equivalents at the end of the year	21	**237,377,736**	320,805,556

The annexed notes 1 to 42 form an integral part of these financial statements.

Lahore **Chief Executive** **Director**

1 Legal status and nature of business

Ghani Glass Limited ('the Company') was incorporated in Pakistan in 1992 as a limited liability company under the Companies Ordinance, 1984 and is listed on Karachi and Lahore Stock Exchanges. The registered office of the Company is located at 40 - L, Model Town Extension, Lahore. The Company is engaged in the business of manufacturing and sale of glass containers and float glass of different types.

2 Statement of compliance

2.1 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of Companies Ordinance, 1984 or the requirements of the said directives shall prevail.

2.2 Standards, Interpretations and Amendments not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2014:

- IFRIC 21- Levies ‘an Interpretation on the accounting for levies imposed by governments’ (effective for annual periods beginning on or after 1 January 2014). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation is not likely to have an impact on Company’s financial statements.

- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) – (effective for annual periods beginning on or after 1 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of ‘currently has a legally enforceable right of set-off’; and that some gross settlement systems may be considered equivalent to net settlement. The amendments are not likely to have an impact on Company’s financial statements.

- Amendment to IAS 36 “Impairment of Assets” Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 1 January 2014). These narrow-scope amendments to IAS 36 Impairment of Assets address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The amendments are not likely to have an impact on Company’s financial statements.

- Amendments to IAS 39 “Financial Instruments: Recognition and Measurement” Continuing hedge accounting after derivative novation (effective for annual periods beginning on or after 1 January 2014). The amendments add a limited exception to IAS 39, to provide relief from discontinuing an existing hedging relationship when a novation that was not contemplated in the original hedging documentation meets specific criteria. The amendments are not likely to have an impact on Company’s financial statements.

- Amendments to IAS 19 “Employee Benefits” Employee contributions – a practical approach (effective for annual periods beginning on or after 1 July 2014). The practical expedient addresses an issue that arose when amendments were made in 2011 to the previous pension accounting requirements. The amendments introduce a relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. The amendments are relevant only to defined benefit plans that involve contributions from employees or third parties meeting certain criteria. The amendments are not likely to have an impact on Company’s financial statements.

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Company's financial statements.

- IFRS 10 'Consolidated Financial Statements' – (effective for annual periods beginning on or after 1 January 2015) replaces the part of IAS 27 'Consolidated and Separate Financial Statements. IFRS 10 introduces a new approach to determining which investees should be consolidated. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 has made consequential changes to IAS 27 which is now called 'Separate Financial Statements' and will deal with only separate financial statements. The amendments are not likely to have an impact on Company's financial statements.

- IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2015) replaces IAS 31 'Interests in Joint Ventures'. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has now been named 'Investment in Associates and Joint Ventures'. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after 1 January 2016. The amendments are not likely to have an impact on Company's financial statements.

- IFRS 12 'Disclosure of Interest in Other Entities' (effective for annual periods beginning on or after 1 January 2015) combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, into one place. The amendments are not likely to have an impact on Company's financial statements.

- IFRS 13 'Fair Value Measurement' (effective for annual periods beginning on or after 1 January 2015) defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains how to measure fair value when it is required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The amendments are not likely to have an impact on Company's financial statements.

- Amendment to IAS 27 'Separate Financial Statement' (effective for annual periods beginning on or after 1 January 2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendments are not likely to have an impact on Company's financial statements.

- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The amendments are not likely to have an impact on Company's financial statements.

Annual Improvements 2010-2012 and 2011-2013 cycles (most amendments will apply prospectively for annual period beginning on or after 1 July 2014). The new cycle of improvements contain amendments to the following standards:

- IFRS 2 'Share-based Payment'. IFRS 2 has been amended to clarify the definition of 'vesting condition' by separately defining 'performance condition' and 'service condition'. The amendment also clarifies both: how to distinguish between a market condition and a non-market performance condition and the basis on which a performance condition can be differentiated from a vesting condition.

- IFRS 3 'Business Combinations'. These amendments clarify the classification and measurement of contingent consideration in a business combination. Further IFRS 3 has also been amended to clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements including joint operations in the financial statements of the joint arrangement themselves.

- IFRS 8 'Operating Segments' has been amended to explicitly require the disclosure of judgments made by management in applying the aggregation criteria. In addition this amendment clarifies that a reconciliation of the total of the reportable segment's assets to the entity assets is required only if this information is regularly provided to the entity's chief operating decision maker. This change aligns the disclosure requirements with those for segment liabilities.

- Amendments to IAS 16'Property, plant and equipment' and IAS 38 'Intangible Assets'. The amendments clarify the requirements of the revaluation model in IAS 16 and IAS 38, recognizing that the restatement of accumulated depreciation (amortization) is not always proportionate to the change in the gross carrying amount of the asset.

- IAS 24 'Related Party Disclosure'. The definition of related party is extended to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity.

- IAS 40 'Investment Property'. IAS 40 has been amended to clarify that an entity should: assess whether an acquired property is an investment property under IAS 40 and perform a separate assessment under IFRS 3 to determine whether the acquisition of the investment property constitutes a business combination.

  The above does not have an impact on Company's financial statements.

3 Significant accounting policies

These financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities which are re-measured at their fair values and foreign currency translations.

The preparation of financial statement in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are:

	Note
- Residual values and useful lives of depreciable assets	*3.1*
- Provision for taxation	*3.14*
- Provisions and contingencies	*3.18*

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Property, plant and equipment

Property, plant and equipment except freehold land are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at cost less any identified impairment loss.

Depreciation on all property, plant and equipment is charged to income using "reducing balance method", except for furnace on which depreciation is charged on straight line basis, so as to write off the historical cost of an asset over its estimated useful life at the rates mentioned in note 13.1.

Depreciation methods, residual values and the useful lives of the assets are reviewed at least at each financial year end and adjusted if impact on depreciation is significant.

Depreciation on additions to property, plant and equipment is charged from the month in which the asset is acquired or capitalized, while no depreciation is charged for the month in which the asset is disposed off.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Profit or loss on disposal of operating fixed assets represented by the difference between the sale proceeds and the carrying amount of the asset is recognized in income or expense.

3.2 Capital work in progress

Capital work in progress is stated at cost less any identified impairment loss and represents expenditure incurred on property, plant and equipment during the construction and installation. Cost also includes applicable borrowing costs. Transfers are made to relevant property, plant and equipment category as and when assets are available for use.

3.3 Operating leases

Rentals payable under operating leases are charged to profit and loss account on a straight line basis over the term of the relevant lease.

3.4 Ijarah finances

Ijarah finances are classified as an operating lease according to the guidelines provided in International Financial Accounting Standard (IFAS) 2. Leases where a significant proportion of risks and rewards of ownership are retained by the lessor are classified as operating lease. Payments made under the operating lease (net of any incentives received from the lessor) are charged to profit on a straight line basis over the lease term.

3.5 Investments

Management determines the classification of its investments at the time of purchase depending on the purpose for which the investments are acquired and re-evaluates this classification at the end of each financial year. Investments intended to be held for less than twelve months from the balance sheet date or to be sold to raise operating capital are included in current assets, all other investments are classified as non-current.

Investments are either classified as financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale investments or investment in subsidiary and associated companies, as appropriate. When investments are recognized initially, they are measured at fair value, plus, in case of investments not at fair value through profit or loss, directly attributable transaction cost.

Investment in associate

Associates are all entities over which the Company has significant influence but not control. Investment in associate is accounted for using the equity method of accounting and are initially recognized at cost. The Company's investment in associate includes goodwill (net of any accumulated impairment loss) identified on acquisition. The Company's share of its associates' post acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate. Unrealized gains/losses on transactions between the Company and its associate are eliminated to the extent of the Company's interest in the associate.

Investments at fair value through profit and loss account

Investments that are acquired principally for the purpose of generating profit from short term fluctuations in price or dealer's margin are classified as held for trading.

Investments at fair value through profit or loss are initially recognized at cost, being the fair value of the consideration given. Transaction costs are charged to profit and loss. Subsequent to initial recognition these are recognized at fair value unless fair value can not be reliably measured. The investments for which quoted market price is not available are measured at cost. Any surplus or deficit on revaluation of investments is charged to income currently.

3.6 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

3.7 Stores, spares and other consumables

These are valued at lower of cost and net realizable value. Cost is determined at weighted average except items in transit which are valued at cost comprising invoice value plus other charges paid thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business less cost necessarily to be incurred to make the sale. Provision is made in the financial statements for obsolete and slow moving items of stores and spares based on management estimates, if any. Items considered obsolete are carried at nil value.

