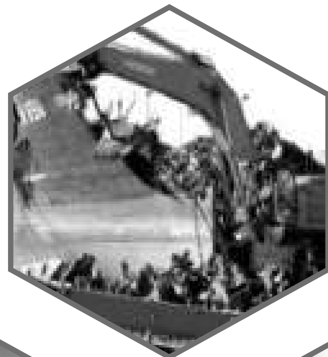
Ghani Global Group

ANNUAL REPORT 2020



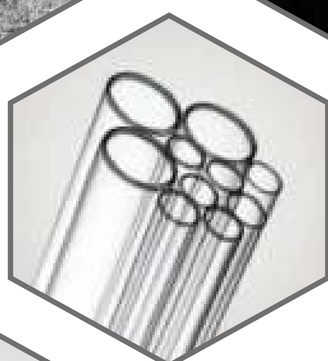
Faith

Experience

Innovation

Growth





Ghani Global Holdings Limited

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Masroor Ahamd Khan	Chairman
Atique Ahmad khan	Chief Executive Officer
Hafiz Farooq Ahmad	
Ayesha Masroor	
Rabia Atique	
Saira Farooq	
Tahir Bashir Khan	
Mahmood Ahmad	
Farzand Ali	

AUDIT COMMITTEE

Tahir Bashir Khan - Chairman
Masroor Ahmad Khan
Rabia Atique
Saira Farooq

HR & R COMMITTEE

Mahmood Ahmad - Chairman
Atique Ahmad Khan
Ayesha Masroor
Saira Farooq

PRESIDENT

M. Ashraf Bawany

COMPANY SECRETARY

Farzand Ali, FCS

CHIEF FINANCIAL OFFICER

Asim Mahmud, FCA

LEGAL ADVISOR

Barrister Ahmed Pervaiz, Ahmed & Pansota
Lahore.

AUDITORS

Rizwan & Company
Chartered Accountants
Member Firm of DFK International

SHARE REGISTRAR

Vision Consulting Limited
1st Floor 3-C, LDA Flats, Lawrence Road, Lahore.
Tel: 042-36375531, 36375339, Fax: 042-36312550

REGIONAL OFFICE

C-7/A, Block F, Gulshan-e-Jamal
Rashid Minhas Road, Karachi.
Ph: (021) 34572150
E-mail: shahidayub@ghaniglobal.com

REGISTERED/CORPORATE OFFICE

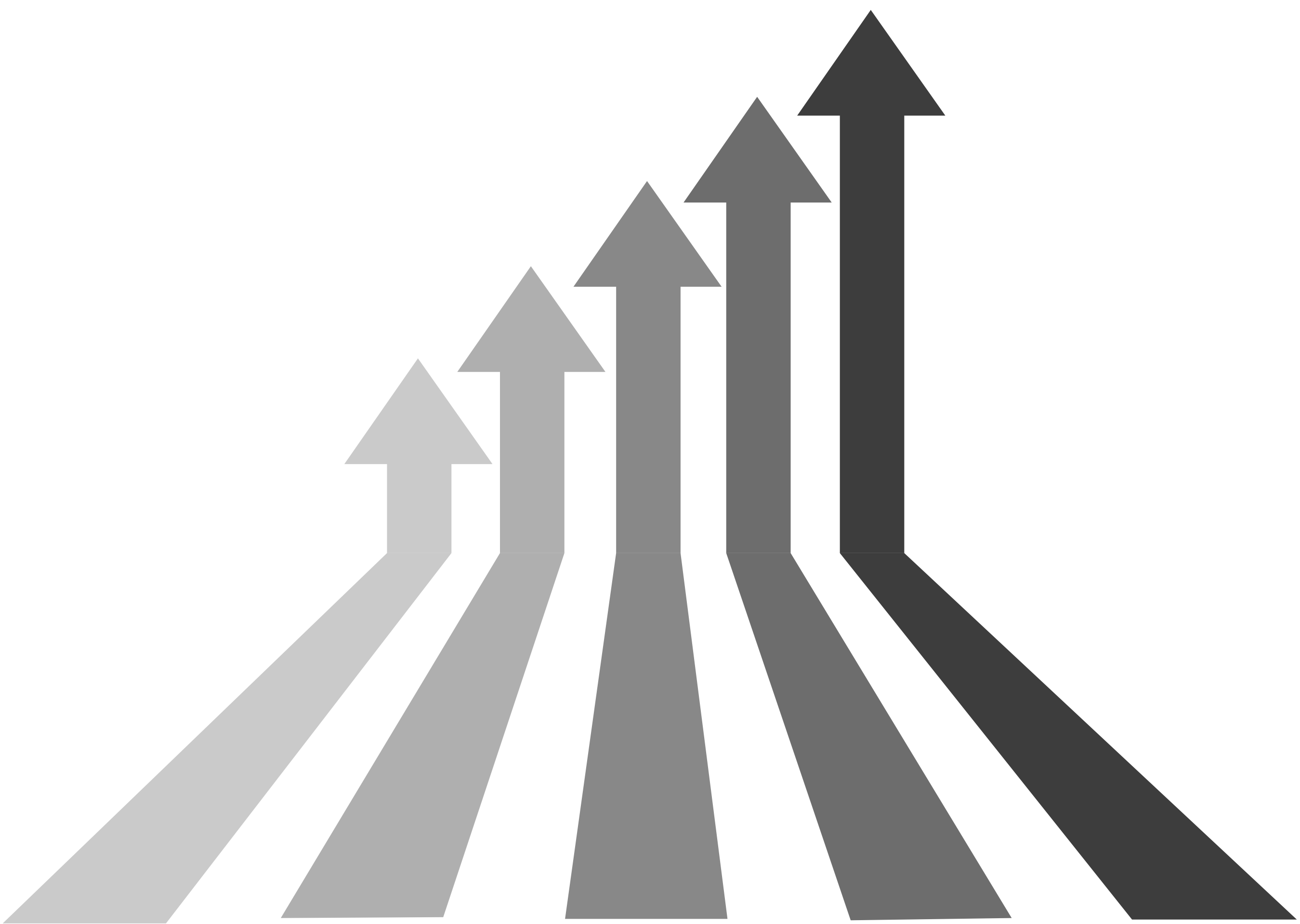
10-N, Model Town Ext, Lahore-54000, Pakistan
UAN: (042) 111-Ghani 1 (442-641)
Ph: +92-42 35161424-5, Fax: +92-42-35160393
E-mail: info.gases@ghaniglobal.com
Web: www.ghaniglobal.com / www.ghanigases.com

VISION

- Growth through the best value creation for the benefit of all stakeholders.

MISSION

- Invest in project that will optimize the risk-return profile of the Company.
- Achieve excellence in business.
- Continuously develop our human resource.
- To be regarded by investors as amongst the best blue-chip stocks in the country.



Group Structure

Introduction

Since its inception, the **Ghani Global Group** has continuously strengthened and diversified its lines of operation and all group companies are working under common directorship / management.

Ghani Global Holdings Limited

Ghani Chemical Industries Limited

On sanction of the scheme of Compromises, Arrangement and Reconstruction by the Court, Ghani Global Holdings Limited transferred its entire manufacturing undertaking to the Company effective from 01 July 2018. It is one of the leading Company engaged in manufacturing and sales of industrial and medical gases and chemicals. The Company is subsidiary of Ghani Global Holdings Limited.

Ghani Global Glass Limited

Company is engaged in manufacturing of import substitute Neutral Glass USP Type-I glass tubing, glass ampoules and glass vials since 2015. The Company is the subsidiary of Ghani Global Holdings Limited.

Associated Companies

Air Ghani (Pvt) Limited

Ghani Engineering (Pvt) Limited

Ghani Global Foods (Pvt) Limited

Ghani Products (Pvt) Limited

A One Prefabs (Pvt) Limited

A One Batteries (Pvt) Limited

Awal Engineering (Pvt) Limited

CHAIRMAN'S REVIEW

Review Report by the Chairman on Board's overall performance under Section 192 of the Companies Act, 2017.

I am pleased to report that the Board has exercised its powers and performed its duties as envisaged in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Code") contained in the Rule Book of Pakistan Stock Exchange Limited where the Company is Listed.

The Board during the year ended 30 June 2020 played effective role in managing the affairs of the Company in the following manner:

- The Board remain updated with respect to achievement of Company's objectives, goals, strategies and financial performance through review of reports from management, internal auditors and other consultants as a result the Board was able to provide effective leadership to the Company;
- The Board has ensured that there is adequate representation of non-executive and independent directors on the Board and its committees as laid down in the Code of Corporate Governance and has taken required initiatives in its true letter and spirit. Moreover, the Board ensured that members of the Board and its respective committees has adequate skills, experience and knowledge to manage the affairs of the Company;
- The Board has obtained annual evaluation of Board of Directors from a professional firm of accountants for an independent evaluation of the Board and firm has issued fair report on overall performance of the board;
- The Board has ensured that the directors are provided with the requisite training or orientation courses to enable them to perform their duties in an effective manner and directors on the Board have already taken certification under Directors Training Program and the remaining directors will take the certification in accordance with the Code;
- The Board has formed Audit Committees and Human Resource & Remuneration Committee and has approved their respective Terms of References and has assigned adequate resources so that the committees are able to perform their responsibilities diligently in line with the expectation of Board.
- The Board has ensured that the meetings of the Board and that of its committee were held with the requisite quorum, all the decision making were taken through Board resolution and that the minutes of all the meetings (including committees) are appropriately recorded and maintained;
- All the significant issues were presented before the Board or its committees to strengthen and formalize the corporate decision making process and particularly all the related party transactions executed by the Company were approved by the Board on the recommendations of the Audit Committee;
- The Board has reviewed the compensation of Chief Executive, Executive Directors and other Key Executives including Chief Financial Officer, Company Secretary, and Head of Internal Audit in accordance with the Companies Act, 2017 and the Code;
- The Board has ensured that sound system of internal controls are in place and appropriateness and effectiveness of same is considered by internal auditors on regular basis;

Based on aforementioned it can reasonably be argued that Board of Ghani Global Holdings Limited has played pivotal role in ensuring that corporate objectives are achieved in line with the expectation of shareholders and all other stakeholders.

Lahore
October 02, 2020

Masroor Ahmad Khan
Chairman, Board of Directors

DIRECTORS' REPORT

Dear Shareholders

Assalam-o-Alaikum Wa RehmatUllah Wa Barakatoh

The directors of Ghani Global Holdings Limited (formerly Ghani Gases Limited/ the Company) are pleased to present the unconsolidated audited financial statements of the Company for the year ended June 30, 2020, in compliance with the requirements of Companies Act, 2017.

OVERVIEW OF THE NATIONAL ECONOMY

According to the Economic Survey of Pakistan the country's economy has been subjected to demand and supply shock and the fiscal year 2020 witnessed a contraction in economic activity. Covid-19 pandemic, high inflation and weakening Rupee posed significant challenges to the economy, resulting in decline of 0.38% in GDP (2019: growth of 1.9%) for the year ended 30 June 2020. Large scale manufacturing contracted by 7.8% (2019: 2.6%) while the construction activity in the country also remained subdued due to slowdown in economy.

FINANCIAL PERFORMANCE

As per Scheme of Compromises, Arrangement and Reconstruction (the Scheme) sanctioned by the Honourable Lahore High Court, Lahore on 06-02-2019, the Parent Company (Ghani Global Holdings Limited) transferred its manufacturing undertaking to Ghani Chemical Industries Limited on July 08, 2019 after effective date. After transfer of manufacturing undertaking , certain bills, invoices and contracts relating to the company's business activities till February 29, 2020; the Company routed transactions in its books of accounts on account of utilities, supplies, imports, local stores and spares to subsidiary company, i.e. Ghani Chemical Industries Limited. These transactions have been recorded to absorb the impact of Sales Tax Input available in sales tax records of the Company, that could have been lost in absence any legitimate sales tax output available to the Company. Administrative expenses and Other operating expenses incurred by the Company are normal operating expenses of the Company. Other income are commission on corporate guarantee issued by the Company.

STANDALONE PERFORMANCE

A comparison of the key financial results of your Company for the year ended June 30, 2020 with the last year is as under:

Particulars	Rupees in '000' except EPS	
	June 2020	June 2019
Sales	11,500	-
Net sales	10,050	-
Gross profit	-	-
Administrative & operating expenses	2,145	2,361
Other income	2,790	2,600
Profit before taxation	645	239
Earnings per share	0.004	0.001

QUALIFIED AUDIT OPINION

The external auditors of the Company in their report to the members of Ghani Global Holdings Limited has provided a qualified audit opinion that "As fully explained in note 1.1 and note 1.2 to these unconsolidated financial statements, subsequent to completion of the Scheme of Compromises, Arrangement and Reconstruction and transfer of manufacturing undertaking to the subsidiary company i.e. Ghani Chemical Industries Limited on July 08, 2019, the legal and procedural formalities including registration/ updation of the name of the subsidiary company with the relevant departments/ utility companies could not be completed till February 29, 2020. Due to certain inherent impediments of such routing; the impact of non-compliance, if any, cannot be ascertained at this point of time".

Regarding above qualified audit opinion, it is stated that the Company has already disclosed above facts in Company's half yearly report for the period ended December 31, 2019 and the third quarter report for the period ended March 31, 2020. As per Scheme of Compromises, Arrangement and Reconstruction (the Scheme) as sanctioned by the Honourable Lahore High Court, Lahore on 06-02-2019, the Parent Company (Ghani Global Holdings Limited formerly Ghani Gases Limited) transferred its manufacturing undertaking to Ghani Chemical Industries Limited (GCIL) on July 08, 2019. Between the effective date and up until 29 February 2020 despite all possible efforts, many supplier, utilities and other bills continued to be received in Ghani Gases Limited's (GGL) name, even though GCIL has become the owner and operator of the Manufacturing Undertaking, and it took as long as the aforementioned period of almost one year after the Order Date for the replacement of GGL's name with GCIL's name to come through completely due to several bureaucratic process involved. The directors are of the firm view that in such circumstances, Ghani Global Holdings Limited and/or the GGL has no option but to transfer all associated expenses to GCIL until all these bureaucratic processes were complete and further that there is no legal defect because these steps have been taken by the Company and the subsidiary in pursuance of the Court Order or sanction of the Court as the lengthy bureaucratic processes involved could not possibly cause GGL's name to be replaced by GCIL's name in all relevant records immediately after the Sanction Date.

CONSOLIDATED PERFORMANCE

Financial performance including subsidiaries for year ended June 30, 2020 in comparison with last year is as under:

Particulars	Rupees in '000' except EPS	
	June 2020	June 2019
Net sales	3,312,417	3,074,726
Gross profit	780,987	640,727
Selling and distribution expenses	288,015	291,369
Administrative expenses	192,634	207,481
Other income	26,782	21,362
Finance costs	456,647	313,734
(Loss) / profit after taxation	(119,752)	(212,100)
Attributable to:		
Owners of the Holding Company	(138,969)	(138,052)
Non-Controlling Interests	19,217	(74,048)
Earnings per share	(0.906)	(0.901)

GHANI CHEMICAL INDUSTRIAL LIMITED

Ghani Chemical Industries Limited (GCIL) is engaged in manufacturing and sale of industrial and medical gases and chemicals. Operational and sales performance of this subsidiary witnessed down because of severe effect of COVID-19 pandemic when almost all industrial activities remain suspended. On the other hand effects of substantial increase in electricity and gas prices, decline in Pak rupees against US dollar and steady hike in the policy rate to 13.25% could not passed to the customers.

However after the end of 1st phase of COVID-19 pandemic industrial activities have been again activated and the subsidiary company has succeeded to pass on negative effects of cost of sales to some extent to its customers. In the result, subsidiary company has converted into profitability from June 2020 onwards. Further as a major breakthrough, the subsidiary company has succeeded to enter into long term sales contract for a period of 5 years with a known refinery in West and negotiations are under process to finalize a long term sales contract of 15 years with a chemical company. To meet the expected increase in demand of industrial and medical gases the subsidiary is planning for huge capital expenditure. Reduction in SBP rate to 7% would also help to reduce cost of doing business and increase in sale prices and securing the sale by entering into long term contracts, it is expected the subsidiary will improve its bottom line in the periods to come.

GHANI GLOBAL GLASS LIMITED

Ghani Global Glass Limited is engaged in manufacturing and sale of import substitute Glass Tubing, Glass Ampoules and Glass Vials since 2015. During the year subsidiary succeeded to get approval of its products in multinational companies (MNCs), middle, and large scale national companies where its is working closely with these companies and getting a sizeable business even the presence of numerous converters in market. During the year this subsidiary added 20 more customers of ampoules and vails and its customer base for ampoules and vials increased to around 80 Pharma companies.

Alhamdulillah during the under review sale performance of this subsidiary remained excellent and Tube sale increased by 160%, Ampoules by 167% and Vials by 174% thus aggregate sales increased by 164%. The subsidiary succeeded to Exports of tube to the tune of 357 tons to Bangladesh, Egypt, Argentina and Mexico. Samples in Italy, Uruguay and Paraguay are under approval stage and further export destinations are being explored for tubing in Africa, South America and Middle East region.

The subsidiary company is considering balancing, modernization and replacement to enhance its capacity and to set-up another melting furnace for glass tubes. Market for glass tubes and other value added products such as ampoules and vials is robust. Capacity enhancement decision will tap the unmet (and increasing) market demand and to diversify into new products and markets (including Bangladesh, MENA Countries etc.). After finalization of internal workings and formal approvals from the bank(s), it is expected the Company will formally announce to set up another glass melting furnace for tubes shortly. During last two quarters i.e. January -March 2020 and April – June 2020, Alhamdulillah Company has converted into profitability to some extent. Reduction in SBP rate would also help to reduce cost of doing business and it is expected profits of this company will further improve in the periods to come, Insha Allah.

PAYOUT TO THE SHAREHOLDERS

As a policy matter management of your Company strongly believes in passing on the return of investment to their shareholders. However keeping in negligible profit earned during the year, the board of directors has skipped the announcement of any dividend or bonus etc.

STATUS OF INVESTMENT IN ASSOCIATED/ SUBSIDIARY COMPANIES

Nature of investments by the Company in associated/ subsidiary company and its present status is as under:

Company Name	Nature of Investment	Amount (Rupees in Million)	Benefit during the year (Rs. in millions)	Present Status
Ghani Chemical Industries Limited	Equity Investment	2,056.991	-	Long term Investment
Ghani Global Glass Limited	Equity Investment Corporate Guarantees	722.316 775,000	- 2,790	Long term Investment -Rs.650 million valid up till October 27, 2021 -Rs. 125 million valid up till October 27, 2020

STATUTORY AUDITORS OF THE COMPANY

The present auditors' M/s. Rizwan & Company, Chartered Accountants will retire on conclusion of Annual General Meeting being held on October 28, 2020. 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, 2021.

SHARE PRICE TREND

Name of Company : Ghani Global Holdings Limited
Trading Symbol : GGL

Share price trend of the Company at Pakistan Stock Exchange Limited (PSX) during the year ended June 30, 2020 remain as under:

Period	Share Price (in Rs.)			Daily Average of Trading Volume
	High	Low	Close	
1st Quarter (Jul-Sep. 2019)	9.20	6.70	7.22	91,333
2st Quarter (Oct-Dec 2019)	16.35	7.22	15.01	1,280,031
3st Quarter (Jan-Mar. 2020)	19.00	7.60	8.63	1,033,421
4th Quarter (Apr-Jun. 2020)	16.68	8.50	15.73	1,341,217
Annual for the year	19.00	6.70	15.73	944,599

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the requirements of Section 228 of the Companies Act 2017, consolidated financial statements of the Company along with auditors and directors report thereon have been attached with the financial statements of the Company.

STAFF RETIREMENT BENEFIT

At present no remuneration to any executive director, Chief Executive and/or any person performing duties for the Company is paid. Accordingly any scheme for staff retirement benefits is not being maintained by the Company.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Code of Corporate Governance the Listed Companies (Code of Corporate Governance) Regulations, 2019) has been implemented. The representation of independent directors has been linked with the restructuring of the board not later than next election of Directors.

STATEMENT OF COMPLIANCE

A Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 is annexed.

CHANGE OF NAME

Effective from 28-08 2019, name of the Company has been changed from Ghani Gases Limited to Ghani Global Holdings Limited.

CODE OF CONDUCT

The board of Ghani Global Holdings Limited has adopted code of conduct for its Board of Directors and the employees. All concerns are informed of these codes and are required to observe the rules of conduct in relation to customers, suppliers and regulations.

CONTRIBUTION TO NATIONAL EXCHEQUER

The Company is acting as holding company of its subsidiaries (Ghani Chemical Industries Limited and Ghani Global Glass Limited) and has contributed Rs. NIL (2019: Rs. NIL million) in shape of taxes, duties and levies paid to central, provincial government and local authorities.

AUDIT COMMITTEE

The Board has formed an Audit Committee. It comprises four members, of whom one is independent and three are non-executive directors.

Names of Members of Audit Committee are as under:

Name of Director	Catagory	Designation in Commitee
Tahir Bashir Khan	Independent director	Chairman
Masroor Ahmad Khan	Non-executive director	Member
Rabia Atique	Non-executive director	Member
Saira Farooq	Non-executive director	Member

The Audit Committee has its terms of reference which were determined by the Board of Directors in accordance with the guidelines provided in the Listed Companies (Code of Corporate Governance) Regulations, 2019.

HR&R COMMITTEE

The Board has formed a Human Resource and Remuneration (HR&R) Committee. It comprises four members, of whom one is independent, two are non-executive and one is executive director.

Names of Members of HR & R Committee are as under:

Name of Director	Catagory	Designation in Commitee
Mahmood Ahmad	Independent director	Chairman
Atique Ahmad Khan	Executive director	Member
Ayesha Masroor	Non-executive director	Member
Saira Farooq	Non-executive director	Member

RELATIONS WITH STAKEHOLDERS

The Company is committed to establishing mutually beneficial relations with all stakeholders, stock exchange, SECP and other business partners of the Company. Alhamdulillah during the period under review relations with all stakeholders remained cordial.

CORPORATE SOCIAL RESPONSIBILITY

The Company is committed to both sustainable business practices and its responsibilities as a corporate citizen. We believe that the Corporate Social Responsibility is primarily about conducting business in a transparent and ethical way that not only enhances value of all of our stakeholders but also gives support to the events that enhance the well-being of the community.

The Corporate Social Responsibility and guidelines for corporate governance are steps in the right direction.

The Company also supports a clean environment and motivates its subsidiary companies for this cause. The Company also tries its level best that the business activities must be environment-friendly and not be hazardous to the society.

The Company endeavors to be a trusted corporate entity and fulfills the responsibility towards the environment and society in general.

BOARD OF DIRECTORS

The Board of Directors, which consist of Nine members, have responsibility to independently and transparently monitor the performance of the Company and take strategic decision to achieve sustainable growth in the Company value.

Total Number of directors:

Description	Number of Directors
Male	06
Female	03
Total	**09**

Composition of directors:

Categories	Number of Directors
Independent directors	02
Other non-executive directors	04
Executive directors	03
Total	**09**

The Chairman board of directors is among the non-executive directors.

A written notice of the board meeting along with working papers was sent to the members seven days before the meeting.

A total of five meetings of the Board of Directors were held during the year ended June 30, 2020. Leave of absence was granted to the directors who could not attend some of the board meetings.

The present board of directors were elected in Annual General Meeting of the Company held on October 28, 2017 for a period of three years and shall retire on October 30, 2020.

The board of directors has fixed number of directors to seven for next term of three years. Agenda item for election of directors is included in notice of annual general meeting to be held on October 28, 2020.

DIRECTORS' REMUNERATION

The remuneration of the directors is determined by the Board as per provisions of section 170 of the Companies Act, 2017 on the basis of standards in the market and reflects demand to competencies and efforts in the light of the scope of their work and responsibilities of the directors.

Remuneration of Executive directors including CEO are reviewed annually by the board of directors.

During the year ended June 30, 2020, no remuneration and/fee is paid to chief executive officer, executive directors, non-executive directors and independent directors for performing their duties and attending the meetings of board of directors and/or committees of the board.

CHAIRMAN'S REVIEW

The chairman's review deals with the overall performance of the board and effectiveness of the role played by the board in achieving the company's objectives for the year ended June 30, 2020 in compliance with section 192 (4) of the Companies Act, 2017 is annexed.

PATTERN OF SHAREHOLDING

A pattern of shareholding as required under section 227(2) (f) of the Companies Act, 2017 is annexed.

POST BALANCE SHEET EVENTS

No material changes or commitments affecting the financial position of the Company have occurred between the end of financial year of the Company and date of this report, except enhancement in authorized share capital of the Company from Rs. 2.000 billion to Rs. 3.000 billion and decision for further aggregate equity investment in Ghani Global Glass Limited (an subsidiary company) to Rs.950 million and issuance of Cross Corporate Guarantee up to Rs.750 million to the bank(s) for financing facility to its subsidiary company named Ghani Chemical Industries Limited.

The subsidiary named Ghani Chemical Industries Limited has signed and agreement with Karim Silk Mills Limited for merger of both the companies and in the result GCIL will obtain the status of listing subject to completion of all legal and corporate formalities and sanction by the Honorable Sindh High Court.

COVID-19 PANDEMIC

During COVID-19 pandemic, the Company and its subsidiaries taken timely and proactive measures by observing Government SOP's for industries. We enforced sanitization facility at entry point, provided hand washing facility, mandatory use of face mask, daily body temperature screening of all employees, education to employees about the risk of corona virus, proper hygiene measures and provided forced leave or alternate days attendance to staff (wherever necessary). In and out of vehicles were allowed after proper sanitization. The Company and its subsidiaries have been well aware of the COVID-19 challenges and left no stone unturned to overcome the unprecedented and circumstances at its plant and offices.

ACKNOWLEDGMENT

The directors express their deep appreciation to our valued stakeholders who placed their confidence in the Company. We would like to express sincere appreciation to the dedication of Company's employees to their professional obligations and cooperation by the bankers, government agencies, which have enabled the Company and its subsidiaries to display good performance both in operational and financial fields.

We thank our shareholders who reposed their confidence on management of the Company, the officials of the SECP, the Pakistan Stock Exchange and all government functionaries as well as the commandments of Allah Subhanatallah and Sunnah of our Prophet Muhammad (peace be upon him).

On behalf of the Board

Lahore	**ATIQUE AHMAD KHAN**	**HAFIZ FAROOQ AHMAD**
October 02, 2020	(CHIEF EXECUTIVE OFFICER)	(DIRECTOR)

بیلنس شیٹ کی تاریخ کے بعد کے واقعات

کمپنی کے مالی سال کے اختتام اوراس رپورٹ کی تاریخ کے مابین کمپنی کی مالی حیثیت کومتاثر کرنے والی کوئی مادی تبدیلیاں یا وعدے نہیں ہوئے ہیں،سوائے اس کمپنی کے مجاز حصص کیپٹل میں2,000 ارب روپے سے 3000ارب روپے تک کا اضافہ اورمزید فیصلہ کیا گیا کہ غنی گلوبل گلاس لمیٹڈ (ایک ذیلی ادارہ) میں مجموعی ایکویٹی سرمایہ کاری 950 ملین روپے کی جائے اورکمپنی کی ذیلی کمپنی بنام غنی کیمیکل انڈسٹریزلمیٹڈ کوفنانسنگ کی سہولت کے لئے بینک کو750 ملین روپے تک کی کراس کارپوریٹ گارنٹی جاری کی جائے۔

غنی کیمیکل انڈسٹریزلمیٹڈ کے نام سے ذیلی ادارہ نے کریم سلک ملزلمیٹڈ کے ساتھ دونوں کمپنیوں کے انضمام کے لئے معاہدہ کیا ہے جس کے نتیجے میں جی سی آئی ایل تمام قانونی اورکارپوریٹ رسمی مراحل کی تکمیل اورمعزز سندھ ہائی کی منظوری کے بعد کراچی سٹاک ایکسچینج میں لسٹ ہوگی۔

COVID-19 عالمی وباء

کوویڈ۔19 وبائی مرض کے دوران کمپنی اوراس کی ذیلی کمپنیوں نے صنعتوں کے لئے گورنمنٹ ایس اوپی کے مطابق بروقت اورفعال اقدامات کیے۔ہم نے داخلے کے مقام پر صفائی ستھرائی کی سہولت نافذ کی، ہاتھ دھونے کی سہولت فراہم کی، چہرے کے ماسک کا لازمی استعمال، تمام ملازمین کی روزانہ جسمانی درجہ حرارت کی جانچ، کورونا وائرس کے خطرے سے متعلق ملازمین کو تعلیم، حفظان صحت کے مناسب اقدامات اور عملے کو جبری رخصت یا متبادل دن حاضری فراہم کی۔ (جہاں بھی ضروری ہوا)۔مناسب صفائی کے بعد ہی گاڑیوں کے اندر اور باہر جانے کی اجازت تھی۔

کمپنی اوراس کی ذیلی کمپنیوں COVID-19 چیلنجوں سے بخوبی واقف ہے اور اپنے پلانٹ اور دفاتر میں اس نامساعد حالات پر قابو پانے میں کوئی کسر نہیں چھوڑی۔

اعترافی بیانہ

ڈائریکٹرز اپنے معزز کمسٹرز جنھوں نے کمپنی پر اعتماد کیا ان کی تہہ دل سے قدر کرتی ہے۔ہم ملازمین کی پیشہ ورانہ فرائض کی ادئیگی پر تہہ دل سے قدر کرتے ہیں اور بینکرز اور گورنمنٹ اداروں کے تعاون پر مشکور ہیں جن کی وجہ سے کمپنی اچھے رزلٹ دینے میں کامیاب ہوئی۔

ہم اپنے حصص داران کا شکریہ ادا کرتے ہیں جنہوں کے کمپنی کی انتظامیہ پر اعتماد کیا، اسی طرح ہم ایس ای سی پی، سٹاک ایکسچینج، اور گورنمنٹ کے تمام کارکنان کا بھی شکریہ ادا کرتے ہیں، ہم اللہ تعالیٰ کا شکر ادا کرتے ہوئے اللہ تعالیٰ کے احکامات اوراس کے نبی حضرت محمد ﷺ کی سنت مبارکہ سے رہنمائی چاہتے ہیں۔

بورڈ آف ڈائریکٹرز کی طرف سے

عتیق احمد خان
چیف ایگزیکٹو آفیسر

حافظ فاروق احمد
ڈائریکٹر

لاہور
02 اکتوبر 2020

بورڈ آف ڈائریکٹرز

کمپنی کے بورڈ آف ڈائریکٹرز تعداد میں نو ہیں جو اپنی آزاد ذمہ داریوں اور کمپنی کو شفاف طریقوں سے نگران کے طور پر اس طرح کے فیصلے کریں کہ اس کی پائیدار ترقی میں اضافہ ہو۔

ڈائریکٹران کی تعداد

تفصیل	ڈائریکٹران کی تعداد
مرد	06
خواتین	03
کل تعداد	09

ڈائریکٹران کی ساخت

تفصیل	ڈائریکٹران کی تعداد
آزاد/غیر متعلقہ ڈائریکٹرز	02
نان ایگزیکٹو ڈائریکٹرز	04
ایگزیکٹو ڈائریکٹرز	03
کل تعداد	09

بورڈ کا چیئر مین نان ایگزیکٹو ڈائریکٹرز میں سے ہے۔ میٹنگ کا نوٹس، میٹنگ سے سات روز قبل بمعہ ورکنگ پیپرز ڈائریکٹرز کو ارسال کیا جاتا ہے۔

سال مختتمہ 30 جون 2020 کے دوران ڈائریکٹرز کے کل پانچ اجلاس ہوئے۔ اجلاس میں غیر حاضر رہنے والے ڈائریکٹرز کو چھٹی کی اجازت دی گئی۔

موجودہ بورڈ آف ڈائریکٹرز سالانہ اجلاس عام منعقدہ 28 اکتوبر 2017 کو تین سالوں کے لئے منتخب ہوئے جو کہ 30 اکتوبر 2020 میں ریٹائر ہو جائیں گے۔

بورڈ آف ڈائریکٹرز نے تین سال کی اگلی میعاد کے لئے ڈائریکٹرز کی تعداد سات مقرر کر دی ہے۔ ڈائریکٹرز کے انتخاب کے لئے ایجنڈا آئٹم کو 28 اکتوبر 2020 کو ہونے والے سالانہ عام اجلاس کے نوٹس میں شامل کیا گیا ہے۔

