



Ghani Automobile Industries Limited

No. GAIL/PSX/2020/08

September 21, 2020

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Fax: 021-111-573-329

Dear Sir

FINANCIAL RESULTS FOR THE YEAR ENDED JUNE 30, 2020

We have to inform you that the Board of Directors of Ghani Automobile Industries Limited, in its Meeting held today at 02:00 P.M at 274B, N Block, Model Town Extention, Lahore has recommended the following:

(i) **CASH DIVIDEND**

Nil

(ii) **BONUS SHARES**

Nil

(iii) **ANY OTHER ENTITLEMENT/CORPORATE ACTION**

Nil

(iv) **ANY OTHER PRICE-SENSITIVE INFORMATION**

Approval of Scheme of arrangement for merger of Ghani Automobile Industries Limited with & into Ghani Value Glass Limited.

The Financial Results approved by the Board of Directors of the Company are as follow:

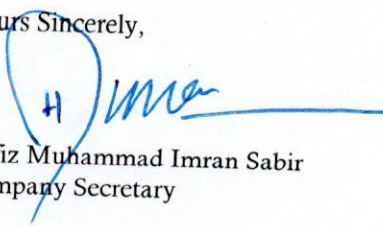
	<u>June 30, 2020</u> Rupees	<u>June 30, 2019</u> Rupees
Sales		
Cost of sales	70,293,928	148,992,292
Gross (loss)	<u>(88,193,462)</u>	<u>(168,259,371)</u>
	<u>(17,899,534)</u>	<u>(19,267,079)</u>
Administrative expenses		
Distribution and marketing expenses	15,706,163	33,790,412
Other expenses	4,364,313	11,999,638
	-	5,344
Operating (loss)	<u>(20,070,476)</u>	<u>45,795,394</u>
	<u>(37,970,010)</u>	<u>(65,062,473)</u>
Other income		
(Loss) before interest and tax	6,124,958	44,273,371
	<u>(31,845,052)</u>	<u>(20,789,102)</u>
Financial charges		
(Loss) before taxation	(56,362)	(182,227)
	<u>(31,901,414)</u>	<u>(20,971,329)</u>
Taxation		
Current		
Deferred	(1,046,795)	(2,776,160)
	-	-
(Loss) after taxation	<u>(1,046,795)</u>	<u>(2,776,160)</u>
	<u>(32,948,209)</u>	<u>(23,747,489)</u>
(Loss) per share - Basic and diluted	<u>(0.66)</u>	<u>(0.47)</u>

The Annual General Meeting (AGM) of the Company will be held on October 21, 2020 at Lahore subject to the approval of PSX.

The Share transfer books of the Company will remain closed from October 14, 2020 to October 21, 2020 (both days inclusive). Transfer received at the office of Shares Registrar M/s. Corplink (Pvt.) Ltd., Wings Arcasde, 1-K, Commercial, Model own, Lahore at the close of business on October 13, 2020 will be treated in time for attending the Annual General Meeting.

The Annual Report of the Company will be transmitted through PUCARS atleast 21 days before holding of Annual General Meeting.

Yours Sincerely,


Hafiz Muhammad Imran Sabir
Company Secretary



CC: The Director, Enforcement, SECP, Islamabad

**SCHEME FOR COMPROMISES,
ARRANGEMENTS AND RECONSTRUCTION**

**UNDER SECTIONS 279 TO 283
READ WITH SECTION 285 OF
THE COMPANIES ACT, 2017**

FOR AMALGAMATION/MERGER

BETWEEN

GHANI VALUE GLASS LIMITED

and its members

AND

GHANI AUTOMOBILE INDUSTRIES LIMITED

and its members

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**SCHEME FOR COMPROMISES,
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GHANI VALUE GLASS LIMITED

GHANI VALUE GLASS LIMITED (herein after referred to as “**GVGL**”) is one of the group company of Ghani Group. It was incorporated in Pakistan on 17 March, 1967 as **Chaudhry Textile Mills Limited** as a Public Limited Company. The name of the Company was changed to **Ghani Value Glass Limited** on February 16, 2009 and subsequently its sector was also changed after its acquisition by the management of Ghani Group. The management has a vast experience of glass manufacturing. GVGL has been producing value added glass including mirror (silver and aluminum coated), tempered glass, Lamination, Autoclave, Double Glazed, Double Edging, Sandblasting, Beveling Glass with state-of-the-art production facilities with capacity of over 67,000 tons p.a. GVGL is a market leader in value added glass. The Company's registered office is situated at 40-L, Model Town Extension, Lahore. The manufacturing unit is located at 31-KM Sheikhpura Road, Mouza Beti Heriya, Tehsil Nankana Sahib, District Sheikhpura. The Company is listed on Pakistan Stock Exchange Limited. The authorized share capital of the Company is Rupees 650,000,000 divided into 65,000,000 ordinary shares of Rupees 10 each and the paid up capital is Rupees 580,312,730 divided into 58,031,273 ordinary shares of Rupees 10 each. GVGL's share capital details are available at [Annexure-A](#) to this Scheme. The Balance Sheet of the GVGL is also available at [Annexure-C](#)