3.8 Stock-in-trade

These are valued at the lower of cost and net realizable value except for stock in transit, which are valued at cost comprising invoice value plus other charges paid.

Cost is determined as follows:

Raw and packing materials	At weighted average cost
Work-in-process	At weighted average cost and related manufacturing expenses
Finished goods	At weighted average cost and related manufacturing expenses

Net realizable value signifies the estimated selling price in the ordinary course of business less cost necessarily to be incurred to make the sale. Provision is made in the financial statements for obsolete and slow moving items of stock-in-trade based on management estimates, if any.

3.9 Financial instruments

Financial assets

Significant financial assets include trade debts, advances and receivables, long term deposits and cash and bank balances. Finances and receivables from clients are stated at their nominal value as reduced by provision for doubtful finances and receivable, while other financial assets are stated at cost.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities include short term ijarah rentals, musharika and morabaha finances, salam finances, accrued markup, trade and other payables and dividends payable. Markup based financial liabilities are recorded at gross proceeds received. Other liabilities are stated at their nominal value.

Recognition and derecognition

All the financial assets and financial liabilities are recognized at the time when the Company becomes party to the contractual provisions of the instrument. Financial assets are derecognized when the Company looses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has legal enforceable right to set off the recognized amount and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

3.10 Trade debts

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

3.11 Cash and cash equivalents

Cash and cash equivalents are carried at cost in the balance sheet. For the purpose of cash flow statement cash and cash equivalents comprise cash in hand and with banks.

3.12 Impairment

Financial assets (including receivables)

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired may include default or delinquency by a debtor indications that a debtor or issuer will enter bankruptcy. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit and loss and reflected in an allowance account against receivables.

Non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax asset, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit and loss account.

Impairment loss recognized in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.13 Trade and other payables

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

3.14 Taxation

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to profit for the year if enacted after taking into account tax credits, rebates and exceptions, if any. The charge for the current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax assets and liabilities are calculated at the rates that are expected to apply to the period when the asset is realized or liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the income statements except in the case of items credited or charged to equity in which case it is included in equity.

3.15 Revenue recognition

Revenue represents the fair value of the consideration received or receivable for goods sold, net of discounts and sales tax. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue, and the associated cost incurred, or to be incurred, can be measured reliably.

Profit on receivables is recognized on time proportionate basis when the right to receive is established.

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 the dispatch of goods to the customer in case of local sales and a preparation of bill of lading in case of exports.

Dividend income is recognized when right to receive such dividend is established.

3.16 Foreign currency transactions

All monetary assets and liabilities in foreign currencies are translated into rupees at exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated into rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into rupees at exchange rates prevailing at the date when fair values are determined. Exchange gains and losses are included in the income currently.

3.17 Employees retirement benefit

Defined contribution plan

The Company operates funded contributory provident fund scheme for all its permanent and eligible employees. For the purpose of scheme, a separate Trust has been established. Equal monthly contributions are made both by the Company and the employees at the rate of 8.33 percent of the gross salary.

3.18 Provisions and contingencies

Provisions are recognized in the balance sheet when the Company has a legal or constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate. Where outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

3.19 Borrowing costs

Mark-up, interest and other charges on borrowings are capitalized up to the date of commissioning of the related property, plant and equipment acquired out of the proceeds of such borrowings. All other mark-up, interest and other charges are charged to profit in which they are incurred.

3.20 Dividend

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

3.21 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the company that makes strategic decisions.

	Note	2014 Rupees	2013 Rupees
4 Issued, subscribed and paid up capital			
14,950,000 (2013: 14,950,000) Ordinary shares of Rs.10 each fully paid in cash		**149,500,000**	149,500,000
72,026,871 (2013: 66,159,300) Ordinary shares of Rs.10 each issued as fully paid bonus shares		**720,268,710**	661,593,000
36,242,135 (2013: 36,242,135) Ordinary shares of Rs.10 each issued under the scheme of amalgamation	*4.1*	**362,421,350**	362,421,350
		1,232,190,060	1,173,514,350

4.1 In accordance with the scheme of amalgamation, the Company has issued 3,984,064 ordinary shares of Rs. 10 each to the shareholders of former Ka'as ul Musaf'fa (Private) Limited and 32,258,071 ordinary shares of Rs. 10 each to the shareholders of the former Ghani Float Glass Limited in accordance with the scheme of amalgamation.

	Number of shares	
	2014	2013
4.2 Reconciliation of ordinary shares		
Opening balance of ordinary shares of Rs. 10 each	**117,351,435**	106,683,123
Bonus shares issued during the year	**5,867,571**	10,668,312
Closing balance of ordinary shares of Rs. 10 each	**123,219,006**	117,351,435

4.3 7,900,028 (2013: 8,924,908) ordinary shares of the Company are held by JS Bank Limited, 12,412 (2013: 11,821) ordinary shares of the Company are held by Ghani Mines (Private) Limited and 127,968 (2013: 121,875) ordinary shares of the Company are held by Jamia Tul Ghani Ul Islam, associated undertakings.

	Note	2014 Rupees	2013 Rupees
5 Reserves			
Capital			
Merger reserves	*5.1*	**427,419,290**	427,419,290
Share premium	*5.2*	**75,000,000**	75,000,000
		502,419,290	502,419,290
Revenue			
Unappropriated profit		**5,444,685,391**	4,586,983,422
		5,947,104,681	5,089,402,712

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

5.2 This reserve can be utilised by the Company only for the purposes specified in section 83(2) of the Companies Ordinance, 1984.

6 Long term finances

	Note	2014 Rupees	2013 Rupees
Diminishing musharika:			
Bank Islami Limited	*6.1*	**-**	78,052,350
First Habib Modaraba	*6.2*	**2,059,875**	3,707,775
United Bank Limited	*6.3*	**520,000,000**	-
		522,059,875	81,760,125
Certificates of leasing	*6.4*	**1,132,769,264**	1,384,103,227
Less: Unamortized transaction cost	*6.5*	**(3,854,140)**	(12,290,043)
		1,128,915,124	1,371,813,184
Total		**1,650,974,999**	1,453,573,309
Less: Current portion shown under current liabilities			
Diminishing musharika	*9*	**106,647,900**	53,682,800
Certificates of leasing	*9*	**280,551,359**	251,333,963
		1,263,775,740	1,148,556,546

6.1 The facility has been fully repaid during the year prematurely.

6.2 This represents diminishing musharika facility from First Habib Modaraba for purchase of vehicles. The term of the agreement is 3 years. The balance is repayable in 9 equal quarterly installments ending on 6 August 2015. It carries markup at the rate of 6 months KIBOR plus 0.9%. It is secured against hypothecate charge over assets acquired by the Company. Under the agreement, the Company holds certain assets amounting to Rs. 6,243,000 with joint ownership with the bank.

6.3 This represents diminishing musharika facilities availed during the year from UBL Ameen amounting to Rs. 520 million. Out of the total facility, Rs. 320 million has been used for setting up container glass line at Karachi and remaining facility of Rs. 170 million has been used for purchase of machinery at Sheikhupura plant. The facilities have been availed in three tranches of Rs. 350 million, Rs. 90 million and Rs. 80 million and are repayable upto July 2019, November 2019 and November 2019 respectively in 48 equal monthly installments with one year grace period. These facilities carry markup at the rate of 6 months KIBOR plus 1.25% and is secured against first pari passu charge over plant and machinery of container glass line upto Rs. 650 million and first pari passu charge of Rs. 334 million on Shiekhupura plant of the Company.

6.4 This represents a financing arrangement with Meezan Bank Limited (acting as lead arranger) to issue Certificates of Leasing amounting to Rs. 1,500 million by executing a Declaration of Trust in compliance with the requirements of section 120 of the Companies Ordinance, 1984 (Issuance of securities and redeemable capital not based on interest). Under the arrangement the underlying assets were surrendered to Meezan Bank Limited and through a lease agreement signed between the Company and Meezan Bank Limited, the Company retains the right to use the assets. Additionally, an asset purchase agreement has also been signed between the parties which obligates the Company to purchase the assets and, also, the Bank to sell the assets to the Company upon maturity of certificates. Being a structured finance transaction involving a series of interlinked transactions, the arrangement has been accounted for as long term finance. The balance is repayable in 18 quarterly installments ending on 27 December 2017. These carry mark up at the rate of 3 months KIBOR plus 1.75% and are secured against first pari passu charge on present and future fixed assets of the Company's Sheikhupura Plant.