ڈائریکٹرز کا معاوضہ

ڈائریکٹرز کا معاوضہ مارکیٹ میں معیارات کی بنیاد پر کمپنیز ایکٹ 2017 کے سیکشن 170 کی دفعات کے مطابق بورڈ کے ذریعہ مقرر کیا جاتا ہے اور وہ اپنے کام اور ذمہ داریوں کی وسعت کی روشنی میں اہلیت اور کوششوں کے مطالبے کی عکاسی کرتا ہے۔

سی ای او سمیت ایگزیکٹو ڈائریکٹرز کے معاوضے کا ہر سال بورڈ آف ڈائریکٹرز کے ذریعے جائزہ لیا جاتا ہے۔

30 جون 2020 کو ختم ہونے والے سال کے دوران چیف ایگزیکٹو ڈائریکٹرز نان ایگزیکٹو ڈائریکٹرز اور آزاد ڈائریکٹرز کو اپنے فرائض کی انجام دہی اور بورڈ آف ڈائریکٹرز اور یا کمپنیوں کے اجلاسوں میں شرکت کرنے پر معاوضہ اور فیس ادا نہیں کی گئی۔

چیئر مین کی جائزہ رپورٹ

کمپنیز ایکٹ 2017 کی دفعہ 192(4) کے تحت بورڈ کی مجموعی کارگردگی اور کمپنی کے مقاصد کے حصول کی خاطر بورڈ کا موثر رول سے متعلق اختتامی سال 30 جون 2020 کیلئے چیئر مین کا جائزہ منسلک ہے۔

حصص داران کا پیٹرن

کمپنیز ایکٹ 2017 دفعہ (f)(2)227 کے مطابق حصص داران کا پیٹرن منسلک ہے۔

محاسبتی کمیٹی

بورڈ نے ایک آڈٹ کمیٹی قائم کی ہے جو چار ممبران پر مشتمل ہے جن میں سے ایک غیر متعلقہ اور تین نان ایگزیکٹو ڈائریکٹر ہیں۔

کمیٹی کے ممبران کے نام یہ ہیں۔

ڈائریکٹر کا نام	تخصیص	عہدہ
طاہر بشیر خان	غیر متعلقہ / آزاد ڈائریکٹر	چیئرمین
مسرور احمد خان	نان ایگزیکٹو ڈائریکٹر	ممبر
رابعہ عتیق	نان ایگزیکٹو ڈائریکٹر	ممبر
سائرہ فاروق	نان ایگزیکٹو ڈائریکٹر	ممبر

آڈٹ کمیٹی کا اپنا ٹرم آف ریفرنس ہے جو بورڈ آف ڈائریکٹرز نے (دی لسٹڈ کمپنیز) کوڈ آف کارپوریٹ گورننس) ریگولیشن 2017) کے تحت مرتب کیا ہے۔

ہیومن ریسورس اور معاوضہ کی کمیٹی

بورڈ نے ہیومن ریسورس اور معاوضہ کی کمیٹی تشکیل دی ہوئی ہے۔ یہ کمیٹی چار ممبران پر مشتمل ہے جن میں سے ایک غیر متعلقہ / آزاد، دو نان ایگزیکٹو ڈائریکٹر شامل ہیں۔

ہیومن ریسورس اور معاوضہ کے ممبران کے نام اس طرح ہیں۔

ڈائریکٹر کا نام	تخصیص	عہدہ
محمود احمد	غیر متعلقہ / آزاد ڈائریکٹر	چیئرمین
عتیق احمد خان	ایگزیکٹو ڈائریکٹر	ممبر
عائشہ مسرور	نان ایگزیکٹو ڈائریکٹر	ممبر
سائرہ فاروق	نان ایگزیکٹو ڈائریکٹر	ممبر

ہیومن ریسورس اور معاوضہ کی کمیٹی کے اپنے ٹرم آف ریفرنس ہیں جو کہ بورڈ آف ڈائریکٹرز نے کوڈ آ ڈ کارپوریٹ گورننس کے تحت منظور کئے ہیں۔

سٹیک ہولڈرز سے تعلقات

غنی گلوبل ہولڈنگز لمیٹڈ (سابقہ غنی گیسز لمیٹڈ) اپنے بزنس پارٹنرز اور بینکرز، ملازمین، سٹاک ایکسچینج، ایس ای سی پی سے باہمی تعلقات خوشگوار رکھنے میں پرعزم ہے۔ الحمدللہ اس عرصہ کے دوران تمام سٹیک ہولڈرز سے تعلقات بہتر رہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی کارپوریٹ شہری کی حیثیت سے پائیدار کاروباری طریقوں اور اس کی ذمہ داریوں کے لئے پرعزم ہے۔ ہم سمجھتے ہیں کہ کارپوریٹ سماجی ذمہ داری بنیادی طور پر کاروبار کو شفاف اور اخلاقی طریقے سے چلانے کے بارے میں ہے جو نہ صرف ہمارے تمام اسٹیک ہولڈرز کی قدر و قیمت میں اضافہ کرتی ہے بلکہ معاشرے کی فلاح و بہبود کو بڑھانے والے پروگراموں کی حمائت کرتی ہے۔ کمپنی کارپوریٹ سماجی ذمہ داری اور کارپوریٹ گورننس کی رہنمائی سے صحیح سمت میں گامزن ہے۔ کمپنی ایک صاف ستھرے ماحول کی حوصلہ افزائی کرتی ہے اور اپنے ماتحت کمپنیوں کو اس مقصد میں شامل ہونے کی ترغیب دیتی ہے۔ کمپنی اس بات کی حتی الامکان کوشش کرتی ہے کہ کاروباری سرگرمیاں ماحول دوست ہوں اور معاشرے کے لئے نقصان دہ نہ ہوں۔

کمپنی کوشش کرتی ہے کہ وہ ایک بھروسہ مند کارپوریٹ ہستی کے طور پر پہچانی جائے اور ماحولیات اور معاشرہ میں اپنی ذمہ داریوں کو احسن طریقے سے انجام دے۔

حصص کی قیمت کا رجحان

کمپنی کا نام : **غنی گلوبل ہولڈنگز لمیٹڈ**

تجارتی علامت : GGL

30 جون، 2020 کو ختم ہوئے سال کے دوران پاکستان اسٹاک ایکسچینج لمیٹڈ (پی ایس ایکس) میں کمپنی کے حصص کی قیمت کا رجحان درجہ ذیل رہا۔

مدت	شیئر کی قیمت (روپے میں)			تجارتی حجم کی روزانہ اوسط
	زیادہ	کم	ختم	
پہلی سہ ماہی	9.20	6.70	7.22	91,333
دوسری سہ ماہی	16.35	7.22	15.01	1,280,031
تیسری سہ ماہی	19.00	7.60	8.63	1,033,421
چوتھی سہ ماہی	16.68	8.50	15.73	1,341,217
سالانہ	19	6.70	15.73	944,599

یکجا مالی حسابات

کمپنیز ایکٹ 2017 کے سیکشن 228 کی ضروریات کو سامنے رکھتے ہوئے کمپنی کی یکجا مالی حسابات کے ساتھ آڈیٹرز اور ڈائریکٹرز کی رپورٹ کمپنی کے مالی حسابات کے ساتھ منسلک ہے۔

عملے کی ریٹائر منٹ کا فائدہ

فی الحال کسی بھی ایگزیکٹو ڈائریکٹر، چیف ایگزیکٹو اور/ یا کمپنی کے لئے فرائض سرانجام دینے والے کسی فرد کو معاوضہ نہیں دیا جاتا ہے۔اس کے مطابق کمپنی کے ذریعہ عملے کی ریٹائرمنٹ فوائد کے لئے کوئی بھی اسکیم برقرار نہیں ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

نئی کوڈ آف کارپوریٹ گورننس جو کہ (دی لسٹڈ کمپنیز) کوڈ آف کارپوریٹ گورننس) ریگولیشن (2019) میں مختلف تبدیلیاں لائی گئی ہیں تا کہ یہ مقامی کمپنیوں کے لئے گورننس کو عالمی معیار کے مطابق بنایا جا سکے۔کمپنی نے نئے کوڈ کی تعمیل کے لئے مختلف اقدامات کئے ہیں۔آزاد ڈائریکٹرز کی شمولیت بارے قوانین، نئے بورڈ آف ڈائریکٹرز کے الیکشن کے ساتھ مشروط کئے گئے ہیں۔

تعمیل کا بیانیہ

لیسٹیڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ایگولیشنز 2019 سے متعلق عمل کرنے کا بیانیہ اس رپورٹ میں شامل ہے۔

نام کی تبدیلی

مورخہ 28-08-2019 سے، کمپنی کا نام غنی گیس لمیٹڈ سے تبدیل کر کے غنی گلوبل ہولڈنگز لمیٹڈ کر دیا گیا ہے۔

ضابطہ اخلاق

غنی گلوبل ہولڈنگز لمیٹڈ (سابقہ غنی گیسز لمیٹڈ) کے بورڈ نے، بورڈ آف ڈائریکٹرز اور ملازمین کے لئے علیحدہ علیحدہ ضابطہ اخلاق مرتب کیا ہے۔تمام متعلقہ لوگوں کو اس بابت اطلاع دے دی گئی ہے کہ اس ضابطہ کے رولز جو تمام متعلقہ لوگوں، سپلائرز سے متعلق ہیں اس پر عمل درآمد کریں۔

قومی خزانے میں حصہ

کمپنی اپنی ذیلی کمپنیوں (غنی کیمیکل انڈسٹریز لمیٹڈ اور غنی گلوبل گلاس لمیٹڈ) کی ہولڈنگ کمپنی کے طور پر کام کر رہی ہے اور اس نے مرکزی، صوبائی حکومت اور مقامی حکام کو ادا کیے جانے والے ٹیکس، ڈیوٹی اور محصولات کی شکل میں روپے NIL (2019:NIL ملین) کی مدد کی ہے۔

غنی گلوبل گلاس لمیٹڈ

غنی گلوبل گلاس لمیٹڈ 2015 سے درآمدی متبادل گلاس ٹیوب، گلاس امپیولز اور گلاس وائلز کی تیاری اور فروخت میں مصروف ہے۔ایک سال کے دوران یہ ذیلی کمپنی کثیرالقومی کمپنیوں (MNCs)، درمیانے اور بڑے پیمانے پر قومی کمپنیوں میں اپنی مصنوعات کو منظور کرنے میں کامیاب ہوگئی جہاں یہ کمپنی ان کمپنیوں کے ساتھ مل کر کام کررہی ہے اور مارکیٹ میں متعدد کنورٹرز کے باوجود ایک اہم کاروبار حاصل کررہی ہے۔

سال کے دوران اس ذیلی کمپنی نے 20 مزید امپیولز اور وائلز کے گاہکوں کا اضافہ کیا اور اسطرح امپیولز اور وائلز فارما کمپنیوں کے کسٹمر کی تعداد بڑھ کر 80 کے قریب تک پہنچ گئی۔الحمداللہ اس ذیلی کمپنی کے زیر جائزہ فروخت کی کارکردگی بہترین رہی اور ٹیوب سیل میں 160 فیصد، امپیولز میں 167 فیصد اور وائلز میں 174 فیصد اضافہ ہوا۔اس طرح مجموعی فروخت میں 164 فیصد کا اضافہ ہوا۔ ہماری یہ ذیلی کمپنی بنگلہ دیش، مصر، ارجنٹائن اور میکسیکو کو 357 ٹن کے قریب ٹیوب برآمد کرنے میں کامیاب رہی۔اٹلی، یوروگوئے اور پیراگوئے میں نمونے منظوری کے مرحلے میں ہیں۔ اور افریقی، جنوبی امریکہ اور مشرق وسطی کے خطے میں اپنی گلاس ٹیوب برآمد کرنے کے لئے بھی کوشش کررہی ہے۔

یہ کمپنی اپنی صلاحیت کو بڑھانے اور گلاس ٹیوب کے لئے ایک اور فرنس لگانے پر غور کررہی ہے۔ گلاس ٹیوب اور دیگر ویلیو ایڈڈ مصنوعات جیسے امپیولز اور وائلز کی مارکیٹ مضبوط ہے۔ صلاحیت میں اضافے کے فیصلے سے مارکیٹ کی طلب میں اضافہ (اور بڑھتا ہوا) ہوگا اور نئی مصنوعات اور منڈیوں (جس میں بنگلہ دیش، MENA ممالک وغیرہ شامل ہیں) میں تنوع پیدا ہوگا۔ داخلی کاموں کو حتمی شکل دینے اور بینک سے باضابطہ منظوری کے بعد، توقع کی جارہی ہے کہ کمپنی جلد ہی ٹیوبوں کے لئے گلاس فرنس قائم کرنے کا باضابطہ اعلان کرے گی۔

گذشتہ سہ ماہیوں یعنی جنوری - مارچ 2020 اور اپریل تا جون 2020 کے دوران، الحمداللہ یہ کمپنی کسی حد تک منافع میں تبدیل ہوگئی ہے۔اسٹیٹ بینک ریٹ میں کمی سے کاروبار کرنے کی لاگت کو کم کرنے میں بھی مدد ملے گی اور توقع ہے کہ آئندہ ادوار میں آپ کی اس کمپنی کے منافع میں بہت بہتری آئے گی۔

حصص یافتگان کے لئے ادائیگی

پالیسی کے لحاظ سے آپ کی کمپنی کی انتظامیہ ان کے حصص داران کو ڈیویڈنٹ دینے پر پختہ یقین رکھتی ہے۔ تاہم سال کے دوران کمائے جانے والے بہت ہی کم منافع کو مدنظر رکھتے ہوئے بورڈ آف ڈائریکٹرز نے کسی بھی منافع یا بونس کا اعلان نہیں کیا ہے۔

ایسوسی ایٹ /ضمنی کمپنی میں سرمایہ کاری کا احوال

سرمایہ کاری کی صورتحال درج ذیل ہے:

کمپنی کے نام	سرمائے کی نوعیت	رقم (لاکھوں میں)	سال کے دوران فوائد (لاکھوں میں)	موجودہ صورتحال
غنی کیمیکل انڈسٹریز لمیٹڈ	اکویٹی سرمایہ کاری	2,056.991	-	طویل مدتی سرمایہ کاری
غنی گلوبل گلاس لمیٹڈ	اکویٹی سرمایہ کاری کارپوریٹ گارنٹی	722.316 775,000	- 2,790	طویل مدتی سرمایہ کاری 650 ملین روپے 27 اکتوبر 2021 تک موثر 125 ملین روپے 27 اکتوبر 2021 تک موثر

کمپنی کے قانونی محاسبان

موجودہ آڈیٹرز رضوان اینڈ کمپنی چارٹرڈ اکاؤنٹینٹس 28 اکتوبر 2020 کو ہونے والے سالانہ اجلاس کے بعد ریٹائر ہوجائیں گے۔ آڈٹ کمیٹی کے مشورہ کے مطابق بورڈ آف ڈائریکٹرز نے موجودہ آڈیٹرز کو 30 جون 2021 کے اختتامی سال کے لئے بطور کمپنی کے آڈیٹر دوبارہ تعیناتی کی سفارش کی ہے۔

جہاں تک کوالیفائڈ آڈٹ رائے کا تعلق ہے کمپنی پہلے ہی اپنی 31 دسمبر 2019 کو ختم ہونے والی مدت کی نصف سالانہ رپورٹ میں مزکورہ بالا حقائق اور 31 مارچ 2020 کو ختم ہونے والی مدت کی تیسری سہ ماہی رپورٹ میں بتا چکی ہے۔ سمجھوتہ بندوبست اور تعمیر نو کی اسکیم کے تحت (اسکیم) جس کی منظوری معزز لاہور ہائیکورٹ، لاہور نے 06-02-2019 کو دی جس کے مطابق پیرنٹ کمپنی (غنی گلوبل ہولڈنگز لمیٹڈ سابقہ غنی گیس لمیٹڈ) نے اپنے مینوفیکچرنگ انڈر ٹیکنگ کو غنی کیمیکل انڈسٹریز لمیٹڈ (جی سی آئی ایل) میں منتقل کر دیا۔ تمام ممکنہ کوششوں کے باوجود موثر تاریخ اور 29 فروری 2020 تک کے درمیان، بہت سارے سپلائر، افادیت اور دیگر بل غنی گیسز لمیٹڈ (جی جی ایل) کے نام سے وصول کیے جاتے رہے، حالانکہ جی سی آئی ایل مینوفیکچرنگ انڈرٹیکنگ کا مالک اور آپریٹر بن گیا تھا، اور سست بیوروکریٹک عمل کی بدولت جی سی ایل کے نام کو جی سی آئی ایل کے نام کے ساتھ تبدیل کرنے میں کورٹ آرڈر کی تاریخ سے تقریبا ایک سال مدت کا عرصہ لگا۔ ڈائریکٹرز کا مؤقف ہے کہ ایسے حالات میں، غنی گلوبل ہولڈنگز لمیٹڈ اور/ یا جی جی ایل کے پاس اس سے وابستہ کوئی دوسرا راستہ نہیں تھا کہ جب تک یہ تمام بیوروکریٹک عمل مکمل نہ ہوں اس سے متعلقہ تمام اخراجات کو جی سی آئی ایل میں منتقل کیا جاتا رہے جس میں کوئی قانونی نقص نہیں ہے کیونکہ یہ اقدامات کمپنی اور ماتحت ادارہ نے عدالتی حکم یا عدالت کے منظوری کے تحت کیا ہے کیونکہ طویل بیوروکریٹک عمل ممکنہ طور پر منظوری کی تاریخ کے فوراً بعد ہی جی سی ایل کے نام کو تمام متعلقہ ریکارڈوں میں تبدیل کرنے کا سبب نہیں بن سکا تھا۔

یکجا کارکردگی

30 جون 2020 کو ختم ہونے والے مالیاتی سال کا پچھلے سال سے موازنہ یکجا کارکردگی کے ساتھ درج ذیل ہے۔

تفصیلات	روپے '000' میں سوائے فی حصص	
	جون 2020	جون 2019
خالص فروخت	3,312,417	3,074,726
مجموعی منافع	780,987	640,727
تقسیم کاری کی لاگت	288,015	291,369
انتظامی اخراجات	192,634	207,481
دوسری آمدنی	26,782	21,362
مالیاتی لاگت	456,647	313,734
بعد از ٹیکس منافع / (نقصان)	(119,752)	(212,100)
سے منسوب		
ہولڈنگ کمپنی کے مالکان	(138,969)	(138,052)
غیر کنٹرول مفادات	19,217	(74,048)
فی حصص منافع	(0.906)	(0.90)

غنی کیمیکل انڈسٹریل لمیٹڈ

غنی کیمیکل انڈسٹریز لمیٹڈ (جی سی آئی ایل) صنعتی اور طبی گیسوں اور کیمیکلز کی تیاری اور فروخت میں مصروف ہے۔ COVID-19 وبائی مرض کے شدید اثر کی وجہ سے اس ذیلی ادارہ کی آپریشنل اور فروخت کی کارکردگی کم ہوگئی ہے جبکہ اس دوران تقریبا تمام صنعتی سرگرمیاں معطل رہیں۔ دوسری طرف، بجلی اور گیس کی قیمتوں میں خاطر خواہ اضافے، امریکی ڈالر کے مقابلے میں پاک روپے میں کمی اور پالیسی شرح میں مستقل اضافے کے اثرات صارفین کو نہیں پہنچ سکے۔

تاہم، COVID-19 کے پہلے فیز کے خاتمے پر صنعتی سرگرمیاں ایک بار پھر فعال ہوگئیں اور ماتحت ادارہ اپنے صارفین کو کسی حد تک فروخت کی لاگت کے منفی اثرات کو منتقل کرنے میں کامیاب ہوگیا۔ جس کے نتیجہ میں، ماتحت ادارہ جون 2020 سے منافع میں بدل گیا ہے۔ ایک اہم پیشرفت کے طور پر، ماتحت ادارہ مغرب میں ایک معروف ریفائنری کے ساتھ 5 سال کی مدت کے لئے طویل مدتی فروخت کا معاہدہ کرنے میں کامیاب ہوگیا ہے اور ایک کیمیائی کمپنی کے ساتھ 15 سال کے طویل مدتی فروخت کے معاہدے کو حتمی شکل دینے کے لئے بات چیت جاری ہے۔ صنعتی اور طبی گیسوں کی طلب میں متوقع اضافے کو پورا کرنے کے لئے ذیلی ادارہ بھاری سرمایہ خرچ کرنے کا منصوبہ بنا رہا ہے۔ اسٹیٹ بینک کی شرح میں 7 فیصد مقرر ہونے سے کاروبار کرنے میں لاگت کو کم کرنے اور فروخت کی قیمتوں میں اضافے اور طویل مدتی معاہدوں میں داخل ہونے سے فروخت کو محفوظ بنانے میں بھی مدد ملے گی، توقع کی جا رہی ہے کہ آنے والے ادوار میں ماتحت ادارہ اپنے منافع میں بہتری لائے گا۔

ڈائریکٹرز رپورٹ

معزز حصص داران السلام وعلیکم ورحمۃ اللہ برکاتہ

غنی گلوبل ہولڈنگز لمیٹڈ (سابقہ غنی گیسز لمیٹڈ) کے ڈائریکٹران کمپنیز ایکٹ 2017 کی تصریحات کے تحت سالانہ تنقیح شدہ اور غیر یکجا مالی حسابات برائے سال ختمہ 30 جون 2020 پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

قومی معیشت کا جائزہ

اقتصادی سروے آف پاکستان کے مطابق ملک کی معیشت کو طلب ورسد کے جھٹکے کا سامنا کرنا پڑا ہے اور مالی سال 2020 میں معاشی سرگرمیوں میں کمی واقع ہوئی ہے۔ کووڈ-19 وبائی بیماری، زیادہ مہنگائی اور روپیہ کی کمزوری نے معیشت کیلئے اہم چیلینج کھڑا کیا، جس کے نتیجے میں 30 جون 2020 کو ختم ہونے والے جی ڈی پی میں 0.38 فیصد (1.9:2019 فیصد کی شرح نمو) کی کمی واقع ہوئی۔ بڑے پیمانے پر مینوفیکچرنگ میں 7.8 فیصد (2019: 2.6%) کی ہوئی جبکہ معیشت میں سست روی کی وجہ سے ملک میں تعمیراتی سرگرمیاں بھی دب کر رہ ہیں۔

مالیاتی کارکردگی

سمجھوتہ بندوبست اور تعمیر نو کی اسکیم کے مطابق مورخہ 06-02-2019 کو معزز لاہور ہائیکورٹ لاہور کی منظوری کے بعد پیرنٹ کمپنی (غنی گلوبل ہولڈنگز لمیٹڈ) نے اس کا مینوفیکچرنگ انڈ ٹیکنگ 08 جولائی 2019 کو غنی کیمیکل انڈسٹریز لمیٹڈ کو منتقل کر دیا۔ مینوفیکچرنگ انڈرٹیکنگ کی منتقلی کے بعد، 29 فروری 2020 تک کمپنی کی کاروباری سرگرمیوں سے متعلق کچھ بل، رسیدیں اور معاہدے کمپنی نے نام منتقل نہ ہونے کی وجہ سے سپلائی، درآمد، مقامی اسٹورز وغیرہ اور غنی کیمیکل انڈسٹریز لمیٹڈ کو اپنے کھاتوں کی کتابوں سے ٹرانزیکشن کیں۔ یہ لین دین کمپنی کے سیلز ٹیکس ریکارڈ میں دستیاب سیلز ٹیکس ان پٹ کے اثرات کو جذب کرنے کے لئے ریکارڈ کیا گیا ہے، جو کمپنی کو دستیاب کسی بھی جائز سیل ٹیکس آؤٹ پٹ کی عدم موجودگی میں ضائع ہوسکتا تھا۔ انتظامیہ اور دیگر آپریٹنگ اخراجات جو کمپنی کے ذریعہ کئے جاتے ہیں وہ کمپنی کے عام آپریٹنگ اخراجات ہیں۔ دوسری آمدنی کمپنی کی طرف سے جاری کردہ کارپوریٹ گارنٹی پر کمیشن ہے۔

علیحدہ سے کارکردگی

آپ کی کمپنی کے 30 جون 2020 کو ختم ہوئے سال کے اہم مالیاتی نتائج کا گذشتہ سال کے ساتھ موازنہ درج ذیل ہے۔

تفصیلات	روپے '000' میں سوائے فی حصص	
	جون 2020	جون 2019
فروخت	11,500	-
خالص فروخت	10,050	-
مجموعی منافع	-	-
انتظامی اور آپریٹنگ اخراجات	2,145	2,361
دوسری آمدنی	2,790	2,600
قبل از ٹیکس منافع	645	239
فی حصص منافع	0.004	0.001

کوالیفائیڈ آڈٹ رائے

کمپنی کے بیرونی آڈیٹرز نے غنی گلوبل ہولڈنگس لمیٹڈ کے ممبروں کو اپنی رپورٹ میں ایک قابل آڈٹ آراء فراہم کی ہے جس میں سمجھوتہ، انتظامات اور تعمیر نو کی اسکیم کی تکمیل کے بعد ان غیر متزلزل مالی بیانات کے نوٹ 1.1 اور 1.2 میں مکمل طور پر بتایا گیا ہے۔ 08 جولائی، 2019 کو ماتحت کمپنی، یعنی غنی کیمیکل انڈسٹریز لمیٹڈ کو مینوفیکچرنگ انڈرٹیکنگ کی منتقلی، متعلقہ محکموں/ یوٹیلیٹی کمپنیوں کے ساتھ ماتحت کمپنی کا نام رجسٹریشن/ اپ ڈیٹ کرنے سمیت قانونی اور طریقہ کار کی باقاعدگی کو 29 فروری 2020 تک مکمل نہیں کیا جاسکا. عدم تعمیل کے اثرات کو یقینی بنانے کی بعض موروثی رکاوٹوں کی وجہ سے، اگر کوئی ہے تو، اس وقت کے بارے میں معلوم نہیں کیا جاسکتا ہے۔

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: GHANI GLOBAL HOLDINGS LIMITED
Year Ended: JUNE 30, 2020

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 in the following manner:

1- The total number of directors are nine (9) as per the following:

a. Male: 6
b. Female: 3

2- The composition of board is as follows:

i.	Independent Directors	Mr. Tahir Bashir Khan Mr. Mahmood Ahmad
ii.	Non-executive Directors	Mr. Masroor Ahmad Khan Mrs. Ayesha Masroor Mrs. Rabia Atique Mrs. Saira Farooq
iii.	Executive Directors	Mr. Atique Ahmad Khan Hafiz Farooq Ahmad Mr. Farzand Ali
iv.	Female Directors	Mrs. Ayesha Masroor Mrs. Rabia Atique Mrs. Saira Farooq

Latest elections of the Board were held in October 2017 before these Regulations came into force. The Company shall comply with the requirement of independent directors on its Board upon expiry of the term in October 2020 as per clause 6 of the Regulations.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;

4. 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;

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the company;

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. 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. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the board;

8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. The company has already met the criteria specified in the Regulations pertaining to Director's training program. Therefore, no such training program was conducted during the year;

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board;

12. The board has formed committees comprising of members given below:

    a. **Audit Committee**

Mr. Tahir Bashir Khan	Chairman
Mr. Masroor Ahmad Khan	
Mrs. Rabia Atique	
Mrs. Saira Farooq	

    b. **HR and Remuneration Committee**

Mr. Mahmood Ahmad	Chairman
Mr. Atique Ahmad Khan	
Mrs. Ayesha Masroor	
Mrs. Saira Farooq	

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings of the committees were as per following:

a. Audit Committee	Quarterly
b. HR and Remuneration Committee	Annually

15. The board has set up an effective internal audit function which is supervised by the Head of Internal Audit who is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. 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 and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer , Head of Internal Audit, company Secretary or Director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

19. In addition to the mandatory and non-mandatory clauses/regulations stipulated in the Regulations, there are certain regulations/clauses in the Regulations in which word 'may' or 'encouraged' have been used. We understand that these clauses remain recommendatory in nature and therefore, neither fall under mandatory regulations/clauses nor fall into 'comply or explain' approach. However, the Company may voluntarily comply with such regulations/clauses. As at June 30, 2020, the Company has complied with certain recommendatory regulations/clauses and the Company may consider compliance with remainder of these in future; and

20. All the provisions / regulations of the Listed Companies (Code of Corporate Governance) Regulations, 2019 have also been complied.

(MASROOR AHMAD KHAN)
Chairman

(ATIQUE AHMAD KHAN)
Chief Executive Officer

Lahore: 02 OCT 2020

Rizwan & Company
CHARTERED ACCOUNTANTS

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Independent Auditor's Review Report

To the Members of Ghani Global Holdings Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Ghani Global Holdings Limited** for the year ended June 30, 2020 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

As a 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 Regulations require 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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 procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2020.

Rizwan & Co.

Rizwan & Company
Chartered Accountants
Engagement Partner: Imran Bashir

Lahore: 02 OCT 2020

PATTERN OF THE SHARE HOLDING
As on 30-06-2020

FORM - 34

NUMBER OF SHARES		NO OF SHAREHOLDERS	NUMBER OF SHARES HELD	%ON ISSUED
From	To			
1	100	444	12,032	0.01
101	500	345	120,979	0.08
501	1000	617	447,408	0.29
1001	5000	1,277	3,085,071	2.01
5001	10000	420	3,058,403	1.99
10001	15000	200	2,425,802	1.58
15001	20000	111	1,975,890	1.29
20001	25000	67	1,541,843	1.01
25001	30000	62	1,716,778	1.12
30001	35000	42	1,385,493	0.90
35001	40000	27	1,022,364	0.67
40001	45000	23	992,054	0.65
45001	50000	37	1,812,597	1.18
50001	55000	22	1,157,094	0.75
55001	60000	11	624,503	0.41
60001	65000	9	576,941	0.38
65001	70000	5	340,689	0.22
70001	75000	5	365,972	0.24
75001	80000	8	622,678	0.41
80001	85000	6	496,150	0.32
85001	90000	3	262,941	0.17
90001	95000	1	92,098	0.06
95001	100000	10	992,766	0.65
100001	105000	10	1,031,591	0.67
105001	110000	1	105,435	0.07
110001	115000	5	559,028	0.36
115001	120000	3	350,549	0.23
120001	125000	9	1,114,844	0.73
125001	130000	2	256,188	0.17
130001	135000	2	265,472	0.17
140001	145000	1	140,950	0.09
145001	150000	3	447,500	0.29
150001	155000	3	458,165	0.30
155001	160000	2	317,550	0.21
160001	165000	2	326,166	0.21
165001	170000	2	336,284	0.22
185001	190000	1	185,500	0.12
190001	195000	1	190,068	0.12
195001	200000	1	200,000	0.13
205001	210000	2	416,670	0.27
215001	220000	2	431,459	0.28
220001	225000	2	443,940	0.29
225001	230000	2	456,000	0.30
230001	235000	2	468,756	0.31
235001	240000	1	240,000	0.16
240001	245000	1	244,000	0.16
245001	250000	1	250,000	0.16
250001	255000	1	250,268	0.16
255001	260000	1	257,026	0.17
265001	270000	2	533,500	0.35
275001	280000	1	277,462	0.18
285001	290000	1	290,000	0.19
295001	300000	1	300,000	0.20
305001	310000	1	305,492	0.20

310001	315000	2	628,500	0.41
315001	320000	1	319,675	0.21
375001	380000	2	756,793	0.49
415001	420000	1	420,000	0.27
445001	450000	1	450,000	0.29
455001	460000	1	456,750	0.30
460001	465000	1	462,500	0.30
465001	470000	1	466,500	0.30
490001	495000	1	494,726	0.32
495001	500000	1	500,000	0.33
545001	550000	2	1,096,931	0.72
570001	575000	1	573,000	0.37
605001	610000	1	610,000	0.40
620001	625000	1	622,500	0.41
660001	665000	1	665,000	0.43
670001	675000	1	673,867	0.44
695001	700000	1	695,475	0.45
810001	815000	1	813,500	0.53
995001	1000000	1	1,000,000	0.65
1050001	1055000	1	1,051,660	0.69
1195001	1200000	1	1,200,000	0.78
2195001	2200000	1	2,200,000	1.44
2300001	2305000	1	2,300,800	1.50
2395001	2400000	1	2,400,000	1.57
2945001	2950000	1	2,948,998	1.92
4175001	4180000	1	4,176,500	2.72
5275001	5280000	1	5,277,000	3.44
5405001	5410000	1	5,407,499	3.53
5780001	5785000	1	5,781,954	3.77
6180001	6185000	1	6,182,329	4.03
7700001	8300000	1	8,250,288	5.38
17935001	17970000	1	17,969,459	11.72
19405001	19440000	1	19,437,418	12.68
20405001	20440000	1	20,437,793	13.33
		3,858	**153,305,824**	**100**

CATAGORIES OF SHAREHOLDERS
As At June 30, 2020

Catagories of Shareholders	Number of Shareholders	Number of Share held	Percentage %
Directors, Chief Executive Officer and their Spouce(s) and minor Children	9	78,094,369	50.9402
Charitable Trust	2	5,759	0.0038
Mutual Funds	6	666,999	0.4351
Modaraba Companies	3	308,564	0.2013
Provident Funds	3	187,915	0.1226
Government Institution	1	97,216	0.0634
Joint Stock Companies	42	5,553,733	3.6226
Investment Companies	1	1,000,000	0.6523
Individuals	3,791	67,391,269	43.9587
TOTAL	**3,858**	**153,305,824**	**100.00**

SIX YEARS AT A GLANCE

Rs. (in 000)

	2020	2019	2018	2017	2016	2015
Operating Results						
Sales (gross)	11,500	-	2,330,253	2,053,432	2,013,015	1,967,317
Gross profit	-	-	638,698	568,634	575,635	569,924
Profit before tax	645	239	158,785	181,084	276,612	249,239
Financial data						
Fixed assets	-	-	3,039,513	2,838,962	2,682,306	2,525,060
Capital work in progress	-	-	4,800	100,146	79,409	41,612
Intangible assets	70	70	14,631	70	70	70
Long term deposits	-	-	68,257	57,756	68,909	68,151
Long term investment	2,779,337	2,779,267	593,000	593,000	500	45,133
Current assets	3,485	1,973	1,606,976	1,374,818	2,070,629	963,017
Current liabilities	2,670	1,803	1,426,491	654,930	1,534,421	821,671
	-	**2,779,507**	**3,900,686**	**4,309,822**	**3,367,402**	**2,821,372**
Financed by:						
Ordinary capital	1,533,059	1,533,059	1,322,682	1,247,813	1,247,813	742,746
Reserves	522,137	522,137	460,198	535,067	535,067	30,000
Un appropriated profit	724,956	724,311	724,141	566,436	429,333	341,627
Shareholder's equity	**2,780,152**	**2,779,507**	**2,507,021**	**2,349,316**	**2,212,213**	**1,114,373**
Loan from sponsors (interest fee)	-	-	231,450	638,500	501,200	1,027,969
Non-current liabilities	-	-	1,162,215	1,322,006	653,989	679,030
Finances and deposits	**-**	**-**	**1,393,665**	**1,960,506**	**1,155,189**	**1,706,999**
Funds invested	**-**	**2,779,507**	**3,900,686**	**4,309,822**	**3,367,402**	**2,821,372**
Earning per-share (Rs.)	-	0.001	1.14	1.04	1.90	2.13
Break-up-value (Rs.)	-	18.13	18.95	18.83	17.73	15.00
Cash Dividend %	-	-	-	-	-	16
Bonus Share %	-	-	5	6	-	-
Right Share % (at premium of Rs 10)	-	-	-	-	68	-

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 13th Annual General Meeting (AGM) of **Ghani Global Holdings Limited** (the Company) will be held on Wednesday October 28, 2020 at 11:30 AM at registered office of the Company at 10-N, Model Town Ext., Lahore to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2020 together with Directors' and Auditors ' Reports thereon.
2. To appoint Auditors of the Company for the year ending June 30, 2021 and to fix their remuneration.
3. To elect seven (07) directors as fixed by the board under the provisions of the Companies Act, 2017 for a period of three years commencing from October 31, 2020.