GHANI AUTOMOBILE INDUSTRIES LIMITED

GHANI AUTOMOBILE INDUSTRIES LIMITED (herein after referred to as “**GAIL**”) was incorporated on September 13, 1987 as **Ghani Textile Limited** as a public limited Company. The name of the Company was changed to Ghani Automobile Industries Limited with effect from March 31, 2004 and subsequently its sector was also changed from textile to Automobile. The registered office and factory of the company is situated at 274-B, N Block, Model Town Extension, Lahore and 49 KM Multan Road Bhai Pheru respectively. The Company is listed on Pakistan Stock Exchange Limited. The Company is principally engaged in manufacture, assemble and trade of Automotive Vehicles of all kinds and sorts. Before 2004, the Company's business was to manufacture and trade of grey cloth. The authorized share capital of the Company is Rupees 850,000,000 divided into 85,000,000 ordinary shares of Rupees 10 each and the paid up capital is Rupees 500,288,800 divided into 50,028,880 ordinary shares of Rupees 10 each. **GAIL**'s share capital details are available at [Annexure-B](#) to this Scheme. The Balance Sheet of the GAIL is also available at [Annexure-D](#)

ARTICLE-01

DEFINITIONS

In this Scheme of Arrangement, unless the subject or context otherwise requires, the following expressions shall bear the meanings specified against them below:

- I. **"APPOINTED DATE"** means the cut-off date fixed for transfer and amalgamation of the Undertaking as well as assets and liabilities of **GAIL** into **GVGL**, i.e. 01.07.2020.
- II. **"COURT"** means the High Court of Lahore or any other Court for the time being having jurisdiction under Section 279 to 283 of the Act.
- III. **"EFFECTIVE DATE"** means as specified in Article-07 of this Scheme of Arrangement.
- IV. **"EXISTING"** means existing, outstanding or in force immediately prior to the Effective date,
- V. **"FINANCIAL STATEMENTS"** means audited financial statements of **GVGL** and **GAIL** made as of 30th June 2020 for the purposes of determining the net assets, paid-up capital, reserves and surplus of **GVGL** and **GAIL** on the Appointed Date.
- VI. **"GVGL"** means Ghani Value Glass Limited, a company limited by shares incorporated in Pakistan and listed on Pakistan Stock Exchange, having its registered office at 40 - L, Model Town Extension, Lahore.
- VII. **"GAIL"** means Ghani Automobile Industries Limited, a company limited by shares incorporated in Pakistan and listed on Pakistan Stock Exchange, having its registered office at 274-B, N Block, Model Town Extension Lahore.
- VIII. **"ACT"** means the Companies Act, 2017, rules and regulations thereunder, or any statutory modification or re-enactment thereof for the time being in force.
- IX. **"RECORD DATE"** means the date as appointed by the Board of Directors of **GAIL** in terms of Article 05, Clause (b) of this Scheme.
- X. **"Scheme"** means this Scheme of Arrangement in its present form with any modification thereof or addition thereto approved or conditions, if any, imposed by the Court.
- XI. **"Tax"** means all present and future taxes, including income tax, sales tax, stamp duties, octroi, customs or excise duty, registration charges, levies, deductions, imposts, and any other charges and withholdings whatsoever, together with any interest, mark-up or penalties payable in connection with any failure to pay or delay in paying any of the above.

XII. **“UNDERTAKINGS OF GAIL”** means the Undertaking of GAIL as defined in Article 3(2) of this Scheme.

The headings and marginal notes are inserted for convenience and shall not affect the construction of this Scheme.



ARTICLE-02

OBJECTIVES

This Scheme of Arrangement has been formulated pursuant to the provisions of Section 279 to 283 and Section 285 of the Act for merger of GVGL and GAIL, as per the terms of this Scheme of Arrangement, together with all its properties, liabilities and obligations of every description.

The benefits of the Scheme of Arrangement shall include but are not limited to the following:

1. PRINCIPAL OBJECT

GAIL has suffered financial and operational difficulties in recent years and has suffered losses. By merging GAIL into GVGL, the larger base of assets of merged companies will bring financial stability to, and resulting in business growth of, the automobile business of GAIL.

Therefore, the principal object of the merger is to combine the assets and liabilities of the two companies and their members into one company, to bring significant value addition for shareholders of both companies, in particular of GAIL.

2. ADDITION OF NEW SECTOR FOR DIVERSIFICATION

Having excellent track record in manufacturing of value added glass in Pakistan, GVGL will get new sector and diversify its portfolio through the addition of auto sector.

3. SINGLE CORPORATION AND TAX REPORTING

The merger will make single corporate and tax reporting possible. It will entail elimination of maintenance of separate records for business operation, selling, purchasing, marketing, legal, administrative and secretarial and other records under the various laws resulting in duplication of work and higher costs.

4. SKILLED LABOUR

The GVGL will get the skilled labor from GAIL after merger of GAIL into GVGL.

5. TAX BENEFIT TO THE COMPANY

GVGL will be able to get the benefit of tax losses of GAIL.

6. LARGER EQUITY and ASSET BASE TO RESULT IN HIGHER PROFITABILITY

The merged Company i.e., GVGL would have a larger asset and product base enabling it to achieve higher growth which is expected to result in enhanced

profitability. The merger would lead to an increased asset base of the merged entity. The larger size of merged entity would provide greater opportunities in the market.

7. SAVING IN ADMINISTRATIVE EXPENSES

In the event of amalgamation under this Scheme, the administrative cost incurred will be considerably reduced as:

- a. Only a single Board of Directors will be required to administer the consolidated unit;
- b. Only one Annual General Meeting shall be required to be held and one set of annual/quarterly accounts published and circulated by the merged Company;
- c. Only one register of Shareholders and one set of books and records will be required to be maintained and one set of forms will be filed with the various Government agencies including the Registrar of Companies;
- d. Only one set of senior managerial administrative personnel would be required for managing the affairs of the company; and
- e. Only a single assessment for income tax and sales tax and their filling and record keeping will be required.