	Note	2014 Rupees	2013 Rupees
6.5 Balance as at 01 July		**12,290,043**	-
Incurred during the year		**-**	14,351,900
Amortized during the year		**(8,435,903)**	(2,061,857)
Balance as at 30 June		**3,854,140**	12,290,043

7 Security deposits

	Note	2014 Rupees	2013 Rupees
Long term security deposits	*7.1*	3,247,500	3,107,500
Long term security deposits from customers	*7.2*	243,682,806	214,682,404
		246,930,306	217,789,904

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

7.2 These are interest free security deposits obtained from dealers of float glass and are adjustable/repayable on cancellation/withdrawal of the dealership or on cessation of business with the Company. As per the terms of the agreement, the Company can use these funds for the purpose of Company's operation.

8 Deferred taxation

Deferred tax liability comprises of the following:

	Note	2014 Rupees	2013 Rupees
Deferred tax liability arising in respect of accelerated tax depreciation		**1,196,028,862**	1,095,326,785
Deferred tax asset arising on provision for doubtful debts		**(2,867,475)**	(2,401,434)
Deferred tax assets arising on unabsorbed tax credits & minimum taxation		**(483,427,783)**	(558,498,505)
Others		**1,948,213**	(3,614,273)
		711,681,817	530,812,573

8.1 Deferred tax on minimum taxation paid under section 113, alternate corporate tax under section 113C and tax credit available under section 65-B of the Income tax Ordinance, 2001 are recognised based upon probability of future tax profits for absorption of these benefits.

Minimum tax paid amounting to Rs. 222.88 million under section 113 will expire from 30 June 2017 to 30 June 2019, alternate corporate tax amounting to Rs. 60.4 million would expire on 30 June 2024 and tax credit amounting to Rs. 00.12 million available under section 65-B would expire on 30 June 2017 if not ultilized against future tax liability.

9 Current portion of non current liabilities

	Note	2014 Rupees	2013 Rupees
Diminishing musharika	*6*	**106,647,900**	53,682,800
Certificates of leasing	*6*	**280,551,359**	251,333,963
		387,199,259	305,016,763

	Note	2014 Rupees	2013 Rupees
10 Short term finances			
Morabaha finances - secured	*10.1*	86,736,540	536,192,778
Salam finances - secured	*10.2*	1,207,330,064	711,809,197
Financing against export bills - secured	*10.3*	-	46,161,252
		1,294,066,604	1,294,163,227

10.1 Morabaha finances - secured

	Profit rate	2014 Rupees	2013 Rupees
Bank Islami	Respective KIBOR plus 0.70%	**42,316,627**	-
Habib Metropolitan Bank Limited	Respective KIBOR plus 1 %	**44,419,913**	34,081,022
Meezan Bank Limited	Respective KIBOR plus 0.8%-0.9%	**-**	385,364,892
Habib Bank Limited	Respective KIBOR plus 0.75%	**-**	115,043,255
Faysal Bank Limited	Respective KIBOR plus 0.70%	**-**	1,703,609
		86,736,540	536,192,778

10.2 Salam finances - secured

Bank Islami	Respective KIBOR plus 0.70%	**465,272,400**	353,222,500
Soneri Bank	Respective KIBOR plus 0.75%	**66,752,000**	153,185,010
Bank Alfalah	Respective KIBOR plus 0.75%	**216,000,000**	205,401,687
Meezan Bank Limited	Respective KIBOR plus 0.8%-0.9%	**384,410,004**	-
Habib Bank Limited	Respective KIBOR plus 0.75%	**74,895,660**	-
		1,207,330,064	711,809,197

10.3 The facility has been fully repaid during the year.

10.4 Total short term credit facilities available amount to Rs.3,700 (2013: 3,975) million. Short term finances availed from various banks are secured against first pari passu / joint pari passu charge over all present and future current assets, stocks, book debts and fixed assets of the Company amounting to Rs. 6,583 (2013: 6,327) million.

	Note	2014 Rupees	2013 Rupees
11 Trade and other payables			
Creditors for goods and services	*11.1*	410,730,083	255,231,997
Bills payable		83,235,380	279,929,429
Advances from customers	*11.2*	104,605,502	128,716,439
Accrued expenses		297,199,854	350,715,368
Income tax deducted at source		43,269,057	30,893,970
Security deposits	*11.3*	500,500	394,500
Retention money		5,740,486	7,960,009
Workers' profit participation fund	*11.4*	69,038,610	60,369,183
Workers' welfare fund	*11.5*	59,040,230	46,188,471
Unclaimed dividend		2,866,351	2,929,617
Provident fund payable		5,914,044	6,504,452
		1,082,140,097	1,169,833,435

11.1 This includes an amount of Rs.3.41 (2013: Rs. 9.28) million payable to Ghani Value Glass Limited - a related party.

11.2 This includes amounts of Rs.0.99 million (2013: Rs.0.94) , Rs.2.86 (2013: Nil), and Rs.2.89 million (2013: Rs. Nil) from Health Tek (Private) Limited, Sami Pharmaceutical (Private) Limited and Ghani Value Glass Limited- related parties respectively.

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

	2014 Rupees	2013 Rupees
11.4 Workers' profit participation fund		
Balance as at 01 July	**60,369,183**	75,195,343
Provision for the year	**66,474,288**	57,318,095
Interest for the year	**2,812,599**	3,678,581
Less: Payments made during the year	**(60,617,460)**	(75,822,836)
	8,669,427	(14,826,160)
Balance as at 30 June	**69,038,610**	60,369,183

12 Contingencies and commitments

The tax department had opened reassessment proceedings regarding tax year 2010 and a demand of Rs. 137.63 million had been raised by Addition Commission Inland Revenue (ACIR) u/s 122(5A) of the Income Tax Ordinance, 2001. The Company filed appeal before the Commissioner Inland Revenue (Appeals) (CIR(A)),who after making certain adjustments has upheld the decision of the ACIR. Being aggrieved with the treatment meted out by CIR (A), the Company preferred second appeal before the Appellate Tribunal Inland Revenue (ATIR), which is pending for adjudication.

The company, in Income Tax Return for the tax year 2012 claimed refund of Rs. 299.580 million. The deputy Commissioner Inland Revenue (DCIR) in its orders dated 10 July 2013 restricted the refund amount to Rs. 295.760million under section 170(4) of the Income Tax ordinance 2001.The company has appealed against the orders of DCIR before CIR(A) which is pending for adjudication.

The Sindh High Court through its order dated 01 March 2013 declared the amendments made in the WWF Ordinance, 1971 through Finance Act 2006 and Finance Act 2008 constitutional. The amendments made through aforementioned Finance Acts required that WWF is applicable on accounting profits rather than on the taxable income computed after incorporating the effect of brought forward losses. In light of the above order, the provision for the year based on accounting profit comes to Rs.24.79 (2013: Rs. 21.780) million. However, these financial statements does not include any adjustment to this effect since the Company is of the opinion that it does not come under the purview of the order of the Sindh High Court and that the Lahore High Court had already declared the above amendments unconstitutional via the case reported as 2011 PLD 2643. Based on the decision of Lahore High court the Company has charged WWF provision based on taxable income in the current year.

Based on the opinion of the Company's legal counsel the management is confident of favourable outcome in all aforesaid matters, hence no provision is being recognized in respect of these in the financial statements.

12.1 Corporate guarantees provided to a commercial bank of Dubai on behalf of associated company RAK Ghani Glass LLC amount to AED 19.5 (2013: Rs. 522 million) to secure a loan of AED 52 million.

12.2 Aggregate amount of bank guarantees issued by banks outstanding as at balance sheet date amount to Rs. 843 million (2013: Rs. 702 million)

12.3 Letters of credit for import of materials and stores outstanding as at balance sheet date amount to Rs. 616 million (2013: Rs. 766 million).

	Note	2014 Rupees	2013 Rupees
13 Property, plant and equipment			
Operating assets	*13.1*	**7,167,701,772**	6,063,072,435
Capital work in progress	*13.6*	**9,165,265**	712,510,942
		7,176,867,037	6,775,583,377

13.1 Operating assets

	Cost: As at 1 July 2013	Cost: Additions during the year	Cost: Disposals during the year	Cost: As at 30 June 2014	Rate	Depreciation: As at 1 July 2013	Depreciation: For the year	Depreciation: On disposals	Depreciation: As at 30 June 2014	Net book value as at 30 June 2014
	Rupees				%	Rupees				
Owned										
Freehold land	132,584,822	100,540,000	-	233,124,822	-	-	-	-	-	**233,124,822**
Building on freehold land *13.1.1*	541,542,888	99,796,150	-	641,339,038	10	227,992,709	37,286,844	-	265,279,553	**376,059,485**
Plant and machinery	4,994,991,350	790,535,581	-	5,785,526,931	5 - 10	1,562,231,624	381,119,347	-	1,943,350,971	**3,842,175,960**
Furnace	2,775,023,395	714,300,469	-	3,489,323,864	5 - 33.33	682,438,870	210,350,090	-	892,788,960	**2,596,534,904**
Tools and office equipment	16,710,952	13,135	-	16,724,087	10	8,379,952	833,538	-	9,213,490	**7,510,597**
Electrical equipment	14,232,692	9,150,930	-	23,383,622	10	5,602,647	1,297,732	-	6,900,379	**16,483,243**
Furniture and fixtures	12,590,589	1,431,308	-	14,021,897	10	6,575,841	680,893	-	7,256,734	**6,765,163**
Vehicles	151,828,797	41,998,644	(14,199,000)	179,628,441	20	83,211,407	18,320,977	(10,951,541)	90,580,843	**89,047,598**
2014	**8,639,505,485**	**1,757,766,217**	**(14,199,000)**	**10,383,072,702**		**2,576,433,050**	**649,889,421**	**(10,951,541)**	**3,215,370,930**	**7,167,701,772**

13.1.1 Buildings include an apartment of Rs. 13,600,000 in the possession of the Company for which title has been held in the name of one of the Directors.

