



Ghani Global Group

HALF YEAR
December 2019



Faith
Experience
Innovation
Growth



Ghani Global Holdings Limited

DIRECTORS' REPORT

Dear Shareholders

Assalam-o-Alaikum Wa RehmatUllah Wa Barakatoh

The directors of Ghani Global Holdings Limited (the Company) are pleased to present the unconsolidated unaudited condensed interim financial statements of the Company for the half year ended December 31, 2019, along with review report of the auditors thereon, in compliance with the requirements of Companies Acts, 2017. The consolidated unaudited condensed interim financial statements of the Company for the half year ended December 31, 2019 are also annexed.

As per Scheme of Compromises, Arrangement and Reconstruction (the Scheme) as sanctioned by the Honourable Lahore High Court, Lahore on February 06, 2019, the Company transferred its manufacturing undertaking to its subsidiary Company, i.e. Ghani Chemical Industries Limited on July 08, 2019 from effective date. After transfer of manufacturing undertaking to the subsidiary, certain bills and invoices relating to subsidiary Company continue in the name of the Company due to under process legal formalities. Accordingly sales and cost of sales included in statement of profit or loss primarily represent the transfer transactions of aforesaid bills and invoices of transition period to the subsidiary and consequent impact on statement of financial position and statement of profit or loss and referred in the financial statements. Accordingly a comparison of the key financial results of your Company for the period ended December 31, 2019 with the same period last year is as under:

Particulars	Rupees in '000' except EPS	
	December 2019	December 2018
Sales	784,911	-
Net Sales	671,085	-
Gross Profit	-	-
Administrative/operating expenses	810	1,312
Profit before taxation	490	(12)
Net Profit / (Loss)	(9,576)	(12)
Earnings per share	(0.062)	-

Financial performance of subsidiary companies have Alhamdulillah improved during the period ended December 31, 2019. Net sales increased from Rs.1,427 million to Rs. 1,627 million showing a growth by 14% in comparison with the same period of last year. Gross profit increased from Rs.403 million to Rs.516 million showing a growth of 28% in comparison with the same period of last year. Profit after taxation increased from Rs. 14.545 million to Rs. 20.487 million showing 42% increase in comparison with the same period of last year. However EPS decreased from Rs. 0.32 to Rs. 0.07 due to reduction in share of profit of the holding company.

Currently the country is facing critical situation where economic activities are slow, electric and gas prices have increased, rupee devalued, markup rate at its peak and cost of business drastically increased. We are not seeing that this situation will improve in near future until and unless major initiatives have not been taken by the sitting Government.

The auditors of the Company in their review report has reported that as fully explained in note 1.1 to the financial statements; after completion of the Scheme of Compromises, Arrangement and Reconstruction (the Scheme) and despite transfer of manufacturing undertaking to its subsidiary company, the registration with the related departments/ companies were still in the name of the Company and the transactions have been routed through Ghani Chemical Industries Limited and due to inherent limitations; the completeness of the transactions routed through subsidiary company cannot be ensured. The directors of your Company has already reported in second para of this report (director's report) and explained in Note 1.1 of the Notes to the condensed interim financial statements that after transfer of manufacturing undertaking to the subsidiary, certain bills and invoices relating to subsidiary company continue in the name of the Company due to under process legal formalities. Accordingly sales and cost of sales included in statement of profit or loss primarily represent the transfer transactions of aforesaid bills and invoices of transition period to the subsidiary and consequent impact on statement of financial position and

statement of profit or loss and referred to this note elsewhere in the financial statements. Since the scope of auditors on interim financial statements of the Company for the half year ended December 31, 2019 was for the Ghani Global Holdings Limited (the Company) and the auditors were not supposed to review the financial statements of the subsidiary company (Ghani Chemical Industries Limited) for the half year ended December 31, 2019 and accordingly report their qualification on this point, otherwise directors of your Company are of the firm view that transfer transactions of bills and invoices of transition period of subsidiary are fair and normal and under the circumstances there was no other alternate course of action with the Company.