8. Increase in Risk Absorption Capacity:

The larger size of GVGL post-merger with GAIL will increase its risk absorption capacity thus enhancing the capacity to manage the potential risk arising out of the adverse and uncertain operating environment. In the long run, this factor would provide greater stability as well as sustainability in operation.

9. OVERALL BENEFITS

The merger will be to the advantage of shareholders and employees of both the companies. Since the reduced overhead costs is likely to result in enhanced revenues, the prospects of higher profitability with its attendant consequences of better dividends to shareholders may be expected. Moreover, by merging GAIL into GVGL, the larger base of assets of merged companies will bring financial stability to, and resulting in business growth of, the automobile business of GAIL.

ARTICLE-03

A. EXISTING SHARE CAPITAL

GVGL

The authorized share capital of GVGL is Rupees 650,000,000 divided into 65,000,000 ordinary shares of Rupees 10 each and the paid-up capital is Rupees 580,312,730 divided into 58,031,273 ordinary shares of Rupees 10 each.

GAIL

The authorized share capital of GAIL is Rupees 850,000,000 divided into 85,000,000 ordinary shares of Rupees 10 each and the paid-up capital is Rupees 500,288,800 divided into 50,028,880 ordinary shares of Rupees 10 each.

B. EXISTING SHAREHOLDING PATTERN:

The Pattern of Shareholding as at 30th June 2020 of:

GVGL is attached as Annexure - A and
GAIL is attached as Annexure - B.

C. EXISTING BOARDS OF BOTH COMPANIES:

GVGL

<u>S. No</u>	<u>NAME</u>	<u>POSITION</u>
1	Mr. Imtiaz Ahmad Khan	Chairman
2	Mr. Anwaar Ahmad Khan	Chief Executive Officer
3	Mr. Aftab Ahmad Khan	Director
4	Mrs. Maryam Junaid	Director
5	Mr. Jubair Ghani	Director
6	Mr. Obaid Ghani	Director
7	Mr. Ibrahim Ghani	Director
8	Mr. Umair Ghani	Director
9	Mr. Awais Ahmad	Director
10	Mr. Nauman Shaukat	Director
11	Mr. Muhammad Mushtaq	Director
12	Mr. Tahir Ghafoor Khan	Director

GAIL

<u>S. No</u>	<u>NAME</u>	<u>POSITION</u>
1	Mr. Obaid Ghani	Chairman
2	Mr. Aftab Ahmad Khan	Chief Executive Officer
3	Mrs. Ayesha Aftab	Director
4	Mrs. Maryam Junaid	Director
5	Ms. Afifa Anwaar	Director
6	Ms. Zahra Aftab	Director
7	Mr. Junaid Ghani	Director
8	Mr. Jubair Ghani	Director
9	Mr. Umair Ghani	Director
10	Hafiz Muhammad Saad	Director
11	Mr. Muhammad Ayub	Director
12	Mr. Nauman Shaukat	Director
13	Mr. Sarfraz Anwar	Director
14	Dr. Amjad Aqeel	Director

D. PROPOSED CONSTITUTION OF THE BOARD:

GVGL

The existing board of GVGL will continue after the merger of both Companies until the next elections

THE SCHEME

The GAIL Undertaking and their transfer to and vesting in GVGL

- A. GVGL and GAIL shall be amalgamated by transfer to and vesting in GVGL of the entire GAIL Undertaking, as subsisting immediately preceding the Appointed Date, without further act or deed, matter or thing, process or procedure, shall be transferred to and vested in GVGL on the Appointed Date.
- B. The GAIL Undertaking to be transferred to and vested in GVGL under the Scheme shall be inclusive of the following:
 - a) All assets and properties of the GAIL, including without limitation, properties of all kind and by whatever title held and whether movable or immovable, tangible or intangible, leasehold assets, including but not limited to and without limiting the generality of foregoing in particular:
 - i. the entire lease, estate, right, title and interest of the GAIL in and to the piece and parcel of land measuring 41 Kanals 8 Marla at 49-Km, Addah Sarai, Adjacent Rahat Bakers & Sweets, Main Multan Road, Tehsil Pattoki Distt. Kasur and building and structures constructed thereon together with all rights, estimates, privileges and advantages appurtenant thereto or for the benefit thereof, or with the same enjoyed or reputed to belong thereto, and all other rights relating thereto.
 - ii. all plant, machinery, equipment, spare parts, tools, appliances, computer systems and equipment, motor and other vehicles, furniture, fixture and fittings,
 - iii. all stock-in-trade, inventory, stocks of fuel, raw materials, ingredients, packaging, office and laboratory supplies, engineering spares, consumable stores, work in progress, finished goods,
 - iv. all contracts which remain in whole or in part to be performed at the Appointed Date entered into by or subsisting in favour of the GAIL, inclusive of all rights and obligations of GAIL thereunder,
 - v. all contracts, agreements, trusts, leases, hires, rentals, subleases, tenancies, conveyances, grants, instruments of transfer, engagements, commitments and arrangements entered into by GAIL or subsisting in favour of GAIL, inclusive of all rights and obligations of GAIL arising thereunder,
 - vi. all actionable claims, book, trade and other debts or sums due, owing, accrued or payable to GAIL (whether or not invoiced and

whether or not immediately due or payable), advances, deposits, prepayments and other receivables, loans made, investments, cash in hand and at banks or other depositories,

- vii. all historical and current documents, customer lists, product and supplier lists, catalogues, literature, employee records, documents of title, sales targets, sales statistics, market share statistics, marketing surveys and reports, marketing research and any advertising or other promotional material and other accounting (including management accounting reports) and other financial data whether in hard copy or in computer held form (including, for avoidance of doubts, such as microfilm and microfiche),

but the transfer and vesting of such assets and properties shall be subject to all mortgages, charges and other encumbrances subsisting thereon.