   The names of retiring directors are as under:

1.	Masroor Ahmad Khan	2.	Atique Ahmad Khan	3.	Hafiz Farooq Ahmad
4.	Ayesha Masroor	5.	Rabia Atique	6.	Saira Farooq
7.	Tahir Bashir Khan	8.	Mahmood Ahmad	9.	Farzand Ali

4. Any other business with permission of the Chair.

SPECIAL BUSINESS

5. To approve the Employees Stock Option Scheme, by passing a special resolution proposed in the Statement under section 134(3) of the Companies Act 2017 annexed to the notice of AGM.
6. To approve the investment in Ghani Global Glass Limited being subsidiary/associated company by way of pledge of shares with the bank(s) of subsidiary company as guarantee by passing the resolution as special resolutions under section 199 of the Companies Act, 2017 as proposed in the Statement under section 134(3) of the Companies Act 2017 annexed to the notice of AGM.
7. To approve the issuance of cross corporate guarantee of Rs. 750 million for Ghani Global Glass Limited (GGGL) being subsidiary company to the bank(s) for financing facility to the subsidiary by passing the resolution as special resolutions under section 199 of the Companies Act, 2017 as proposed in the Statement under section 134(3) of the Companies Act 2017 annexed to the notice of AGM.
8. To approve the issuance of cross corporate guarantee of Rs. 760 million for Ghani Chemical Industries Limited (GCIL) being subsidiary company to the bank(s) for financing facility to the subsidiary by passing the resolution as special resolutions under section 199 of the Companies Act, 2017 as proposed in the Statement under section 134(3) of the Companies Act 2017 annexed to the notice of AGM.

By order of the Board

FARZAND ALI
Company Secretary

Place: Lahore
Dated: October 06, 2020

Notes:

1. **BOOK CLOSURE**

Share Transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from Thursday, October 22, 2020 to Wednesday, October 28, 2020 (both days inclusive). Transfer received in order at the office of the share registrar

M/s Vision Consulting Limited
1st Floor,3-C, LDA Flats, Lawrence Road, Lahore.
Telephone No. 042-36375531,36375339
Fax No. 042-36312550, Email: shares@vcl.com.pk

at the close of business on Wednesday, October 21, 2020 will be treated in time for the purpose of attendance in the AGM.

2. ELECTION OF DIRECTORS

In terms of Section 159(1) of the Companies Act, 2017 (“Act”) the Board of Directors has fixed the number of elected Directors at 7 (Seven) to be elected in the Annual General Meeting of the Company for the period of next three years.

Any person who seeks to contest the election to the office of a Director, whether he/she is retiring director or otherwise, shall file the following documents with the Company Secretary, at its Registered Office, 10-N, Model Town, Lahore, not later than fourteen days before the date of the meeting:

a) Notice of his / her intention to offer him / herself for the election to the Office of Director in terms of section 159(3).

b) Consent to act as director of the Company along with consent on Form 28 prescribed under the Act.

c) A detail profile along with office address as required under SECP' SRO 634(1)2014 dated July 10, 2014.

d) Declaration under Clause 3 of the Listed Companies (Code of Corporate Governance) Regulations 2019.

e) Declaration that he/she is not ineligible to become a director of a listed company under any provisions of the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and any other applicable law, rules and regulations.

f) Declaration that he/she is aware of his/her duties and powers under the relevant laws, Memorandum & Articles of Association of the Company and listing regulations of the Pakistan Stock Exchange;

A candidate consenting for the election as director must be a member of the Company at the time of filing of his/her consent except a person representing a member, which is not a natural person.

Independent Directors will be elected through the process of election of directors in terms of Section 159 of the Act and they shall meet the criteria laid down under Section 166(2) of the Act.

Pursuant to Companies (Postal Ballot) Regulation 2018, for the purpose of election of Directors and for any other agenda item subject to the requirements of Section 143 and 144 of the Companies Act, 2017 members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.

3. DEPOSIT OF PHYSICAL SHARES INTO CENTRAL DEPOSITORY:

As per section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act i.e. May 30, 2017.

In light of above, shareholders holding physical share certificates are encouraged to deposit their shares in Central Depository by opening CDC sub-accounts with any of the brokers or Investor Accounts maintained directly with CDC to convert their physical shares into scrip less form. This will facilitate the shareholders to streamline their information in member's register enabling the Company o effectively communicate with the shareholders and timely disburse any entitlements. Further, shares held shall remain secure and maintaining shares in scrip less form allows for swift sale/purchase.

4. ATTENDANCE OF MEETING

A member entitled to attend, speak and vote at the AGM is entitled to appoint a proxy to attend, speak and vote instead of him/her.

Proxies in order to be effective duly signed, filled and witnessed must be deposited at the Registered Office of the Company, along with the attested copies of valid Computerized National Identity Card (CNIC) or Passport, not less than 48 hours before the meeting.

CDC Account Holders will have to follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the SECP for attending the meeting.

Attendance in the meeting shall be on production of original CNIC or passport.

5. COVID-19 CONTINGENCY PLANNING

Due to current COVID-19 situation, the Government has suspended large public gatherings at one place. Additionally, the Securities and Exchange Commission of Pakistan (SECP) in terms of its Circular No.5 of 2020 issued on March 17, 2020 and Circular No. 25 of 2020 issued on August 31, 2020 and Pakistan Stock Exchange Limited (PSX) through its notice Ref: PSX/N-372 dated March 19, 2020 has advised companies to modify their usual planning for general meetings for the safety and well-being of shareholders and the public at large.

Considering the SECP's directives, the Company intends to convene this AGM with minimal physical interaction of shareholders while ensuring compliance with the quorum requirements and requests the members to consolidate their attendance and voting at the AGM through proxies.

The Company has made arrangements to ensure that all participants, including shareholders, can now participate in the AGM proceedings via video link. In order to attend the meeting through video link members are requested to share the below information at corporate@ghaniglobal.com, for their appointment/registration and proxy verification by or before Thursday October 22, 2020 as per below format.

Full Name	Folio/CDC No.	Company Name	CNIC Number	Registered Email Address	Cell Number

Video link details and login credentials will be shared with those members whose registered emails containing all the particulars are received on or before Thursday October 22, 2020.

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address corporate@ghaniglobal.com.

Members are therefore, encouraged to attend the AGM through video link or by consolidating their attendance through proxies.

6. TRANSMISSION OF ANNUAL AUDITED FINANCIAL STATEMENTS THROUGH CD:

The Company has circulated annual financial statements to its members through CD at their registered address. Printed copy of above referred statements can be provided to members upon request. Request Form is available on website of the company i.e. www.ghaniglobal.com.

7. AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE:

The audited financial statements of the Company for the year ended June 30, 2020 have been made available on Company's website www.ghaniglobal.com in addition to annual and quarterly financial statements for the prior years.

8. CHANGE IN ADDRESS AND CNIC

Members are requested to notify/submit the following information / documents, in case of book entry securities in CDS to their respective participants and in case of physical shares to the registrar of the Company by quoting their folio numbers and name of the Company at the below mentioned address of the Company's Share Registrar, if not earlier notified/submitted:

- Change in their address, if any
- Members, who have not yet submitted attested photocopy of their valid CNIC are requested to submit the same along with folio numbers at earliest, directly to the Company's Share Registrar M/s. Vision Consulting Limited, 3-C, LDA Flats, Lawrence Road, Lahore

STATEMENT UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017

The material facts concerning the special business to be transacted at the Annual General Meeting are given below:

Agenda Item No. 5

Employees Stock Option Scheme ("ESOS"):

Ghani Global Holdings Limited (the Company) consider its employees and employees of its subsidiaries are to be the most valuable asset and to get their commitment and efforts, the Company firmly believes in providing them conducive environment and making them feel a sense of security.

Core objective of the scheme is to provide incentives to the key employees of the Company and its subsidiaries for retention purposes. Moreover, it will provide them a sense of ownership of the Company, which will result in their better performance towards the growth of their own Company and to give them reward for their services to the Company.

The Directors of the Company are not interested in the aforementioned special business except to the extent those executive directors including chief executive which may entitled to the options as an eligible employee.

Full text of Employees Stock Option Scheme to be approved with or without modifications, additions or deletions by the shareholders of the Company is annexed with the notice dispatched to the shareholders as Annexure "A".

Draft Proposed Resolutions:

The following resolutions are proposed to be passed as Special Resolution, with or without modifications, additions or deletions to approve Employees Stock Option Scheme:

> **RESOLVED THAT,** subject to approval/ sanction of the Securities & Exchange Commission of Pakistan (SECP), the Employees Stock Option Scheme (ESOS) of the Company under the Companies (Further Issue of Shares) Regulations, 2020, considered by in this meeting and circulated by the Company along with notice of the meeting, be and is hereby approved, adopted and agreed.
>
> **RESOLVED FURTHER THAT**, subject to the ESOS being approved and sanction by the Securities and Exchange Commission of Pakistan (SECP), the Company be and is hereby authorized, pursuant to second proviso to Section 83 & 83A of the Companies Act, 2017, to raise further capital in terms of the ESOS and to reserve, allot and issue further shares of the Company up to a maximum of three percent (3%) in a single year and up to fifteen percent (15%) in all years of the total issued share capital of the Company in terms of the ESOS to the eligible employees under the ESOS without offering such shares to the existing shareholders of the Company.
>
> **RESOLVED FURTHER** that the Chief Executive Officer and Company Secretary of the Company be and are hereby singly authorized to make such amendment, modification, addition or deletion to the ESOS as may be directed by the Securities and Exchange Commission of Pakistan (SECP) or as may otherwise be considered expedient and such amendment, modification, addition or deletion shall be deemed to be have been approved as part of the passed Special Resolution without the need of members to pass a fresh Special Resolution."
>
> **RESOLVED FURTHER** that the Chief Executive Officer and Company Secretary of the Company be and are hereby singly authorized to do all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient for the purpose of giving effect to the aforementioned Resolutions and for matters connected therewith or incidental thereto, and to take all necessary steps as required under the law or otherwise and to sign and execute any petitions, applications, documents, letters of authorities etc. for and on behalf of the Company in relation to the foregoing and to further sub-delegate any or all of his powers hereunder.

RESOLVED FURTHER that once necessary approvals under applicable laws are taken Ordinary Shares of the Company can be issued to the Entitled Employees of the Company as per the ESOS, which shares shall rank pari passu with the existing Ordinary Shares of the Company in all respects including dividends, bonus Shares, voting rights and / or any corporate benefit, if declared by the Company out of the profit for the ensuing years.

Agenda Item No. 6

Investment in Associated Company as Pledge of Shares:

On the request of Ghani Global Glass Limited (GGGL) a subsidiary of the Company, the Board of Directors of Ghani Global Holdings Limited (the Company) has proposed to issue the guarantee to the bank(s) of GGGL in shape of pledge of 50,098,200 ordinary shares of Ghani Global Glass Limited held by the Company for a maximum period of three years subject to approval by shareholders of the Company.

Draft Proposed Resolutions:

The following resolutions are proposed to be passed as Special Resolution under section 199 of the Companies Act, 2017:

> **RESOLVED THAT** pursuant to the requirements of Section 199 of the Companies Act, 2017, Ghani Global Holdings Limited (the Company) be and is hereby authorized to provide the guarantee for a maximum period of three years to the bank(s) for financing facility to Ghani Global Glass Limited (subsidiary company) in shape of pledge of 50,098,200 ordinary shares of Ghani Global Glass Limited held in the name of the Company, subject to terms and conditions mentioned in the statement under section 134(3) of the Companies Act, 2017.
>
> **FURTHER RESOLVED THAT** the Chief Executive Officer and Company Secretary of the Company be and is hereby singly authorized to take any and/or all actions to implement and give effect to the above resolution and to complete any or all necessary required corporate and legal formalities for the purpose of implementation of the above resolution including pledge and thereafter release of shares in/from Central Depository System (CDS).

Agenda Item No. 7

Issuance of Cross Corporate Guarantee for GGGL:

On the request of Ghani Global Glass Limited (GGGL) a subsidiary of the Company, the Board of Directors of the Company has proposed to issue the cross corporate guarantee upto Rs. 750 million to the bank(s) of GGGL for a maximum period of five years subject to approval by shareholders of the Company.

Draft Proposed Resolutions:

The following resolutions are proposed to be passed as Special Resolution under section 199 of the Companies Act, 2017:

> **RESOLVED** that pursuant to the requirements of Section 199 of the Companies Act, 2017, Ghani Global Holdings Limited (the Company) be and is hereby authorized to issue cross corporate guarantee up to Rs. 750 million to the bank(s) for financing facility to its subsidiary company named Ghani Global Glass Limited, subject to terms and conditions mentioned in the statement under Section 134(3) of the Companies Act, 2017.
>
> **Further Resolved** that the Chief Executive and Company Secretary of the Company be and is hereby singly authorized to take any and/or all actions to implement and give effect to the above resolution and to complete any or all necessary required corporate and legal formalities for the purpose of implementation of the above resolution.

Agenda Item No. 8

Issuance of Cross Corporate Guarantee to GCIL:

On the request of Ghani Chemical Industries Limited (GCIL) a subsidiary of the Company, the Board of Directors of the Company has proposed to issue the cross corporate guarantee upto Rs. 760 million to the bank(s) of GCIL for a maximum period of five years subject to approval by shareholders of the Company.

Draft Proposed Resolutions:

The following resolutions are proposed to be passed as Special Resolution under section 199 of the Companies Act, 2017:

> **RESOLVED** that pursuant to the requirements of Section 199 of the Companies Act, 2017, Ghani Global Holdings Limited (the Company) be and is hereby authorized to issue cross corporate guarantee up to Rs. 760 million to the bank(s) for financing facility to its subsidiary company named Ghani Chemical Industries Limited, subject to terms and conditions mentioned in the statement under Section 134(3) of the Companies Act, 2017.
>
> **Further Resolved** that the Chief Executive and Company Secretary of the Company be and is hereby singly authorized to take any and/or all actions to implement and give effect to the above resolution and to complete any or all necessary required corporate and legal formalities for the purpose of implementation of the above resolution.

The information required under SRO 1240(1)/ 2017 dated 06 December 2017 regarding agenda item No. 6, 7 and 8 are as under:

(a) DISCLOSURES:

(A) Regarding associated company or associated undertaking:

Agenda Item	**No. 6 and 7**	**No. 8**
Requirement	**Investment in Ghani Global Glass Limited in shape of pledge of shares and Cross Corporate Guarantee**	**Investment in Ghani Chemical Industries Limited in shape of cross corporate guarantee**
Name of Associated Company	Ghani Global Glass Limited (GGGL)	Ghani Chemical Industries Limited (GCIL)
Basis of relationship	Subsidiary company with 50.10% holding and common directorship.	Subsidiary company with 99.39% holding and common directorship.
Earnings per share for the last three years	Year 2020: Rs. 0.40 Year 2019: Rs. (1.48) Year 2018: Rs. (1.23)	2020: (1.39) 2019: (0.56) 2018: (0.08)
Break-up value per shares, based on latest audited financial statements	Rs. 13.72 (with sponsors loan) Rs. 05.90 (without sponsors loan)	Rs. 18.25 (with sponsors loan) Rs. 15.97 (without sponsors loan)

Financial position, including main items of statement of financial position and profit and loss accounts on the basis of its latest financial statements.	Audited Financial Statements for the year ended June 30, 2020 showed: Profit& Loss: Rupees in "000" Sales (net) 1,297,084 Gross profit 287,286 Admin expenses (61,253) Other income 1618 Profit after taxation 40,476 Financial Position: non-current assets 1,519,046 Current assets 915,864 **Total Assets 2,434,910** Issued, subscribed and paid Up Capital 1,000,000 Accumulated loss (409,294) Loan from sponsors 781,660 Total equity 1,372,36 Non- current liabilities 287,99 Current liabilities 774,547 **Total Equity and Liabilities 2,434,910**	Audited Financial Statements for the year ended June 30, 2020 showed: Profit& Loss: Rupees in "000" Sales (net) 2,049,031 Gross profit 493,699 Admin expenses (130,318) Other income 28,772 Finance Cost (320,816) Loss after taxation (160,831) Financial Position: Operating fixed assets 3,906,985 Capital work in progress 31,305 Other non-current assets 97,192 Current assets 1,339,955 **Total Assets 5,375,437** Paid up Capital 1,150,000 Capital Reserve-Share Premium 913,951 Accumulated Loss (227,864) Loan from sponsors 262,480 Total equity 2,098,567 Non- current liabilities 1,422,596 Current liabilities 1,854,274 **Total Equity and Liabilities 5,375,437**

(B) General Disclosures:

Maximum amount of investment to be made	- Pledge of 50,098,200 shares for a period of three years, market value as on 02-10-2020 (Rs.13.50) Rs. 676.325 million. - Upto Rs. 750 million in shape o issuance of Cross Corporate Guarantee	Upto Rs. 760 million in shape of issuance of Cross Corporate Guarantee

<table>
<tr><td>Purpose,</td><td>- To facilitate the subsidiary company to obtain finance facility for its proposed expansion plan.

- To meet the security requirements of Bank(s)</td><td>To meet the security requirements of Bank(s).</td></tr>
<tr><td>Source of funds to be utilized for investment.</td><td>Not applicable.</td><td>Not applicable.</td></tr>
<tr><td>Salient features of the agreement (if any) with associated company or associated undertaking with regards to proposed investment.</td><td>NIL</td><td>NIL</td></tr>
<tr><td>Direct or indirect interest of directors, sponsors, majority shareholders and their relatives , if any, in the associates company or associated undertaking or the transaction under consideration:</td><td>Currently shareholding position of the following directors and majority shareholders of the Company (Ghani Global Holdings Limited) in subsidiary company (GGGL) is as under:
<table>
<tr><th>Names of Directors</th><th>Number of Shares</th><th>Holding %</th></tr>
<tr><td>Mr. Masroor Ahmad Khan</td><td>1,000</td><td>0.001</td></tr>
<tr><td>Mr. Atique Ahmad Khan</td><td>1,000</td><td>0.001</td></tr>
<tr><td>Hafiz Farooq Ahmad</td><td>1,000</td><td>0.001</td></tr>
<tr><td>Mr. Tahir Bashir Khan</td><td>1,539,550</td><td>1.54</td></tr>
<tr><td>Mr. Mahmood Ahmad</td><td>25</td><td>0.00</td></tr>
<tr><td>Mrs. Ayesha Masroor</td><td>-</td><td>-</td></tr>
<tr><td>Mrs. Rabia Atique</td><td>1,000</td><td>0.001</td></tr>
<tr><td>Mrs. Saira Farooq</td><td>1,000</td><td>0.001</td></tr>
<tr><td>Mr. Farzand Ali</td><td>4,000</td><td>0.004</td></tr>
</table></td><td>Currently shareholding position of the following directors and majority shareholders of the Company (Ghani Global Holdings Limited) in associated company (GCIL) is as under:
<table>
<tr><th>Names of Directors</th><th>Number of Shares</th><th>Holding %</th></tr>
<tr><td>Mr. Masroor Ahmad Khan</td><td>1</td><td>0.00</td></tr>
<tr><td>Mr. Atique Ahmad Khan</td><td>1</td><td>0.00</td></tr>
<tr><td>Hafiz Farooq Ahmad</td><td>1</td><td>0.00</td></tr>
<tr><td>Mr. Tahir Bashir Khan</td><td>-</td><td>-</td></tr>
<tr><td>Mr. Mahmood Ahmad</td><td>-</td><td>-</td></tr>
<tr><td>Mrs. Ayesha Masroor</td><td>1</td><td>0.00</td></tr>
<tr><td>Mrs. Rabia Atique</td><td>-</td><td>-</td></tr>
<tr><td>Mrs. Saira Farooq</td><td>-</td><td>-</td></tr>
<tr><td>Mr. Farzand Ali</td><td>-</td><td>-</td></tr>
</table></td></tr>
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<tr>
<td></td>
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<table>
<tr><td>Ghani Global Holdings Ltd.</td><td>50,098,200</td><td>50.10</td></tr>
</table>
GGGL holds no shares in GGHL. The Sponsors directors of GGGL holds the following shares in GGHL:
<table>
<tr><th>Names of Directors</th><th>Number of Shares</th><th>Holding %</th></tr>
<tr><td>Mr. Masroor Ahmad Khan</td><td>20,437,793</td><td>13.31</td></tr>
<tr><td>Mr. Atique Ahmad Khan</td><td>17,969,459</td><td>11.72</td></tr>
<tr><td>Hafiz Farooq Ahmad</td><td>19,437,418</td><td>12.67</td></tr>
<tr><td>Mr. Tahir Bashir Khan</td><td>27</td><td>0.00</td></tr>
<tr><td>Mr. Mahmood Ahmad</td><td>33,185</td><td>0.002</td></tr>
<tr><td>Mrs. Ayesha Masroor</td><td>5,781,954</td><td>3.77</td></tr>
<tr><td>Mrs. Rabia Atique</td><td>8,250,288</td><td>5.38</td></tr>
<tr><td>Mrs. Saira Farooq</td><td>6,182,329</td><td>4.03</td></tr>
<tr><td>Mr. Farzand Ali</td><td>1,916</td><td>0.001</td></tr>
</table>
</td>
<td>
<table>
<tr><td>Ghani Global Holdings Ltd.</td><td>114,299,966</td><td>99.39</td></tr>
</table>
GCIL holds no shares in GGHL. The Sponsors directors of GCIL holds the following shares in GGHL:
<table>
<tr><th>Names of Directors</th><th>Number of Shares</th><th>Holding %</th></tr>
<tr><td>Mr. Masroor Ahmad Khan</td><td>20,437,793</td><td>13.31</td></tr>
<tr><td>Mr. Atique Ahmad Khan</td><td>17,969,459</td><td>11.72</td></tr>
<tr><td>Hafiz Farooq Ahmad</td><td>19,437,418</td><td>12.67</td></tr>
<tr><td>Mrs. Ayesha Masroor</td><td>5,781,954</td><td>3.77</td></tr>
<tr><td>Ms. Dania Atique</td><td>-</td><td>-</td></tr>
<tr><td>Ms. Maha Farooq</td><td>-</td><td>-</td></tr>
<tr><td>Mr. M. Hanif</td><td>-</td><td>-</td></tr>
</table>
</td>
</tr>
<tr>
<td>Already investment in associated company.</td>
<td>GGGL is subsidiary of Company and cost of investment (of 50.10%) is Rs. 722.316 million.

GGGL is listed subsidiary of the Company and detailed accounts are available at www.ghaniglobalglass.com</td>
<td>GCIL is subsidiary of Company and cost of investment (of 90.39%) is Rs. 2,056.991 million.

GCIL is unlisted subsidiary of the Company and detailed accounts are available at www.ghaniglobal.com</td>
</tr>
<tr>
<td>Any other important details necessary for the member to understand the transaction</td>
<td>GGGL is a subsidiary of the Company. Proposed pledge of shares is to facilitate the subsidiary company to obtain financial facility for its proposed expansion plan</td>
<td>GCIL is a subsidiary of the Company. Proposed issuance of cross corporate guarantee is to meet the security requirements of the Bank(s).</td>
</tr>
</table>

(b) In case of Investments in the form of Guarantees

Category wise amount of investments	- Pledge of 50,098,200 shares with cost of Rs. 722.316 million - Cross Corporate Guarantee upto Rs. 750 million	Cross Corporate Guarantee upto Rs. 760 million
Average borrowing cost of the investing company	- In case of pledge of shares Not Applicable. - In case of Cross Corporate Guarantee commission on guarantee @ 0.10% per quarter.	Commission on guarantee @ 0.10% per quarter.
Rate of interest, markup, profit, fees or commission etc to be charged	- Pledge of share fee @ 1.50 paisa per share/quarter. Commission @ 0.10% per quarter.	Commission @ 0.10% per quarter.
Particulars of collateral security to be obtained in relation to the proposed investment.	Demand Promissory Note of subsidiary company.	Demand Promissory Note of subsidiary company.
If the investment carry conversion features:	Not applicable	Not applicable
Repayment schedule And terms & conditions of loans or advances	In case of Pledge of Shares - Pledge of Shares are for a period of three years. - Pledge of shares fee on quarterly basis - Collateral security(s) from subsidiary company. - All cost/expenses etc. of Pledge /Release of shares shall be paid by subsidiary company. - any other term or condition approved by shareholders of the Company. In case of Cross Corporate Guarantee - Cross Corporate Guarantee for a maximum period of five years. - Commission on quarterly basis. - Collateral security(s) from subsidiary company as Demand Promissory Note. - Any other terms and condition approved by shareholders of the Company.	- Cross Corporate Guarantee for a maximum period of five years. - Commission on quarterly basis. - Collateral security(s) from subsidiary company as Demand Promissory Note. - Any other terms and condition approved by shareholders of the Company.

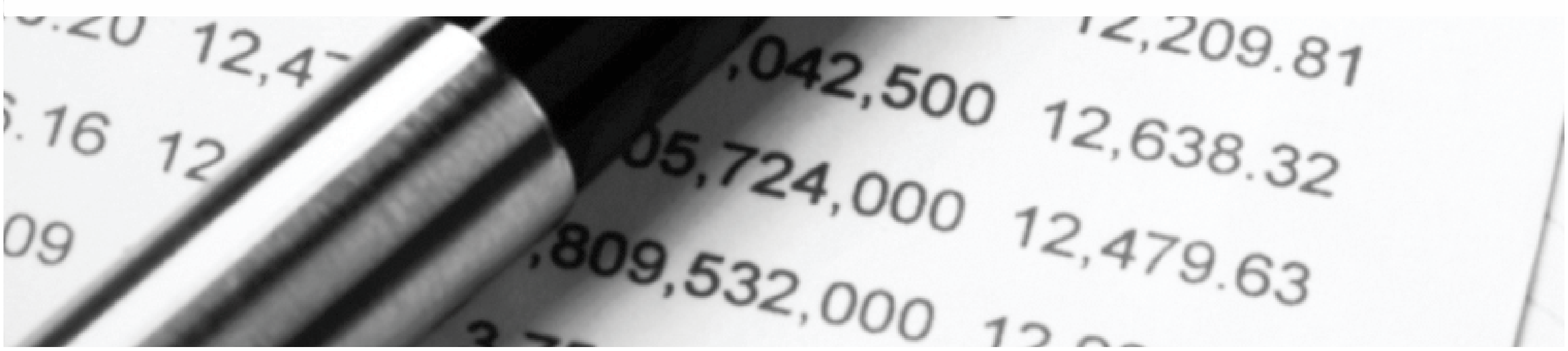
In pursuance to Regulation No. 3 (3) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 under SRO 1240(1)/2017 dated 6th December 2017, the directors of the Company have carried out due diligence for the proposed investment in irs subsidiaries companies i.e. Ghani Global Glass Limited and Ghani Chemical Industries Limited.

The following documents shall be available to the members of the Company for inspection in the annual general meeting being hold on October 28, 2020:

1. Recommendations of due diligence report of investing company.
2. Latest annual audited financial statements of subsidiary company.

UNCONSOLIDATED

FINANCIAL STATEMENTS



Rizwan & Company
CHARTERED ACCOUNTANTS

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New Garden Town, Lahore, Pakistan.
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rcolhr@cyber.net.pk
rizwan@dfk-pk.com
www.dfk-pk.com

Independent Auditor's Report

To the members of Ghani Global Holdings Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed unconsolidated financial statements of **Ghani Global Holdings Limited** which comprise the unconsolidated statement of financial position as at June 30, 2020, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations as described in the Basis for Qualified Opinion paragraph which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, except for the effects of matter described in the Basis for Qualified Opinion paragraph, and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2020 and of the profit, comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the unconsolidated financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

a) As fully explained in note 1.1 and note 10.1.2 to these unconsolidated financial statements, subsequent to completion of the Scheme of Compromises, Arrangement and Reconstruction and transfer of manufacturing undertaking to the subsidiary company, i.e. Ghani Chemical Industries Limited on July 8, 2019, the legal and procedural formalities including registration / updation of the name of the subsidiary company with the relevant departments / utility companies could not be completed till February 29, 2020. Due to certain inherent impediments of such routing; the impact of non-compliance, if any, cannot be ascertained at this point of time.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for matter referred in basis of qualified opinion; following is the key audit matter:

Key Audit Matters	**How our audit addressed the key audit matter**
Valuation of Investments	
The Company has made significant investments in subsidiaries amounting to Rupees 2,779.267 million as at reporting date and are carried at cost less	

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impairment loss. Refer to note 6 to the unconsolidated financial statements In assessing whether there was any impairment of the carrying value of investments in subsidiaries; management determines the recoverable amounts based on higher of its value in use and its fair value less costs to sell. The estimation of the recoverable amount involves significant judgments, including assumptions around the current and future market conditions, forecast cash flows, discount rates and any other assets underpinning the recoverable amount. This, in turn, affected our assessment of the risk that the unconsolidated financial statements may be materially misstated and, hence, necessitated us to devote our significant time and resources to address the risk successfully. Therefore, we identified the valuation of investments as a key audit matter.	Our audit procedures to assess the classification and valuation of financial instruments, amongst others, included the following: - obtaining an understanding of and testing the design and operating effectiveness of controls designed by management for valuation of investments and determination of provision for impairment against respective investments; - involving our internal valuation specialists to assist in evaluating the valuation techniques, assumptions and methodologies used by management for valuation of investments, in particular, relating to cash flow projections, growth rates, terminal values and discount rates; - testing the mathematical accuracy and integrity of the respective impairment workings; - conducting sensitivity analyses around the key inputs; - evaluating management's assessment of the indicators and impairment testing and comparing the recoverable amount of underlying investments with their cost to ensure Company's policy for impairment is consistently applied and appropriately recognized; and - assessing the adequacy of disclosures in the unconsolidated financial statements in accordance with the applicable financial reporting framework.

Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of the unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) except for the effects of matter described in the Basis for Qualified Opinion paragraph, proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
b) except for the effects of matter described in the Basis for Qualified Opinion paragraph, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
c) except for the effects of matter described in the Basis for Qualified Opinion paragraph, investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Imran Bashir**.

Rizwan & Co

Rizwan & Company
Chartered Accountants

Lahore: 02 OCT 2020

Ghani Global Holdings Limited
Unconsolidated Statement of Financial Position
As at June 30, 2020

	Note	2020	2019
		(Rupees '000')	
ASSETS			
Non-current assets			
Intangible assets	5	70	70
Long term investments	6	2,779,267	2,779,267
		2,779,337	2,779,337
Current Assets			
Loans and advances	7	1,320	1,973
Tax refunds due from government		117	-
Bank balances - current account		2,048	-
		3,485	1,973
TOTAL ASSETS		2,782,822	2,781,310
EQUITY AND LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid up share capital	8	1,533,059	1,533,059
Capital reserve - share premium	9	522,137	522,137
Retained earnings		724,956	724,311
		2,780,152	2,779,507
Non current liabilities		-	-
Current liabilities			
Accrued liabilities		1,826	890
Unpaid dividend		844	844
Income tax payable	14	-	69
		2,670	1,803
TOTAL EQUITY AND LIABILITIES		2,782,822	2,781,310
CONTINGENCIES AND COMMITMENTS	10		

The annexed notes from 1 to 25 form an integral part of these unconsolidated financial statements.

Atique Ahmad Khan	**Asim Mahmud**	**Hafiz Farooq Ahmad**
Chief Executive	**Chief Financial Officer**	**Director**

Ghani Global Holdings Limited
Unconsolidated Statement of Profit or Loss
For the year ended June 30, 2020

	Note	2020	2019
		(Rupees '000')	
Gross sales		11,500	-
Less: Sales tax		(1,450)	-
Net sales		10,050	-
Direct cost		(10,050)	-
Gross profit / (loss)		-	-
Administrative expenses	11	(1,050)	(1,471)
Other operating expense	12	(1,095)	(890)
		(2,145)	(2,361)
		(2,145)	(2,361)
Other income	13	2,790	2,600
Profit before taxation		645	239
Income tax expense	14	-	(69)
Profit after taxation		645	170
Earnings per share	15	0.004	0.001

The annexed notes from 1 to 25 form an integral part of these unconsolidated financial statements.

Atique Ahmad Khan	Asim Mahmud	Hafiz Farooq Ahmad
Chief Executive	Chief Financial Officer	Director

Ghani Global Holdings Limited
Unconsolidated Statement of Comprehensive Income
For the year ended June 30, 2020

	2020	2019
	(Rupees '000')	
Profit after taxation	**645**	170
Other comprehensive income	**-**	-
Total comprehensive income for the year	**645**	170

The annexed notes from 1 to 25 form an integral part of these unconsolidated financial statements.

Atique Ahmad Khan	Asim Mahmud	Hafiz Farooq Ahmad
Chief Executive	Chief Financial Officer	Director

Ghani Global Holdings Limited
Unconsolidated Statement of Changes in Equity
For the year ended June 30, 2020

	Share capital	Capital reserve Share premium	Revenue reserve Retained earnings	Loan from sponsors	Total
	(Rupees '000')				
Balance as at July 01, 2018	1,322,682	460,198	724,141	231,450	2,738,471
Total comprehensive income	-	-	170	-	170
Transactions with sponsors					
Issuance of bonus shares	66,134	(66,134)	-	-	-
Issuance of shares pursuance to scheme	144,243	128,073	-	-	272,316
Transfer of loan pursuance to scheme	-	-	-	(231,450)	(231,450)
	210,377	61,939	-	(231,450)	40,866
Balance as at June 30, 2019	**1,533,059**	**522,137**	**724,311**	**-**	**2,779,507**
Total comprehensive income	**-**	**-**	**645**	**-**	**645**
Balance as at June 30, 2020	**1,533,059**	**522,137**	**724,956**	**-**	**2,780,152**

The annexed notes from 1 to 25 form an integral part of these unconsolidated financial statements.

Atique Ahmad Khan	**Asim Mahmud**	**Hafiz Farooq Ahmad**
Chief Executive	**Chief Financial Officer**	**Director**

Ghani Global Holdings Limited
Unconsolidated Statement of Cash Flows
For the year ended June 30, 2020

	2020	2019
	(Rupees '000')	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	**645**	239
Effect of working capital changes		
(Increase) / decrease in current assets:		
Loans and advances	**584**	(1,129)
Tax refunds due from government	**(117)**	-
Increase / (decrease) in current liabilities:		
Trade and other payables	**936**	890
	1,403	(239)
Net cash generated from operating activities	**2,048**	-
CASH FLOW FROM INVESTING ACTIVITIES	**-**	-
CASH FLOW FROM FINANCING ACTIVITIES	**-**	-
Net increase in cash and cash equivalents	**2,048**	-
Cash and cash equivalents at the beginning of the year	**-**	173,762
Cash and cash equivalents transferred under Scheme	**-**	(173,762)
Cash and cash equivalents at the end of the year	**2,048**	-

The annexed notes from 1 to 25 form an integral part of these unconsolidated financial statements.

Atique Ahmad Khan	Asim Mahmud	Hafiz Farooq Ahmad
Chief Executive	Chief Financial Officer	Director

1 THE COMPANY AND ITS OPERATIONS

Ghani Global Holdings Limited (the Company) was incorporated in Pakistan as a private limited company under the Companies Ordinance, 1984 (now the Companies Act, 2017) on November 19, 2007, converted into public limited company on February 12, 2008 and became listed on Pakistan Stock Exchange on January 05, 2010. The registered office of the Company is situated at 10-N Model Town Extension, Lahore. The principal activity of the Company is to manage investments in its subsidiaries.

These unconsolidated financial statements are the separate financial statements of the Company in which investment in subsidiaries are accounted for at cost less accumulated impairment losses. Consolidated financial statements of the Company are prepared and presented separately. The Company has the following long term investment:

	2020 Holding%	2019 Holding%
Subsidiary Companies		
Ghani Chemical Industries Limited	**99.39**	**99.39**
Ghani Global Glass Limited	**50.10**	**50.10**

1.1 As per Scheme of Compromises, Arrangement and Reconstruction (the Scheme) as sanctioned by the Honourable Lahore High Court, Lahore on February 06, 2019, the Parent Company transferred its manufacturing undertaking to the Company on July 08, 2019 after the effective date. After transfer of manufacturing undertaking, certain bills, invoices and contracts relating to the company's business activities continued in the name of the Company due to the completion of legal and procedural formalities. Consequently, till February 29, 2020; the Company routed transactions in its books of accounts on account of utilities, supplies, imports, local stores and spares to subsidiary company, i.e. Ghani Chemical Industries Limited. The above stated transactions have been recorded to absorb the impact of Sales Tax Input available in sales tax records of the Company, that could have been lost in absence of any legitimate sales tax output available to the Company. The summary of the transactions has been given hereunder:

	2020 (Rupees '000)
Transaction with Subsidiary Company	
Sales	**1,069,109**
Direct cost	
Purchases	**269,078**
Fuel and power	**330,205**
Vehicle running expenses	**65,131**
Import	**390,390**
Others	**14,305**
	1,069,109
Net effect	**-**

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These unconsolidated financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 (the Act), Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017 (the Act) and provisions of and directives issued under the Companies Act, 2017. However, provisions of and the directives issued under the Companies Act, 2017 have been followed where those provisions are not consistent with the requirements of the IFRSs as notified under the Companies Act, 2017.

These unconsolidated financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 (the Act), Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017 (the Act) and provisions of and directives issued under the Companies Act, 2017. However, provisions of and the directives issued under the Companies Act, 2017 have been followed where those provisions are not consistent with the requirements of the IFRSs as notified under the Companies Act, 2017.

2.2 INITIAL APPLICATION OF STANDARDS, AMENDMENTS OR INTERPRETATIONS TO EXISTING STANDARDS

a) Standards, interpretations and amendments to published approved accounting standards that are effective in current year.

A number of new or amended standards became applicable for the current reporting period, and the Company had to change its accounting policies and make adjustments as a result of adopting the following standards:

- IFRS 16 ‘Leases’ - IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the unconsolidated statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low value leases. The impact of this standard has been given in note 4.1.1.

- IFRIC 23 ‘Uncertainty over Income Tax Treatments’ (effective for annual periods beginning on or after January 01, 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax.

- Amendment to IFRS 9 'Financial Instruments' - Prepayment Features with Negative Compensation (effective for annual periods beginning on or after January 01, 2019). For a debt instrument to be eligible for measurement at amortised cost or FVOCI, IFRS 9 requires its contractual cash flows to meet the SPPI criterion - i.e. the cash flows are 'solely payments of principal and interest'. Some prepayment options could result in the party that triggers the early termination receiving compensation from the other party (negative compensation). The amendment allows that financial assets containing prepayment features with negative compensation can be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9. The application of amendment is not likely to have an impact on the Company's unconsolidated financial statements.

- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after January 01, 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The application of amendment has no impact on Company's unconsolidated financial statements.

- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after January 01, 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendment has no impact on the Company's unconsolidated financial statements.

- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:

  - IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

  - IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
  - IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings, any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

There are other amendments to published approved accounting and reporting standards and interpretations that are applicable for the financial year beginning on July 01, 2019 but are considered not to be relevant or do not have any significant effect on the Company’s financial reporting and operations and, therefore, have not been presented in these unconsolidated financial statements.

b) New accounting standards, amendments and IFRIC interpretations that are not yet effective.

There are number of other standards, amendments to the published approved accounting and reporting standards and interpretations that are not yet effective and have not been early adopted by the Company and, therefore, have not been presented in these financial unconsolidated statements.

- Amendment to IFRS 3 'Business Combinations' - Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after January 01, 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past unconsolidated financial statements.

- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after January 01, 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.

- On March 29, 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallise. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of January 01, 2020, unless the new guidance contains specific scope outs.
- Amendments to IFRS 9, IAS 39 and IFRS 7 -The amendments in Interest Rate Benchmark Reform (effective for annual periods beginning on or after January 01, 2020) clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.
- Covid-19-Related Rent Concessions (Amendment to IFRS 16) - The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.
- Classification of liabilities as current or non-current (Amendments to IAS 1) effective for the annual period beginning on or after January 01, 2022. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16); The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.
- The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after January 01, 2022:
    - IFRS 1 - The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
    - IFRS 9 - The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
    - IFRS 16 – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
    - IAS 41 - The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The above new standards, amendments and interpretations are not likely to have an impact on unconsolidated Company's financial statements. There are number of other standards, amendments and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

2.3 Functional and presentation currency

These unconsolidated financial statements are presented in Pak rupee, which is the functional and reporting currency for the Company.

3 BASIS OF MEASUREMENT

3.1 These unconsolidated financial statements have been prepared under the historical cost convention except for valuation of certain financial instruments at fair value and certain liabilities at amortised cost. In these financial statements, except for the amounts reflected in the unconsolidated statement of cash flows, all transactions have been accounted for on accrual basis.

3.2 Significant accounting judgments and critical accounting estimates / assumptions

The preparation of unconsolidated financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's unconsolidated financial statements or where judgments were exercised in application of accounting policies are as follows:

The preparation of unconsolidated financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's unconsolidated financial statements or where judgments were exercised in application of accounting policies are as follows:

a) Taxation

The Company takes into account the current income tax law and the decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment and appellate stages and where the Company considers that its views on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

b) Allowance for expected credit loss

The Company reviews its expected credit loss as per the requirement of IFRS 9 'Financial Instruments - Recognition and Measurement' for financial assets as at each reporting date to assess whether allowance should be recorded in the unconsolidated statement of profit or loss. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowances.

c) Recoverable amount of assets / cash generating units and impairment

The management of the Company reviews carrying amounts of its assets and cash generating units for possible impairment and makes formal estimates of recoverable amount, if there is any such indication. In making estimates of future cash flows from investments in subsidiary and associate, the management considers future dividend stream and an estimate of the terminal value of these investments, which are subject to change.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Changes in Accounting Policies

The Company has adopted IFRS 16 'Leases' commencing July 01, 2019 which is effective from accounting period beginning on or after January 01, 2019:

4.1.1 IFRS 16 'Leases'

Effective January 01, 2019, the Company has adopted IFRS 16, "Leases" which replaces existing guidance on accounting for leases, including IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases - Incentive" and SIC-27 "Evaluating the substance of transactions involving the legal form of a Lease". IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right-of use of the underlying asset and a lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases.

The Company adopted IFRS 16 using modified retrospective approach with the date of initial application of July 01, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Accordingly the information presented for prior year has not been restated. The accounting polices relating to Company's right-of-use assets and lease liabilities are as follows:

Lease liabilities and right-of-use assets

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

From July 1, 2019, leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company.

The lease liabilities are initially measured at the present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liabilities are subsequently measured at amortised cost using the effective interest method. They are remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the respective right-of-use asset, or is recorded in profit or loss if the carrying amount of that right-of-use asset has been reduced to zero.

Right-of-use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use assets are amortised on a straight-line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The carrying amount of the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the corresponding lease liability.

There is no impact on these unconsolidated financial statements upon adoption of IFRS 16, Leases.

4.2 Intangible assets

Goodwill

Goodwill represents the difference between the cost of the acquisition (fair value of consideration paid) and the fair value of the net identifiable assets acquired. Goodwill is stated at cost less any identified impairment loss.

4.3 Investments in subsidiaries

Investments in subsidiaries are measured at cost. As per requirement of IAS 27 in separate financial statements at subsequent reporting dates, the recoverable amounts are estimated to determine the extent of impairment loss, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as an expense in the unconsolidated statement of profit or loss. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognised in the unconsolidated statement of profit or loss.

The profit or loss of the subsidiaries is carried forward in respective financial statements and not dealt within unconsolidated these financial statements except to the extent of dividend declared by the subsidiary which is recognized in other income. Gain and loss on disposal of such investment is included in other income. When the disposal of investment in subsidiary resulted in loss of control such that it becomes an associate, the retained investment is carried at cost.

The profit or loss of the subsidiaries is carried forward in respective financial statements and not dealt within unconsolidated these financial statements except to the extent of dividend declared by the subsidiary which is recognized in other income. Gain and loss on disposal of such investment is included in other income. When the disposal of investment in subsidiary resulted in loss of control such that it becomes an associate, the retained investment is carried at cost.

4.4 Loans and advances

These are initially recognized at cost, which is the fair value of consideration given. The Company assesses at each reporting date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying value exceed recoverable amount, assets are written down to the recoverable amount and the difference is charged to the unconsolidated statement of profit or loss.

4.5 Cash and cash equivalents

Cash and cash equivalents are carried in the unconsolidated statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and cash at bank which are subject to an insignificant risk of change in value.

4.6 Trade and other payables

Liabilities for trade and other amounts payable are carried at amortized cost which is the fair value of the consideration to be paid in the future for goods and services received.

4.7 Financial instruments

4.7.1 Initial Recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortised cost or cost as the case may be.

a) Classification of financial assets

The Company classifies its financial instruments at fair value through profit and loss, at fair value through other comprehensive income, or at amortised cost. The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are recognised subsequently at amortised cost. Financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at 'fair value through other comprehensive income'. By default, all other financial assets are subsequently measured at 'fair value through profit or loss'.

b) Classification of financial liabilities

The Company classifies its financial liabilities at fair value through profit or loss, or at amortised cost. Financial liabilities are measured at amortised cost, unless they are required to be measured at fair value through profit or loss (such as instruments held for trading or derivatives) or the Company has opted to measure them at fair value through profit or loss.

4.7.2 Subsequent measurement

Financial assets and liabilities at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

Financial assets and liabilities carried at fair value through profit or loss are initially recorded at fair value and transaction costs are expensed in the unconsolidated statement of profit or loss and other comprehensive income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at fair value through profit or loss are included in the unconsolidated statement of profit or loss and other comprehensive income in the period in which they arise. Where management has opted to recognise a financial liability at fair value through profit or loss, any changes associated with the Company's own credit risk will be recognized in other unconsolidated comprehensive income/(loss). Currently, there are no financial liabilities designated at fair value through profit or loss.

4.7.3 Impairment of financial assets at amortised cost

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

4.7.4 Derecognition

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at fair value through unconsolidated other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to unconsolidated statement of changes in equity.

The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the unconsolidated statement of profit or loss and other comprehensive income.

4.7.5 Off setting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount is reported in the unconsolidated statement of financial position if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.8 Impairment of assets - Non financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets 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 greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre tax discount rate that reflects current market assessments of the time value of money and the risk specific to the assets or cash generating unit.

An impairment loss is recognised if the carrying amount of the asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in statement of profit or loss. Impairment losses recognised in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on pro rata basis. Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used in determining the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognised.

4.9 Revenue recognition

Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised service to a customer at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates and government levies. The details are as follows:

- Dividend income is recognised when the Company's right to receive dividend is established, i.e. on the date of book closure of the investee company declaring the dividend;
- Gains and losses arising on disposal of investments are included in income in the year in which these are disposed of;
- Return on bank deposits is recognised on time proportion using the effective rate of return;
- Commission income on corporate guarantee is recognised on accrual basis as per agreement; and
- Miscellaneous income is recognised on receipt basis.

4.10 Ordinary share capital

Ordinary shares are classified as share capital.

4.11 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income. Other comprehensive income comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by approved accounting standards.

4.12 Taxation

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income.

Current

Provision for taxation is based on taxable income at current rates after taking into account tax rebates and credits available, if any or minimum tax on turnover or alternate corporate tax on accounting profit and tax paid under final tax regime under relevant provisions of Income Tax Ordinance, 2001. The charge for current tax also includes adjustments, where considered necessary, to provision for taxation made in previous years arising from orders under Income Tax Ordinance, 2001 passed during the year or any previous year(s).

Deferred

Deferred tax is recognized using balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan.

The Company recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax relating to items recognised outside the unconsolidated statement of profit or loss is recognised outside the unconsolidated statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

4.13 Earnings per share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

4.14 Related party transactions and transfer pricing

Transactions and contracts with the related parties are based on the policy that all transactions between the Company and related parties are carried out at an arm's length.

4.15 Provisions

A provision is recognised in the unconsolidated statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pre-tax rate reflects current market assessment of the time value of money and the risk specific to the obligation. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

4.16 Contingent liabilities

A contingent liabilities are disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4.17 Dividend

Dividend distribution to the Company's shareholders is recognized as a liability in the period in which dividends are approved by the Board of Directors or Company's shareholders as the case maybe.

		Note	2020	2019
			(Rupees '000')	
5	**INTANGIBLE ASSETS**			
	Goodwill		**70**	70

5.1 Goodwill represents the difference between the cost of the acquisition (fair value of the consideration paid) and the fair value of the net identifiable assets acquired at the time of merger of Ghani Southern Gases (Private) Limited with and into Ghani Global Holdings Limited (formerly Ghani Gases Limited).

		Note	2020	2019
			(Rupees '000')	
6	**LONG TERM INVESTMENTS - AT COST**			
	Subsidiary companies			
	Ghani Chemical Industries Limited - Unquoted			
	114,300,000 (2019: 114,300,000) fully paid ordinary shares Rupees 10 each - Holding 99.39% (2019: 99.39%)	**6.1**	**2,056,951**	2,056,951
	Ghani Global Glass Limited - Quoted			
	50,098,200 fully paid ordinary shares (2019: 50,098,200) of Rupees 10 each - Holding 50.10% (2019: 50.10 %)	**6.2**	**722,316**	722,316
			2,779,267	2,779,267

		2020	2019
6.1	**Ghani Chemical Industries Limited - Unquoted**		
	Opening carrying value	**2,056,951**	143,000
	100,000,000 shares of Rupees 10 each pursuance of Scheme of Compromises, Arrangement and Reconstruction	**-**	1,913,951
	Less: Impairment loss	**-**	-
	Closing carrying value	**2,056,951**	2,056,951

6.1.1 Ghani Chemical Industries Limited was incorporated in Pakistan as a private limited company on November 23, 2015 under Companies Ordinance, 1984 (now the Companies Act, 2017), converted into public limited company on April 20, 2017 and is principally engaged in manufacturing, sales and trading of medical & industrial gases and chemicals. The Company had initially made investment of Rupees 142.5 million in Ghani Chemical Industries Limited as a result of right issue by Ghani Chemical Industries Limited under the authority of shareholders to the extent of Rupees 360 million in its meeting held on December 02, 2016. Pursuance to the Scheme; 100 million shares of Rupees 10 were further issued by Ghani Chemical Industries Limited to the Company against transfer of net assets of manufacturing undertaking amounting to Rupees 1,913.951 million.

		2020	2019
		(Rupees '000')	
6.2	**Ghani Global Glass Limited - Quoted**		
	Opening carrying value	**722,316**	450,000
	25,098,282 shares acquired pursuance of Scheme of Compromises, Arrangement and Reconstruction	**-**	272,316
	Less: Impairment loss	**-**	-
	Closing carrying value	**722,316**	722,316

6.2.1 Ghani Global Glass Limited was incorporated in Pakistan under the Companies Ordinance, 1984 (now the Companies Act, 2017) as a private limited company on October 04, 2007 and was subsequently converted into public company and was listed on Pakistan Stock Exchange and is principally engaged in manufacturing and sale of glass tubes, glass-ware, vials and ampoules and chemicals. Company had initially acquired 25,000,000 shares of Rupees 18 each on January 19, 2017 representing 25% holding in the share capital of the Ghani Global Glass Limited. Pursuance to the Scheme; the Company had further acquired 25,098,282 shares of Rupees 10 at fair value determined for swap ratio against allotment of 14,424,253 shares of Rupees 10 each at fair value determined for swap ratio to the sponsoring shareholders of Ghani Global Glass Limited as per swap ratio of 1 share of the Company for 1.74 share of Ghani Global Glass Limited on February 06, 2019.

6.3 The Company has assessed and evaluated the recoverable amount of investments in the subsidiary companies as at reporting date and based on its assessment no material adjustment is required to the carrying amount stated in these unconsolidated financial statements.

	2020	2019
	(Rupees '000')	

7 LOANS AND ADVANCES

	2020	2019
Unsecured and considered good		
Due from:		
Ghani Chemical Industries Limited	**1,230**	-
Ghani Global Glass Limited	**90**	1,973
	1,320	1,973

7.1 Due from related parties

Name of related party	Gross due amount	Past due amount	Provision	Reversal of provision	Written off	Net amount	Maximum aggregate amount at any time during the year
	(Rupees '000')						
2020							
Ghani Chemical Industries Limited	**1,230**	**1,230**	**-**	**-**	**-**	**1,230**	**1,230**
Ghani Global Glass Limited	**90**	**90**	**-**	**-**	**-**	**90**	**90**
	1,320	**1,320**	**-**	**-**	**-**	**1,320**	**1,320**
2019							
Ghani Global Glass Limited	1,973	-	-	-	-	1,973	1,973

7.2 Age analysis of amount due from related parties

Name of related party	Amount not past due	Amount past due					Total gross amount due
		1-30 days	31-60 days	61-90 days	91-365 days	365 days	
	(Rupees '000')						
2020							
Ghani Chemical Industries Limited	**-**	**-**	**-**	**-**	**1,230**	-	**1,230**
Ghani Global Glass Limited	**-**	**-**	**-**	**-**	**90**	**-**	**90**
	-	**-**	**-**	**-**	**1,320**	**-**	**1,320**
2019							
Ghani Global Glass Limited	1,973	-	-	-	-	-	1,973

	2020	2019
	(Rupees '000')	

8 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

8.1 Authorized share capital

	2020	2019
200,000,000 (2019: 200,000,000) ordinary shares of Rs. 10 each	**2,000,000**	2,000,000

	Note	2020	2019
		(Rupees '000')	
8.2 Share capital and reserves			
122,956,711 (2019: 122,956,711) Ordinary shares of Rupees 10 each fully paid in cash		**1,229,567**	1,229,567
13,000 (2019: 13,000) Ordinary shares of Rupees 10 each issued for consideration other than cash under scheme of arrangement for amalgamation	8.2.1	**130**	130
14,424,253 (2019: 14,424,253) Ordinary shares of Rupees 10 each issued for consideration other than cash under Scheme of compromises, arrangement and reconstruction	8.2.2	**144,243**	144,243
15,911,860 (2019: 15,911,860) Ordinary shares of Rupees 10 each issued as fully paid bonus shares		**159,119**	159,119
		1,533,059	1,533,059

8.2.1 The process for amalgamation of Ghani Southern Gases (Private) Limited with and into the Company as on May 15, 2012 resulted in issuance of shares for consideration other than cash.

8.2.2 The process for amalgamation of Scheme of compromises, arrangement and reconstruction among the shareholders of Ghani Gases Limited, Ghani Global Glass Limited and Ghani Chemical Industries Limited as sanctioned by Honourable Lahore High Court, Lahore on February 06, 2019 resulted in issuance of 14,424,253 shares to the sponsoring shareholders of the Ghani Global Glass Limited for consideration other than cash.

8.2.3 Movement to the issued, subscribed and paid-up share capital of the Company is as follows:

2020	2019		2020	2019
(No. of Shares)			(Rupees '000')	
153,305,824	132,268,163	Opening balance	**1,533,059**	1,322,682
-	6,613,408	Bonus shares issued	**-**	66,134
-	14,424,253	Shares issued pursuance to Scheme of Compromises, Arrangement and Reconstruction	**-**	144,243
153,305,824	153,305,824	Closing balance	**1,533,059**	1,533,059

9 SHARE PREMIUM

This includes balance amount of share premium received by the Company on 2,500,000 ordinary shares at the rate of Rupees 5 per share, share premium on 7,000,000 ordinary shares issued at Rupees 2.50 each, share premium on 43,019,834 ordinary shares at the rate of Rupees 10 each and share premium of Rupees 128.073 million on issue of 14,424,253 shares to the sponsors of Ghani Global Glass Limited under the scheme.

Share premium may be utilized by the Company only for the purpose specified in Section 81 of the Companies Act, 2017. During the year, the Company has utilised share premium amounting to Rupees Nil (2019: Rupees 66.134 million) with the provisions of Section 81 of the Companies Act, 2017.

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

10.1.1 The Company has provided corporate guarantee amounting to Rupees 744.900 million (2019: Rupees 650 million) to banks against financing facilities on behalf of its subsidiary company namely Ghani Global Glass Limited.

10.1.2 Based on the legal opinion, due to the Scheme of Compromises, Arrangement and Reconstruction (the Scheme); the routing of transactions in order to pass on the impact of sales tax to subsidiary company is in line with the Scheme sanctioned by the Honorable Court. Therefore, there will be no non-compliance at this point of time, however, at any stage if there will be negative inference; then the same will be dealt accordingly.

10.2 Commitments

10.2.1 There are no commitments of the Company as of reporting date.

		Note	2020	2019
			(Rupees '000')	
11	**ADMINISTRATIVE EXPENSES**			
	Printing and stationery		**191**	-
	Fee and subscription		**750**	1,311
	Others		**109**	160
			1,050	1,471
12	**OTHER OPERATING EXPENSES**			
	Legal and professional		**190**	-
	Auditors' Remuneration	**12.1**	**905**	890
			1,095	890
12.1	**Auditors' Remuneration**			
	Half yearly review and other certifications		**155**	140
	Statutory audit		**600**	600
	Audit of consolidated financial statements		**150**	150
			905	890
13	**OTHER INCOME**			
	Commission on corporate guarantee		**2,790**	2,600
14	**INCOME TAX EXPENSE**			
	Charge for the year:			
	Current	**14.1**	**-**	69
	Deferred		**-**	-
			-	69

14.1 Assessment up to tax year 2019 is finalized (deemed assessment). Current tax is charged on the basis of minimum tax on turnover under section 113 or Alternate Corporate Tax (ACT) on accounting profit under section 113-C of Income Tax Ordinance 2001, whichever is higher.

			2020	2019
15	**EARNINGS PER SHARE**			
	Profit attributable to ordinary shareholders	*(Rupees '000')*	**645**	170
	Weighted average number of ordinary shares outstanding during the year	*(Number)*	**153,292,824**	153,292,824
	Earnings per share	*(Rupees)*	**0.004**	0.001

15.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2020 (2019: Nil) which would have any effect on the earnings per share if the option to convert is exercised.

16 CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES' REMUNERATION

16.1 No remuneration was paid to Chief Executive, directors and executives during the year whereas no meeting fee was paid to directors for attending board meeting or its committee (2019: Nil).

17 RELATED PARTIES AND RELATED PARTY TRANSACTIONS

Related parties comprise of subsidiary companies, directors of the Company, companies in which directors also hold directorship, key management personnel and staff retirement benefit funds. The Company in the normal course of business carries out transactions with various related parties. Detail of related parties (with whom the Company has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these unconsolidated financial statements, are as follows:

17.1 Name and nature of relationship

Subsidiary Companies

Ghani Chemical Industries Limited - 99.39% shares held in the Company
Ghani Global Glass Limited - 50.10% shares held in the Company

17.2 Transactions with related parties

Nature of Relationship	Nature of Transaction	2020 (Rupees '000')	2019
Subsidiaries	Investment under Scheme of Arrangement	**-**	2,186,267
	Guarantee commission	**2,790**	2,600
	Funds received	**2,050**	-
	Sale under note 1.1	**1,069,110**	-
	Purchase under note 1.1	**1,079,160**	-

17.3 Sales, purchases and other transactions with related parties are carried out on commercial terms and conditions.

18 PROVIDENT FUND RELATED DISCLOSURE

Currently, number of existing employees is less than the minimum requirements as per the West Pakistan Industrial and Commercial Employment (Standing Orders) Ordinance, 1968.

19 FAIR VALUE MEASUREMENTS

Fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these unconsolidated financial statements.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

- The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity - specific estimates. If all significant inputs required to fair value an instrument are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices), the instrument is included in level 2.

- If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

As at reporting date, the Company has no item to report in these levels.

20 FINANCIAL RISK MANAGEMENT

20.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and profit rate risk), credit risk and liquidity risk. The Company's Board of Directors has 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 and provides principles for overall risk management, as well as policies covering specific areas such as currency risk, equity price risk, profit rate risk, credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

The Company’s audit committee monitors compliance with risk management policies and procedures and reviews the adequacy of risk management framework in relation to the risks faced by the Company. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes reviews of risk management controls and procedures, results of which are reported to audit committee.

(a) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board. The Company is exposed to interest rate risk, currency risk and market price risk.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The Company is not exposed to currency risks as at reporting date, therefore, no foreign currency sensitivity is applicable.

(ii) Profit rate risk

Profit rate risk represents the risk that fair values of future cash flows of financial instruments which will fluctuate because of change in market profit rates. The Company has no significant long-term profit-bearing financial assets. The Company's profit rate risk arises from financial liabilities. Borrowings obtained at floating rates expose the Company to cash flow profit rate risk. Borrowings obtained at fixed rate expose the Company to fair value profit rate risk.

At the reporting date the profit rate profile of the Company does not have any profit bearing financial instrument therefore sensitivity analysis for the floating rate instruments have not been prepared.

Fair value sensitivity analysis for fixed rate instruments

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

(iii) Other price risk

Price risk represents 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), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company does not have financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market prices.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

The Company is exposed to credit risk from its operating activities primarily for other receivables and other financial assets.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2020	2019
	(Rupees '000')	
Loans and advances	**1,320**	1,973
Bank balances	**2,048**	-
	3,368	1,973

Concentration of credit risk

The company does not have concentrations of credit risk by reference to type of counterparty. Maximum exposure to credit risk by type of and Bank balances.

The credit quality of Company's bank balances can be assessed with reference to the external credit ratings follows:

Banks	Rating Agency	Short term	Long term	2020	2019
				(Rupees '000')	
Faysal Bank Limited	VIS	A-1+	AA	**2,048**	-

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.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or any other financial assets, or that such obligations will have to be settled in manners unfavorable to the company.