13.2 Plant and machinery and furnace include capital stores with net book value of Rs. 332.75 million.

13.3 Land amounting to Rs. 10.6 million and building amounting to Rs. 3.6 million in the possession of the Company are not held in Company's name as transfer of ownership is in process in Government revenue records as at the year end.

Operating assets

	Cost: As at 1 July 2012	Cost: Additions during the year	Cost: Disposals during the year	Cost: As at 30 June 2013	Rate	Depreciation and impairment loss: As at 1 July 2012	Depreciation and impairment loss: For the year	Depreciation and impairment loss: On disposals	Depreciation and impairment loss: As at 30 June 2013	Net book value as at 30 June 2013
	Rupees				%	Rupees				
Owned										
Freehold land	116,949,822	15,635,000	-	132,584,822	-	-	-	-	-	132,584,822
Building on freehold land	473,460,660	68,082,228	-	541,542,888	10	196,997,352	30,995,357	-	227,992,709	313,550,179
Plant and machinery	4,564,058,814	430,932,536	-	4,994,991,350	10	1,214,362,858	347,868,766	-	1,562,231,624	3,432,759,726
Furnace	2,662,559,484	112,463,911	-	2,775,023,395	5 - 33.33	485,631,769	196,807,101	-	682,438,870	2,092,584,525
Tools and office equipment	16,575,272	135,680	-	16,710,952	10	7,469,210	910,742	-	8,379,952	8,331,000
Electrical equipment	10,463,852	3,768,840	-	14,232,692	10	4,858,023	744,624	-	5,602,647	8,630,045
Furniture and fixtures	12,002,209	588,380	-	12,590,589	10	5,938,939	636,902	-	6,575,841	6,014,748
Vehicles	135,942,376	22,900,121	(7,013,700)	151,828,797	20	75,251,121	13,746,802	(5,786,516)	83,211,407	68,617,390
2013	7,992,012,489	654,506,696	(7,013,700)	8,639,505,485		1,990,509,272	591,710,294	(5,786,516)	2,576,433,050	6,063,072,435

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

	Note	2014 Rupees	2013 Rupees
Cost of sales	*23*	**645,215,823**	588,168,602
General and administrative expenses	*24*	**4,089,399**	3,160,713
Selling and distribution expenses	*25*	**584,200**	380,979
		649,889,422	591,710,294

13.5 Disposal of property, plant and equipment

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Profit	Mode of disposal	Particulars of buyer
	(-------------	-------------	Rupees	-------------	-------------)		
Vehicles							
LXG 1742 - Suzuki Khyber	399,000	325,424	73,576	255,000	181,424	Negotiation	Mr. Khalid Mehmood
LRR 549 - Toyota Corrolla	939,000	865,014	73,986	818,000	744,014	Negotiation	Mr. Sarfraz Ahmad
LRR49 - Toyota Corrolla	939,000	839,580	99,420	693,000	593,580	Negotiation	Mr. Akbar Zaidi
LEC 949 - Honda Civic	1,557,000	1,209,104	347,896	1,135,000	787,104	Negotiation	Mr. Irshad
LEC 3482 - Toyota Corrolla	965,000	779,591	185,409	418,000	232,591	Negotiation	Ms. Qurat ul Ain
LRU 49 - Honda City	978,000	900,481	77,519	685,000	607,481	Negotiation	Mr. Amir Meraj
ADQ 849 - Honda City	978,000	898,456	79,544	386,000	306,456	Negotiation	Mr. Naseer Ahmad
LED-6583 - Suzuki Liana	1,081,000	638,375	442,625	442,625	-	Company Policy	Mr. Aziz Naveed
LED-149 - Honda City	905,000	662,915	242,085	1,009,000	766,915	Negotiation	Mr. Asif Javed
LE-9049 - Suzuki Mehran	534,000	277,373	256,627	400,000	143,373	Negotiation	Mr. Naeem Mehmood
LEB-6521 - Suzuki Cultus	595,000	477,765	117,235	485,000	367,765	Negotiation	Mr. Farhan Zeb
LRQ-149 - Toyota Corrolla	939,000	848,814	90,186	795,000	704,814	Negotiation	Mr. Maqssod Ahmad
LEC-2959 - Suzuki Mehran	589,000	287,432	301,568	301,568	-	Company Policy	Mr. Naseer Ahmad
LEA-649 - Honda Civic	1,803,000	1,055,000	748,000	748,000	-	Company Policy	Mr. Umer Farooq
LRY-549 - Honda City	998,000	886,217	111,783	805,000	693,217	Negotiation	Mr. Mirza Irfan
2014	**14,199,000**	**10,951,541**	**3,247,459**	**9,376,193**	**6,128,734**		

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Profit	Mode of disposal	Particulars of buyer
	(------------------	----------	Rupees	----------	------------------)		
Vehicles							
Suzuki Cultus AJA-553	600,000	558,803	41,197	365,000	323,803	Negotiation	Mr. Naseer Ahmad
Suzuki Mehran LEA-07-6249	390,000	296,071	93,929	360,000	266,071	Negotiation	Mr. Shahbaz Iqbal
Honda Civic LRP-249	990,000	872,442	117,558	450,000	332,442	Negotiation	Mr. Mohammad Maqsood
Suzuki Mehran LWP-9672	390,000	306,507	83,493	350,000	266,507	Negotiation	Mr. Mohammad Ayub
Bolan Van CK-7841	299,000	283,898	15,102	270,000	254,898	Negotiation	Mr. Shoukat
Suzuki Mehran AKR-382	395,000	313,255	81,745	350,000	268,255	Negotiation	Mr. Mohammad Ayub
Honda Civic AEF-549	1,037,500	841,301	196,199	480,000	283,801	Negotiation	Mr. Arshad
Suzuki Mehran LEA-8960	315,000	241,944	73,056	380,000	306,944	Negotiation	Mr. Ijaz Hussain
Suzuki Khyber LXL-2949	439,600	418,630	20,970	250,000	229,030	Negotiation	Mr. Mohammad Ayub
Toyota Hiace LXK-8138	710,000	578,267	131,733	750,000	618,267	Negotiation	Mr. Sohail
Suzuki Khyber LXM-9549	439,600	418,630	20,970	280,000	259,030	Negotiation	Mr. Muhammad Riaz
Honda City LEF-08-4049	1,008,000	656,768	351,232	800,000	448,768	Negotiation	Mr. Farooq Arshad
2013	7,013,700	5,786,516	1,227,184	5,085,000	3,857,816		

13.6 Capital work in progress

	2014 Rupees	2013 Rupees
Expansion project		
Plant and machinery	**9,153,765**	694,381,433
Civil works	**11,500**	18,129,509
	9,165,265	**712,510,942**

13.6.1 Borrowing cost of Rs. 13.40 million has been capitalized during the year.

	Note	2014 Rupees	2013 Rupees

14 Investment in associate

	Note	2014 Rupees	2013 Rupees
Rak Ghani Glass LLC			
16,456 (2013: 16,456) fully paid ordinary shares of AED 1,000 each	*14.1*	**451,142,851**	393,777,749

14.1 Movement in equity instruments of associated company is as follows:

	2014 Rupees	2013 Rupees
Balance as at 01 July- cost	**429,920,484**	429,920,484
Less: dividend received during the year	**(100,495,033)**	-
Cumulative share of post acquisition profit/(losses)	**121,717,400**	(36,142,735)
Balance as at 30 June	**451,142,851**	393,777,749

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

	Percentage interest held	Assets	Liabilities	Revenue	Profit
		Rupees			
2014	**37.4%**	**1,161,115,039**	**504,602,043**	**1,005,152,351**	**157,860,135**
2013	37.4%	1,193,273,213	581,786,514	932,304,582	41,044,039

14.2 The Company in EOGM held on 18 March 2014, has approved to further increase the equity investment in RAK Ghani Glass LLC upto 49.99% by purchasing 5,515 shares @ AED 1,494 per share offered for sale by SJC RAK Ghani- Cayman Islands to all shareholders in proportion to their existing shareholding. At the balance sheet date the Company is in the process of obtaining regulatory approvals for further investment.