- b) all debts and other liabilities and obligations (if any) of GAIL whether accrued or accruing or contingent and whether incurred solely or jointly with another or others including all amounts owing to banks, financial institutions and other creditors;
- c) all banking and other accounts maintained by GAIL and all the credit and debit (as the case may be) balances in such accounts;
- d) all rights, powers, authorities and privileges of every kind and description held by GAIL including without limitations, all registrations, licenses, permits, categories, entitlements, sanctions, approvals and permissions or otherwise concerning the investment in or carrying on of any business by GAIL or the businesses and other activities carried on by GAIL or any part thereof together with every and all renewals, validations and approvals, or other right, power, authority, or privilege, whatsoever;
- e) all connections and facilities for telecommunication owned by or leased or licensed to GAIL, including telephones, telexes, internets and facsimile and the benefit of all payments and deposits made by or for the account of GAIL in connection therewith;
- f) all connections, meters and other installations owned by or leased or licensed to GAIL for the supply of electricity, gas and water and the benefit of all payments and deposits made by or for the account of GAIL in connection therewith;
- g) the liabilities of GAIL on account of its employees or former employees including such liabilities payable on termination of service by way of gratuity, redundancy, provident fund, pension or otherwise;
- h) the contracts of employment between GAIL and its employees upon merger of GAIL with GVGL becoming effective and the rights and obligations of GAIL arising under such contracts;

- i) all rights, title and interest of GAIL anywhere in the world and the goodwill in respect of any trademarks, service marks, trade names, trading styles, copyrights, designs, patents, inventions, secret processes, know-how and confidential information, including without limitation, any licenses (inclusive of the benefits and burdens of such license) for the same, and any applications or rights to apply for protection or registration of any of the same and any continuing, re-issue, divisional and re-examination patent application and goodwill of GAIL in respect of each and all of its businesses and activities;
- j) all rights, title and interest of GAIL in technical data and know-how, industrial and technical information, trade secrets, confidential information, drawings, formulations, technical reports, operating and testing procedures, instruction manuals, raw materials or production specifications, the result of research and development work, whether in hard copy or in computer held form (including, for avoidance of doubt, such media as microfilm and microfiche) and computer software;
- k) all licences, permits and authorizations for the import or export of any plant, machinery, equipment, materials, goods, articles or things and all bills of entry, airway bills, bills of lading or other documents of title relating thereto and all letters of credit and other payment orders and all rights, titles and privileges, benefits, liabilities and obligations of GAIL arising thereunder or pursuant thereto or in relation thereof;
- l) all rights, powers, authorities and privileges of GAIL including all registrations, licences, permits, categories, entitlements, sanctions, approvals and permissions concerning the investment in or carrying on of any business by GAIL or the businesses and other activities carried on by GAIL or any part thereof;
- m) all other rights, powers, authorities and privileges of GAIL, including without limitation:
 - i. all registrations, licences, permits, categories, entitlements, authorizations, sanctions, permissions and approvals issued or granted by any government, government department or agency, or any statutory or local authority or any municipal establishment to GAIL;
 - ii. all concessions, entitlements, tariff protections and duty and tax exemptions and remissions;
 - iii. all credits and refunds on account of sales tax, custom duty, octroi and other duties, taxes, levies, fees, charges, or imposts paid on account of, or in connection with any properties, assets or materials comprised in the GAIL Undertaking and inclusive of the right to adjust the amount of sales tax paid on the purchase,

acquisition or import thereof (input tax) against sales tax payable by GAIL on goods sold by it (output tax); and

- iv. all rights against third parties (including sub-contracts and any retention of title rights);
 - n) all loans, advances, finances, leases and banking facilities provided to or agreed to be provided to GAIL inclusive of interest, mark up or other return and bank charges in respect thereof;
 - o) all amounts owing (whether or not due for payment) or payable by GAIL and which are unpaid at the Appointed Date in respect of the supply of goods, utilities and services (including without limitation credit notes granted and advances received from suppliers or customers) to GAIL;
 - p) the benefits of any policies of insurance issued to or otherwise available to GAIL;
 - q) the benefit of all capital allowances and tax losses;
 - r) the liabilities of GAIL for payment of taxes, and the entitlements of GAIL to credit or refund of payments made for or in respect of any assessment or liability for taxes including advance tax collections; and
 - s) the accumulated accounting revenue losses of GAIL.
- C. The amalgamation in accordance with this Scheme and the transfer to and vesting in GVGL of GAIL Undertaking shall be treated as having taken effect from the Appointed Date and as from that time and until the Effective Date, GAIL Undertaking (inclusive of the businesses, operations and other activities of GAIL) shall be deemed to have been carried on by GAIL for and on account of and for the benefit of GVGL. All profits and losses accruing or arising or incurred by GAIL through the operation of the GAIL Undertaking (inclusive of the businesses, operations and other activities of GAIL), from the Effective Date shall be treated as the profits or losses, as the case may be, of GVGL.
- D. The profits, reserves and surpluses (if any) of GAIL or of GVGL during the period from the Appointed Date to the Effective Date shall not be utilized by GAIL or GVGL, as the case may be, for or in connection with the declaration of dividends or the issuance of bonus shares or otherwise than in the operation of the GAIL Undertaking or of the businesses and operations of GVGL, as the case may be, in the ordinary course of business.