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, without incurring unacceptable losses or risking damage to the Company's reputation. Management believes the liquidity risk to be low.

The table below analyses the Company's financial liabilities into relevant maturity grouping based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Carrying Amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years
	(Rupees '000')			
June 30, 2020				
Accrued liabilities	**1,826**	**1,826**	**1,826**	**-**
Unpaid dividend	**844**	**844**	**844**	**-**
	2,670	**2,670**	**2,670**	**-**
June 30, 2019				
Accrued liabilities	890	890	890	-
Unpaid dividend	844	844	844	-
	1,734	1,734	1,734	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates effective as at reporting date. The rates of interest have been disclosed in respective notes to the financial statements.

20.2 Financial instruments by categories

The carrying values of all financial assets and liabilities reflected in unconsolidated financial statements approximate their fair values.

	Note	2020	2019
		(Rupees '000')	
Financial assets and liabilities at amortized cost			
Assets as per unconsolidated Statement of Financial Position			
Loans and advances		**1,320**	1,973
Bank balances		**2,048**	-
		3,368	1,973
Liabilities as per unconsolidated Statement of Financial Position			
Accrued liabilities		**1,826**	890
Unpaid dividend		**844**	844
		2,670	1,734

20.3 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide return for shareholders and benefits to other stakeholders and to maintain healthier capital ratios in order to support its business and maximize shareholders value. The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payments to the shareholders, return on capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes from the previous year. The Company monitors capital using gearing ratio, which is debt divided by equity plus net debt. Total capital employed includes 'total equity' as shown in the statement of financial position plus debt. The Company has no debt as at reporting date, owing to which presentation of capital gearing ratio would not be meaningful for the users of the financial statements.

21 NUMBER OF EMPLOYEES

The Company has no employee as of reporting date.

22 DISCLOSURE REQUIREMENTS FOR SHARIAH COMPLIANT COMPANIES

As per the requirements of the Fourth Schedule to the Companies Act, 2017: Sharia compliant companies and the companies listed on Islamic Index shall disclose the following:

(i) Advances obtained as per Islamic mode - refer note 10
(ii) Shariah compliant bank balances - refer the Statement of Financial Position
(iii) Revenue earned from a sharia compliant business segment - refer the Statement of Profit or Loss.
(iv) The Company have relationship with sharia compliant bank / islamic windows

23 IMPACT OF COVID-19 (CORONAVIRUS)

The outbreak of Covid-19 as a pandemic and consequently imposition of lockdown by Federal and Provincial Governments of Pakistan (Authorities) has affected global economies as well as Pakistan. However, being the Holding Company, there is no direct impact of Covid-19 on these unconsolidated financial statements.

24 GENERAL AND CORRESPONDING FIGURES

24.1 Corresponding figures have been reclassified in these unconsolidated financial statements, wherever necessary to facilitate the comparison and to conform with changes and presentation in the current year. However, no significant reclassifications were made in these unconsolidated financial statements.

24.2 Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

25 DATE OF AUTHORIZATION

25.1 These unconsolidated financial statements have been approved and authorized for issue in Board of Directors meeting of the Company held on October 02, 2020.

ATIQUE AHMAD KHAN (CHIEF EXECUTIVE OFFICER)	ASIM MAHMUD (CHIEF FINANCIAL OFFICER)	HAFIZ FAROOQ AHMAD (DIRECTOR)

ANNUAL AUDITED
CONSOLIDATED FINANCIAL STATEMENTS

Rizwan & Company
CHARTERED ACCOUNTANTS

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An Independent Member Firm of DFK International

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Independent Auditor's Report

To the members of Ghani Global Holdings Limited

Opinion

We have audited the annexed consolidated financial statements of Ghani Global Holdings Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at June 30, 2020, and the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2020 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

As fully explained in note 1.1 and note 29.1.2 to these consolidated financial statements, subsequent to completion of the Scheme of Compromises, Arrangement and Reconstruction and transfer of manufacturing undertaking by the Holding Company to the its subsidiary company, legal and procedural formalities including registration / updation of the name of the subsidiary company with the relevant departments / utility companies could not be completed till February 29, 2020. Due to certain impediments of such routing of the transactions; the impact of non-compliance, if any, cannot be ascertained at this point of time.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Following are the key audit matters:

Key audit matter(s)	How our audit addressed the key audit matter
a) Goodwill and impairment assessment	
Refer to note 7 in the Group's consolidated financial statements. Ghani Global Group has recognised goodwill of Rupees 348.694 million pertaining to investments in Ghani Chemical Industries Limited and Ghani Global Glass Limited. This has the risk that the carrying values of goodwill may be impaired. The management has concluded that there is no impairment in respect of the goodwill. This conclusion was based on a value in use model that	Our audit procedures included, among others, using a valuation expert to assist us in evaluating the assumptions and methodologies used by the Group, in particular those relating to the forecasted revenue growth and profit margins for both the business lines of the subsidiary companies. We also focused on the adequacy of the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of goodwill.

required significant management judgement with respect to the discount rate and the underlying cash flows, in particular future revenue growth.	
b) Stock in trade	
Refer to note 10 to the consolidated financial statements. Ghani Global Glass Limited (the "GGGL") is engaged in manufacturing and sale of glass tubes, glass ware, vials and ampules. Raw material comprises of Silica Sand and other inputs. the GGGL held inventory of Rupees 277.071 million (2019: Rupees 264.374 million) which constitutes 11.38% of total assets as at reporting date. The valuation of stock is assessed on item by item basis taking into account their usability for market demand of finished products. The significance of balance coupled with the judgment involved in determining as appropriate costing basis has resulted in the valuation of inventories especially finished goods being identified as Key Audit Matter.	We performed a range of audit procedures with respect to inventory items of the GGGL that are: • Physical observation of inventory counts; • obtaining an understanding of internal controls over valuation of stock in trade and testing, on a sample basis, their design, implementation and operating effectiveness; • Test the reasonability of assumptions applied for valuation methods including allocation of direct labor and direct attributable overhead costs in accordance with the applicable accounting standards; and • To ensure inventory carries at lower of cost or NRV we performed tests on the sales prices secured by the GGGL for similar or comparable items of inventories. We also assessed the adequacy of the disclosure made in respect of the accounting policies and the details of inventory balances held by the GGGL at year end.
c) Revenue Recognition	
Refer to note 4.19 and 30 to the consolidated financial statements. Revenue includes amounts of revenue pertaining to Ghani Global Glass Limited amounting to Rupees 1,297.085 million (2019: Rupees 792.024 million) showing an increase of 63.77% as compared to corresponding year. The revenue recognition is identified as a key audit matter due to its significance as key indicator for performance of management and raises the risk that revenue could be misstated to meet expectations or targets.	We performed a range of audit procedures with respect to revenue recognition that are: • Obtained an understanding of the GGGL's processes and internal controls for revenue recognition and on a sample basis, tested the effectiveness of those controls, specifically in relation to recognition of revenue and timing thereof; • Reconciled revenue recorded in the books of account on a sample basis with underlying accounting records including dispatch and delivery documents; • Correlated the revenue transactions with movement in receivables and cash balances and compared with the results from our balance confirmation procedures; • Reviewed on a sample basis, sales transactions near the reporting date to assess whether transactions are recorded in relevant accounting period; and • Assessed the appropriateness of the GGGL's accounting policy for recording of sales and compliance of the policy with IFRS 15 'Revenue from Contracts with Customers' We also assessed the adequacy of the disclosure made in these consolidated financial statements.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to

modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Imran Bashir.

Rizwan & Co

Rizwan & Company
Chartered Accountants

Lahore: 02 OCT 2020

Ghani Global Holdings Limited and its Subsidiaries
Consolidated Statement of Financial Position
As at June 30, 2020

	Note	2020	2019
		(Rupees '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	5	5,432,520	4,865,972
Right of use asset	6	24,561	-
Intangible assets	7	357,331	360,293
Long term deposits	8	68,940	67,494
		5,883,352	5,293,759
Current assets			
Stores, spares and loose tools	9	206,270	203,794
Stock in trade	10	331,727	307,891
Trade debts	11	736,995	788,680
Loans and advances	12	115,571	396,798
Deposits, prepayments and other receivables	13	84,745	69,943
Tax refunds due from government		141,873	148,999
Advance income tax	14	466,799	558,364
Cash and bank balances	15	152,182	170,317
		2,236,162	2,644,786
TOTAL ASSETS		8,119,514	7,938,545
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
200,000,000 (2019: 200,000,000) ordinary shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid up share capital	16	1,533,059	1,533,059
Capital reserve - share premium	17	522,137	522,137
Unappropriated profit		400,903	539,872
Loan from sponsors	18	1,044,141	1,013,351
Attributable to the equity holders of the Holding Company		3,500,240	3,608,419
Non - Controlling Interests		300,366	281,149
Total equity		3,800,606	3,889,568
Non-current liabilities			
Long term financing	19	845,784	473,510
Redeemable capital - Sukuk	20	595,834	595,833
Long term security deposits	21	42,972	34,451
Long term payable	22	14,699	-
Right of use liabilities	23	2,741	-
Deferred liabilities	24	208,563	302,181
		1,710,593	1,405,975
Current liabilities			
Trade and other payables	25	481,761	336,702
Unclaimed dividend		844	844
Accrued profit on financing	26	93,611	80,320
Short term borrowings	27	1,786,151	1,683,471
Current portion of long term liabilities	28	212,998	522,350
Provision for taxation	37	32,950	19,315
		2,608,315	2,643,002
Total liabilities		4,318,908	4,048,977
TOTAL EQUITY AND LIABILITIES		8,119,514	7,938,545
CONTINGENCIES AND COMMITMENTS	29	-	-

The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.

ATIQUE AHMAD KHAN	ASIM MAHMUD	HAFIZ FAROOQ AHMAD
(CHIEF EXECUTIVE OFFICER)	(CHIEF FINANCIAL OFFICER)	(DIRECTOR)

Ghani Global Holdings Limited and its Subsidiaries
Consolidated Statement of Profit or Loss
For the Year Ended June 30, 2020

	Note	2020	2019
		(Rupees '000)	
Net sales	30	3,312,417	3,074,726
Cost of sales	31	(2,531,430)	(2,433,999)
Gross profit		780,987	640,727
Selling and distribution expenses	32	(288,015)	(291,369)
Administrative expenses	33	(192,634)	(207,481)
Other operating expenses	34	(53,081)	(20,950)
		(533,730)	(519,800)
Other income	35	26,782	21,362
Profit from operations		274,039	142,289
Finance costs	36	(456,647)	(313,734)
Loss before taxation		(182,608)	(171,445)
Taxation	37	62,856	(40,655)
Loss after taxation		(119,752)	(212,100)
Attributable to:			
Owners of the Holding Company		(138,969)	(138,052)
Non - Controlling Interests		19,217	(74,048)
		(119,752)	(212,100)
Earnings per share	38	(0.906)	(0.901)

The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.

ATIQUE AHMAD KHAN	ASIM MAHMUD	HAFIZ FAROOQ AHMAD
(CHIEF EXECUTIVE OFFICER)	(CHIEF FINANCIAL OFFICER)	(DIRECTOR)

Ghani Global Holdings Limited and its Subsidiaries
Consolidated Statement of Comprehensive Income
For the Year Ended June 30, 2020

	2020	2019
	(Rupees '000)	
Loss after taxation	**(119,752)**	(212,100)
Other comprehensive income / (loss)	**-**	-
Total comprehensive loss for the year	**(119,752)**	(212,100)
Attributable to:		
Owners of the Holding Company	**(138,969)**	(138,052)
Non - Controlling Interests	**19,217**	(74,048)
	(119,752)	(212,100)

The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.

ATIQUE AHMAD KHAN (CHIEF EXECUTIVE OFFICER)	**ASIM MAHMUD (CHIEF FINANCIAL OFFICER)**	**HAFIZ FAROOQ AHMAD (DIRECTOR)**

Ghani Global Holdings Limited and its Subsidiaries
Consolidated Statement of Cash Flows
For the Year Ended June 30, 2020

	Note	2020	2019
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operating activities	39	807,376	276,483
Finance costs paid		(443,233)	(270,711)
Income tax refunds		237,869	5,855
Income tax paid		(165,618)	(123,275)
		(370,982)	(388,131)
Net cash generated from / (used in) operating activities		436,394	(111,648)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in operating fixed assets		(48,232)	(121,331)
Capital expenditure incurred		(605,777)	(210,626)
Proceeds from disposal of operating fixed assets		1,764	23,767
Long term deposits		(1,446)	8,561
Net cash used in investing activities		(653,691)	(299,629)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing		219,671	343,483
Repayments of redeemable capital - Sukuk		(162,500)	(216,667)
Proceeds against loan from directors		30,790	19,940
Short term borrowings		102,680	183,408
Dividend paid		-	(9)
Proceeds from long term deposits		8,521	1,026
Net cash generated from financing activities		199,162	331,181
Net decrease in cash and cash equivalents		(18,135)	(80,096)
Cash and cash equivalents at the beginning of the year		170,317	177,733
Transfer under the scheme		-	72,680
Cash and cash equivalents at the end of the year	15	152,182	170,317

The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.

ATIQUE AHMAD KHAN	ASIM MAHMUD	HAFIZ FAROOQ AHMAD
(CHIEF EXECUTIVE OFFICER)	(CHIEF FINANCIAL OFFICER)	(DIRECTOR)

Ghani Global Holdings Limited and its Subsidiaries
Consolidated Statement of Changes in Equity
For the Year Ended June 30, 2020

	Share Capital	Capital reserve - share premium	Unappropriated profit	Loan from sponsors	Attributable to the equity holders of the Holding Company	Non - Controlling Interests	Total equity
				(Rupees "000")			
Balance as at June 30, 2018	1,322,682	460,198	677,924	259,050	2,719,854	6,979	2,726,833
Issuance of bonus shares	66,134	(66,134)	-	-	-	-	-
Issuance of shares under scheme of arrangement	144,243	128,073	-	734,361	1,006,677	-	1,006,677
NCI upon acquisition of GGGL	-	-	-	-	-	348,218	348,218
Loss attributable to non-controlling interest for the year	-	-	-	-	-	(74,048)	(74,048)
Total comprehensive income attributable to holding company	-	-	(138,052)	-	(138,052)	-	(138,052)
Loan received during the year	-	-	-	19,940	19,940	-	19,940
Balance as at June 30, 2019	**1,533,059**	**522,137**	**539,872**	**1,013,351**	**3,608,419**	**281,149**	**3,889,568**
Issuance of bonus shares	-	-	-	-	-	-	-
Income attributable to non-controlling interests for the year	-	-	**(19,217)**	-	**(19,217)**	**19,217**	-
Total comprehensive income attributable to holding company	-	-	**(119,752)**	-	**(119,752)**	-	**(119,752)**
Sponsors loan transfer upon acquisition	-	-	-	-	-	-	-
Loan received during the year	-	-	-	**30,790**	**30,790**	-	**30,790**
Balance as at June 30, 2020	**1,533,059**	**522,137**	**400,903**	**1,044,141**	**3,500,240**	**300,366**	**3,800,606**

The annexed notes from 1 to 52 form an integral part of these consolidated financial statements.

ATIQUE AHMAD KHAN (CHIEF EXECUTIVE OFFICER)	ASIM MAHMUD (CHIEF FINANCIAL OFFICER)	HAFIZ FAROOQ AHMAD (DIRECTOR)

1 THE GROUP AND ITS OPERATIONS

The Group consists of:

Holding Company
- Ghani Global Holdings Company Limited

Subsidiary Company
- Ghani Chemical Industries Limited
- Ghani Global Glass Limited

Ghani Global Holdings Limited
The Company was incorporated in Pakistan as a private limited company under the Companies Ordinance, 1984 (now the Companies Act, 2017) on November 19, 2007, converted into public limited company on February 12, 2008 and became listed on Pakistan Stock Exchange on January 05, 2010. The registered office of the Company is situated at 10-N Model Town Extension, Lahore. The principal activity of the Company is to manage investments in its subsidiaries.

Ghani Chemical Industries Limited
Ghani Chemical Industries Limited was incorporated in Pakistan as a private limited company on November 23, 2015 under the Companies Ordinance, 1984 (now the Companies Act, 2017), converted into public limited company on April 20, 2017. The Company is principally engaged in manufacturing, sales and trading of medical & industrial gases and chemicals. Ghani Global Holdings Limited has 99.39% (2019: 99.39%) ownership in the share capital of Ghani Chemical Industries Limited. The registered office and the head office of the Company is situated at 10-N, Model Town Extension, Lahore. The Company's production facilities are situated at Phool Nagar, District Kasur and Industrial Zone Port Qasim, Karachi. Further, the Company's liaison office is situated in Tarnol, District Rawalpindi.

The consolidated financial statements comprise the financial statements of Ghani Chemical Industries Limited and its subsidiaries and its subsidiary companies, A-One Prefabs (Private) Limited ("the Subsidiary Company"), Awal Engineering (Private) Limited ("the Subsidiary Company") and A-One Batteries (Private) Limited ("the Subsidiary Company") which are wholly owned subsidiaries as the Holding Company is the ultimate parent company. Consolidated financial statements are being made to comply with the requirements of section 228 of the Companies Act, 2017.

Ghani Gobal Glass Limited
Ghani Global Glass Limited was incorporated in Pakistan under the Companies Act, 2017 (then the Companies Ordinance, 1984) as a private limited company on October 04, 2007 as Ghani Tableware (Private) Limited. Its status was changed to public unlisted company, consequently its name was changed to Ghani Tableware Limited as on July 24, 2008. Name was further changed to Ghani Global Glass Limited on January 14, 2009 and became listed on Pakistan Stock Exchange on December 12, 2014 upon merger of Libaas Textiles Limited with and into the Company. Ghani Global Holdings Limited has 51.10% (2019: 51.10%) ownership in the share capital of Ghani Global Glass Limited.Ghani Global Glass Limited is principally engaged in manufacturing and sale of glass tubes, glass-ware, vials and ampules and chemicals. Registered office is situated at 10-N, Model Town Extension, Lahore and its manufacturing units are situated on 52-K.M. Lahore Multan Road, Phool Nagar District Kasur.

1.1 As per Scheme of Compromises, Arrangement and Reconstruction (the Scheme) as sanctioned by the Honorable Lahore High Court, Lahore on February 06, 2019, the Holding Company transferred its manufacturing undertaking to its subsidiary company namely Ghani Chemical Industries Limited (the GCIL) on July 08, 2019 with effect from effective date. After transfer of manufacturing undertaking to the GCIL, certain bills, invoices and contracts relating to the GCIL's business activities continued in the name of the Holding Company due to the completion of legal and procedural formalities (as fully explained in note 1.1 to the unconsolidated financial statements of the Holding Company). All such transactions have been eliminated while preparing these consolidated financial statements.

2 BASIS OF PREPARATION

2.1 These consolidated financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 (the Act), Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017 (the Act) and provisions of and directives issued under the Companies Act, 2017. However, provisions of and the directives issued under the Companies Act, 2017 have been followed where those provisions are not consistent with the requirements of the IFRSs as notified under the Companies Act, 2017.

2.2 Basis of consolidation

These consolidated financial statements include the financial statements of Ghani Global Holdings Limited, formerly known as Ghani Gases Limited ("the Holding Company") and its subsidiary companies, Ghani Chemical Industries Limited ("the Subsidiary Company"), which is 99.39% (2019: 99.39%) and Ghani Global Glass Limited ("the Subsidiary Company"), which is 50.10% (2019: 50.10%).

The Subsidiary Company

A subsidiary company is an entity over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. A subsidiary company is fully consolidated from the date on which control is transferred to the Group and is derecognized from the date the control ceases. These consolidated financial statements include the Holding Company and the subsidiary companies in which the Holding Company directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of the subsidiary companies is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities (including contingent liabilities) assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gain or losses arising from such measurement are recognized in the consolidated profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition is recorded as goodwill. If the cost of acquisition is less than fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill acquired in a business combination is, on the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination. Goodwill is tested annually or whenever there is an indication of impairment exists. Impairment loss in respect of goodwill is recognised in consolidated statement of profit or loss and is not reversed in future periods.

Any contingent considerations to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified an equity is not re-measured, and its subsequent settlement is accounted for within equity.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and the carrying value of investments held by the Holding Company is eliminated against the subsidiaries' shareholders' equity in the consolidated financial statements.

Inter-company transactions, balances and unrealized gains on transactions between the Group companies, are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by the Subsidiaries have been adjusted to conform with the Group's accounting policies.

Subsidiaries have same reporting period as that of the Holding Company. The accounting policies of subsidiaries have been changed to conform with accounting policies of the Group, wherever needed.

Changes in ownership interests in subsidiary without change of control

Transactions with non - controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the Subsidiary Company is recorded in equity. Gains or losses on disposals to non - controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is premeasured to its fair value, with the change in carrying amount recognized in consolidated statement of profit or loss. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed off the related assets or liabilities. This mean that amounts previously recognized in other comprehensive income are reclassified to consolidated statement of profit or loss.

2.3 INITIAL APPICATION OF STANDARDS, AMENDMENTS OR INTERPRETATIONS TO EXISTING STANDARDS

a) Standards, interpretations and amendments to published approved accounting standards that are effective in current year.

A number of new or amended standards became applicable for the current reporting period, and the Group had to change its accounting policies and make adjustments as a result of adopting the following standards:

- IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the consolidated statement of financial position, as the distinction between operating and finance leases are removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low value leases. The impact of this standard has been given in note 4.1.1.

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after January 01, 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax.

- Amendment to IFRS 9 'Financial Instruments' - Prepayment Features with Negative Compensation (effective for annual periods beginning on or after January 01, 2019). For a debt instrument to be eligible for measurement at amortized cost or FVOCI, IFRS 9 requires its contractual cash flows to meet the SPPI criterion - i.e. the cash flows are 'solely payments of principal and interest'. Some prepayment options could result in the party that triggers the early termination receiving compensation from the other party (negative compensation). The amendment allows that financial assets containing prepayment features with negative compensation can be measured at amortized cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9. The application of amendment is not likely to have an impact on Group's consolidated financial statements.

- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after January 01, 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The application of amendment has no impact on Group's consolidated financial statements.

- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after January 01, 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendment has no impact on Group's consolidated financial statements.

- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:

  - IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

  - IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.

  - IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

There are other amendments to published approved accounting and reporting standards and interpretations that are applicable for the financial year beginning on July 01, 2019 but are considered not to be relevant or do not have any significant effect on the Group's financial reporting and operations and, therefore, have not been presented in these consolidated financial statements.

b) New accounting standards, amendments and IFRIC interpretations that are not yet effective.

There are number of other standards, amendments to the published approved accounting and reporting standards and interpretations that are not yet effective and have not been early adopted by the Group and, therefore, have not been presented in these consolidated financial statements.

- Amendment to IFRS 3 'Business Combinations' - Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after January 01, 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after January 01, 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.

- On March 29, 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallise. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of January 01, 2020, unless the new guidance contains specific scope outs.

- Amendments to IFRS 9, IAS 39 and IFRS 7 -The amendments in Interest Rate Benchmark Reform (effective for annual periods beginning on or after January 01, 2020) clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.

- Covid-19-Related Rent Concessions (Amendment to IFRS 16) - The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

- Classification of liabilities as current or non-current (Amendments to IAS 1) effective for the annual period beginning on or after January 01, 2022. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.

- Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16); The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in consolidated profit or loss.

- The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after January 01, 2022:

    - IFRS 1 - The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

    - IFRS 9 - The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

    - IFRS 16 – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

    - IAS 41 - The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The above new standards, amendments and interpretations are not likely to have an impact on Group's consolidated financial statements. There are number of other standards, amendments and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Group and therefore, have not been presented here.

2.4 Functional and presentation currency

These consolidated financial statements are presented in Pak rupee, which is the functional and reporting currency for the Group.

3 BASIS OF MEASUREMENT

3.1 These consolidated financial statements have been prepared under the historical cost convention except for valuation of certain financial instruments at fair value and certain liabilities at amortised cost. In these consolidated financial statements, except for the amounts reflected in the consolidated statement of cash flows, all transactions have been accounted for on accrual basis.

3.2 Significant accounting judgments and critical accounting estimates / assumptions

The preparation of consolidated financial statements in conformity with the approved accounting standards require the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which estimate is revised and in any future periods affected. The areas where various assumptions and estimates are significant to the Group's consolidated financial statements or where judgments were exercised in application of accounting policies are as follows:

a) *Income tax*

The Group takes into account the current income tax law and the decisions taken by appellate authorities. Instances where the Group's view differs from the view taken by the income tax department at the assessment and appellate stages and where the Group considers that its views on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

b) *Useful lives, patterns of economic benefits and impairments*

Management has made estimates of residual values, useful lives and recoverable amounts of certain items of property, plant and equipment. Any change in these estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment loss.

c) *Allowance for expected credit loss*

The Group reviews its expected credit loss as per the requirement of IFRS 9 'Financial Instruments - Recognition and Measurement' for trade debts and other financial assets as at each reporting date to assess whether allowance should be recorded in the consolidated statement of profit or loss. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowances.

d) *Provision for slow moving / obsolete items*

The Group reviews the carrying values and impairment of stores, spares and loose tools to assess any diminution in the respective carrying values and wherever required provision for impairment is made. The calculation of the provision involves the use of estimates with regard to future estimated use and respective fair value of stores, spares and loose tools.

The Group reviews the carrying values and impairment of stores, spares and loose tools to assess any diminution in the respective carrying values and wherever required provision for impairment is made. The calculation of the provision involves the use of estimates with regard to future estimated use and respective fair value of stores, spares and loose tools.

e) *Recoverable amount of assets / cash generating units and impairment*

The Group reviews carrying amounts of its assets and cash generating units for possible impairment and makes formal estimates of recoverable amount, if there is any such indication. In making estimates of future cash flows from investments in subsidiary and associate, the management considers future dividend stream and an estimate of the terminal value of these investments, which are subject to change.

f) Provisions

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Group would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

g) Contingencies

The Group has disclosed its contingent liabilities for the pending litigations and claims against the Group based on its judgment and the advice of the legal advisors for the estimated financial outcome. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the reporting date. However, based on the best judgment of the Group and its legal advisors, the likely outcome of these litigations and claims is remote and there is no need to recognize any liability at reporting date.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Change in accounting policies

The Group has adopted IFRS 16 ‘Leases’ commencing July 01, 2019 which is effective from accounting period beginning on or after January 01, 2019:

4.1.1 IFRS 16 'Leases'

Effective January 01, 2019, the Group has adopted IFRS 16, "Leases" which replaces existing guidance on accounting for leases, including IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases - Incentive" and SIC-27 "Evaluating the substance of transactions involving the legal form of a Lease". IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right-of use of the underlying asset and a lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases.

The Group adopted IFRS 16 using modified retrospective approach with the date of initial application of July 01, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Accordingly the information presented for prior year has not been restated. The accounting polices relating to the Group's right-of-use assets and lease liabilities are as follows:

Lease liabilities and right-of-use assets

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

From July 1, 2019, leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Group.

The lease liabilities are initially measured at the present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Group is reasonably certain to exercise these options.

The lease liabilities are subsequently measured at amortised cost using the effective interest method. They are remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the respective right-of-use asset, or is recorded in the consolidated statement of profit or loss if the carrying amount of that right-of-use asset has been reduced to zero.

Right-of-use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use assets are amortised on a straight-line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The carrying amount of the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the corresponding lease liability.

The impact of adoption of IFRS 16 on the consolidated statement of financial position during the year is summarized below:

	(Rupees '000)
Assets	
Right of use assets	**2,618**
Liabilities	
Right of use liabilities	**2,618**

The right of use assets were recognised on the amount of total minimum lease payments and right of use liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The Group did not have any sub lease at the date of initial application.

The impact of adoption of IFRS 16 on the consolidated statement of profit or loss during the year is summarized below:

	(Rupees '000)
Decrease in rent expense	**(260)**
Increase in depreciation expense	**65**
Increase in finance costs	**383**

Right of use liabilities as at July 01, 2019 can be reconciled to the operating lease commitments as of June 30, 2020 as follows:

	(Rupees '000)
Operating lease commitments as of June 30, 2019	**31,392**
Effect of discounting	**2,788**
Operating lease commitments as of July 01, 2019	**28,604**
Incremental borrowing rate as at July 01, 2019	**14.63%**

4.2 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in consolidated statement of other comprehensive income, respectively.

Current

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years, if any.

Deferred

Deferred tax is recognized using balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan.

The Group recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax relating to items recognized outside the consolidated statement of profit or loss is recognized outside the consolidated statement of profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in consolidated other comprehensive income or directly in consolidated equity.

4.3 Loans and borrowings

Loans and borrowings are classified as financial liabilities at 'amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transactions costs. Subsequent to initial recognition, these are measured at amortised cost with any difference between cost and value at maturity recognised in the consolidated statement of profit or loss over the period of borrowings on effective profit rate.

4.4 Trade and other payables

Liabilities for trade and other amounts payable are carried at amortized cost which is the fair value of the consideration to be paid in the future for goods and services received.

4.5 Contingencies

A contingencies are disclosed when the Group has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Group; or the Group has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4.6 Provisions

A provision is recognised in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pre-tax rate reflects current market assessment of the time value of money and the risk specific to the obligation. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

4.7 Property, plant and equipment

4.7.1 *Owned*

These are stated at cost less accumulated depreciation and impairment, if any, except freehold land which is stated at cost. Cost of operating fixed assets comprises historical cost, borrowing cost and other expenditure pertaining to the acquisition, construction, erection and installation of these assets.

Residual value and the useful life of assets are reviewed at each financial year end and if expectations differ from previous estimates the change is accounted for as change in accounting estimate in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

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 Group and the cost of the item can be measured reliably. Normal repairs and maintenance costs are charged to statement of profit or loss as and when incurred.

Depreciation

Depreciation is charged to consolidated statement of profit or loss using the reducing balance method except for plant and machinery on which depreciation is charged on production hours basis and leasehold land on which depreciation is charged on straight line basis so as to write off the cost over the expected useful life of assets at rates, which are disclosed in notes to the consolidated financial statements. Depreciation on additions to property, plant and equipment is charged from the month in which the asset is available for use, while no depreciation is charged for the month in which the asset is disposed off.

De-recognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense in consolidated statement of profit or loss.

Capital work in progress

Capital work-in-progress represents expenditure on item of property, plant and equipment which are in the course of construction, erection or installation.

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. Transfers are made to respective property, plant and equipment category as and when assets are available for use.

4.8 Stores, spares and loose tools

These are stated at lower of cost or net realizable value. Cost is determined by using the weighted average method. Items in transit are valued at cost comprising invoice value, plus other charges paid thereon. Provision is also made for slow moving and obsolete items.

4.9 Stock in trade

These are stated at the lower of cost and net realizable value. The cost is determined as follows:

Raw and packing materials	At weighted average cost
Work in process	At weighted average manufacturing cost
Finished goods	At weighted average manufacturing cost
Items in transit	Cost comprising invoice values plus other charges incurred thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and selling expenses.

4.10 Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated statement of financial position at cost. For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash in hand and cash at bank which are subject to an insignificant risk of change in value.

4.11 Loans, advances, prepayments and trade deposits

These are initially recognized at cost, which is the fair value of consideration given. The Group assesses at each reporting date whether there is any indication that assets excluding inventory may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying value exceed recoverable amount, assets are written down to the recoverable amount and the difference is charged to the consolidated statement of profit or loss.

4.12 Impairment of non-financial assets

The carrying amount of the Group's non-financial assets, other than inventories and deferred tax assets 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 greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre tax discount rate that reflects current market assessments of the time value of money and the risk specific to the assets or cash generating unit.

An impairment loss is recognised if the carrying amount of the asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the consolidation statement of profit or loss. Impairment losses recognised in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on pro rata basis. Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used in determining the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

4.13 Employees' benefits

Defined contribution plan

The Group operates a funded employees' provident fund scheme for its permanent eligible employees. Equal monthly contributions at the rate of 8.33 percent of gross pay are made both by the Group and employees to the Fund.

Compensated absences

Compensated absences are accounted for employees of the Group on un-availed balance of leave in the period in which the absences are earned.

4.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets `are substantially ready for their intended use or sale. All other borrowing costs are charged to the consolidated statement of profit or loss whenever incurred. Finance cost is accounted for on accrual basis.

4.15 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income. Other comprehensive income comprises items of income and expense, including reclassification adjustments, that are not recognized in the consolidated profit or loss as required or permitted by approved accounting standards.