15 Long term deposits

	Note	2014 Rupees	2013 Rupees
Ijarah deposits	*15.1*	190,000	34,190,000
Long term deposits	*15.2*	27,757,590	31,396,590
		27,947,590	65,586,590

15.1 These represents security deposits against Ijarah finance facilities adjustable at the expiry of respective ijarah facilities.

15.2 These are interest free security deposits mainly with utility companies.

16 Stores, spares and other consumables

	2014 Rupees	2013 Rupees
Stores and spares [in transit Rs.79.35 million (2013: Rs 144.59 million)]	**654,867,292**	750,798,005
Fuel and lubricants	**110,138,363**	99,616,166
	765,005,655	850,414,171

	Note	2014 Rupees	2013 Rupees
17 Stock in trade			
Raw material [in transit Rs.93.15 million (2013: 51.58 million)]		**533,019,449**	417,761,016
Packing materials		**58,704,183**	69,861,292
Work in process		**89,147,914**	87,678,269
Finished goods		**971,700,215**	726,311,668
		1,652,571,761	1,301,612,245
18 Trade debtors			
Local			
Secured- considered good		**181,500,402**	121,312,844
Unsecured			
Considered good		**865,834,467**	447,557,167
Considered doubtful		**8,924,602**	7,748,811
Less: Provision for doubtful debts	*18.1*	**(8,924,602)**	(7,748,811)
		1,047,334,869	568,870,011
Foreign - secured, considered good		**121,470,753**	109,336,917
		1,168,805,622	678,206,928

18.1 Provisions for doubtful debts- movement summary

		2014 Rupees	2013 Rupees
Balance as at 01 July		**7,748,811**	5,438,846
Add: provision for the year		**2,621,161**	2,309,965
Less: written off during the year		**(1,445,370)**	-
Balance as at 30 June		**8,924,602**	7,748,811

	Note	2014 Rupees	2013 Rupees
19 Advances, deposits and prepayments			
Advances			
Employees - unsecured but considered good		**83,063,191**	35,042,602
Suppliers of goods and services - unsecured		**229,631,544**	163,597,216
Due from related parties	*19.1*	**11,581,294**	12,328,477
Sales tax refundable		**129,918,702**	44,658,474
		454,194,731	255,626,769

19.1 Due from related parties

		2014 Rupees	2013 Rupees
Ghani Automobile Industries Limited		**943,434**	923,434
Rak Ghani Glass LLC		**10,637,860**	10,637,860
Ghani Gases Limited		**-**	767,183
		11,581,294	12,328,477

These amounts are in the normal course of business and are interest free.

	Note	2014 Rupees	2013 Rupees
20 Other receivables			
Receivable from RAK Ghani Glass LLC	*20.1*	**17,953,277**	19,113,449

20.1 This represents expenses incurred by the Company on behalf of RAK Ghani Glass LLC, UAE - a related party. These are unsecured and carry no interest.

	Note	2014 Rupees	2013 Rupees
21 Cash and bank balances			
Cash in hand		**18,240,282**	914,315
Cash at bank			
- Current accounts		**195,766,319**	297,743,106
- Saving account	*21.1*	**23,371,135**	22,148,135
		219,137,454	319,891,241
		237,377,736	320,805,556

21.1 The balances in saving account bear 7.27% to 9.30% mark-up (2013: 7.81% to 9.8%).

22 Sales - net

	Note	2014 Rupees	2013 Rupees
Local sales		**11,336,651,721**	11,503,286,941
Less: Trade discount		**(44,135,620)**	(108,522,246)
Sales return and rejections		**(198,584,317)**	(66,511,559)
Sales tax		**(1,628,944,453)**	(1,560,892,931)
Commission on sales		**(215,968,975)**	(257,979,448)
		(2,087,633,365)	(1,993,906,184)
Local sales- net		**9,249,018,356**	9,509,380,757
Export sales		**951,380,459**	852,498,278
		10,200,398,815	10,361,879,035

23 Cost of sales

	Note	2014 Rupees	2013 Rupees
Raw material consumed		**2,823,008,984**	2,904,374,449
Fuel, gas and electricity		**2,499,889,900**	2,708,076,372
Packing expenses		**636,905,538**	596,845,256
Stores and spares consumed		**390,358,788**	309,977,866
Salaries, allowances and other benefits	*23.1*	**847,198,280**	810,497,004
Depreciation	*13.4*	**645,215,823**	588,168,602
Rent, rates and taxes		**28,832,796**	26,684,101
Lease rental-ijarah finances		**43,461,135**	152,176,969
Repair and maintenance		**27,706,645**	34,945,089
Travelling and motor running expenses		**24,933,561**	32,874,386
Communication and stationery		**4,482,856**	3,899,056
Other manufacturing expenses		**32,830,794**	49,082,945
		8,004,825,100	8,217,602,095
Work in process			
Opening balance		**87,678,269**	117,714,991
Closing balance		**(89,147,914)**	(87,678,269)
		(1,469,645)	30,036,722
		8,003,355,455	8,247,638,817
Finished goods			
Opening balance		**726,311,668**	511,021,956
Closing balance		**(971,700,215)**	(726,311,668)
		(245,388,547)	(215,289,712)
		7,757,966,908	8,032,349,105

23.1 Salaries, allowances and other benefits include Rs. 30.05 million (2013: Rs. 24.48 million) in respect of retirement benefits.

24 General and administrative expenses

	Note	2014 Rupees	2013 Rupees
Salaries, allowances and other benefits	*24.1*	**187,386,462**	176,877,447
Communication, stationery and supplies		**12,732,430**	11,093,857
Utilities		**8,370,056**	3,937,668
Rent, rates and taxes		**12,272,713**	8,278,597
Travelling and conveyance		**29,999,661**	26,394,225
Auditors' remuneration	*24.2*	**1,460,625**	1,275,000
Depreciation	*13.4*	**4,089,399**	3,160,713
Legal and professional expenses		**10,071,645**	12,866,134
Charity and donation	*24.3*	**30,317,264**	19,802,240
Other expenses		**7,734,093**	11,676,156
		304,434,348	275,362,037

24.1 Salaries, allowances and other benefits include Rs. 5.37 million (2013: Rs. 5.80 million) in respect of retirement benefits.

24.2 Auditors' remuneration

	2014 Rupees	2013 Rupees
Statutory audit fee	**1,200,000**	1,100,000
Half yearly review	**200,000**	125,000
Out of pocket expenses	**60,625**	50,000
	1,460,625	1,275,000

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

25 Selling and distribution expenses

	Note	2014 Rupees	2013 Rupees
Salaries, allowances and other benefits	*25.1*	**140,229,785**	130,246,677
Communication, stationery and supplies		**2,670,346**	3,151,843
Utilities		**813,102**	528,690
Rent, rates and taxes		**3,023,908**	1,748,230
Travelling and conveyance		**15,256,009**	16,084,512
Advertisement and sale promotion		**285,605,209**	296,505,819
Depreciation	*13.4*	**584,200**	380,979
Provision for bad debts		**2,621,161**	2,309,965
Bad debts written off		**1,906,863**	-
Transportation and handling:			
- Local		**157,426,679**	115,443,239
- Export		**73,745,805**	81,230,165
Other expenses		**4,441,282**	5,138,474
		688,324,349	652,768,593

25.1 Salaries, allowances and other benefits include Rs 5.65 million (2013: Rs. 4.34 million) in respect of retirement benefits.

		Note	2014 Rupees	2013 Rupees
26	**Other operating expenses**			
	Workers' profit participation fund	*11.4*	**66,474,288**	57,318,095
	Workers' welfare fund		**12,851,759**	21,780,876
			79,326,047	79,098,971
27	**Other income**			
	Income from financial assets			
	Profit on savings account		2,124,573	3,299,529
	Exchange gain- net		7,237,783	3,853,261
			9,362,356	7,152,790
	Income from non-financial assets			
	Gain on sale of fixed assets		6,128,734	3,857,816
	Breakage recovery from contractor		17,442,668	437,875
	Corporate guarantee fee	*27.1*	2,095,745	-
	Scrap sales		57,939,185	26,245,852
	Miscellaneous		2,837,179	2,059,933
			86,443,511	32,601,476
			95,805,867	39,754,266

27.1 This relates to commission of 0.10% per quarter from RAK Ghani Glass LLC on corporate guarantee mentioned in Note 12.1.