ARTICLE-05

ISSUANCE OF SHARES BY GVGL

- a) All the assets and liabilities of GAIL shall be vested in GVGL.
- b) The authorized capital of GAIL will merge into the authorized capital of GVGL; and, the issued share capital of GAIL will be eliminated in consequence of issuance of new shares of GVGL to the shareholders of GAIL in terms of this Article:

Pre-Merger Authorized Capital		Post-Merger Authorized Capital
GVGL	GAIL	GVGL
Rs. 650,000,000	Rs. 850,000,000	Rs. 1,500,000,000

- c) The clause V of the Memorandum of Association and clause IIA of the Articles of Association of GVGL shall, with effect from the Appointed Date and upon the Scheme becoming effective and without any further act, deed, matter or thing be replaced by the following clause:

“The authorized share capital of the company is Rs. 1,500,000,000 (Rupees One Billion and Five Hundred Million only) divided into 150,000,000 (One Hundred Fifty Million) ordinary shares of Rs. 10 (Rupees Ten only) each.”

- d) Each member of GAIL holding ordinary share(s) on the Effective Date in terms of Article 7, shall, after book closure, be entitled to claim and receive as of right, such number of fully paid-up ordinary shares of the face value of Rs. 10/- each, at par, of GVGL as may be determined to the extent and in the manner detailed hereunder, in exchange of his/her/its existing holding of share(s) in GAIL:

	<u>SHARE EXCHANGE BASIS</u>	
	<u>GAIL</u>	<u>GVGL</u>
Share-exchange ratio	7.8047	1

- e) According to the share swap ratio as detailed above, in exchange of total issued and fully paid up 50,028,880 shares of GAIL, total number of ordinary shares of GVGL, having face value of Rs.10/- each, is worked out to be 6,410,098.
- f) The new shares will be issued to those registered members of GAIL whose names will appear on the register of members on the date to be fixed by the board of directors of GVGL for the purpose. All entitlements of the registered holders of the ordinary shares of GAIL, to the new shares of GVGL to be issued in terms of this Article, shall be determined in the proportion to their existing shareholding in GAIL. Fractional shares shall not be issued. All fractions less than a share shall be consolidated into whole shares which shall be allotted to the secretary of GVGL upon trust to sell

such shares in the market and pay the net sale proceeds realized (less the expenses of sale) to the shareholders who are entitled to fractions in proportion to their respective fractional entitlements.

- g) The share swap ratio has been determined on the basis of the annual audited financial statements of GVGL and GAIL dated 30 June 2020 and the recommendations of Waseem & Co., Chartered Accountants in terms of their valuation certificate dated 14 September, 2020, attached herewith as Annexure E.
- h) At least fourteen (14) days' notice shall be given to the registered shareholders of the ordinary shares of GAIL prior to the date fixed by the board of directors of GVGL for determination of entitlement to ordinary shares of GVGL. The share certificates for such GVGL shares shall be made ready for delivery as soon as practicable thereafter and notices of their readiness for their delivery shall be given to the shareholders of GAIL in the manner provided in its Articles of Association. Share certificates not collected within the time specified in any such notice shall be sent by post in prepaid envelopes addressed to the persons entitled thereto at their respective registered addresses. In the case of joint shareholders, share certificates may be delivered to or may be sent to the address of one of the joint holders whose name appears first in respect of such joint holding. GVGL shall not be responsible for loss of the share certificate in such transmission. Alternatively, such GVGL shares may be allotted through Central Depository System (as established and defined under the Central Depositories Act, 1997) of the Central Depository Company of Pakistan Limited (the "CDC") in accordance with the rules and regulations of the CDC.
- i) The shares of GVGL, to be issued and allotted in the manner as aforesaid to the shareholders of GAIL, on an application made to the stock exchanges in Pakistan, shall and be deemed to rank pari passu as "quoted shares" with the existing shares of GVGL for all purposes including listing, trading, quoting and dealing in such shares on the stock exchange(s) in Pakistan, with the same legal effect and force as if this Scheme was not sanctioned.
- j) Upon the issue and allotment of the shares of GVGL to the shareholders of GAIL in the aforesaid manner, all the existing share certificates representing the shares of GAIL shall stand cancelled.
- k) The allotment of the GVGL Shares shall be made within such time period as determined by the board of directors of GVGL.

ARTICLE-06

DISCHARGE BY GVGL OF GAIL LIABILITIES AND OBLIGATIONS

1. Agreement/Contracts

- 1.1 All contracts, agreements, trusts, leases, conveyances, commitments, engagements and arrangements, grants, instruments of transfer, rights, powers, authorities and privileges entered into by or subsisting in favour of GAIL upon being transferred to and vested in GVGL, shall remain in full force and effect as if originally entered into by or granted in favour of GVGL instead of GAIL, and GVGL may enforce all rights and shall perform all obligations and discharge all liabilities arising there under accordingly.

2. Creditors

- 2.1 The debts, liabilities and obligations of GAIL comprised in GAIL Undertaking, upon being transferred to and vested in GVGL shall be treated as the debts, liabilities, contingent liabilities and obligations of GVGL as if originally incurred by GVGL instead of GAIL, and GVGL shall pay and discharge all such debts and liabilities and shall perform all such obligations accordingly. The aforesaid shall not affect the respective rankings of the existing security interests of the creditors on the assets of GAIL and GVGL.

3. Receivables / Debtors

- 3.1 All receivables of GAIL upon being transferred to and vested in GVGL shall be treated as the receivables of GVGL as if originally owing to GVGL instead of GAIL and GVGL shall receive all such proceeds accordingly.