The board of directors of your Company has decided to explore the opportunities if any, for divestment, wholly or partially, of its investment in its subsidiary, Ghani Chemical Industries Limited and authorized the chief executive of the Company to appoint/engage advisor(s) in this regard. The outcome of this exercise shall be subject to approval of the board of directors and shareholders of the Company in accordance with the requirements of the Companies Act, 2017 and other applicable laws, rules and regulations. Intimation in this respect has been communicated to the Pakistan Stock Exchange Limited and the SECP vide Company's letter dated 09 January 2020.

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.

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).

Lahore

Dated: February 28, 2020



ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)



HAFIZ FAROOQ AHMAD
(DIRECTOR)

بجلی اور گیس کی قیمتوں میں اضافہ، روپے کی قدر میں کمی، مارک اپ ریٹ کا بلند ترین سطح پر رہنا اور کاروبار کی لاگت میں بے حد اضافے کے باعث اس وقت معاشی سرگرمیاں سست روی کا شکار ہیں جس کی بدولت ملک کو نازک صورتحال کا سامنا کرنا پڑ رہا ہے۔ ہم یہ نہیں دیکھ رہے ہیں کہ مستقبل میں اس صورتحال میں بہتری آجائے گی جب تک کہ حکومت کی طرف سے کوئی اہم اقدام نہیں اٹھائے جاتے۔

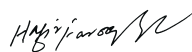
کمپنی کے آڈیٹرز نے اپنی جائزہ رپورٹ میں بتایا ہے کہ کمپنی نے اپنے فنانشل سٹیٹمنٹس کے نوٹ 1.1 میں مکمل طور پر بیان کیا ہے کہ سمجھوتوں، انتظامات اور تعمیر نو کی اسکیم کی تکمیل کے بعد اور اپنی مینوفیکچرنگ انڈسٹری کے کوآپریٹو ذیلی کمپنی میں منتقل کرنے کے باوجود متعلقہ محکموں اور کمپنیوں میں کمپنی کا نام جاری رہا اور ٹرانزیکشنز کو غنی کیمیکل انڈسٹری لمیٹڈ کے ذریعے روٹ کیا گیا اور اپنی محدود و کی بدولت جو ٹرانزیکشنز ذیلی کمپنی کے ذریعے روٹ کی گئی ہیں ان کو یقینی نہیں بتایا جاسکتا۔ آپ کی کمپنی کے ڈائریکٹرز نے اس رپورٹ کے دوسرے پیرا میں اور تخفیف شدہ فنانشل سٹیٹمنٹس کے نوٹ نمبر 1.1 میں پہلے ہی وضاحت کر دی ہے کہ مینوفیکچرنگ انڈسٹری لمیٹڈ کو ذیلی کمپنی میں منتقلی کے بعد کچھ بل اور رسیدیں ذریعے کمپنی کی کارروائیوں کی بدولت کمپنی کے نام پر آتی رہیں۔ جس کی وجہ سے اس عرصہ میں ذیلی کمپنی سے متعلق جو بل اور رسیدیں کمپنی کے پاس آئیں ان کو منافع یا نقصان کی سٹیٹمنٹس میں سیل اور کاسٹ آف سیل کی مد میں شامل کیا گیا ہے۔ چونکہ کمپنی کی دسمبر 2019 کی ششماہی عبوری فنانشل سٹیٹمنٹ سے متعلق آڈیٹرز کا دائرہ کار صرف غنی گلوبل ہولڈنگز لمیٹڈ (کمپنی) تک محدود تھا اور آڈیٹرز نے ذیلی کمپنی کی ششماہی فنانشل سٹیٹمنٹس بابت 31 دسمبر 2019 کا جائزہ نہیں لینا تھا اس لئے اس بنیاد پر انہوں نے اپنی رپورٹ کو کو الیفائی کیا ورنہ آپ کی کمپنی ڈائریکٹرز کا پختہ نظریہ ہے کہ بلوں اور رسیدوں کی ٹرانزیکشن نارٹل اور منصفانہ ہے اور ان حالات میں کمپنی کے پاس کوئی دوسرا راستہ نہیں تھا۔