4.16 Foreign currency translation

Transactions in foreign currency are translated to the functional currency of the Group using exchange rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at exchange rate prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated to the functional currency at exchange rate prevailing at the date the fair value is determined. Non-monetary assets and liabilities denominated in foreign currency that are measured at historical cost are translated to functional currency at exchange rate prevailing at the date of initial recognition. Any gain or loss arising on translation of foreign currency transactions and balances is recognized in the consolidated statement of profit or loss.

4.17 Dividends

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

4.18 Intangible assets

Goodwill

Goodwill represents the difference between the cost of the acquisition (fair value of consideration paid) and the fair value of the net identifiable assets acquired. Goodwill is stated at cost less any identified impairment loss.

Software

Software is stated at cost less accumulated amortization and any identified impairment loss. An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Group and that the cost of such asset can also be measured reliably.

Software is amortized using straight line method at the rates given in notes to the consolidated financial statements. Amortization is charged to consolidated statement of profit or loss from the month in which the asset is available for use. Amortization on additions is charged on pro-rata basis from the month in which asset is put into use, while for disposals, amortization is charged up to the month of disposal.

Subsequent expenditure on intangible asset is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All expenditures are charged to income as and when incurred. Gain or loss arising on disposal and retirement of intangible asset is determined as a difference between the net disposal proceeds and carrying amount of the asset is recognized as income or expense in the consolidated statement of profit or loss immediately.

4.19 Revenue recognition

Revenue is recognised at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods or services to a customer. Revenue is measured at the fair value of the consideration received or receivable, and is recognised on the following basis:

- Revenue from sale of goods is recognised when or as performance obligations are satisfied by transferring control (i.e. at the time of transfer of physical possession) of a promised good or service to a customer, and control either transfers over time or at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates and government levies;
  Export sales are recognised as revenue when invoiced with the transfer of control of goods, which coincides either with the date of bill of lading or upon delivery to customer or its representative, based on terms of arrangement;

- Profit on bank deposits is recognized on time proportion basis taking into account principal outstanding and rates of profit applicable thereon;
- Any profit on loans and advances is recognized on time proportion basis using effective rate of return; and
- Rental income is recognized on accrual basis when the amount is being receivable by the Group as per relevant assessment.

4.20 Operating segments

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Group’s other components. An operating segment’s operating results are reviewed regularly by the chief executive officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Group's format for segment reporting is based on its products and services.

Segment results that are reported to the chief executive officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those income, expenses, assets, liabilities and other balances which can not be allocated to a particular segment on a reasonable basis are reported as unallocated. Transactions among the business segments are recorded at cost. Inter segment sales and purchases are eliminated from the total.

4.21 Earnings per share

Basic EPS is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in consolidated profit or loss attributable to ordinary shareholders of the Group that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

4.22 Related party transactions and transfer pricing

Transactions and contracts with the related parties are based on the policy that all transactions between the Group and related parties are carried out at commercial terms and conditions.

4.23 Share capital

Ordinary shares of the Holding Company are classified as share capital.

4.24 Trade debts and other receivables

Trade debts and other receivables are stated initially at fair value of consideration to be received and subsequently measured at amortised cost using the effective interest rate method. Allowance for impairment is made on the basis of lifetime expected credit losses that result from all possible default events over the expected life of the trade debts and other receivables. Bad debts are written off when considered irrecoverable.

4.25 Financial instruments

4.25.1 Initial Recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortised cost or cost as the case may be.

a) Classification of financial assets

The Group classifies its financial instruments at 'fair value through profit and loss', at fair value through other comprehensive income, or at amortised cost. The Group determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Group’s business model for managing the financial assets and their contractual cash flow characteristics. Financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are recognised subsequently at amortised cost. Financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at 'fair value through other comprehensive income'. By default, all other financial assets are subsequently measured at 'fair value through profit or loss'.

b) Classification of financial liabilities

The Group classifies its financial liabilities at fair value through profit or loss, or at amortised cost. Financial liabilities are measured at amortised cost, unless they are required to be measured at fair value through profit or loss (such as instruments held for trading or derivatives) or the Group has opted to measure them at fair value through profit or loss.

4.25.2 Subsequent measurement

Financial assets and liabilities at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

Financial assets and liabilities carried at fair value through profit or loss are initially recorded at fair value and transaction costs are expensed in the consolidated statement of profit or loss and other comprehensive income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at fair value through profit or loss are included in the consolidated statement of profit or loss and other comprehensive income in the period in which they arise. Where management has opted to recognise a financial liability at fair value through profit or loss, any changes associated with the Group’s own credit risk will be recognized in other comprehensive income/(loss). Currently, there are no financial liabilities designated at fair value through profit or loss.

4.25.3 Impairment of financial assets at amortised cost

The Group recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

4.25.4 Derecognition

The Group derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in consolidated profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to consolidated profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to the consolidated profit or loss, but is transferred to the consolidated the statement of changes in equity.

The Group derecognises financial liabilities only when its obligations under the financial liabilities are discharged or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the consolidated statement of profit or loss and other comprehensive income.

4.25.5 Off setting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount is reported in the consolidated statement of financial position if the Group has a legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.26 Government grants

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

The Group recognises government grants when there is reasonable assurance that grants will be received and the Group will be able to comply with conditions associated with grants. Government grants are recognised at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Group will be able to comply with the conditions associated with the grants. Grants that compensate the Group for expenses incurred, are recognised on a systematic basis in the income for the year in which the related expenses are recognised. Grants that compensate for the cost of an asset are recognised in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognised and subsequently measured in accordance with IFRS 9 - 'Financial Instruments'. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	**2020**	2019
		(Rupees '000)	
Operating fixed assets	**5.1**	**5,357,365**	4,784,927
Capital work in progress - at cost	**5.2**	**75,155**	81,045
		5,432,520	4,865,972

5.1 Operating fixed assets

	Owned assets									Total
	Freehold land	Leasehold land	Building	Plant and machinery	Furnace	Furniture and fixture	Office equipment	Computers	Vehicles	
	-----------------------------------R upees '000-----------------------------------									
Cost										
Balance as at July 01, 2018	196,857	25,826	303,981	2,738,060	347,659	29,906	4,351	10,458	78,285	3,735,383
Additions during the year	7,745	639	701	22,067	32,510	4,443	1,801	269	51,156	121,331
Transfer under Scheme	37,793	-	132,949	1,523,789	-	6,930	2,000	1,877	27,256	1,732,594
Transfers / adjustment	-	-	818	186,942	3,404	-	-	-	-	191,164
Disposals during the year	(14,028)	-	-	(150)		-	-	-	(15,951)	(30,129)
Balance as at June 30, 2019	228,367	26,465	438,449	4,470,708	383,573	41,279	8,152	12,604	140,746	5,750,343
Balance as at July 01, 2019	**228,367**	**26,465**	**438,449**	**4,470,708**	**383,573**	**41,279**	**8,152**	**12,604**	**140,746**	**5,750,343**
Additions during the year	**31,000**	**-**	**7,263**	**736,404**	**18,629**	**3,562**	**2,498**	**661**	**50**	**800,067**
Reclassified under IFRS 16	**-**	**(26,465)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(26,465)**
Transfers / adjustments	**(118,770)**	**118,770**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disposals during the year	**-**	**-**	**-**	**(3,061)**	**-**	**-**	**-**	**-**	**(7,747)**	**(10,808)**
Balance as at June 30, 2020	**140,597**	**118,770**	**445,712**	**5,204,051**	**402,202**	**44,841**	**10,650**	**13,265**	**133,049**	**6,513,137**
Depreciation										
Balance as at July 01, 2018	-	3,394	122,730	293,040	86,747	13,171	1,584	6,767	34,057	561,490
Charge for the year	-	530	28,742	107,845	34,190	2,375	493	1,406	17,620	193,201
Depreciation on transfer	-	-	27,922	180,659	-	1,834	287	1,007	9,255	220,964
Depreciation on disposals	-	-	-	(20)	-	-	-	-	(10,219)	(10,239)
Balance as at June 30, 2019	-	3,924	179,394	581,524	120,937	17,380	2,364	9,180	50,713	965,416
Balance as at July 01, 2019	**-**	**3,924**	**179,394**	**581,524**	**120,937**	**17,380**	**2,364**	**9,180**	**50,713**	**965,416**
Charge for the year	**-**	**-**	**26,399**	**127,587**	**23,550**	**2,625**	**767**	**1,128**	**16,866**	**198,922**
Reclassified under IFRS 16	**-**	**(3,924)**	**-**	**-**		**-**	**-**	**-**	**-**	**(3,924)**
Depreciation on disposals	**-**	**-**	**-**	**(203)**		**-**	**-**	**-**	**(4,439)**	**(4,642)**
Balance as at June 30, 2020	**-**	**-**	**205,793**	**708,908**	**144,487**	**20,005**	**3,131**	**10,308**	**63,140**	**1,155,772**
Rate of depreciation										
WDV as at June 30, 2019	228,367	22,541	259,055	3,889,184	262,636	23,899	5,788	3,424	90,033	4,784,927
WDV as at June 30, 2020	**140,597**	**118,770**	**239,919**	**4,495,143**	**257,715**	**24,836**	**7,519**	**2,957**	**69,909**	**5,357,365**

5.1.1 Particulars of operating fixed assets disposed of during the year having net book value of Rupees five hundred thousand or more are as follows:

Description	Cost	Accumulated Depreciation	Net Book Value	Sale price	Gain / (Loss)	Mode of disposal	Particulars of purchaser
	(Rupees '000)						
Vehicles							
Toyota Camry	3,700	(3,148)	552	1,300	748	Negotiation	Mr. Muhammad Rizwan
Honda Civic	2,714	(825)	1,889	3,225	1,336	Negotiation	Mr. Shafiq Awan
Suzuki Cultus	1,280	(421)	859	452	(407)	Negotiation	Mr. Khizer Tahir - (Ex-employee)
Plant & Machinery							
Liquid Portable Cylinders	865	-	865	3,400	2,535	Negotiation	Government General Hospital Faisalabad
Liquid Gas Tank	1,928	(165)	1,763	5,719	3,956	Negotiation	Tehseen Oxygen
Cylinder Compressed	268	(38)	230	410	180	Negotiation	Oil and Gas Development Company Limited

5.1.2 Particulars of immovable property in the name of the Group are as follows:

Location	Usage of immovable property	Total Area	Covered Area
			In sq. ft
1) 52 - Km, Phool Nagar, District Kasur	Manufacturing facility (Gases)	113 Kanal 8 marla and 90 feet	67,031
2) Mouza Parna, Phool Nagar, Tehsil Pattoki, District Kasur	Industrial land	191 Kanal and 19 marla	-
3) Plot No. 09 to 24, Zone -B, Hattar	Open plot	134 Kanal (16.75 Acre)	-
4) Sarai Kharbuza, Tarnol, District Islamabad	Open plot	7 Kanal	-

5.1.3 Leasehold rights land located at Hattar under KPEZDMC is still under provisional allotment therefore at this point of time, this has been carried as leasehold land.

5.1.4 As at June 30, 2020, plant and machinery includes vacuum insulated evaporator tanks installed at certain customers' sites for supply of gases products. These assets are secured against deposits as disclosed in note 21. Cost and net book values of such Vacuum insulated evaporator tanks are as follows:

	2020	2019	**2020**	2019
	(Rupees '000)		**(Rupees '000)**	
	Cost		Net Book Value	
Vacuum insulated evaporator tanks	**162,395**	162,395	**132,505**	135,091

		Note	2020	2019
			(Rupees '000)	
5.1.5	Depreciation for the year has been allocated as follows:			
	Cost of sales		**173,778**	168,508
	Administrative expenses		**25,144**	24,693
			198,922	193,201

		Note	2020	2019
5.2	**CAPITAL WORK IN PROGRESS - AT COST**			
	Civil works	**5.2.1**	**58,929**	58,929
	Plant and machinery	**5.2.2**	**3,618**	22,116
	Advances to suppliers		**12,608**	-
			75,155	81,045
5.2.1	**Civil works**			
	Opening balance		**58,929**	27,538
	Transfer upon acquisition GGGL		**-**	30,427
	Additions during the year		**-**	1,782
	Capitalized during the year		**-**	(818)
	Closing balance		**58,929**	58,929
5.2.2	**Plant and machinery**			
	Opening balance		**22,116**	3,618
	Additions during the year		**702,337**	208,844
	Capitalized during the year	**5.2.3**	**(720,835)**	(190,346)
	Closing balance		**3,618**	22,116

5.2.3 Capitalisation includes direct expenses relating to Plant amounting to Rupees 178.592 million including borrowing costs amounting to Rupees 6.390 million (2019: Rupees Nil).

		Note	2020	2019
			(Rupees '000)	
6	**RIGHT OF USE ASSETS**			
			-	-
	Opening		**26,465**	-
	Reclassified from operating fixed assets under IFRS 16		**2,618**	-
	Recognised during the year		**29,083**	-
	Amortisation		**(3,924)**	-
	Balance transferred from operating fixed assets	**6.1**	**(598)**	-
	Amortised during the year		**(4,522)**	-
	Closing		**24,561**	-

6.1 Amortisation charge for the year on right of use assets has been calculated by using straight line method over the lease term i.e. 50 years and allocated to administrative expenses. Right of use over leasehold land which is located at 53 - A, Industrial Zone Port Qasim, Karachi with an area of 40 Kanal for which covered area is 17,045 sq. ft.

		Note	2020	2019
			(Rupees '000)	
7	**INTANGIBLE ASSETS**			
	Software	**7.1**	**8,637**	11,599
	Goodwill	**7.2**	**348,694**	348,694
			357,331	360,293

		Note	2020	2019
			(Rupees '000)	
7.1	*Software*			
	Cost			
	Opening balance		**14,808**	14,808
	Additions during the year - at cost		**-**	-
	Closing balance		**14,808**	14,808
	Amortisation			
	Opening balance		**3,209**	247
	Amortisation charged during the year	**7.1.1**	**2,962**	2,962
	Closing balance		**6,171**	3,209
	Net book value		**8,637**	11,599

7.1.1 Software has been amortised at the rate of 20% (2019: 20%) of costs and allocated to administrative expenses.

		2020	2019
		(Rupees '000)	
7.2	*Goodwill*		
	Opening balance	**348,694**	70
	Transfer upon acquisition of GGGL	**-**	19,794
	Goodwill originated	**-**	328,830
		348,694	348,694
	Less: Impairment	**-**	-
		348,694	348,694

7.2.1 Goodwill represents the difference between the cost of the acquisition (fair value of consideration paid) and the fair value of the net identifiable assets acquired at the time of merger of Ghani Southern Gases (Private) Limited, Libaas Textile Limited and Ghani Global Glass Limited with and into the Holding Company.

7.2.2 At each reporting date, an assessment is made as to whether there is any indication that goodwill may be impaired. These tests require the use of estimates to calculate recoverable amounts. The recoverable amount of goodwill attributable to cash-generating units is determined based on value-in-use calculations. These calculations use financial budgets and plans covering five-year periods unless a longer period can be justified. Key assumptions used in the financial budgets and plans are revenue growth and margins. Cash flows beyond these periods are extrapolated using rates of growth and profitability. The management of the Company has used applicable discount rates and these discount rates are pre-tax and reflect the specific risks relating to the relevant cash-generating unit.

		2020	2019
		(Rupees '000)	
8	**LONG TERM DEPOSITS**		
	Considered good:		
	Security deposits for utilities	**65,298**	63,885
	Security deposits for rented premises	**3,006**	2,973
	Deposits against Ijarah facilities	**586**	586
	Central Depository Company of Pakistan (CDC)	**50**	50
		68,940	67,494

8.1 These have been deposited against utilities, rented premises, Ijarah facilities and others are refundable on completion or termination of contracts in accordance with terms of contract. Due to uncertainties regarding dates of refund of these deposits, these have been carried at cost.

		2020	2019
		(Rupees '000)	
9	**STORES, SPARES AND LOOSE TOOLS**		
	Stores	**36,749**	39,317
	Spare parts	**168,763**	163,794
	Loose tools	**758**	683
		206,270	203,794

		Note	2020	2019
			(Rupees '000)	
10	**STOCK IN TRADE**			
	Raw material		**79,367**	42,713
	Work in progress		**4,932**	8,116
	Finished goods	**10.1**	**247,428**	257,062
			331,727	307,891

10.1 This includes finished goods in transit in the transportation vehicles amounting to Rupees 4.126 million (2019: Rupees 4.079 million).

		Note	2020	2019
			(Rupees '000)	
11	**TRADE DEBTS**			
	Considered good			
	Unsecured		**736,995**	788,680
	Considered doubtful		**20,924**	11,113
			757,919	799,793
	Allowance for expected credit loss	**11.1**	**(20,924)**	(11,113)
			736,995	788,680

11.1 Allowance for expected credit loss

	2020	2019
As at July 01	**11,113**	2,841
Charge for the year	**9,811**	8,272
As at June 30	**20,924**	11,113

11.2 Trade debts amounting to Rupees 151.750 million were due (either past due or overdue) but not impaired as allowance for expected credit loss. These balances relate to various customers, primarily government organizations, for whom there is no recent history of default. The aging analysis of these trade debts is as follows:

	2020 (Rupees '000)
Upto 1 month	**42,510**
31 to 60 days	**12,871**
61 to 90 days	**11,925**
91 to 180 days	**30,615**
181 to 365 days	**27,856**
Above 365 days	**25,973**
	151,750

		2020	2019
		(Rupees '000)	
12	**LOANS AND ADVANCES**		
	Unsecured and considered good:		
	Advances to:		
	- Employees against expenses	**3,834**	4,775
	- Employees against salary	**6,299**	25
	- Suppliers and contractors	**97,234**	300,740
	- Due from related party	**480**	480
	- Advance against imports	**3,811**	81,915
	- Advances to collector of customs	**5,398**	10,348
		117,056	398,283
	Allowance for impairment	**(1,485)**	(1,485)
		115,571	396,798

12.1 Due from related parties

Name of related party	Gross due amount	Past due amount	Provision	Reversal of provision	Written off	Net amount	Maximum amount outstanding at any month during the year
	(Rupees '000)						
2020							
Ghani Engineering (Private) Limited	**480**	**-**	**-**	**-**	**-**	**480**	**480**
Total	**480**	**-**	**-**	**-**	**-**	**480**	**480**
2019							
Ghani Engineering (Private) Limited	480	-	-	-	-	480	480
Total	480	-	-	-	-	480	480

12.2 Age analysis of amount due from related parties

Name of related party	Amount not past due	Amount past due					Total gross amount due
		1-30 days	31-60 days	61-90 days	91-365 days	Above 365 days	
	(Rupees '000)						
2020							
Ghani Engineering (Private) Limited	**-**	**-**	**-**	**-**	**-**	**480**	**480**
Total	**-**	**-**	**-**	**-**	**-**	**480**	**480**
2019							
Ghani Engineering (Private) Limited	480	-	-	-	-	-	480
Total	480	-	-	-	-	-	480

	Note	2020	2019
		(Rupees '000)	
13 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Considered good:			
Trade deposits		**67,030**	61,283
Short term prepayments		**2,375**	2,559
Bank guarantee margin		**10,771**	4,364
Bank profit receivables		**143**	1,737
Workers' profit participation fund		**4,426**	-
		84,745	69,943
14 ADVANCE INCOME TAX			
Advance income tax	14.1	**466,799**	558,364
14.1 Opening balance		**558,364**	69,708
Transfer under the scheme		**-**	379,123
Income tax paid during the year		**165,550**	118,866
		723,914	567,697
Refund of income tax received		**(237,869)**	(5,855)
Adjusted against income tax payable		**(19,246)**	(3,478)
Closing balance		**466,799**	558,364

		Note	2020	2019
			(Rupees '000)	
15	**CASH AND BANK BALANCES**			
	Cash in hand		**549**	533
	Balances with banks in:			
	Current accounts		**60,695**	31,279
	Deposit accounts	**15.2**	**90,938**	138,505
			151,633	169,784
			152,182	170,317

15.1 The Group have banking relationship with islamic windows of conventional banking system as well as shariah compliant banks only.

15.2 The rate of return on deposit accounts ranges from 1% to 7.06% (2019: 1.00% to 10.49%) per annum.

		Note	2020	2019
			(Rupees '000)	
16	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL**			
	122,956,711 (2019: 122,956,711) Ordinary shares of Rupees 10 each fully paid in cash		**1,229,567**	1,229,567
	13,000 (2019: 13,000) Ordinary shares of Rupees 10 each issued for consideration other than cash under scheme of arrangement for amalgamation	**16.1**	**130**	130
	14,424,253 (2019: 14,424,253) Ordinary shares of Rupees 10 each issued for consideration other than cash under Scheme of compromises, arrangement and reconstruction	**16.2**	**144,243**	144,243
	15,911,860 (2019: 15,911,860) Ordinary shares of Rupees 10 each issued as fully paid bonus shares		**159,119**	159,119
			1,533,059	1,533,059

16.1 The process for amalgamation of Ghani Southern Gases (Private) Limited with and into the Holding Company as on May 15, 2012 resulted in issuance of shares for consideration other than cash.

16.2 The process for amalgamation of Scheme of compromises, arrangement and reconstruction among the shareholders of Ghani Gases Limited, Ghani Global Glass Limited and Ghani Chemical Industries Limited as sanctioned by Honorable Lahore High Court, Lahore on February 06, 2019 resulted in issuance of 14,424,253 shares to the sponsoring shareholders of the Ghani Global Glass Limited for consideration other than cash.

16.3 Movement to the issued, subscribed and paid-up share capital of the Holding Company is as follows:

2020	2019		2020	2019
(No. of Shares)			(Rupees '000)	
153,305,824	132,268,163	Opening balance	**1,533,059**	1,322,682
-	6,613,408	Bonus shares issued	**-**	66,134
-	14,424,253	Shares issued pursuance to Scheme of Compromises, Arrangement and Reconstruction	**-**	144,243
153,305,824	153,305,824	Closing balance	**1,533,059**	1,533,059

17 CAPITAL RESERVE - SHARE PREMIUM

This includes balance amount of share premium received by the Holding Company on 2,500,000 ordinary shares at the rate of Rupees 5 per share, share premium on 7,000,000 ordinary shares issued at Rupees 2.50 each, share premium on 43,019,834 ordinary shares at the rate of Rupees 10 each and share premium of Rupees 128.073 million on issue of 14,424,253 shares to the sponsors of Ghani Global Glass Limited under the scheme.

Share premium may be utilized by the Holding Company only for the purpose specified in Section 81 of the Companies Act, 2017. During the year, the Holding Company has utilised share premium amounting to Rupees Nil (2019: Rupees 66.134 million) with the provisions of Section 81 of the Companies Act, 2017.

		2020	2019
		(Rupees '000)	
18	**LOANS FROM SPONSORS**		
	Unsecured loan		
	Opening balance	**1,013,351**	761,961
	Transfer under the Scheme	**-**	231,450
	Loan received during the year	**98,800**	306,620
	Loan repaid during the year	**(68,010)**	(286,680)
	Closing balance	**1,044,141**	1,013,351

18.1 The loan obtained from sponsors of the Group to meet the liquidity requirements of the Group, which is unsecured and interest free. There is neither fixed tenure of loan nor there is any schedule for repayment of loan. The repayment is at the discretion of the Group. In line with Technical Release - 32 (TR 32 - Accounting Directors' Loan) issued by the Institute of Chartered Accountants of Pakistan (ICAP), these loans are shown as part of equity.

		Note	2020	2019
			(Rupees '000)	
19	**LONG TERM FINANCING**			
	From Banking Companies - secured:			
	Diminishing Musharakah	**19.2**	**4,098**	7,085
	Diminishing Musharakah	**19.3**	**6,727**	20,912
	Diminishing Musharakah	**19.4**	**42,289**	64,509
	Diminishing Musharakah	**19.5**	**436,338**	129,450
	Diminishing Musharakah	**19.6**	**11,409**	768
	Diminishing Musharakah	**19.7**	**153,600**	192,000
	Diminishing Musharakah	**19.8**	**60,631**	86,992
	Islamic Refinance Facility	**19.9**	**45,698**	-
	Syndicate Financing Facility	**19.10**	**149,164**	223,746
	From Islamic Financial Institution - secured			
	Diminishing Musharakah	**19.11**	**34,723**	53,732
	From Sponsoring Directors - Unsecured	**19.12**	**52,000**	
			996,677	779,194
	Current portion taken as current liability	**28**	**(150,893)**	(305,684)
			845,784	473,510

		2020	2019
19.1	Balance at beginning of year	**779,194**	59,470
	Availed/adjustment during the year	**417,853**	550,211
	Transfer upon acquisition of GGGL	**-**	376,241
		1,197,047	985,922
	Repayment/adjustment during the year	**(200,370)**	(206,728)
	Balance at the end of year	**996,677**	779,194

19.2 This represents diminishing musharakah facility having credit limit of Rupees 10 million (2019: Rupees 10 million) availed from banking company for purchase of vehicles. The term of the agreement is 3 years. The balance is repayable in 36 installments. It carries profit rate of 6 months KIBOR plus 100 BPS (2019: 6 months KIBOR plus 100 BPS). It is secured against ownership of Diminishing Musharakah assets in favor of the banking company.

19.3 This represents diminishing musharakah facility having credit limit of Rupees 50 million (2019: Rupees 50 million) availed from banking company for purchase of machinery and equipments for a period of 3 years. The balance is repayable in 36 equal monthly installments. It carries profit rate of 6 months KIBOR plus 100 BPS (2019: 6 months KIBOR plus 100 BPS). The facility is secured against ownership of Diminishing Musharakah assets in favor of the banking company, customer share of at least 10% and personal guarantee of three sponsoring directors of the Group.

19.4 This represents diminishing musharakah facility having credit limit of Rupees 90 million (2019: Rupees 90 million) availed from banking company to finance machinery and equipments for a period of 3 years. The balance is repayable in 36 equal monthly installments. It carries profit rate of 1 year KIBOR plus 80 BPS (1 year KIBOR plus 80 BPS). The facility is secured against first ranking pari passu charge on fixed assets and personal guarantee of three sponsoring directors of the Group. As per regulatory relief provided by the SBP, the current portion has been deferred for the period of one year by the bank because of pandemic Covid-19.

19.5 This represents diminishing musharakah facility having credit limit of Rupees 450 million (2019: Rupees 450 million) availed from banking company to finance machinery and equipments for a period of 5 years including 1 year grace period. The balance is repayable in 16 equal quarterly installments. It carries profit rate of 3 month KIBOR plus 100 BPS (2019: 3 month KIBOR plus 100 BPS). The facility is secured against ranking charge with 25% margin aggregating Rupees 600 million over all plant and machinery which will be upgraded to first pari passu charge within 120 days from the date of first drawdown of the facility for plant and machinery. As per regulatory relief provided by the SBP, the current portion has been deferred for the period of one year by the bank because of pandemic Covid-19.

19.6 This represents diminishing musharakah facility having credit limit of Rupees 16.988 million (2019: Rupees 17.874 million) availed from banking company for purchase of vehicles. The term of the agreement is 3 to 5 years. The balance is repayable in monthly / quarterly equal installments in arrears. It carries profit rate of 6 months KIBOR plus 1.75% Per annum (2019: 6 months KIBOR plus 1.75%) floor 8% and Cap 18% (2019: floor 8% and Cap 18%). It is secured against 10% security deposit and post dated cheques / debit authority for entire tenure.

19.7 This represents diminishing musharakah facility having credit limit of Rupees 172.8 million (2019: Rupees 192 million) availed from banking company for import of machinery. The term of the agreement is 3 years. The balance is repayable in quarterly installments. It carries profit rate of 3 months KIBOR plus 1.95% Per annum (2019: 6 months KIBOR plus 1.95%) with floor 8% and Cap 18% (2019: floor 8% and Cap 18%). It is secured agaist exclusive charge over fixed assets (machinery) amounting to Rupees 240 million. As per regulatory relief provided by the SBP, the current portion has been deferred for the period of one year by the bank because of pandemic Covid-19.

19.8 This represents diminishing musharakah facility having credit limit of Rupees 94.90 million (2019: Rupees 94.90 million) availed from banking company for import of machinery. The term of the agreement is 3 years. The balance is repayable in monthly installments. It carries profit rate of 1 month KIBOR plus 1.5% Per annum (2019: 1 months KIBOR plus 1.5%). It is secured agaist specific charge on machinery amounting to Rupees 125 million with 20 % net off value Rupees 100 million registered with SECP, cross corporate guarantee of Ghani Global Holding Limited. Due to Covid 19 global outbreak, bank deferred the loan installments of different tranches for the period of one year as a relief to the Group.

	2020	2019
	(Rupees '000)	
19.9 Islamic refinance facility		
Facility obtained during the year	**49,604**	-
Less: Deferred income	**(3,906)**	-
	45,698	-

This represents diminishing musharakah facility having credit limits of Rupees 86 million (2019: Rupees Nil) under islamic refinance scheme for the payment of salaries and wages to workers and employees of the Group to dampen the effect of Covid-19 for a period of 2.5 years including 06 months grace period. The repayment will be made in 8 equal quarterly installments after grace period and will start from January 2021. It carries SBP rate plus 3% (2019: Nil). The facility is secured against first Joint Pari Passu Charge of Rupees 300 million over plant and machinery and personal guarantee of three sponsoring directors of the Group.

19.10 This facility was obtained to establish a tubing glass manufacturing plant having credit limit of Rupees 600 million (2019: Rupees 600 million), carrying profit at the rate of 3 month KIBOR plus 1.95% per annum (2019: 3 month KIBOR plus 1.95% per annum) repayable quarterly and is secured against first pari passu charge on all present and future fixed assets for Rupees 800 million and corporate guarantee of the Holding Company with grace period for principal repayment of 24 months from the date of first drawdown. The term of the agreement is six (6) years including grace period. As per regulatory relief provided by the SBP, the current portion has been deferred for the period of one year by the bank because of pandemic Covid-19.

19.11 This Islamic finance facility carries profit ranging from 6 months KIBOR plus 100 BPS to 125 BPS (2019: 6 months KIBOR plus 100 BPS to 125 BPS). This Islamic finance facility having credit limit of Rupees 63 million (2019: Rupees 63 million) is secured against ownership of Diminishing Musharakah assets in favor of financial institution. This finance facility is repayable in monthly installments.

19.12 These unsecured loans were provided by sponsoring directors to meet capital expenditure requirements of the Group and is repayable after 5 years at the discretion of lender. Profit rates on these loans ranges from 1-month KIBOR to 3-months KIBOR (2019: Nil). Profit will be paid on monthly basis.

		Note	2020	2019
			(Rupees '000)	
20	**REDEEMABLE CAPITAL - SUKUK**			
	Long Term Certificates (Sukuk)	**20.1**	**650,000**	812,500
	Current portion taken as current liability	**28**	**(54,166)**	(216,667)
			595,834	595,833
20.1	Balance at the beginning of the year		**812,500**	-
	Transfer under the Scheme		**-**	1,029,167
			812,500	1,029,167
	Repayment during the year		**(162,500)**	(216,667)
	Balance at the end of the year		**650,000**	812,500

20.2 The Group had issued Rated, Privately Placed and Secured Long Term Islamic Certificates (Sukuk) as instrument of redeemable capital under Section 120 of the Companies Ordinance 1984 (Now the Companies Act, 2017) amounting to Rupees 1,300 million divided into 13,000 certificates of Rupees 100,000 each for a period of 6 years under an agreement dated December 22, 2016 for swapping of financing facilities and to meet business requirements. The said certificates are redeemable in 24 consecutive quarterly installments commenced from February 03, 2017 and ending on February 03, 2023. Rental is payable on quarterly basis along with redemption of certificates. It carries profit rate of 3 months KIBOR plus 100 BPS (2019: 3 months KIBOR plus 100 BPS). These certificates are secured against first pari passu charge over present and future fixed assets of the Group to the extent of Rupees 1,625 million. As per regulatory relief provided by the SBP, the current portion has been deferred for the period of one year by the bank because of pandemic Covid-19.

		Note	2020	2019
			(Rupees '000)	
21	**LONG TERM SECURITY DEPOSITS**			
	Security deposits	**21.2**	**42,972**	34,451
21.1	*Bifurcation of security deposits is as under:*			
	Security deposit for services to be provided and utilizable for group business		**-**	-
	Security deposit utilized for the purpose of the business in accordance with written agreements		**42,972**	34,451
	Amount kept in separate bank account		**-**	-
			42,972	34,451

21.2 These represent amounts received from the customers on installation of certain equipment and may be used in ordinary course of the Group business under provisions of Section 217 of the Companies Act, 2017.