4. Employees

- 4.1 On and from the Appointed Date, all employees of GAIL shall continue to be in service with GVGL on the terms and conditions applicable to them in GAIL, immediately preceding the Appointed Date including those relating to entitlements arising upon termination of service to payment of provident fund, gratuity, redundancy and pension as applicable, and with the benefit of past service in GAIL, as the case may be and other dues if applicable under their respective terms of service.
- 4.2 All deeds, rules and other instruments relating to the provident fund, pension fund and gratuity fund established by GAIL, as the case may be, shall remain in full force and effect for the benefit of all employees of GAIL, as the case may be, as if originally GVGL was a party thereto and was mentioned therein instead of GAIL, as the case may be, and GVGL may enforce all rights and shall perform all obligations and discharge all liabilities arising thereunder accordingly.

ARTICLE-07

EFFECTIVE DATE

1. The Scheme shall not become effective until the last of the following dates, namely:
 - a) such date as the Court may specify in this regard at the time of sanctioning the Scheme;

OR

 - b) as soon as all necessary certified copies of an order or orders of the Court under the provisions of the Act, shall have been filed with the Registrar of Companies, Lahore.
2. This Scheme shall become null and void subject to the following and in that event, no rights and liabilities shall accrue to or be incurred in terms of this Scheme:
 - a) if the Scheme is not approved by the requisite majority of members of either **GVGL** or **GAIL**; or
 - b) If sanction of the Court in respect of this Scheme is not obtained.
3. As of the Effective Date, the terms of this Scheme shall be binding on **GVGL** and **GAIL** and all their respective members, and also on all its/their employees and also on all the debtors and creditors of the said companies and any person having any right or liability in relation to them.

BUSINESS PLAN

The business plan envisages:

- Optimum utilization of resources;
- Improvement in quality and uniformity of services to the clients;
- Joint marketing efforts for the revival of motorcycle business; and
- Utilization of skilled work force for the technical enhancement of production facilities

ARTICLE-09

MISCELLANEOUS

1. All suits, appeals, arbitrations, governmental investigations and other legal proceedings instituted by or against GAIL and pending on or immediately before the Appointed Date shall be treated as suits, appeals, arbitrations, governmental investigations and legal proceedings by or against GVGL and may be continued, prosecuted and enforced by or against GVGL accordingly.
2. The revenue losses of GAIL as at the Appointed Date, shall constitute and be treated as revenue losses of a corresponding nature in GVGL and shall be accounted for on that basis in the books of account of GVGL.
3. Pending the merger neither GAIL nor GVGL shall make any declaration of dividend or issue any bonus shares or rights shares or alter the share capital in any manner except in consultation and as may be agreed with the other company.
4. GAIL shall be dissolved, without winding up, on the Effective Date or on such later date as the Court by order may prescribe.
5. This Scheme is subject to the sanction of the Court and may be sanctioned in its present form or with any modification thereof or addition thereto as the Court may approve and this Scheme, with such modification or addition if any, is also subject to any conditions, which the Court may impose.
6. The board of directors of GAIL and GVGL may consent jointly on behalf of all concerned to any modifications of or additions to this Scheme or to any conditions, which the Court may think fit to impose.
7. All costs, charges and expenses incurred in connection with the transfer to and vesting in GVGL of the GAIL Undertaking and all other costs, charges and expenses incurred in respect of the preparation of this Scheme and carrying the same into effect shall be borne and paid by GVGL.

Dated: 21.09.2020

2.1. Pattern of holding of the shares held by the shareholders as at

30-06-2020

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
394	1	100	11,687
216	101	500	69,318
118	501	1,000	102,945
200	1,001	5,000	530,989
50	5,001	10,000	388,332
21	10,001	15,000	259,348
14	15,001	20,000	249,183
7	20,001	25,000	153,523
5	25,001	30,000	139,175
3	30,001	35,000	95,875
2	35,001	40,000	78,006
1	40,001	45,000	43,535
1	45,001	50,000	50,000
2	50,001	55,000	103,000
1	55,001	60,000	57,500
2	65,001	70,000	133,687
1	70,001	75,000	75,000
1	90,001	95,000	91,425
1	105,001	110,000	106,175
3	115,001	120,000	356,925
1	125,001	130,000	125,375
1	140,001	145,000	141,708
1	145,001	150,000	150,000
1	190,001	195,000	190,550
1	200,001	205,000	202,406
2	250,001	255,000	504,695
1	315,001	320,000	319,106
1	370,001	375,000	372,809
1	390,001	395,000	390,600
1	1,370,001	1,375,000	1,373,958
1	1,705,001	1,710,000	1,708,000
1	1,990,001	1,995,000	1,991,380
1	1,995,001	2,000,000	1,995,225
1	2,065,001	2,070,000	2,066,056
2	2,070,001	2,075,000	4,141,724
1	9,355,001	9,360,000	9,357,000
1	13,285,001	13,290,000	13,286,163
1	16,615,001	16,620,000	16,618,890
1,063			58,031,273

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	49,793,732	85.8050%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
2.3.3 NIT and ICP	650	0.0011%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	50	0.0001%
2.3.5 Insurance Companies	0	0.0000%
2.3.6 Modarabas and Mutual Funds	103,725	0.1787%
2.3.7 Shareholders holding 10% or more	39,535,499	68.1279%
2.3.8 General Public		
a. Local	7,398,154	12.7486%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		
- Joint Stock Companies	91,663	0.1580%
- Pension Funds	643,225	1.1084%
- Others	74	0.0001%