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز نے ذیلی کمپنی غنی کیمیکل انڈسٹری لمیٹڈ کی انویسٹمنٹ کو مکمل یا جزوی فروخت کی بابت مواقع دریافت کرنے کے لئے کمپنی کے چیف ایگزیکٹو کو کسی ایڈوائز کی تقرری ارکھنے کی منظوری دی۔ اس مشق کا نتیجہ کمپنیز ایکٹ، 2017 اور دیگر قابل اطلاق قوانین، قواعد و ضوابط کی ضروریات کے مطابق کمپنی کے بورڈ آف ڈائریکٹرز اور شیئر ہولڈرز کی منظوری سے مشروط کیا گیا ہے۔ اس سلسلے میں آگاہی پاکستان اسٹاک ایکسچینج لمیٹڈ اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کو کمپنی کے خط مورخہ 09 جنوری 2020 کے ذریعے دے دی گئی ہے۔

ڈائریکٹرز اپنے معزز شیئر ہولڈرز جنہوں نے کمپنی پر اعتماد کیا ان کے تہہ دل سے قدر کرتی ہے۔ ہم ملازمین کی پیشہ ورانہ فرائض کی ادائیگی پر تہہ دل سے قدر کرتے ہیں اور بینکرز، گورنمنٹ اداروں کے تعاون کے بھی بہت مشکور ہیں۔

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

بورڈ آف ڈائریکٹرز کی طرف سے



حافظ فاروق احمد

ڈائریکٹر



عتیق احمد خان

چیف ایگزیکٹو آفیسر

لاہور

مورخہ 28 فروری 2020ء

ڈائریکٹرز رپورٹ

عزیز شیئر ہولڈرز

السلام علیکم ورحمۃ اللہ وبرکات

آپ کی کمپنی (غنی گلوبل ہولڈنگز لمیٹڈ) کے ڈائریکٹران کمینز ایکٹ، 2017 کی تعمیل میں کمپنی کے تخفیف شدہ اور غیر یکجا اور آڈیٹر سے تنقیدی جائزہ کے ساتھ ششماہی حسابات بابت 31 دسمبر، 2019 پیش کرنے پر خوشی محسوس کرتے ہیں۔ کمپنی کے تخفیف شدہ اور یکجا ششماہی حسابات بابت 31 دسمبر 2019 بھی ساتھ منسلک ہیں۔

معزز لاہور ہائی کورٹ لاہور کے 6 فروری 2019 کو منظور شدہ تنظیم نو کی اسکیم کے نتیجے میں کمپنی نے اپنی مینوفیکچرنگ انڈرٹیکنگ کو اپنی ماتحت کمپنی یعنی غنی کیمیکل انڈسٹریز لمیٹڈ کو 08 جولائی 2019 کو موثر تاریخ سے منتقل کر دیا۔ ماتحت کمپنی کو مینوفیکچرنگ انڈرٹیکنگ کی منتقلی کے بعد زیر ترمیم قانونی کاروائیوں کی بدولت ماتحت کمپنی سے متعلق کچھ بل اور رسیدیں کمپنی کے نام پر جاری ہوتے رہے۔ اس کے مطابق منافع یا نقصان کے بیان میں شامل سیل اور کاسٹ آف سیل بنیادی طور پر مذکورہ بلوں کی منتقلی کے لین دین کی نمائندگی کرتا ہے اور اس کے نتیجے میں مالی حیثیت اور منافع یا نقصان کے بیان پر اثر ہوا ہے اور مالی بیانات میں اس کا حوالہ دیا گیا ہے اسی مناسبت سے آپ کی کمپنی کے ششماہی حسابات بابت 31 دسمبر 2019 کو ختم ہونے والی مدت کے پچھلے سال کی اسی مدت کے اہم مالیاتی نتائج کا موازنہ مندرجہ ذیل ہے۔

روپے '000' میں سوائے فی شیئر نتائج		تفصیلات
دسمبر 2018	دسمبر 2019	
-	784,911	سیل
-	671,085	خالص سیل
-	-	گراس پرافٹ
1,312	810	انتظامی آپریٹنگ اخراجات
(12)	490	قبل از ٹیکس منافع
(12)	(9,576)	خالص منافع / نقصان
-	(0.062)	فی شیئر نتائج