		Note	2014 Rupees	2013 Rupees
28	**Finance cost**			
	Profit on diminishing musharika		33,070,652	15,052,691
	Profit on leasing certificates		147,358,404	84,227,258
	Profit on short term finances		170,594,646	211,982,271
	Amortization of transaction cost of long term finance		8,435,903	2,061,857
	Interest on workers' profit participation fund	*11.4*	2,812,599	3,678,581
	Bank charges		11,581,244	18,833,057
			373,853,448	335,835,715
29	**Taxation**			
	Income tax			
	Current year	*29.1*	152,912,794	56,071,887
	Prior year	*29.2*	-	1,515,857
			152,912,794	57,587,744
	Deferred tax		**180,869,244**	139,096,451
			333,782,038	196,684,195

29.1 The current year's provision for taxation represents tax charged on minimum tax under section 113 and alternate corporate tax under section 113C of the Income Tax Ordinance, 2001. Numerical tax charge reconciliation for the current tax has not been provided on the same basis.

29.2 Deferred tax expense relates to origination and reversal of temporary difference.

	Note	2014 Rupees	2013 Rupees
30 Cash generated from operations			
Profit before taxation		**1,250,159,717**	1,067,262,919
Adjustments for non cash and other items:			
Depreciation		**649,889,422**	591,710,294
Finance cost		**373,853,448**	335,835,715
Provision for doubtful trade debts		**2,621,161**	2,309,965
Exchange gain		**(7,237,783)**	(3,853,261)
Provision for workers' profit participation fund		**66,474,288**	57,318,095
Provision for workers' welfare fund		**12,851,759**	21,780,876
Share of profit of associate		**(157,860,135)**	(41,044,039)
Gain on sale of property, plant and equipment		**(6,128,734)**	(3,857,816)
		934,463,426	960,199,829
Operating profit before working capital changes		**2,184,623,143**	2,027,462,748
(Increase)/decrease in operating activities			
Store, spares loose tools and other consumable		**85,408,516**	144,599,374
Stock in trade		**(350,959,516)**	(20,010,469)
Trade debtors		**(485,982,072)**	(147,687,969)
Advances, deposits and prepayments		**(198,567,962)**	81,533,057
Other receivables		**1,160,172**	(6,811,944)
Trade and other payables		**(121,526,345)**	29,645,129
Lease rental-ijarah finances		**-**	(3,123,823)
		(1,070,467,207)	78,143,355
Cash generated from operations		**1,114,155,936**	2,105,606,103

31 Provident fund related disclosures

The Company operates funded contributory provident fund scheme for all its eligible employees. The following information is based on the unaudited financial statements of the provident fund for the year ended 30 June 2014:

	2014 Rupees	2013 Rupees
Size of the fund - Total assets	**298,637,130**	209,726,093
Cost of investments made	**274,780,436**	110,988,764
Percentage of investments made	**92%**	53%
Fair value of investments	**283,128,233**	111,863,299

31.1 The break-up of fair value of investments is:

	2014		2013	
	Rupees	**%**	Rupees	%
Shares in listed companies	**44,780,235**	**16%**	43,538,664	39%
Term deposit receipts	**207,218,058**	**73%**	68,324,635	61%
Mutual funds	**10,279,322**	**4%**	-	-
Sukuks	**20,850,618**	**7%**	-	-
	283,128,233	**100%**	111,863,299	100%

The investments out of provident fund have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

32 Remuneration of Directors, Chief executive and Executives

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

	Chief Executive		Executive Directors		Non-Executive Directors		Executives	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	Rupees	Rupees	**Rupees**	Rupees	**Rupees**	Rupees	**Rupees**	Rupees
Managerial remuneration	**26,859,092**	25,992,676	**68,068,024**	74,893,172	**-**	-	**97,099,169**	50,498,447
Bonus	**17,155,160**	16,462,031	**36,089,628**	37,251,961	**-**	-	**25,024,252**	26,382,975
Medical expenses	**58,564**	35,068	**161,772**	1,614,724	**-**	-	**1,429,877**	2,039,493
Retirement benefits	**2,238,249**	2,165,190	**5,672,284**	6,001,180	**-**	-	**7,313,514**	4,206,521
House rent	**2,034,000**	2,304,000	**4,608,000**	6,144,000	**-**	-	**-**	-
	48,345,065	46,958,965	**114,599,708**	125,905,037	**-**	-	**130,866,812**	83,127,436
Number of persons	**1**	1	**5**	6	-	-	**44**	31

32.1 The chief executive, certain directors and executives are provided with free use of the Company maintained cars and mobile phones for official use as well as medical facility.

32.2 The aggregate amount charged in the financial statements in respect of remuneration to key management personnel is Rs. 162.94 million (2013: Rs. 172.86 million) out of which Rs. 7.91 million (2013: Rs 8.17 million) relates to retirement benefits.

33 Transactions with related parties

The related parties comprise of associated undertakings, staff retirement funds, directors and key management personnel. Amounts pertaining to related parties are disclosed in note 11 and 20 and remuneration to key management personnel are disclosed in note 31.

Related party	Relationship	Basis of relationship	Nature of transactions	2014	2013
				Rupees	Rupees
Ahmad Brothers and Company	Associated undertaking	Partners of firm are directors in the Company	Commercial purchases	**-**	-
			Purchase of assets	**-**	14,200,000
Ghani Automobile Industries Limited	-do-	Common directorship	Reimbursement of utility expense	**20,000**	355,130
Ghani Value Glass Limited	-do-	Common directorship	Sales	**312,817,653**	330,685,233
			Purchases	**5,442,465**	4,869,633
			Other expenses	**5,976,821**	4,813,487
Ghani Gases Limited	-do-	Common directorship	Sales	**544,078**	4,587,318
RAK Ghani Glass LLC	-do-	Common directorship	Purchases	**5,073,143**	2,137,191
			Other expenses	**2,384,721**	7,767,340
Sami Pharmaceutical (Private) Limited	-do-	Common directorship	Sales	**86,290,246**	53,921,102
Health Tek (Private) Limited	-do-	Common directorship	Sales	**4,706,730**	3,058,071

34 Financial instruments

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors have the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly.

34.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fail completely to perform as contracted and arises principally from trade receivables, advances and balances with banks. Out of the total financial assets of Rs. 1,693.29 (2013: 1,259.64) million, the financial assets which are subject to credit risk amounted to Rs. 1,675.06 (2013: 1,258.72) million.

To manage exposure to credit risk in respect of trade receivables, management reviews credit worthiness, references, establish purchase limits taking into account the customer's financial position, past experience and other factors. The management has set a maximum credit period of 30 to 60 days to reduce the credit risk. Limits are reviewed periodically and the customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is:

	2014	2013
	Rupees	Rupees
Long term deposits	**27,947,590**	65,586,590
Trade debts	**1,168,805,622**	678,206,928
Advances, deposits and prepayments	**241,212,838**	175,925,693
Other receivables	**17,953,277**	19,113,449
Bank balances	**219,137,454**	319,891,241
	1,675,056,781	1,258,723,901

The trade debts as at the balance sheet date are classified as follows:

	2014 Rupees	2013 Rupees
Foreign	**121,470,753**	109,336,917
Domestic	**1,047,334,869**	568,870,011
	1,168,805,622	678,206,928

The aging of trade receivables at the reporting date is:

	2014		2013	
	Gross	**Impaired**	Gross	Impaired
Not past due	**937,891,557**	-	475,941,867	-
Past due 30 days	**207,226,904**	-	79,221,549	-
Past due 60 days	**7,278,020**	-	15,004,986	-
Past due 90 days	**7,907,137**	-	59,990,490	-
Past due 180 days	**7,482,437**	-	31,405,294	-
Past due above one year	**9,944,169**	8,924,602	24,391,553	7,748,811
	1,177,730,224	**8,924,602**	685,955,739	7,748,811

Based on past experience the management believes that no impairment allowance is necessary except for the allowance provided in respect of trade receivables past due as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable grounds to believe that the amounts will be recovered in short course of time.