2.1. Pattern of holding of the shares held by the shareholders as at

30-06-2020

		-----Shareholdings-----		
2.2 No. of Shareholders	From	To	Total Shares Held	
230	1	100	6,287	
898	101	500	435,875	
733	501	1,000	722,050	
1348	1,001	5,000	4,090,387	
550	5,001	10,000	4,600,377	
188	10,001	15,000	2,497,737	
142	15,001	20,000	2,648,684	
77	20,001	25,000	1,818,010	
50	25,001	30,000	1,436,475	
29	30,001	35,000	976,000	
22	35,001	40,000	848,000	
18	40,001	45,000	763,702	
57	45,001	50,000	2,821,000	
12	50,000	54,999	637,000	
7	55,001	60,000	419,000	
7	60,001	65,000	443,000	
7	65,001	70,000	483,440	
15	70,001	75,000	1,108,500	
10	75,001	80,000	781,734	
4	80,001	85,000	340,000	
10	85,001	90,000	897,500	
1	90,001	95,000	94,000	
27	95,001	100,000	2,699,750	
7	100,001	105,000	715,500	
3	105,001	110,000	325,500	
1	110,001	115,000	113,000	
2	115,001	120,000	235,500	
5	120,001	125,000	621,500	
1	125,001	130,000	130,000	
3	130,001	135,000	399,000	
3	135,001	140,000	418,000	
2	140,001	145,000	289,000	
5	150,001	155,000	761,000	
3	160,001	165,000	493,500	
1	175,001	180,000	175,500	
1	180,001	185,000	184,000	
2	190,001	195,000	384,000	
4	195,001	200,000	798,000	
1	205,001	210,000	209,000	
1	225,001	230,000	226,500	
1	230,001	235,000	233,000	
2	235,001	240,000	475,000	
3	245,001	250,000	750,000	
2	255,001	260,000	515,500	
1	280,001	285,000	281,000	
1	290,001	295,000	291,000	
1	305,001	310,000	307,000	
1	315,001	320,000	320,000	
1	375,001	380,000	380,000	
1	410,001	415,000	412,000	
1	420,001	425,000	421,000	
1	435,001	440,000	436,372	
1	445,001	450,000	450,000	
1	480,001	485,000	484,000	
1	495,001	500,000	500,000	
1	535,001	540,000	540,000	
1	675,001	680,000	680,000	
1	795,001	800,000	800,000	
1	1,150,001	1,155,000	1,155,000	
1	2,550,001	2,555,000	2,551,000	
4511			50,028,880	

Annex-B

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	102,082	0.2040%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
2.3.3 NIT and ICP	4,000	0.0080%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	0	0.0000%
2.3.5 Insurance Companies	0	0.0000%
2.3.6 Modarabas and Mutual Funds	125,000	0.2499%
2.3.7 Shareholders holding 10% or more	0	0.0000%
2.3.8 General Public		
a. Local	47,590,465	95.1260%
b. Foreign	1,250	0.0025%
2.3.9 Others (to be specified)		
1- Joint Stock Companies	2,137,083	4.2717%
2- Other Companies	69,000	0.1379%

GHANI VALUE GLASS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

Annex-C

ASSETS	Note	2020 Rupees	2019 Rupees
NON CURRENT ASSETS			
Property, plant and equipment	5	484,514,882	453,881,321
Long term advances and deposits	6	9,930,335	10,740,654
		494,445,217	464,621,975
CURRENT ASSETS			
Stores, spares and loose tools	7	49,580,718	43,849,861
Stock in trade	8	239,336,235	188,932,113
Trade debts	9	149,367,131	224,956,760
Advances, deposits and other receivables	10	10,454,871	27,451,199
Income tax refunds due from Government		209,532,149	161,155,931
Cash and bank balances	11	161,502,146	67,253,862
		819,773,250	713,599,726
		1,314,218,467	1,178,221,701
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Share Capital			
65,000,000 (2019: 45,000,000) ordinary shares of Rs.10/- each (2019: Rs. 10/- each)		650,000,000	450,000,000
Issued, subscribed and paid up share capital	12	580,312,730	374,395,310
Capital reserve			
Revaluation surplus on land		144,619,706	144,619,706
Revenue reserves			
- Unappropriated profit		222,420,244	316,094,704
- General reserve		3,680,000	3,680,000
		226,100,244	319,774,704
		951,032,680	838,789,720
NON CURRENT LIABILITIES			
Deferred taxation	13	27,476,858	27,447,555
CURRENT LIABILITIES			
Trade and other payables	14	307,873,825	285,958,912
Contract liabilities	15	25,325,970	24,312,402
Unclaimed dividends	16	2,509,134	1,713,112
		335,708,929	311,984,426
		1,314,218,467	1,178,221,701
CONTINGENCIES AND COMMITMENTS			
	17		

The annexed notes from 1 to 36 form an integral part of these financial statements.



CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

GHANI AUTOMOBILE INDUSTRIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

	NOTE		NOTE	
	June 30, 2020 Rupees	June 30, 2019 Rupees	June 30, 2020 Rupees	June 30, 2019 Rupees
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized Share Capital				
85,000,000 (2019: 85,000,000) ordinary shares of Rupees 10/- each	850,000,000	850,000,000		
Issued, subscribed and paid up share capital	500,288,800	500,288,800		
Discount on issue of shares	(150,028,880)	(150,028,880)		
Accumulated (loss)	(341,698,894)	(292,514,891)		
	8,561,026	57,745,029		
NON CURRENT LIABILITIES				
Security deposit payable	39,500,000	39,500,000		
CURRENT LIABILITIES				
Trade and other payables	184,720,893	193,183,024		
Unclaimed dividend	609,746	609,746		
	185,330,639	193,792,770		
CONTINGENCIES AND COMMITMENTS	7	-		
TOTAL EQUITY AND LIABILITIES	<u>233,391,665</u>	<u>291,037,799</u>		
ASSETS				
NON CURRENT ASSETS				
Property, plant and equipment			42,463,061	45,526,323
Security deposits			598,700	598,700
			43,061,761	46,125,023
CURRENT ASSETS				
Stores, spares and loose tools				699,752
Stock in trade				52,233,052
Trade debtors - unsecured but considered good				109,263,959
Advances and other receivables				23,083,542
Tax Refunds and due from the government				56,740,752
Cash and bank balances				2,891,719
				190,329,904
				244,912,776
TOTAL ASSETS			<u>233,391,665</u>	<u>291,037,799</u>

The annexed notes 1 to 35 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



Waseem & Co.