ماتحت کمپنیوں کی مالی کارکردگی میں 31 دسمبر، 2019 کو ختم ہونے والی سہ ماہی کے دوران الحمد للہ بہتری آئی ہے۔ خالص فروخت 1,427 ملین روپے سے بڑھ کر 1,627 ملین روپے ہو گئی جو پچھلے سال کے اسی عرصے کے مقابلے میں 14 فیصد زیادہ ہے۔ گذشتہ سال کی اسی مدت کے مقابلے میں مجموعی منافع 403 ملین روپے سے بڑھ کر 516 ملین روپے ہو گیا ہے جو 28 فیصد کا اضافہ ظاہر کرتا ہے۔ ٹیکس عائد ہونے کے بعد منافع گذشتہ سال کی اسی مدت کے مقابلے میں 14.545 ملین روپے سے بڑھ کر 20.487 ملین روپے ہو گیا۔ 42 فیصد اضافے کو ظاہر کرتا ہے۔ تاہم ہولڈنگ کمپنی کے منافع کے حصص میں کمی کی وجہ سے فی شیئر منافع 0.32 روپے سے کم ہو کر 0.07 روپے پر آ گیا۔

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Ghani Global Holdings Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Ghani Global Holdings Limited** as at **December 31, 2019** and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with the selected notes forming part thereof, for the six month period then ended (hereinafter referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. The figures included in condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2019 and 2018 and the notes forming part thereof have not been reviewed by us and we do not express a conclusion on them as we are required to review only the cumulative figures for the six months period ended December 31, 2019.

Basis for Qualified Conclusion

Based on information provided to us by the management, we report that:


As fully explained in note 1.1 to these financial statements; after the completion of the Scheme of Compromises, Arrangement and Reconstruction (the "Scheme") and despite transfer of manufacturing undertaking to its subsidiary company, the registration with the related departments / companies were still in the name of the Company and the transactions have been routed through Ghani Chemical Industries Limited. Due to inherent limitations; the completeness of the transactions routed through subsidiary company cannot be ensured.

Qualified Conclusion

Based on our review, with the exception of the matter described in Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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

Lahore: February 28, 2020



Rizwan and Company
Chartered Accountants

Ghani Global Holdings Limited
Condensed Interim Statement of Financial Position
As at December 31, 2019

		Un-audited December 31, 2019	Audited June 30, 2019
		(Rupees '000')	
ASSETS			
Non-current assets			
Intangible asset		70	70
Long term investments	5	<u>2,779,267</u>	<u>2,779,267</u>
		<u>2,779,337</u>	<u>2,779,337</u>
Current assets			
Trade debts		12,339	-
Loans and advances		-	1,973
Due from related party	6	650	-
Prepayments		354	-
Tax refunds due from Government	7	39,870	-
		<u>53,213</u>	<u>1,973</u>
TOTAL ASSETS		<u><u>2,832,550</u></u>	<u><u>2,781,310</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital 200,000,000 (June 2019: 200,000,000) ordinary shares of Rupees 10 each		<u>2,000,000</u>	<u>2,000,000</u>
Issued, subscribed and paid up share capital	8	1,533,059	1,533,059
Capital reserve - share premium		522,137	522,137
Unappropriated profit		714,735	724,311
		<u>2,769,931</u>	<u>2,779,507</u>
Current liabilities			
Trade and other payables	9	14,492	890
Unclaimed dividend		844	844
Due to related parties	10	37,217	-
Provision for taxation		10,066	69
		<u>62,619</u>	<u>1,803</u>
TOTAL EQUITY AND LIABILITIES		<u><u>2,832,550</u></u>	<u><u>2,781,310</u></u>
CONTINGENCIES AND COMMITMENTS	11		

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



Atique Ahmad Khan
Chief Executive



Asim Mahmud
Chief Financial Officer



Hafiz Farooq Ahmad
Director

Ghani Global Holdings Limited
Condensed Interim Statement of Profit or Loss
For the Six Months Period Ended December 31, 2019 (Un-Audited)

	Note	(Restated)		(Restated)	
		Six months period ended December 31, 2019 (Rupees '000')	December 31, 2018	Three months period ended December 31, 2019 (Rupees '000')	December 31, 2018
Gross sales		784,911	-	168,041	-
Less: Sales tax		(113,826)	-	(28,062)	-
Net sales	1.1	671,085	-	139,979	-
Cost of sales	1.1	(671,085)	-	(139,979)	-
Gross profit/(loss)		-	-	-	-
Other income		1,300	1,300	650	650
Administrative expenses		(655)	(1,152)	(516)	(143)
Other operating expenses		(155)	(160)	(155)	(160)
Profit / (loss) before taxation		490	(12)	(21)	347
Income tax expense	1.1	(10,066)	-	(2,100)	-
(Loss) / profit after taxation		(9,576)	(12)	(2,121)	347
Earnings per share - (Rupee)		(0.062)	-	(0.0138)	-

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements. 