The credit quality of cash and bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate:

	Rating		**Rating**
	Short term	**Long term**	**Agency**
Allied Bank Limited	A1+	AA+	PACRA
Askari Bank Limited	A1+	AA	PACRA
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA
Bank Alfalah Limited	A1+	AA	PACRA
Bank Islami Pakistan Limited	A1	A	PACRA
Barclays Bank Pakistan	A-1	A	Standard & Poor's
Burj Bank Limited	A-1	A	JCR-VIS
Dubai Islamic Bank (Pakistan) Limited	A-1	A+	JCR-VIS
Faysal Bank Limited	A1+	AA	PACRA
HSBC Bank Middle East Limited	P-1	A2	Moody's
Habib Bank Limited	A-1+	AAA	JCR-VIS
MCB Bank Limited	A1+	AAA	PACRA
Meezan Bank Limited	A-1+	AA	JCR-VIS
Soneri Bank Limited	A1+	AA -	PACRA
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA
United Bank Limited	A-1+	AA+	JCR-VIS

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

34.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. For this purpose the Company has sufficient running finance facilities available from various commercial banks to meet its liquidity requirements. Further liquidity position of the Company is closely monitored through budgets, cash flow projections and comparison with actual results by the Board.

Following is the maturity analysis of financial liabilities:

	Carrying amount	**Contractual cash flows**	**Less than 6 months**	**Between 6 to 12 months**	**Between 1 to 5 years**
			Rupees		
Security deposits	**246,930,306**	**246,930,306**	**-**	**-**	**246,930,306**
Short term finances	**1,294,066,604**	**1,313,708,452**	**1,313,708,452**	-	-
Diminishing musharika	**522,059,875**	**654,649,006**	**69,852,933**	**91,570,463**	**493,225,610**
Certificates of leasing	**1,132,769,264**	**1,401,235,220**	**201,968,231**	**201,370,038**	**997,896,951**
Trade and other payables	**977,534,595**	**977,534,595**	**977,534,595**	-	-
Markup accrued	**28,670,198**	**28,670,198**	**28,670,198**	-	-
2013-2014	**4,202,030,842**	**4,622,727,777**	**2,591,734,409**	**292,940,501**	**1,738,052,867**

	Carrying amount	Contractual cash flows	Less than 6 months	Between 6 to 12 months	Between 1 to 5 years
			Rupees		
Security deposits	217,789,904	217,789,904	-	-	217,789,904
Short term finances	1,294,163,227	1,368,756,829	1,368,756,829	-	-
Diminishing musharika	81,760,125	91,009,357	32,120,281	30,336,452	28,552,624
Certificates of leasing	1,384,103,227	1,767,957,764	195,549,840	195,722,023	1,376,685,901
Trade and other payables	934,559,342	934,559,342	934,559,342	-	-
Markup accrued	18,521,793	18,521,793	18,521,793	-	-
2012-2013	3,930,897,618	4,398,594,989	2,549,508,085	226,058,475	1,623,028,429

34.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

34.3.1 Currency risk

The Company is exposed to currency risk on foreign trade debts, advances from customers and outstanding letter of credits that are denominated in a currency other than the functional currency primarily U.S. Dollars (USD). The Company believes that it is not exposed to material currency risks.

	2014 Rupees	2013 Rupees
Foreign debtors	**121,470,753**	109,336,917
Foreign advances from customers	**(23,400,286)**	(23,404,731)
Outstanding letter of credits	**(616,394,233)**	(766,455,859)
	(518,323,766)	(680,523,673)

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	2014	2013	**2014**	2013
USD to PKR	**102.7**	97.56	**98.55**	98.70

Sensitivity analysis:

At reporting date, if the PKR had strengthened by 10% against the foreign currencies with all other variables held constant, post-tax profit for the year would have been higher by the amount shown below, mainly as a result of net foreign exchange gain on translation of foreign debtors, foreign advances from customers and outstanding letter of credits.

	2014 Rupees	2013 Rupees
Effect on profit and loss		
US Dollar	**51,832,377**	68,052,367

The weakening of the PKR against foreign currencies would have had an equal but opposite impact on the post tax profit.

34.3.2 Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in market interest rates. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	2014	2013	**2014**	2013
	Effective rate (in Percentage)		Carrying amount (Rupees)	
Short term morabaha finances	**9.36 to 11.18**	9.87 to 24.00	**1,294,066,604**	1,294,163,227
Diminishing Musharika	**10.00 to 13.00**	10.00 to 13.23	**522,059,875**	81,760,125
Certificates of leasing	**10.83 to 11.93**	10.83 to 11.25	**1,128,915,124**	1,371,813,184

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore a change in interest rates at the reporting date would not affect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2013.

	100 bps	
	Increase	**Decrease**
	Rupees	
Effect on profit - 30 June 2014	**29,450,416**	**(29,450,416)**
Effect on profit - 30 June 2013	27,477,365	(27,477,365)

The sensitivity analysis prepared is not necessarily indicative of the effects on loss for the year and assets / liabilities of the Company.

34.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is not exposed to any material price risk.

34.4 Fair value of financial instruments

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

35 Capital management

The Board’s policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

(i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, arrange new lines of credit or sell assets to reduce debt.

The Company monitors capital on the basis of the debt-to-equity ratio - calculated as a ratio of total debt to equity.

The debt-to-equity ratios as at 30 June 2014 and at 30 June 2013 were as follows:

	2014	2013
	Rupees	Rupees
Total debt	**2,945,041,603**	2,747,736,536
Total equity and debt	**10,124,336,344**	9,010,653,598
Debt-to-equity ratio %age	**29%**	30%

Neither there were any changes in the Company's approach to capital management during the year nor the Company is subject to externally imposed capital requirements.

36 Operating segments

The financial information has been prepared on the basis of a single reportable segment.

36.1 Sales from float glass, food and beverages products and pharmaceutical products represent 51.99%, 27.78% and 20.23% (2013: 56.62%, 14.88% and 28.50%) of total revenue of the Company respectively.

36.2 The sales percentage by geographic region is as follows:

	2014	2013
	%	%
Pakistan	**90.44**	91.80
Afghanistan	**1.68**	1.93
Bangladesh	**-**	0.26
India	**4.09**	3.89
Indonesia	**0.19**	-
Mozambique	**0.48**	0.20
Philippines	**-**	0.30
Zambia	**1.30**	-
Others	**1.78**	1.62
	100	100

36.3 All non-current assets of the Company as at 30 June 2014 are located in Pakistan.

37 Number of employees

The total average number of employees during the year and as at 30 June 2014 and 30 June 2013 are as follows:

	No of employees	
	2014	2013
Average number of employees during the year	**1,949**	1,921
Number of employees as at 30 June	**1,908**	1,910

38 Plant capacity and annual production

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

	Production capacity (Tons)		Actual production (Tons)	
	2014	2013	**2014**	2013
Float glass	**200,750**	210,850	**152,848**	177,541
Hollow glass	**186,428**	131,678	**132,044**	111,679
	387,178	342,528	**284,892**	289,220

38.1 The reduction in production capacity during the year is mainly due to the closure of furnaces. The furnace of Float Glass Line - 1 was stopped for normal repair and one of the furnace in hollow glass plant closed down for rebuilding and enhancing the production capacity.

39 Earnings per share - basic and diluted

Basic

		2014	2013 Restated
Profit after taxation	*Rupees*	**916,377,679**	870,578,724
Weighted average number of ordinary shares	*Number of shares*	**123,219,006**	123,219,006
Earnings per share	*Rupees*	**7.44**	**7.07**

39.1 The earning per share of prior year has been adjusted to reflect the changes of bonus shares issued for the year ended 30 June 2014.

Diluted

There is no dilution in earnings per share as the Company has no such commitments.

40 Date of authorization for issue

The financial statements were approved and authorized for issue on September 12, 2014 by the board of directors of the Company.

41 Subsequent event

There are not subsequent events occurred after the balance sheet date.