Chartered Accountants

GVGL/2020/LV-01

September 14, 2020

The Chief Executive Officer
Ghani Value Glass Limited
40-L, Model Town, Lahore.

Dear Sir,

Proposed merger of Ghani Value Glass Limited and Ghani Automobile Industries Limited-Calculation of Share Swap Ratio

We were engaged by Sponsors of Ghani Value Glass Limited and Ghani Automobile Industries Limited (jointly referred to as the "Clients") to carry out the captioned engagement.

Scope of Certificate

This certificate has been prepared for the calculation of share value (per share) and share swap ratio for the merger of Ghani Automobile Industries Limited with Ghani Value Glass Limited. This certificate is being issued for the above stated specific purpose only.

We carried out the valuation of clients as at 30 June 2020 in order to calculate the share swap ratio. We used audited financial statements of the clients for the period ended 30 June 2020 along with their financial projections for the years 2021-25.

Furhter, we were provided with other related information and explanations as and when required in order to carry out the valuation. We have not conducted verification of the said financial projections and related information.

For the purpose of this engagement we used (1) Market Assessed Forced Sale Values; (2) Business Valuation using Discounted Cash Flow; and (3) Weighted Average of share prices on PSX (last six months January 2020 to June 2020)



Waseem & Co.

Chartered Accountants

Management Responsibility

It is the management responsibility to provide the information, required for the calculation for share price per share for Ghani Auto Industries limited and Ghani Value Glass Limited in compliance with the scope of certificate as mentioned above.

Auditor's Responsibility

Our responsibility is to calculate the share value per share in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to the procedures as mentioned below:

- Obtained projected financial statements for the five years of Ghani Value Glass Limited and Ghani Automobile Industries Limited.
- Calculated share value (*per share*) for Ghani Automobile Industries Limited and Ghani value Glass Limited on Discounted Cash Flow basis, Market Assessed Forced Sale Values of Non-current assets as provided by Evaluators and 6 months Weighted Average of share price on Pakistan Stock Exchange prior to appointed date (*Last six months January 1, 2020 to June 30, 2020*).
- Calculated SWAP ratio based on average of swap prices of each method.

Certificate

Based on and restricted to the procedures mentioned above, we certify that the value per share is as follows:

Serial No.	Valuation Methodology	Ghani Value Glass Limited	Ghani Automobile Industries Limited	Swap Ratio
1	Market Assessed Forced Sale Values	17.78	4.05	4.3912
2	Discounted cash flow	42.27	3.40	12.4324
3	Weighted Average of share prices on PSX (Last Six months)	40.40	6.13	6.5905



Waseem & Co.

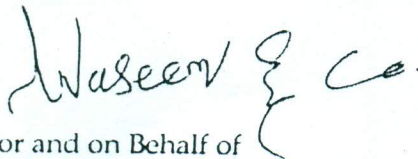
Chartered Accountants

Based on the average of SWAP Ratio calculated by using (1) Market Assessed Forced Sale Values of Non-Current assets as provided by Evaluators; (2) Business Valuation using Discounted Cash Flow; and (3) Weighted Average of share price on PSX (last six months January 1, 2020 to June 30, 2020), SWAP Ratio is calculated to be 7.8047:1. It means that for every 7.8047 shares in Ghani Automobile Industries Limited, 1 (one) share of Ghani Value Glass Limited will be issued.

Restriction on use and distribution

This certificate is issued to comply with the requirements of above stated specific purpose only. This certificate is restricted to the facts stated herein.

Yours truly



For and on Behalf of

WASEEM AND COMPANY
CHARTERED ACCOUNTANTS

LAHORE



Ghani Automobile Industries Limited

RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS OF GHANI AUTOMOBILE INDUSTRIES LIMITED IN THEIR MEETING HELD ON SEPTEMBER 21, 2020 AT 02:00 PM AT 274-B, N BLOCK, MODEL TOWN, EXTENTION LAHORE

"RESOLVED THAT the Scheme of Arrangement ("the Scheme") for the merger of Ghani Automobile Industries Limited (GAIL) with and into Ghani Value Glass Limited (GVGL), along with the SWAP Ratio be and is hereby approved, subject to the approval of the shareholders and sanction of the Lahore High Court, Lahore"

"FURTHER RESOLVED THAT appropriate legal proceeding be initiated to put into effect and implement the Scheme"

"FURTHER RESOLVED THAT the Mr. Aftab Ahmad Khan, Chief Executive Officer, Mr. Junaid Ghani, Director, Mr. Umer Farooq Khan, CFO, and Hafiz Muhammad Imran Sabir, Company Secretary be and are hereby jointly and singly empowered and authorized to do or cause to be done, on behalf of the Company, all acts, deeds and things as may be considered necessary or appropriate for filing, seeking approval and implementing the Scheme and without prejudice to the generality of this authority:

- To sign and file petition, applications and affidavits and to make statements;
- To engage and instruct counsel(s);

To delegate all or any of his/their powers hereby granted, in favour of counsel(s) and to authorize counsel(s) to exercise such powers and to make statements before the Court"

Certified True Copy
H *ma*
For Ghani Auto Mobile Industries Ltd.