		2020	2019
		(Rupees '000)	
22	**LONG TERM PAYABLE**		
	Gas Infrastructure Development Cess	**22,638**	-
	Current portion of long term payable	**(7,939)**	-
		14,699	-

22.1 This represents payable against Gas Infrastructure Development Cess pursuant to the verdict of Honorable Supreme Court of Pakistan announced on August 13, 2020. The amount is payable in 24 installments commencing from August 2020.

		2020	2019
		(Rupees '000)	
23	**RIGHT OF USE LIABILITIES**		
	Recognised during the year	**2,618**	-
	Due to increase in expense	**123**	-
		2,741	-

23.1 The Group has lease arrangements for right of use land over 50 years and annual rent is being paid over such term. Impact of discounting has been recognised during the year as per policy disclosed in note 4.1.1. Due to impact of discounting at present value, the effect of current portion will increase the liability therefore current portion and maturity analysis has not been presented.

	Note	2020	2019
		(Rupees '000)	
24 DEFERRED LIABILITIES			
Deferred income	**24.1**	**2,188**	-
Deferred taxation	**24.2**	**206,375**	302,181
		208,563	302,181

	2020	2019
24.1 Deferred income		
Government grant	**3,906**	-
Amortized during the year	**(74)**	-
	3,832	-
Current portion of deferred income	**(1,644)**	-
	2,188	-

24.1.1 Due to the pandemic Covid-19, State Bank of Pakistan took various measures to support the economy and introduced a refinance scheme for payment of salaries and wages at subsidised rate of borrowing. The Group has obtained said borrowing from a islamic bank at subsidised 3% which is repayable from January 2021 in 8 quarterly installments. In accordance with the terms of the grant, the Group is prohibited to lay-off the employees at least for a period of three months from the date of grant.

	2020	2019
	(Rupees '000)	
24.2 DEFERRED TAXATION		
Taxable temporary differences		
Accelerated tax depreciation	**677,315**	589,784
Deductible temporary differences		
Provision for expected credit loss	**(5,955)**	(3,302)
Unused tax losses	**(411,960)**	(261,577)
	(417,915)	(264,879)
Net taxable temporary differences	**259,400**	324,905
Unused tax credits	**(53,025)**	(22,724)
	206,375	302,181

	2020	2019
25 TRADE AND OTHER PAYABLES		
Trade creditors	**222,486**	136,836
Contract liabilities - advance from customers	**85,147**	84,618
Accrued liabilities	**130,474**	95,962
Payable to Employees' Provident Fund	**3,259**	-
Workers' profit participation fund	**2,173**	-
Workers' Welfare Fund	**1,456**	-
Current portion of deferred income	**1,644**	-
Book overdraft	**30,347**	15,505
Withholding tax	**4,775**	3,781
	481,761	336,702

	2020	2019
26 ACCRUED PROFIT ON FINANCING		
Long term financing	**20,234**	20,752
Redeemable capital - Sukuk	**9,559**	15,878
Short term borrowings	**63,818**	43,690
	93,611	80,320

		Note	2020	2019
			(Rupees '000)	
27	**SHORT TERM BORROWINGS**			
	From banking companies - secured:			
	From banking companies - secured	**27.1**	**1,774,751**	1,683,471
	Loan from director	**27.2**	**11,400**	-
			1,786,151	1,683,471

27.1 These finances have been obtained by the Group from banking companies under profit arrangements and are secured against joint pari passu hypothecation charge on the present and future current assets of the Group and personal guarantees of sponsor directors of the Group. These form part of total credit funded facilities of Rupees 1,905 million (2019: Rupees 1,914.5 million). The rates of profit ranging from relevant KIBOR plus 0.80% to 2.25% (2019: relevant KIBOR plus 0.80% to 2.25%) per annum.

27.2 This represents the Islamic finance facility under istisna arrangement obtained from the Director of the Group to meet the working capital requirements, which is secured against the pledge of stocks. The average return on facility amount is 7.46% per annum (2019: Nil). The profit amount will be paid along with principle amount.

		Note	2020	2019
			(Rupees '000)	
28	**CURRENT PORTION OF LONG TERM LIABILITIES**			
	Long term financing	**19**	**150,893**	305,683
	Redeemable capital - Sukuk	**20**	**54,166**	216,667
	Long term payable	**22**	**7,939**	-
			212,998	522,350

29 CONTINGENCIES AND COMMITMENTS

29.1 Contingencies

29.1.1 The Holding Company has provided corporate guarantee amounting to Rupees 744.900 million (2019: Rupees 650 million) to banks against financing facilities on behalf of the Ghani Global Glass Limited.

29.1.2 Based on the legal opinion, due to the Scheme of Compromises, Arrangement and Reconstruction (the Scheme); the routing of transactions in order to pass on the impact of sales tax from the Holding Company is in line with the Scheme sanctioned by the Honorable Court. Therefore, there will be no non-compliance at this point of time, however, at any stage if there will be negative inference; then the same will be dealt accordingly.

29.1.3 During the year, the Group has filed Writ Petition No. 2343/2020 before Honorable Sindh High Court, Karachi against Federation of Pakistan owing to dispute between K-Electric regarding origination Bill including amount of Rupees 35.858 million in lieu of Industrial Support Package (ISPA). As per order of the Sindh High Court, Karachi on May 05, 2020; the Group has submitted post-dated cheque of the involved amount to the Court for further proceeding of the matter. The management is of the view that the case will be decided in favor of the Group.

29.1.4 The Group has filed petition under Section 133 of the Income Tax Ordinance, 2001 before Honorable Lahore High Court, Lahore vide ITR No. 248570/2018 against the Order of the Commissioner Inland Revenue, Zone III, challenging order passed by Appellate Tribunal Inland Revenue Lahore Bench in connection with the assessment for the year 2014 on July 20, 2018. The Appeal has been filed against the order of the Appellate Tribunal on account of wrong treatment on account of import of calcium carbide and loan from directors. This case is being vigorously pursued by the Group.

29.1.5 Additional Commissioner (Audit) Inland Revenue in connection with the assessment under Section 122 of the Income Tax Ordinance, 2001 for the year 2018 vide Order dated July 17, 2020 in connection with Show Cause Notice of March 03, 2020 adjusted advance income tax by disallowing tax credit of Rupees 24,589,708 under Section 65-B and treating import of calcium carbide under final tax regime by Rupees 22,972,220. The Group has filed an appeal before the appellate authority and the same is pending. The Group, as per advise of the legal counsel, is confident that the matter shall be decided in favor of the Group.

29.1.6 Additional Commissioner (Audit) Inland Revenue in connection with the assessment under Section 122 of the Income Tax Ordinance, 2001 for the year 2017 vide Order dated July 15, 2020 in connection with Show Cause Notice of April 15, 2020 adjusted advance income tax by disallowing tax credit of Rupees 31,858,952 under Section 65-B and treating import of calcium carbide under final tax regime by Rupees 19,716,207 and resultantly generated demand of Rupees 44,695,732. The Group has filed an appeal before the appellate authority and the same is pending. The Group, as per advise of the legal counsel, is confident that the matter shall be decided in favor of the Group.

29.1.7 Additional Commissioner (Audit) Inland Revenue in connection with the assessment under Section 122 of the Income Tax Ordinance, 2001 for the year 2016 vide Order dated July 15, 2020 in connection with Show Cause Notice of April 15, 2020 adjusted advance income tax by disallowing tax credit of Rupees 63,038,806 under Section 65-B and treating import of calcium carbide under final tax regime by Rupees 21,585,906 and resultantly generated demand of Rupees 55,495,323. The Group has filed an appeal before the appellate authority and the same is pending. The Group, as per advise of the legal counsel, is confident that the matter shall be decided in favor of the Group.

29.1.8 Additional Commissioner (Audit) Inland Revenue in connection with the assessment under Section 122 of the Income Tax Ordinance, 2001 for the year 2015 vide Order dated July 15, 2020 in connection with Show Cause Notice of April 15, 2020 adjusted advance income tax by disallowing tax credit of Rupees 12,522,520 under Section 65-B and treating import of calcium carbide under final tax regime by Rupees 24,770,279 and resultantly generated demand of Rupees 52,692,524. The Group has filed an appeal before the appellate authority and the same is pending. The Group, as per advise of the legal counsel, is confident that the matter shall be decided in favor of the Group.

29.1.9 The Group has filed a petition against Federation of Pakistan, before the Honorable Lahore High Court, Lahore vide W.P No. 50298/2019, challenging the rejection of sales tax refund of Rupees 84,128,215 by the Sales Tax Department and Appellant Forum which was claimed by the Group in 2016. The case is at argument stage and the management is of the view, as per advise of the legal counsel, that the case would be decided in favor of the Group.

29.1.10 The Group had filed an appeal before Commissioner Inland Revenue (Appeal) against the CIR for disallowance of input tax against utility bills for the year 2016 amounting to Rupees 22.22 million. The case was decided in favor of Group directing the department to revive the refund proceedings.

29.1.11 The Group has filed two separate constitutional petitions on February 15, 2009 before the Honorable Lahore High Court, Lahore on the ground that the Holding Company was not required to pay any Advance Tax on electricity bills due to huge carried forward tax losses and available refunds. Honorable Lahore High Court has granted stay orders upon furnishing bank guarantees in favor of LESCO amounting to Rupees 3.14 million (2019: Rupees 3.14 million). Consequence to implementation of the Scheme of Arrangement; the status of the case has been presented in the financial statements of Ghani Chemical Industries Limited and these consolidated financial statements being presented under Section 228 of the Companies Act, 2017.

29.1.12 Bank guarantees amounting to Rupees 95.12 million (2019: Rupees 91.85 million) provided to various customers/institutions against gas connection to Sui Northern Gas Pipelines Limited and supplies of products.

29.1.13 The un-availed funded and unfunded credit facilities from banks (other than loan from director) as at June 30, 2020 was Rupees 247.793 million (2019: Rupees 1059.93 million). These limits include credit lines that are interchangeable and may be utilized for either funded facilities or unfunded facilities.

29.2 Commitments

29.2.1 Commitments in respect of letter of credit amounted to Rupees 181.48 million (2019: Rupees 230.73 million).

29.2.2 Commitments for construction of building as at reporting date amounted to Rupees 31.5 million (2019: Rupees 27 million).

30 SALES - NET

		2020	2019
		(Rupees '000)	
Gross sales - local			
Supplies		**3,682,887**	3,543,280
Services		**33,119**	-
		3,716,006	3,543,280
Export		**91,838**	1,538
		3,807,844	3,544,818
Less:	Sales/service tax	**491,500**	470,092
	Trade discounts	**3,927**	
		495,427	470,092
		3,312,417	3,074,726

	Note	2020	2019
		(Rupees '000)	
31 COST OF SALES			
Raw material consumed	**31.1**	**258,425**	158,801
Freight inward		**2,282**	1,853
Fuel and power		**1,151,082**	793,030
Utilities		**3,493**	3,174
Packing material consumed		**57,805**	54,743
Consumable stores		**89,624**	94,152
Salaries, wages and other benefits	**31.2**	**205,985**	196,652
Rent, rates and taxes		**426**	-
Communication		**708**	830
Repairs and maintenance		**24,482**	36,600
Traveling, vehicle running and conveyance		**5,370**	12,563
Insurance		**7,992**	9,111
Depreciation	**5.1.5**	**173,778**	168,508
Transportation		**-**	21,632
Other overheads		**54,987**	64,665
Current manufacturing cost		**2,036,439**	1,616,314
Changes in work in process			
Opening		**8,116**	2,999
Closing		**(4,932)**	(8,116)
		3,184	(5,117)
Cost of goods manufactured		**2,039,623**	1,611,197
Changes in finished goods			
Opening stock		**257,062**	479,806
Purchases		**482,173**	600,058
Closing stock		**(247,428)**	(257,062)
		491,807	822,802
		2,531,430	2,433,999

31.1 Raw material consumed

	2020	2019
Opening balance	**42,713**	27,900
Purchases	**295,078**	173,614
Available for use	**337,791**	201,514
Closing balance	**(79,367)**	(42,713)
Material consumed	**258,424**	158,801

31.2 Salaries, wages and other benefits includes Rupees 6.804 million (2019: Rupees 6.530 million) in respect of retirement benefits.

	Note	2020	2019
32 SELLING AND DISTRIBUTION		(Rupees '000)	
Salaries, wages and other benefits	**32.1**	**55,312**	64,072
Freight outward		**16,351**	8,736
Transportation charges		**171,162**	169,351
Traveling, boarding, lodging and conveyance		**3,241**	6,493
Rent, rates and taxes		**10,359**	15,710
Communication		**1,109**	1,348
Vehicle running and maintenance		**5,551**	4,082
Advertisement and business promotion		**-**	500
Loading and unloading		**1,158**	1,315
Postage and courier		**211**	336
Repair and maintenance		**2,006**	12,236
Office expense		**8,366**	4,565
Commission against exports		**1,116**	-
Other expenses		**12,073**	2,625
		288,015	291,369

32.1 Salaries, wages and other benefits includes Rupees 3.699 million (2019: Rupees 3.600 million) in respect of retirement benefits.

		Note	2020	2019
			(Rupees '000)	
33	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and other benefits	**33.1**	**99,161**	117,821
	Rent, rates and taxes		**10,998**	9,943
	Electricity and other utilities		**3,852**	4,683
	Traveling and conveyance		**4,245**	5,920
	Vehicle running and maintenance		**3,085**	3,514
	Donation and charity		**9,108**	2,051
	Printing and stationery		**2,095**	4,169
	Communication		**1,661**	2,546
	Fee and subscription		**8,393**	9,351
	Lease rentals		**-**	993
	Advertisement		**416**	1,295
	Insurance		**2,657**	3,478
	Depreciation	**5.1.5**	**25,144**	24,693
	Amortisation of intangible assets	**7.1**	**2,962**	2,962
	Amortisation of right of use assets		**598**	-
	Office expense		**1,252**	1,011
	Repair and maintenance		**1,957**	10,507
	Others		**15,050**	2,544
			192,634	207,481

33.1 Salaries, wages and other benefits includes Rupees 7.029 million (2019: Rupees 6.620 million) in respect of retirement benefits.

		Note	2020	2019
			(Rupees '000)	
34	**OTHER OPERATING EXPENSES**			
	Legal and professional		**3,934**	5,178
	Workers profit participation fund		**2,172**	-
	Debit balances written off		**10,398**	-
	Gas Infrastructure Development Cess		**22,638**	-
	Exchange loss		**142**	1,128
	Inadmissible sales tax		**83**	3,873
	Allowance for expected credit loss		**9,812**	8,546
	Auditors' remuneration	**34.1**	**2,447**	2,225
	Workers welfare fund		**1,455**	-
			53,081	20,950
34.1	**Auditors' remuneration**			
	Fee for:			
	- Statutory audit		**1,892**	1,800
	- Audit of consolidated financial statements		**200**	150
	-Special review		**-**	60
	- Review of half yearly financial information		**305**	140
	- Other certifications		**50**	75
			2,447	2,225
35	**OTHER INCOME**			
	Profit on bank deposits		**2,541**	4,244
	Reversal for expected credit loss		**-**	1,438
	Credit balance written back		**14,683**	3,287
	Gain on disposal of operating fixed assets		**8,353**	3,876
	Amortization of deferred income		**5**	-
	Other income		**1,200**	8,517
			26,782	21,362

		Note	2020	2019
			(Rupees '000)	
36	**FINANCE COSTS**			
	Finance costs on:			
	Long term financing		**77,465**	60,736
	Redeemable capital - Sukuk		**95,673**	92,622
	Short term borrowings		**277,220**	158,351
	Workers' profit participation fund		**-**	214
	Right of use liabilities		**383**	
	Others			
	Bank charges and commission		**5,906**	1,811
			456,647	313,734
37	**TAXATION**			
	Current taxation			
	For the year	**37.1**	**32,950**	19,315
	Prior period			1,993
			32,950	21,308
	Deferred taxation		**(95,806)**	19,347
			(62,856)	40,655

37.1 Assessment up to tax year 2019 is finalized (deemed assessment) and the available tax losses of the Group is Rupees 2,555.22 million (2019: Rupees 2,041.22 million).

			2020	2019
38	**EARNINGS PER SHARE**			
	Loss attributable to the owners of the Holding Company	*(Rupees "000")*	**(138,969)**	(138,052)
	Weighted average number of ordinary shares outstanding during the year	*(Number)*	**153,305,824**	153,305,824
	Earnings per share	*(Rupees)*	**(0.906)**	(0.901)

38.1 Diluted earnings per share has not been presented as the Holding Company does not have any convertible instruments in issue as at reporting date which would have any effect on the earnings per share if the option to convert is exercised.

		Note	2020	2019
			(Rupees '000)	
39	**CASH GENERATED FROM OPERATING ACTIVITIES**			
	Loss before taxation		**(182,608)**	(171,445)
	Adjustments to reconcile profit to non-cash charges and items			
	Depreciation	**5.1.5**	**198,922**	193,201
	Amortization on intangible assets	**7.1**	**2,962**	2,962
	Finance cost	**36**	**456,647**	313,734
	Depreciation of right of use assets		**598**	-
	Allowance for expected credit loss		**9,811**	7,108
	Translation exchange loss		**1,439**	1,128
	Debit balances written off		**10,398**	-
	Credit balances written back		**(14,683)**	-
	Gas Infrastructure Development Cess		**22,638**	(3,287)
	Gain on disposal of operating fixed assets		**(8,353)**	(3,876)
			680,379	510,970
	Cash flows from operations before working capital changes carried down		**497,771**	339,525

	2020	2019
	(Rupees '000)	
Cash flows from operations before working capital changes brought forward	**497,771**	339,525
Cash flows from working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	**(2,476)**	52,949
Stock in trade	**(23,836)**	202,814
Trade debts	**44,231**	(195,437)
Loans and advances	**141,059**	(166,555)
Deposits, prepayments and other receivables	**(14,802)**	(12,705)
Tax refunds due from government	**7,126**	25,513
Increase / (decrease) in current liabilities:		
Trade and other payables	**158,303**	30,379
Net cash generated from / (used in) working capital changes	**309,605**	(63,042)
Cash generated from operating activities	**807,376**	276,483

40 CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES' REMUNERATION

The aggregate amount charged in the accounts for remuneration, allowances including all benefits to the Chief Executive Officer, Directors and other Executives of the Group are as follows:

Description	June 30, 2020			June 30, 2019		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
		(Rupees '000)			(Rupees '000)	
Managerial remuneration	**26,182**	**15,912**	**29,535**	29,733	16,022	31,775
Allowances	**1,670**	**1,015**	**1,968**	1,728	923	1,658
Provident fund contribution	**2,321**	**1,410**	**2,340**	2,372	1,271	1,916
	30,173	**18,337**	**33,843**	33,833	18,216	35,349
No. of persons	**2**	**2**	**10**	2	2	10

40.1 The Chief Executive and directors have been provided with free use of Group maintained cars in accordance with their entitlement. Certain executives have also provided with the Group maintained cars as per their terms of employment.

40.2 No meeting fee was paid to directors for attending Board meetings during the year (2019: Nil).

41 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, directors, companies in which directors also hold directorship, key management personnel and staff retirement benefit funds. The Group in the normal course of business carries out transactions with various related parties. Detail of related parties (with whom the Group has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these consolidated financial statements, are as follows:

41.1 Name and nature of relationship

a) Associates due to common directorship

Ghani Engineering (Private) Limited

b) Sponsors

Mr. Masroor Ahmad Khan - Director of Holding Company
Mr. Atique Ahmad Khan - Chief Executive Officer / Director of Holding Company
Hafiz Farooq Ahmad - Director of Holding Company

c) Others

Employees' Provident Fund Trusts

41.2 Transactions with related parties

Name	Nature of Transaction	2020	2019
		(Rupees '000)	
Associates			
	Payment made	**-**	2,740
Key management personnel			
Sponsors	*Equity*		
	Loan received	**98,800**	306,620
	Loan paid	**(68,010)**	(286,680)
	Long term borrowings		
	Loan received - interest based	**52,000**	-
	Short term borrowings		
	Loan received - interest based	**11,400**	-
	Loan received	**117,690**	-
	Loan paid	**(117,690)**	-
Others			
Provident fund trust	Contribution	**34,996**	33,513

41.3 Sales, purchases and other transactions with related parties are carried out on commercial terms and conditions.

42 PROVIDENT FUND RELATED DISCLOSURES

Investments out of provident fund trusts have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for the purpose.

43 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

43.1 Fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these consolidated financial statements.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity - specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

As at reporting date, the Company has no item to report in these levels.

44 FINANCIAL RISK MANAGEMENT

This note represents information about the Group's exposure to each of the following financial risks, the Group's objectives, policies and processes for measuring and managing risk, fair value of financial instruments and the Group's management of capital.

44.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and profit rate risk), credit risk and liquidity risk. The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is also responsible for developing and monitoring the Group's risk management policies and provides principles for overall risk management, as well as policies covering specific areas such as currency risk, equity price risk, profit rate risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

The Group's audit committee oversees risk management monitors compliance with risk management policies and procedures and reviews the adequacy of risk management framework in relation to the risk faced by the Group. Audit committee is into oversight role by internal audit department. Internal audit department undertakes reviews of risk management controls and procedures, results of which are reported to audit committee.

(a) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market profit rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Group incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board. The Group is exposed to profit rate risk, currency risk and market price risk.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Group is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar and Euro. As on reporting date, no financial liabilities were subject to any currency risk. The following significant exchange rates were applied during the year:

	Average rate	
	June 30, 2020	June 30, 2019
	(Rupees)	
PKR per		
EURO	**189.73**	178.88
USD	**168.75**	134.19

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the Euro and USD with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 3.235 million higher / lower (2019: Rupees Nil higher / lower), mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Profit rate risk

Profit rate risk represents the risk that fair values of future cash flows of financial instruments which will fluctuate because of change in market profit rates. The Group has no significant long-term profit-bearing financial assets. The Group's profit rate risk arises from financial liabilities. Borrowings obtained at floating rates expose the Group to cash flow profit rate risk. Borrowings obtained at fixed rate expose the Group to fair value profit rate risk.

At the reporting date the profit rate profile of the Group's profit bearing financial instruments was:

	2020	2019
	(Rupees '000)	
Floating rate instruments		
Financial assets		
Bank balances	**90,938**	138,505
Financial liabilities		
Long term financing	**996,677**	779,194
Redeemable capital - Sukuk	**650,000**	812,500
Short term borrowings	**1,786,151**	1,683,471

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

The following analysis demonstrates the sensitivity to a reasonably possible change in profit rates, with all other variables held constant, of the Group's profit before tax. This analysis is prepared assuming the amounts of floating rate instruments outstanding at reporting dates were outstanding for the whole year.

		Changes in Interest Rate	Effects on Profit Before Tax
		(Rupees "000")	
Bank Balances - deposit accounts	**2020**	**+1.50**	**1,364**
		-1.50	**(1,364)**
	2019	+1.50	2,078
		-1.50	(2,078)
Long term financing	**2020**	**+2.00**	**(19,934)**
		-2.00	**19,934**
	2019	+2.00	(15,584)
		-2.00	15,584
Redeemable capital - Sukuk	**2020**	**+2.00**	**13,000**
		-2.00	**(13,000)**
	2019	+2.00	(16,250)
		-2.00	16,250
Short term borrowings	**2020**	**+2.00**	**35,723**
		-2.00	**(35,723)**
	2019	+2.00	(33,669)
		-2.00	33,669

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and outstanding liabilities of the Group at the year end.

(ii) Other price risk

Price risk represents 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), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group does not have financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market prices.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure.

Credit risk of the Group arises from deposits with banks, trade deposits, trade debts, long term deposits and other receivables. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2020	2019
		(Rupees '000)	
Long term deposits	8	**68,940**	67,494
Trade debts	11	**736,995**	788,680
Deposits and other receivables	13	**77,944**	67,384
Bank balances	15	**151,633**	169,784
		1,035,512	1,093,342

Concentration of credit risk

The Group identifies concentrations of credit risk by reference to type of counterparty. Maximum exposure to credit risk by type of counterparty is as follows:

	2020	2019
	(Rupees '000)	
Customers	**736,995**	788,680
Banking companies and financial institutions	**151,633**	169,784

Out of the total financial assets credit risk is concentrated in trade debts and deposits with banks as they constitute 85.82% (2019: 87.72%) of the total financial assets. The Group's exposure to credit risk in respect of trade debts other than Government parties is influenced mainly by the individual characteristics of each customer. The Group establishes an allowance for expected credit loss that represents its estimate of incurred losses in respect of trade debts except for Government parties. Age analysis of trade debts at reporting date was as follows:

	2020	2019
	(Rupees '000)	
Neither past due nor impaired	**460,263**	429,132
31 to 60 days	**38,601**	319,018
61 to 90 days	**39,262**	32,331
91 to 180 days	**88,628**	8,809
181 to 365 days	**48,481**	3,295
Above 365 days	**82,684**	7,208
Total exposure	**757,919**	799,793
Allowance for expected credit loss	**(20,924)**	(11,113)
	736,995	788,680

Trade debts

Trade debts shall be essentially due from local customers against sale of medical and industrial gases and chemicals. Sales to the Group’s customers shall be made on specific terms and conditions. Customer credit risk shall be managed by each business unit subject to the Group’s established policy, procedures and controls relating to customer credit risk management. Credit limits are being established for all customers based on internal rating criteria. Credit quality of the customer is also being assessed based on an extensive credit rating. Outstanding customer receivables shall be regularly monitored.

Trade debts of the Group are not exposed to significant credit risk as the Group trades with credit worthy customers. Trade debts except for Government parties amounting to Rupees 606.018 million (2019: Rupees 47.776 million) are past due of which Rupees 20.924 million (2019: Rupees 11.113 million) have been impaired. Required allowance as determined by independent consultant in lieu of impairment loss against trade debts as per IFRS 9 - 'Financial Instruments - Recognition and measurement' have been made in these consolidated financial statements.

Allowance for expected credit loss

The loss allowance for trade debts other than Government and exclusive of related parties as at reporting date was determined as follows:

Aging Bucket	Expected Credit Loss (ECL) Rate %	Exposure at default	Expected Credit Loss (ECL)
		(Rupees '000)	
Ghani Global Glass Limited			
0 to 30 days	0.00%	**218,940**	**-**
31 to 60 days	0.05%	**11,073**	**6**
61 to 90 days	5.19%	**4,847**	**252**
91 to 180 days	7.73%	**5,005**	**387**
181 to 365 days	4.08%	**7,776**	**317**
Above 365 days	10.58%	**8,639**	**914**
Ghani Chemical Industries Limited			
0 to 30 days	0.00%	**198,662**	**-**
31 to 60 days	4.06%	**14,657**	**595**
61 to 90 days	12.59%	**22,490**	**2,831**
91 to 180 days	17.50%	**53,008**	**9,276**
181 to 365 days	11.75%	**12,849**	**1,510**
Above 365 days	10.06%	**48,072**	**4,836**
		606,018	**20,924**

The credit quality of loans and other receivables can be assessed with reference to their historical performance with no or negligible defaults in recent history and no losses incurred. The credit quality of Group's bank balances can be assessed with reference to the external credit ratings follows:

Banks	Rating Agency	Short term	Long term	2020	2019
				(Rupees '000)	
MCB Bank Limited	PACRA	A-1+	AAA	**21**	2,676
MCB Islamic Bank Limited	PACRA	A-1	A	**39**	38
National Bank of Pakistan	VIS	A-1+	AAA	**749**	1,572
United Bank Limited	VIS	A-1+	AAA	**104**	3,239
Allied Bank Limited	PACRA	A-1+	AAA	**4,973**	3,440
Faysal Bank Limited	VIS	A-1+	AA	**4,150**	6,659
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+	**8,180**	8,109
Bank Islami Pakistan Limited	PACRA	A1	A+	**1,197**	3,022
Meezan Bank Limited	VIS	A-1+	AA+	**50,109**	78,953
AlBaraka Bank (Pakistan) Limited	VIS	A-1	A+	**4,505**	1,226
Bank Alfalah Limited	PACRA	A1+	AA+	**35,282**	20,982
The Bank of Khyber	VIS	A-1	A	**87**	137
Askari Bank Limited	PACRA	A-1+	AA+	**3,797**	6,119
Soneri Bank Limited	PACRA	A-1+	AA-	**119**	1,702
Habib Bank Limited	VIS	A-1+	AAA	**1,091**	3,005
Bank Al-Habib Limited	PACRA	A1+	AA+	**5,390**	17,743
JS Bank Limited	PACRA	A-1+	AA-	**744**	
Dubai Islamic Bank Pakistan Limited	VIS	A-1+	AA	**189**	479
Standard Chartered Bank (Pakistan) Limited	PACRA	A-1+	AAA	**28,816**	8,075
The Bank of Punjab	PACRA	A-1+	AA	**1,772**	1612
Summit Bank Limited	VIS	A-3	BBB-	**95**	901
Silk Bank Limited	VIS	A-2	A-	**224**	95
				151,633	169,784

Due to Group's long standing business relationships with these counter parties 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 Holding Company. Accordingly the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or any other financial assets, or that such obligations will have to be settled in manners unfavorable to the Group.

The Group'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, without incurring unacceptable losses or risking damage to the Holding Company's reputation. Management believes the liquidity risk to be low.

The table below analyzes the Group's financial liabilities into relevant maturity grouping based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Carrying Amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years
	(Rupees "000")			
2020				
Long term financing	**996,677**	**996,677**	**150,893**	**845,784**
Redeemable capital - Sukuk	**650,000**	**650,000**	**54,166**	**595,834**
Long term security deposits	**42,972**	**42,972**	**-**	**42,972**
Right of use liabilities	**2,741**	**2,741**	**-**	**2,741**
Trade and other payables	**386,566**	**386,566**	**386,566**	**-**
Accrued profit on financings	**93,611**	**93,611**	**93,611**	**-**
Short term borrowings	**1,786,151**	**1,786,151**	**1,786,151**	**-**
Unclaimed dividend	**844**	**844**	**844**	**-**
	3,959,562	**3,959,562**	**2,472,231**	**1,487,331**
2019				
Long term financing	779,194	779,194	305,684	473,510
Redeemable capital - Sukuk	812,500	812,500	216,667	595,833
Long term security deposits	34,451	34,451	-	34,451
Trade and other payables	248,303	248,303	248,303	-
Accrued profit on financings	80,320	80,320	80,320	-
Short term borrowings	1,683,471	1,683,471	1,683,471	-
Unclaimed dividend	844	844	844	-
	3,639,083	3,639,083	2,535,289	1,103,794

The contractual cash flows relating to the above financial liabilities have been determined on the basis of profit rates effective as at reporting dates. The rates of profit have been disclosed in respective notes to the consolidated financial statements.

44.2 Financial instruments not measured at fair value

The carrying values of all financial assets and liabilities reflected in the consolidated financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

	Note	2020	2019
		(Rupees '000)	
44.3 Financial instruments by categories			
At amortized cost			
Assets as per statement of financial position			
Long term deposits	**8**	**68,940**	67,494
Trade debts	**11**	**736,995**	788,680
Trade deposits and other receivables	**13**	**77,944**	67,384
Cash and bank balances	**15**	**152,182**	170,317
		1,036,061	1,093,875
Liabilities as per statement of financial position			
Long term financing	**19**	**996,677**	779,194
Redeemable capital - Sukuk	**20**	**650,000**	812,500
Long term security deposits	**21**	**42,972**	34,451
Right of use liabilities	**23**	**2,741**	-
Trade and other payables	**25**	**386,566**	248,303
Accrued profit on financings	**26**	**93,611**	80,320
Short term borrowings	**27**	**1,786,151**	1,683,471
Unclaimed dividend		**844**	844
		3,959,562	3,639,083

44.4 Capital risk management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide return for shareholders and benefits to other stakeholders and to maintain healthier capital ratios in order to support its business and maximize shareholders value. The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payments to the shareholders, return on capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes from the previous period. The Group monitors capital using gearing ratio, which is debt divided by equity plus net debt. Debt represents long term financing including current portion obtained by the Group. Total capital employed includes 'total equity' as shown in the statement of financial position plus total debt. The Group's strategy, which was unchanged from last period, was to maintain optimal capital structure in order to minimize cost of capital. The gearing ratio as at reporting date is as follows:

	2020	2019
	(Rupees '000)	
Total debt	**3,432,828**	3,275,165
Equity	**3,800,606**	3,889,568
Total capital employed	**7,233,434**	7,164,733
Gearing ratio	**47.46%**	45.71%

45 SEGMENT INFORMATION

45.1 The Group's reportable segments are based on the following product lines:

Industrial and Medical Gases

This segment covers business with large-scale industrial consumers, typically in the oil, chemical, food and beverage, metal, glass sectors and medical customers in healthcare sectors. Gases and services are supplied as part of customer specific solutions. These range from supply by road tankers in liquefied form. Gases for cutting and welding, hospital, laboratory applications and a variety of medical purposes are also distributed under pressure in cylinders.