42 General

42.1 Figures have been rounded off to nearest rupee.

42.2 Corresponding figures have been re-arranged or reclassified whenever necessary, for the purpose of comparison.

Lahore **Chief Executive** **Director**

Pattern of Shareholding

of Shares Held by the Shareholders of Ghani Glass Limited as at June 30, 2014

No. of Shareholders	Shareholding From	Shareholding To	Total Shares Held
311	1	100	7,050
238	101	500	74,602
157	501	1,000	126,681
316	1,001	5,000	675,336
59	5,001	10,000	424,711
26	10,001	15,000	324,354
14	15,001	20,000	251,661
9	20,001	25,000	204,868
10	25,001	30,000	282,552
8	30,001	35,000	256,315
2	35,001	40,000	71,762
2	40,001	45,000	82,546
2	45,001	50,000	99,257
2	50,001	55,000	109,097
1	65,001	70,000	69,750
1	70,001	75,000	74,500
1	80,001	85,000	84,000
2	95,001	100,000	195,287
1	110,001	115,000	110,504
2	115,001	120,000	231,000
1	120,001	125,000	124,000
1	125,001	130,000	127,968
2	155,001	160,000	314,568
1	190,001	195,000	192,000
1	195,001	200,000	200,000
1	205,001	210,000	208,500
2	230,001	235,000	465,018
2	250,001	255,000	505,346
1	345,001	350,000	346,376
1	380,001	385,000	383,571
1	395,001	400,000	398,535
1	535,001	540,000	538,514
1	705,001	710,000	705,253
1	775,001	780,000	778,050
1	895,001	900,000	900,000
1	940,001	945,000	941,850
1	965,001	970,000	966,662
1	1,000,001	1,005,000	1,001,725
1	1,060,001	1,065,000	1,064,407
1	1,115,001	1,120,000	1,116,549
1	1,220,001	1,225,000	1,220,100
1	1,255,001	1,260,000	1,259,051
1	1,325,001	1,330,000	1,325,023
2	1,330,001	1,335,000	2,663,547
2	1,455,001	1,460,000	2,910,600
1	1,500,001	1,505,000	1,504,087
1	1,525,001	1,530,000	1,525,952
1	1,635,001	1,640,000	1,639,450
1	1,730,001	1,735,000	1,730,767
1	1,790,001	1,795,000	1,791,300
1	1,845,001	1,850,000	1,845,046
2	1,910,001	1,915,000	3,822,000
1	2,540,001	2,545,000	2,544,525
1	2,705,001	2,710,000	2,705,167
1	3,060,001	3,065,000	3,061,309
2	4,105,001	4,110,000	8,214,598
1	4,730,001	4,735,000	4,730,923
1	5,355,001	5,360,000	5,358,029
1	5,745,001	5,750,000	5,745,216
1	7,900,001	7,905,000	7,900,028
1	9,875,001	9,880,000	9,879,712
1	10,635,001	10,640,000	10,635,053
1	11,090,001	11,095,000	11,090,896
1	13,080,001	13,085,000	13,081,902
1,215			123,219,006

Categories of shareholders	Share held	Percentage
Directors, Chief Executive Officers, and their spouse and minor children	63,023,609	51.1476%
Associated Companies, undertakings and related parties.	140,380	0.1139%
NIT and ICP	1,004	0.0008%
Banks Development Financial Institutions, Non Banking Financial Institutions.	7,900,361	6.4116%
Insurance Companies	23,340	0.0189%
Modarabas and Mutual Funds	2,048,549	1.6625%
General Public		
a. Local	26,897,613	21.8291%
b. Foreign	0	0.0000%
Others (to be specified)		
Joint Stock Companies	9,760,154	7.9210%
Pension Funds	119,597	0.0971%
Other Companies	13,304,399	10.7974%

Information Under Clause XVI (J)

of the Code of Corporate Governance as on June 30, 2014

ASSOCIATED COMPANIES, UNDERTAKINGS & RELATED PARTIES:	**SHARES HELD**
JAMIA-TUL-GHANI	127,968
GHANI MINES (PVT) LIMITED - (CDC)	12,412
MUTUAL FUNDS:	
CDC - TRUSTEE AKD INDEX TRACKER FUND (CDC)	8,594
CDC - TRUSTEE NAFA ISLAMIC ASSET ALLOCATION FUND (CDC)	192,000
CDC - TRUSTEE NAFA ISLAMIC PRINCIPAL PROTECTED FUND-I (CDC)	253,000
CDC - TRUSTEE NAFA MULTI ASSET FUND (CDC)	84,000
CDC - TRUSTEE NAFA STOCK FUND (CDC)	6,868
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST (CDC)	1,504,087
DIRECTORS AND THEIR SPOUSE(S) & MINOR CHILDREN:	
MR. IMTIAZ AHMAD KHAN	11,629,410
MR. JUNAID GHANI	1,480,091
MR. ANWAAR AHMAD KHAN	11,965,971
MR. AFTAB AHMAD KHAN	15,625,978
MRS. AYESHA AFTAB	4,730,923
MR. AITZAZ AHMED KHAN - (CDC)	1,525,952
MR. SHAMIM AHMAD - (CDC)	1,220,100
MR. FAROOQ AHMAD KHAN (CDC)	398,535
MR JUBAIR GHANI	5,073,961
MR. ZAID GHANI (CDC)	4,107,299
MR. ALI JAHANGIR SIDDIQUI (CDC)	5,440
MRS. RUBINA IMTIAZ W/O IMTIAZ AHMAD KHAN	1,845,046
MRS. REEMA ANWAAR W/O ANWAAR AHMAD KHAN	3,407,685
MRS. ZAHIDA AITZAZ W/O AITZAZ AHMED	6,641
SYED HASAN AKBAR KAZMI (ALTERNATE DIRECTOR) (CDC)	577
EXECUTIVES:	-
PUBLIC SECTOR COMPANIES AND CORPORATIONS:	-
BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON BANKING FINANCE COMPANIES, INSURANCE COMPANIES, TAKAFUL, MODARABAS AND PENSION FUNDS:	8,043,298
SHAREHOLDERS HOLDING 5% OR MORES VOTING INTEREST IN THE LISTED COMPANY:	
MR. AFTAB AHMAD KHAN	15,625,978
EMPLOYEES OLD AGE BENEFITS INSTITUTION (CDC)	13,081,902
MR. IMTIAZ AHMAD KHAN	11,629,410
MR. ANWAAR AHMAD KHAN	11,965,971
J S BANK LIMITED (CDC)	7,900,028

Notice of Annual General Meeting

Notice is hereby given that 22nd Annual General Meeting of the members of **GHANI GLASS LIMITED** will be held on Wednesday October 29, 2014 at 11:00 a.m., at Avari Hotel, Lahore to transact the following business:

Ordinary Business

1. To confirm the minutes of Extraordinary General Meeting held on March 18, 2014.

2. To receive, consider and adopt the audited annual accounts of **GHANI GLASS LIMITED** for the year ended June 30, 2014 together with the Directors' and Auditors' reports thereon.

3. To appoint auditors for 2015 and fix their remuneration.

   The retiring auditors namely M/s. KPMG Taseer Hadi & Co., 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, 2014

Hafiz Mohammad Imran Sabir
Company Secretary

Notes:

1. The share transfer books of the Company will remain closed from October 22, 2014 to October 29, 2014 (both days inclusive).

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.

Submission of copies of CNIC (Mandatory)

The shareholders having physical shares are once again requested to immediately send a copy of their valid computerized national identity card (CNIC) to our share registrar's office, M/s. Corplink (Pvt) Ltd, Wings arcade, 1-k, commercial, model town, Lahore for printing/insertion on dividend warrants in future.

Revision of withholding tax on dividend income u/s 150 of Finance Act 2014

It is further informed that pursuant to the provisions of Finance Act 2014, effective from July 1, 2014 a new criteria for withholding of tax on dividend income has been introduced by the FBR, as per this criteria, 'Filer' and 'Non-Filer' shareholder shall pay tax on dividend @ 10% and 15% respectively.

Payment of Cash Dividend Electronically (Optional)

The shareholders are also entitled to receive their cash dividend directly in their bank accounts instead of receiving it through dividend warrants. Shareholders wishing to exercise this option may submit their application to the Company's Share Registrar, giving particulars relating to their name, folio number, bank account number, title of account and complete mailing address of the bank, CDC account holders should submit their request directly to their broker (participant)/CDC.

Transmission of Annual Financial Statements through e-mail

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan (SECP) vide SRO 787(I)/2014 dated September 8, 2014, those shareholders who desire to receive Annual Financial Statements in future through e-mail instead of receiving the same by Post are advised to give their formal consent along with their e-mail address duly signed by the shareholder along with copy of his CNIC to our share registrar's office, M/s. Corplink (Pvt) Ltd, Wings arcade, 1-k, commercial, model town, Lahore. Please note that giving e-mail address for receiving of Annual Financial Statements instead of the same by Post is optional, in case you do not wish to avail this facility, please ignore this notice, Financial Statement will be sent to your at your registered address.

GHANI GLASS LIMITED

40-L, Model Town, Lahore

Form of Proxy

Folio No. ______________________

No. of Shares ______________________

I/WE ____

of ____

Being a member of GHANI GLASS LIMITED ______________________

Hereby appoint Mr. ______________________________________

of ____

failing him Mr. ______________________ of ______________________

(Being a member of the company) as my/our proxy to attend, act and vote for me/us on my/our behalf at 22nd ANNUAL GENERAL MEETING of the members of the Company to be held on Wednesday October 29, 2014 at 11:00 a.m at Avari Hotel, Lahore and at any adjournment thereof.

As witness my/our hand(s) this ______________________ day of ______________ 2014

Witness's Signature

Signature ______________________

Name: ______________________

Address: ______________________

Signature and Revenue Stamp

<u>NOTES:</u>

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

Ghani Glass Limited

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UAN: +92-42-111 949 949
Fax: +92-42-35172263
www.ghaniglass.com

Faran: 0300-4431538, 0321-4018936