Glass tubes and glass ware

This segment covers sales of all glass tubes and other glass wares.

Industrial chemicals

This segment covers sales of all industrial chemicals.

45.2 Segment results are as follows:

	June 30, 2020				June 30, 2019			
	Industrial and medical gases	**Glass tube and glass ware**	**Industrial chemicals**	**Total**	Industrial and medical gases	Glass tube and glass ware	Industrial chemicals	Total
	(Rupees '000)				(Rupees '000)			
Net sales	**1,602,704**	**1,136,099**	**573,614**	**3,312,417**	1,667,042	636,929	770,755	3,074,726
Cost of sales	**(1,049,439)**	**(843,896)**	**(638,095)**	**(2,531,430)**	(1,147,814)	(606,246)	(679,939)	(2,433,999)
Gross profit	**553,265**	**292,203**	**(64,481)**	**780,987**	519,228	30,683	90,816	640,727
Selling and distribution costs	**(242,334)**	**(35,322)**	**(10,359)**	**(288,015)**	(247,808)	(32,412)	(11,149)	(291,369)
Administrative expenses	**(124,864)**	**(58,190)**	**(9,580)**	**(192,634)**	(137,222)	(58,299)	(11,960)	(207,481)
	(367,198)	**(93,512)**	**(19,939)**	**(480,649)**	(385,030)	(90,711)	(23,109)	(498,850)
Segment profit	**186,067**	**198,691**	**(84,420)**	**300,338**	134,198	(60,028)	67,707	141,877
Unallocated corporate expenses								
Other operating expenses				**(53,081)**				(20,950)
Other income				**26,782**				21,362
				274,039				142,289
Finance costs				**(456,647)**				(313,734)
Loss before taxation				**(182,608)**				(171,445)
Taxation				**62,856**				(40,655)
Loss after taxation				**(119,752)**				(212,100)

The segment assets and liabilities as at reporting date for the year ended are as follows:

	June 30, 2020				June 30, 2019			
	Industrial and medical gases	**Glass tube and glass ware**	**Others**	**Total**	Industrial and medical gases	Glass tube and glass ware	Others	Total
	(Rupees '000)				(Rupees '000)			
Segment assets	**4,454,518**	**2,032,621**	**122,541**	**6,609,680**	4,905,375	1,941,792	211,961	7,059,128
Unallocated assets				**1,509,834**				879,417
Total assets				**8,119,514**				7,938,545
Segment liabilities	**1,746,562**	**628,420**	**56,400**	**2,431,382**	3,908,688	59,805	61,169	4,029,662
Unallocated liabilities				**1,887,526**				19,315
Total liabilities				**4,318,908**				4,048,977

45.3 Transfers between business segments are recorded at cost. There were no inter segment transfers during the year.

45.4 The Group customers base is diverse with no single customer accounting for more than 10% of the net sales.

45.5 All the non-current assets of the Group at the reporting date were located within Pakistan.

46 IMPACT OF COVID-19 (CORONAVIRUS)

The outbreak of Covid-19 as a pandemic and consequently imposition of lockdown by Federal and Provincial Governments of Pakistan (Authorities) has slightly effected the sales volume of the Group in initial two months due to non-availability of some distributors during the lock down period. However, being manufacturer of life saving gases and other medical supplies i.e. vial and ampoules, there has been increase in production, selling price and volume sold of the Group during the pandemic period. There has been no effect of Covid-19 on the financial position of the subsidiary companies during the year as these have not started operations till year end. The management had analyzed the events as these are indicative of conditions for a review of recoverable amounts of assets of the Group and consequently concluded that there is no change in recoverable amounts of Group's assets at the reporting date.

47 PLANT CAPACITY AND ACTUAL PRODUCTION

The following normal annual production capacity is worked out in triple shift basis.

		2020	2019
		(Cubic Meter)	
Industrial and medical gases			
Production at normal capacity - gross	47.1	**66,185,000**	51,240,000
Production at normal capacity - net of normal losses		**61,000,000**	45,750,000
Actual production - net of normal losses		**44,075,660**	43,088,517
		(M.Ton)	
Neutral glass tubing clear and amber	47.2		
Production at normal capacity - gross		**7,300**	7,300
Actual production		**5,259**	1,241

47.1 Under utilization of available capacity is due to unavoidable/abnormal shutdown and repair and maintenance of plant and machinery. The Capacity of the GGL-III Plant has been included above on prorata basis.

47.2 The efficiency of 72% (2019: 17%) in previous year neutral glass tubing was under utilized primarily due to normal repair and maintenance of product line.

48 DISCLOSURE REQUIREMENTS FOR SHARIAH COMPLIANT COMPANIES

As per the requirements of the fourth schedule to the Companies Act, 2017, shariah compliant companies and the companies listed on Islamic Index shall disclose the following:

(i) Loans / advances obtained as per Islamic mode - refer note 12
(ii) Shariah compliant bank deposits / bank balances - refer note 15
(iii) Profit earned from shariah compliant bank deposits / bank balances - refer note 35
(iv) Revenue earned from a shariah compliant business segment - refer note 30
(v) Markup paid on Islamic mode of financing - refer note 36
(vi) Relationship with shariah compliant banks - refer note 15

49 NUMBER OF EMPLOYEES

	2020	2019
	(Number)	
Total number of employees at year end	**475**	485
Average number of employees during the year	**492**	460

50 EVENT AFTER REPORTING PERIOD

The Board of Directors of the Ghani Chemical Industries Limited in its meeting held on July 07, 2020 decided to demerge it through a Scheme of Arrangement as filed with the Honorable Lahore High Court on July 29, 2020 by way of transfer of specified assets into newly incorporated subsidiary companies, A One Prefabs (Private) Limited, A One Batteries (Private) Limited and Awal Engineering (Private) Limited. These subsidiaries have been incorporated with the purpose that assets be transferred and vested into subsidiaries through demerger of the Ghani Chemical Industries Limited under a Scheme of Arrangement ("the Scheme"). In accordance with the scheme of arrangement, the separation of the properties from Ghani Chemical Industries Limited and transfer and vesting into subsidiary companies mentioned above against the issuance of ordinary shares by such companies to the Ghani Chemical Industries Limited. The scheme shall be implemented with the approval of the Honorable Lahore High Court, Lahore for which an application is in process.

51 CORRESPONDING FIGURES AND GENERAL

51.1 The corresponding figures have been rearranged and reclassified, wherever considered necessary and for the purposes of comparison and better presentation. Following important reclassifications have been made:

Reclassified from	**Reclassified to**	**2019 (Rupees '000)**
Advances from customers	Trade and other payables	84,618
Capital stores	Stores, spares and loose tools	2,020
Other receivables	Deposits, prepayments and other receivables	1,737
Trade debts	Advances to suppliers	4,583
Deferred taxation	Deferred liabilities	302,181
Security deposits	Bank guarantee margin	6,407

51.2 Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

52 DATE OF AUTHORIZATION

These consolidated financial statements have been authorized for issue by Board of Directors of the Holding Company on October 02, 2020.

ATIQUE AHMAD KHAN	ASIM MAHMUD	HAFIZ FAROOQ AHMAD
(CHIEF EXECUTIVE OFFICER)	(CHIEF FINANCIAL OFFICER)	(DIRECTOR)

EMPLOYEES STOCK OPTION SCHEME, 2020

Ghani Global Holdings Limited (formerly known as Ghani Gases Limited), was incorporated in Pakistan as private limited company under the Companies Ordinance, 1984 (now the Companies Act, 217), converted into public limited company on February 12, 2008and became listed on Pakistan Stock Exchange Limited on January 05, 2010, hereby introduces a stock option scheme to be known as the **Ghani Global Holdings Limited Employees Stock Option Scheme, 2020** for offer of stock options to its Eligible Employees in pursuant to the Chapter VI – Employee Stock Option Scheme under the Companies (Further Issue of Shares) Regulations, 2020.

THE PURPOSES OF THE SCHEME ARE:

(i) To improve Company's performance and thereby increase shareholders value;

(ii) To increase productivity and share the rewards of success of the Company;

(iii) To reward the abilities and efforts of all such eligible employees of the Company, as considered fit by the Compensation Committee;

(iv) To attract and retain key employees; and

(v) To align the interests of such employees with those of the Company's shareholders.

1. DEFINITION AND INTERPRETATION

1.1. In this Employees Stock Option Scheme the words and expressions set out below shall have the meanings as specified against them:

1.1.1. **'Act'** means the Companies Act, 2017;

1.1.2. **'The Company'** means Ghani Global Glass Limited;

1.1.3. **'The Board'** means the Board of Directors, for the time being, of the Company acting at a meeting or through a committee of Board of Directors;

1.1.4. **'Commission'** means the Securities and Exchange Commission of Pakistan (SECP);

1.1.5. **'CDC'** means Central Depository Company of Pakistan Limited

1.1.6. **'Regulations'** means the Companies (Further Issue of Shares) Regulations, 2020 [specifically Chapter VI – Employee Stock Option Scheme];

1.1.7. **'The Scheme'** means the Ghani Global Glass Limited Employees Stock Option Scheme, 2020 approved by the Commission and introduced under the Chapter VI – Employee Stock Option Scheme under the Companies (Further Issue of Shares) Regulations, 2020;

1.1.8. **'The Compensation Committee' or 'CC'** means a Human Resource and Remuneration Committee appointed by the Board. Subject to regulation 7(1)(ii), the initial CC shall comprise of the following three non-executive Directors of the Company where Chairman is an Independent Director:

(a)	Independent Director	Chairman
(b)	Non-Executive Director	Member
(c)	Non-Executive Director	Member

1.1.9. **'Financial Year'** means the period starting from 1st July in a calendar year and ending on 30th June in the following calendar year;

1.1.10. **'Shares'** means fully paid up ordinary shares of Rs. 10/- each in the capital of the Company;

1.1.11. **'Allotment of Shares'** means Shares that will be allotted in scrip-less form in the Central Depository System (CDS) of CDC to an Option Holder in accordance with clause 4.6;

1.1.12. **'ESOS** Account' means the book account opened by the Company in the name of each Eligible Employee to facilitate Cashless Exercise of Options;

1.1.13. **'Option'** means a right granted to an Eligible Employee to subscribe for Shares at the Option Price, pursuant to the Scheme;

1.1.14. **'Date of Approval'** means the date on which the Commission approves the Scheme in accordance with the requirements of Section 83A of the Companies Act, 2017 and the Regulations;

1.1.15. **'Employment'** means employment by the Company or a wholly owned subsidiary of the Company, as the case may be, of an Eligible Employee;

1.1.16. **'Eligible Employee'** means:

a) A regular employee (including contractual) who is on payroll of the Company working in Pakistan or outside Pakistan and who is admitted to the Scheme by the Board; or

b) An Executive Director who is on the payroll of the Company; or

c) A Chief Executive Officer who is on the payroll of the Company; or

d) Subject to compliance with regulation 7 (1)(vii) of the Regulations, a regular employee of any wholly owned subsidiary company(ies) of the Company, and/or an Executive Director and/or Chief Executive Officer who is on the payroll of any wholly owned subsidiary company(ies) and who is admitted to the Scheme by the Board.

1.1.17. **'Entitlement Criteria'** means criteria that will be determined or laid down from time to time by the Compensation Committee based on, inter alia, the following factors:

a) Competitive pay levels;
b) Level of responsibility;
c) Performance; and
d) No. of years of Service.

1.1.18. **'Date of Entitlement'** means the 1st of January of each calendar year, or any other date decided by the Compensation Committee. First entitlement date will be 1st January 2021 or later date as decided by the Compensation Committee;

1.1.19. **'Date of Grant'** means the date on which an Option is granted to an Eligible Employee in accordance with this Scheme;

1.1.20. **'Entitlement Pool'** means the total number of Shares available for being made the subject of Options, as determined by the Board from time to time, which shall not, at any time, exceed fifteen percent (15%) of the paid-up capital of the Company (as increased from time to time). As on June 30, 2020 paid up capital of the Company is Rs. 1,533,058,240/- divided into 153,305,824 shares of Rs.10/- each and accordingly today the Entitlement Pool is 22,995,874 Shares. However, it is clarified that until such point in time that the number of Shares issued under the Scheme equal fifteen percent (15 %) of the paid-up capital of the Company, the balance Entitlement Pool shall be calculated taking into account any increase(s) in the paid up capital. However, once the number of Shares issued under this Scheme equal fifteen percent (15%) of the paid up capital of the Company, the Entitlement Pool shall be exhausted and this Scheme shall cease to operate, notwithstanding any subsequent increase in the paid-up capital;

1.1.21. **'Option Holder'** means an Eligible Employee or permitted successor/transferee of an Eligible **Employee** holding an Option;

1.1.22. **'Option Notice'** means the notice given by an Eligible Employee to the Company for the exercise of Option held;

1.1.23. **'Option Price'** means the subscription price for a Share comprised in any Option which, unless otherwise determined by the Compensation Committee in compliance with regulation 7(1)(viii) of the Regulations, shall be weighted average of the closing market price of the Share of the Company at the Karachi Stock Exchange Limited for the last 90 consecutive calendar days immediately preceding the Date of Grant of the relevant Option. Provided that it shall not in any case be less than the face value of Rs.10.00 per share**.**

1.1.24. **'Option Certificate'** means a certificate issued to an Option Holder in accordance with clause 3.3 of the Scheme;

1.1.25. **'Normal Anticipated Retirement Date'** means 60 years of age or such other age at which an Eligible Employee is required to retire by his contract of employment or as per rules and policy of the Company including wholly owned subsidiary Company(ies);

1.1.26. **'Retirement'** means the ceasing of Employment of an Eligible Employee on attaining the Normal Anticipated Retirement Date;

1.1.27. **'Cashless Exercise'** means the mechanism described in clause 4.5 whereby the Company may fund all or part of the Option Price;

1.1.28. **"Exercise Period"** means a period of one (1) year from the expiry of the Minimum Period;

1.1.29. **'Share Entitlement'** means that number of Shares for which an Option is granted to an Eligible Employee in accordance with the Scheme, as stated in the Option Certificate relating to such Option; and

1.1.30. **'Minimum Period'** means, for each Option or portion thereof, the period, as specified in clause 4.2, after which the Option or portion thereof can be exercised by the Option Holder.

1.1.31. **'Stock Exchange'** means Pakistan Stock Exchange Limited where Company's Shares are listed;

1.1.32. In the Scheme, unless the context otherwise requires, words denoting the singular number shall include the plural number and words denoting the masculine gender shall include the feminine gender.

1.1.33. In the Scheme, unless the context otherwise requires, a reference to a regulation is to a regulation under the Regulations, and a reference to a clause is to a clause of the Scheme.

1.1.34. A reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation under, that legislative provision.

1.1.35. A reference to any agreement or document is to that agreement or document (and, where applicable, any of its provisions) as stands amended, novated, restated or replaced at the relevant time.

1.1.36. A reference to any person includes that persons' executors, administrators, successors, permitted transferees.

2. EFFECTIVENESS AND THE COMPENSATION COMMITTEE

2.1. The Scheme shall come into force with effect from the Date of Approval.

2.2. The Compensation Committee shall be constituted in terms of this Scheme and the Rules and shall exercise such powers as are stated herein and/or in the Rules to be exercised by the Compensation Committee.

3. GRANT OF OPTIONS

3.1. On or prior to the Date of Entitlement (and at least once in every Financial Year), the Compensation Committee shall determine and recommend to the Board as to which Eligible Employees are entitled to grant of Options for the Financial Year preceding the Date of Entitlement, and the proposed terms and conditions and quantum of each Option. The CC shall, in determining the aforementioned entitlement, take into account the Entitlement Criteria and undertake performance evaluation based on a system of ratings, competitive pay levels, level of responsibility, number of years of service and information provided by the heads of department.

3.2. Within 30 days of the Date of Entitlement, the Board, on recommendation of the CC, may in its discretion grant the recommended Options to the recommended Eligible Employee in respect of the immediately preceding Financial Year.

3.3. In evidence of the Option granted to an Eligible Employee pursuant to Clause 3.2, the Company shall deliver an Option Certificate to such Eligible Employee, stating therein the Entitlement of the Eligible Employee, the Date of Grant, the Exercise Period, the Minimum Period and the Option Price. Each Option shall be personal to the Eligible Employee to whom it is granted and, other than a transfer to the Eligible Employee's legal heirs on his death, shall not be transferable, assignable or chargeable in any manner whatsoever. Any other purported transfer, assignment, charge, disposal or dealing with the rights and interest of the Option Holder under the Scheme or under an Option shall render such Option null void.

3.4. The aggregate number of the Shares for all Options to be granted under this Scheme to all Eligible Employees shall not, at any time, exceed the Entitlement Pool.

3.5. The aggregate number of the Shares for all Options to be granted under the Scheme to any single Eligible Employee shall not, at any time, exceed three percent (3%) of the paid-up capital of the Company (as increased from time to time). Provided that the grant of Options to Eligible Employee in any one calendar year exceeding one percent (1 %) of the paid-up capital of the Company (as increased from time to time but excluding outstanding conversions) shall require the approval of the shareholders of the Company under regulation 7(1)(b).

3.6. No Option shall be granted to an Eligible Employee specified in Clause 1.1.16 except with the approval of the shareholders of the Company under regulation 7(1)(a) of the Regulations.

3.7. An Eligible Employee who is on long leave (i.e. leave in excess of the normal leave requirements provided in the terms and conditions of employment) may also become entitled to such Options as may be determined by the CC in its discretion from time to time.

4. EXERCISE OF OPTIONS

4.1. An Option or any portion thereof shall be exercised during the applicable Exercise Period, subject to expiry of the relevant Minimum Period.

4.2. There shall be a minimum period of one year between the grant of option and vesting of option. An employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him, till shares are issued to him on exercise of option.

4.3. An Option may be exercised in full or in part, from time to time within the applicable Exercise Period (subject to expiry of the relevant Minimum Period).

4.4. In order to exercise an Option in whole or in part, the Option Holder must, after expiry of the relevant Minimum Period and prior to expiry of the relevant Exercise Period, deliver to the Secretary of the Company an Option Notice in writing specifying the number of Shares in respect of which the Option is being exercised, and deliver a copy of such Option Notice along with the Option Certificate. Payment for the Option Price relating to the Option or part thereof being exercised must also be made to the CC, in readily available funds accompanying the Option Notice and/or, in case Clause 4.5 is applicable, by the Option Holder opting for the Cashless Exercise of Option there under. The date of delivery of the Option Notice to the Company shall constitute, for all purposes, the date of exercise of such Option. Each Option Notice shall be given only in such form, and shall be subject to such other requirements and modalities, as the Company may from time to time prescribe.

4.5. Under the Cashless System of exercise of Option, the Company may, in its discretion, fund by way of an interest free advance, up to the entire amount of the relevant Option Price, to the Eligible Employees that come within the scope of the proviso to Section 86 (2) of the Act, The CC may, within ten working days of receipt of an Option Notice opting for a Cashless Exercise under this Clause 4.5, (in its discretion) either refuse the funding of such Option or make payment (by debiting the ESOS Account of such Eligible Employee) of the relevant portion of Option Price in respect of which such Eligible Employee has opted for Cashless Exercise under this Clause 4.5 (as specified in the Option Notice).

4.6. As soon as practicable and in any event not more than thirty days after the later to occur of receipt by the Company of each Option Notice and the payment of the applicable Option Price, the Shares in respect of which the Option has been exercised shall be allotted by the Company to the Eligible Employee. Employees exercising the option must have account in CDC and the Shares shall be directly credited through book entries into the respective Central Depository System (CDS) accounts of allottees maintained with the CDC and the name of such Eligible Employee shall be entered in the register of members of the Company in respect of the Shares so allotted. The Option Holders, therefore, must have a CDS Account at the time of exercising the Option. Provided, however, in case the Eligible Employee has opted for a Cashless Exercise under Clause 4.5 in respect of all or part of such Option Price, the Company shall have a lien on the Shares allotted there under up to the amounts advanced by the Company under Clause 4.5, and the Company shall be entitled to sell such number of Shares as are required to repay such amounts and reduce the debit balance in such Eligible Employee's ESOS Account to nil.

4.7. No Option Holder shall have any right to receive any sort of dividend or to vote in any manner or enjoy the benefits of a shareholder in respect of any Option granted to him until Shares are actually issued to him on exercise of the Option (and thereafter such rights shall be limited only to the extent of the Shares issued to him).

4.8. There is no lock-in period for any Shares allotted and issued to an Option Holder on exercise of his Option, i.e. an Option Holder shall be free to sell or otherwise dispose of his Shares (subject to the provisions of Clause 4.5, if applicable). **Please refer to Annexure-A – Time Schedule [and mechanism] of the Scheme**.

5. LAPSE OF OPTIONS

5.1. The unexercised portion of an Option shall lapse at the completion of the relevant Exercise Period.

5.2. Notwithstanding anything to the contrary contained herein, upon an Option Holder ceasing to be in Employment for any reason (including termination of employment for misconduct) other than Retirement or death or permanent incapacity, only such Options or portion thereof held by him for which the Minimum Period has expired on or prior to the date of termination / resignation shall remain valid and all other Options or portions of Options shall immediately lapse thereafter. The Options or portions thereof that remain valid under this Clause 5.2 may be exercised any time up till the expiry of applicable Exercise Period or within the period of **nine months** from the date of termination/ resignation of the Option Holder, whichever is earlier, and the unexercised Options or portion thereof, if any, shall lapse thereafter. Provided, however, the Compensation Committee may, in its discretion, extend the permissible period for exercise of the aforementioned Options beyond the aforementioned period but not, in any case, beyond the Exercise Period relating to such Option.

5.3. Notwithstanding anything to the contrary contained herein, upon the Option Holder ceasing to be in Employment by reason of Retirement or permanent incapacitation, all remaining Options held by him on the date of Retirement or permanent incapacitation shall immediately vest in his name (irrespective of the applicable Minimum Period) and will remain capable of exercise only up till the expiry of applicable Exercise Period or the period of twelve months from the date of such Retirement / permanent incapacitation, whichever is earlier, and any unexercised portion of the Option shall lapse thereafter.

5.4. Notwithstanding anything to the contrary contained herein, upon the death of any Option Holder, all remaining Options held by him on the date of death shall immediately vest in the name of his legal heirs (irrespective of the applicable Minimum Periods) and will remain capable of exercise by such legal heirs only up till the expiry of the applicable Exercise Period or the period of twelve months from the date of death, whichever is earlier, and any unexercised portion of the Option shall lapse thereafter. Provided however that such legal heirs shall, prior to exercise of an Option, be required to show evidence to the Company's satisfaction that they are the only legal heirs of the deceased Option Holder.

5.5. Upon the lapse of an Option, any outstanding Shares for which the Option was issued and not exercised may be offered by the CC to other Eligible Employees and shall not be double-counted for the purposes of the Entitlement Pool.

6. CALCULATION OF ENTITLEMENT

The Board, on recommendation of the CC, shall determine the entitlement to Options of the Eligible Employees in a meeting to be held within 30 days of the Date of Entitlement.

7. COMPLIANCE

7.1. The Scheme shall be administered and implemented in due compliance with law, including without limitation, applicable provisions of the Act and the Regulations.

7.2. Without prejudice to the generality of the foregoing, the Board shall ensure compliance with regulation 7 of the Regulations.

7.3. The policy and system for controlling insider trading shall be as follows:

(a) the Company will ensure that each Eligible Employee is provided with a copy of the Scheme prior to grant of any Option;

(b) while granting any Option to an Eligible Employee, he/she will be cautioned in writing that all Options granted will lapse forthwith if the Eligible Employee is found guilty of insider trading;

(c) the Company will provide the Eligible Employee, prior to grant of any Option, with copies of the relevant sections of law (including any up-dates or amendments thereto) dealing with the prohibition against insider trading;

(d) all trades of the Company's securities by all Option Holders must be reported within five (5) working days to the Company Secretary of the Company;

(e) An Eligible Employee shall neither disclose any inside information to any other person nor make recommendations nor express opinion on the basis of inside information as to trading in the Company's securities.

7.4. Without prejudice to the foregoing, the CC may from time to time modify the aforementioned policy or make other suitable policies and system to ensure that there is no violation of insider trading provisions of Securities Act, 2015 and the Securities and Exchange Commission of Pakistan Act, 1997 or the rules made under these laws.

7.5. "Inside information" and "insider trading" shall have the same meaning as described thereto in the Act, 2015.

7.6. If any Option Holder is found involved in or suspected of insider trading, the Options granted to him but not yet exercised shall be withdrawn.

8. EXPENSES

Any expenses of the Company involved in any issue of Shares in the name of any Option Holder shall be payable by the Company.

9. GENERAL

9.1. Any notification or other notice in writing which the Company is required to give, or may desire to give, to any Eligible Employee or Option Holder (or his legal representative, as the case may be) in pursuance of this Scheme shall be sufficiently given if delivered to him by hand or sent through post in prepaid cover addressed to the Eligible Employee or Option Holder at the last address known to the Company as being his address. Any certificate, notification or other notice in writing required to be given to the Company or the Secretary of the Company shall be properly given if sent to or delivered to the registered office of the Company.

9.2. The Board shall, at all times, keep available for issue such authorized and un-issued Shares as may be required to meet the subsisting subscription rights of the Option Holders.

9.3. The decision of the CC in any dispute or question relating to any Option shall be final and conclusive, subject to the written confirmation of the auditors of the Company whenever required in the determination of the break-up value or fair value of the Shares for the purposes of this Scheme.

9.4. Participation in this Scheme by an Option Holder is a matter entirely separate from any gratuity, provident fund or pension right or entitlement he may have and from his terms or conditions of Employment and participation in this Scheme shall in no respects whatsoever affect in any way an Option Holder's other rights or entitlement or terms or conditions of his Employment. In particular (but without limiting the generality of the foregoing words) any Option Holder who leaves Employment shall not be entitled to any compensation for any loss of any right or benefit or prospective right or benefit under this Scheme which he might have otherwise enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or breach of contract or by way of compensation for loss of office or otherwise howsoever.

9.5. If a provision of this Scheme is or becomes illegal, invalid or unenforceable, that shall not affect the legality, validity or enforceability of any other provision of this Scheme.

9.6. In case of a conflict between the provisions of this Scheme and the provisions of the Act or the Regulations (as the case may be), the provisions of the Act or Regulations (as the case may be) shall prevail.

9.7. In approving this Scheme, the shareholders of the Company shall be deemed to be expressly permitting issuance, from time to time, of Shares under or pursuant to the Options granted hereunder as shares other than right shares.

10. MODIFICATIONS AND ALTERATIONS:

10.1. The terms of this Scheme may at any time be modified or altered only in accordance with regulation 7(1)(viii) of the Regulations.

10.2. Rights already vested in Option Holders' by the grant of Options cannot be retrospectively altered or modified to the Option Holders' detriment by any alteration or modification to the Scheme.

11. TERMINATION

11.1. The Board may at any time resolve to terminate this Scheme in which event no further or new Options shall be granted, but the provisions of this Scheme shall in relation to Options then subsisting (i.e. options granted and not lapsed) shall continue in full force and effect.

Annexure-A – Time Schedule [and mechanism] of the Scheme

Ghani Global Holdings Limited - Employees Stock Option Scheme (ESOS)

Mechanism under ESOS is being explained with the help of an illustration [including Time Schedule of the Scheme]

1-	No. of Shares Outstanding as on 30-06-2020			**153,305,824**	shares	
2-	Entitlement Pool	**15%**	of Outstanding Shares i.e.	22,995,874	shares	**Clause 1.1.20**
3-	Grant of Options in any One Year to the Eligible Employees	**3%**	of Outstanding Shares i.e.	4,599,175	shares	**Clause 3.5**
4-	Maximum Options to be granted to any Single Employee during ESOS Scheme	**3%**	of Outstanding Shares	4,599,175	shares	**Clause 3.5**
5-	Date of Entitlement	January 1, 2021	(Say)			**Clause 1.1.18**
6-	Date of Grant	January 15, 2021	within 30days of Date of Entitlement			**Clause 1.1.19 & 3.2**
7-	Minimum Period from January 16, 2021 to	January 15, 2022	12 months from the Date of Grant of the Option			**Clause 4.2**
8-	Exercise Period from January 16, 2022 to	January 15, 2023				**Clause 1.1.28**
9-	Option Price	Weighted Average Price at PSX				**Clause 1.1.23**
10-	Option Notice	In order to exercise an Option in whole or in part, the Option Holder must, from January 16, 2022 to Jan 15, 2023, deliver to the Secretary of the Company an Option Notice in writing specifying the number of Shares in respect of which the Option is being exercised				**Clause 4.4**

Time Schedule of the Scheme

		Date of Entitlement	Date of Grant	Option Price		Minimum Period		Exercise Period	
				from	to	from	to	from	to
1	First	01-01-21	15-01-21	16-10-20	14-01-21	16-01-21	16-01-22	17-01-22	16-01-23
2	Second	02-01-22	16-01-22	17-10-21	15-01-22	17-01-22	16-01-23	17-01-23	16-01-24
3	Third	02-01-23	16-01-23	17-10-22	15-01-23	17-01-23	16-01-24	17-01-24	15-01-25
	and So on								

Ghani Global Group

GHANI GLOBAL HOLDINGS LIMITED

13th Annual General Meeting

FORM OF PROXY

I/We ______________________________

of ______________________________

being a member of GHANI GLOBAL HOLDINGS LIMITED ______________________________

______________________________ hereby appoint ______________________________

of ______________________________

failing him ______________________________

as my / our Proxy to attend act and vote for me/us on my/our behalf at 13th Annual General Meeting of the members of the Company to be held at Lahore on Wednesday, October 28, 2020 and at any adjournment(s) thereof.

Signed this __________ day of October 2020.

Sign by the said Member

Signed in the presence of:

1. Signature: ______________________
   Name: ______________________
   Address: ______________________
   CNIC/Passport No. ______________________

2. Signature: ______________________
   Name: ______________________
   Address: ______________________
   CNIC/Passport No. ______________________

Information required		For Member (Shareholder)	For Proxy	For alternate Proxy (*)
			(If member)	
Number of shares held				
Folio No.				
CDC Account No.	Participant I.D.			
	Account No.			

Affix Revenue Stamp of Rs.5/

(*) Upon failing of appointed Proxy.

Ghani Global Group

غنی گلوبل ہولڈنگز لمیٹیڈ

پراکسی فارم برائے تیرہواں سالانہ اجلاس عام

میں مسمیٰ/مسمّاۃ -- ساکن ------------------------

ضلع --------------- بحیثیت ممبر غنی گلوبل ہولڈنگز لمیٹیڈ ، مسمیٰ/مسمّاۃ ----------------

ساکن ----------------------- کو بطورِ مختار (پراکسی) مقرر کرتا ہوں تا کہ وہ میری جگہ اور میری طرف سے

کمپنی کے تیرہویں سالانہ اجلاس عام جو بتاریخ بدھ 28 اکتوبر 2020 کو کمپنی کے رجسٹرڈ آفس لاہور میں منعقد ہو رہا ہے اور اس کے کسی ملتوی شدہ اجلاس میں ووٹ ڈالے۔

آج بروز ---------- بتاریخ ---------- اکتوبر 2020ء کو دستخط کیے گئے۔

دستخط ممبر

گواہان:

1. دستخط: ______________
نام: ______________
پتہ: ______________
شناختی کارڈ/پاسپورٹ نمبر: ______________

2. دستخط: ______________
نام: ______________
پتہ: ______________
شناختی کارڈ/پاسپورٹ نمبر: ______________

پانچ روپے
مالیت کے رسیدی
ٹکٹ پر دستخط

ضرورتِ معلومات		رکن کے لئے (شیئر ہولڈر)	پراکسی کے لئے	متبادل پراکسی کے لئے (*)
			(اگر رکن ہے)	
حصص کی تعداد				
فولیو نمبر				
سی۔ڈی۔سی اکاؤنٹ نمبر	پارٹیسپنٹ آئی۔ڈی			
	اکاؤنٹ نمبر			

(*) مقرر کردہ پراکسی کی ناکامی پر