Atique Ahmad Khan
Chief Executive



Asim Mahmud
Chief Financial Officer



Hafiz Farooq Ahmad
Director

Ghani Global Holdings Limited
Condensed Interim Statement of Comprehensive Income
For the Six Months Period Ended December 31, 2019 (Un-Audited)

	<u>(Restated)</u>		<u>(Restated)</u>	
	<u>Six months period ended</u>	<u>December,</u>	<u>Three months period ended</u>	<u>December,</u>
	31, 2019	31, 2018	31, 2019	31, 2018
	<u>(Rupees)</u>		<u>(Rupees)</u>	
Net profit / (loss) for the period	(9,576)	(12)	(2,121)	347
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>(9,576)</u>	<u>(12)</u>	<u>(2,121)</u>	<u>347</u>

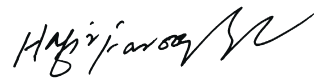
The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements. ~



Atique Ahmad Khan
Chief Executive



Asim Mahmud
Chief Financial Officer



Hafiz Farooq Ahmad
Director

Ghani Global Holdings Limited
Condensed interim statement of changes in equity - Restated
For the Six Months Period Ended December 31, 2019 (Un-Audited)

		Capital Reserve	Revenue Reserve		
	Share capital	Share premium	Accumulated profit	Loan from sponsors	Total
	(Rupees '000')				
Balance as at June 30, 2018 (audited)	1,322,682	460,198	724,141	231,450	2,738,471
Loss for the period	-	-	(12)	-	(12)
Other comprehensive (loss) / income for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	(12)	-	(12)
Issuance of bonus shares	66,134	(66,134)	-	-	-
Balance as at December 31, 2018 (Un-audited)	1,388,816	394,064	724,129	231,450	2,738,459
Balance as at June 30, 2019 (Audited)	1,533,059	522,137	724,311	-	2,779,507
Loss for the period	-	-	(9,576)	-	(9,576)
Other comprehensive (loss) / income for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	(9,576)	-	(9,576)
Balance as at December 31, 2019 (Un-audited)	1,533,059	522,137	714,735	-	2,769,931


The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements.



Atique Ahmad Khan
Chief Executive



Asim Mahmud
Chief Financial Officer



Hafiz Farooq Ahmad
Director

Ghani Global Holdings Limited
 Condensed interim statement of cash flows
 For the Six Months Period Ended December 31, 2019 (Un-Audited)

	(Restated)	
	Six months period ended	
	December 31, 2019	December 31, 2018
	(Rupees '000')	
CASH GENERATED FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	490	(12)
Effect on cash flows due to working capital changes (Increase) / decrease in current assets:		
Trade debts	(12,339)	-
Loans and advances	1,973	(1,300)
Due from related party	(650)	
Prepayments	(354)	-
Tax refunds due from Government	(39,870)	-
Increase / (decrease) in current liabilities:		
Trade and other payables	13,602	1,312
Due to related parties	37,148	-
Net cash (used in) / generated from working capital changes	(490)	12
Net cash generated from operating activities	-	-
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Net increase / (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	-	173,762
Cash and cash equivalents transferred under Scheme	-	(173,762)
Cash and cash equivalents at the end of the period	-	-

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements. The



Atique Ahmad Khan
 Chief Executive



Asim Mahmud
 Chief Financial Officer



Hafiz Farooq Ahmad
 Director

1 LEGAL STATUS AND OPERATIONS

Ghani Gases Limited (now Ghani Global Holdings Limited) 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. Effective from July 01, 2018, the Company transferred its manufacturing undertaking to its subsidiary Company (Ghani Chemical Industries Limited) and become investment Company, consequently its name was changed from Ghani Gases Limited to Ghani Global Holdings Limited. The registered office of the Company is situated at 10-N Model Town Extension, Lahore. The principal activity of the Company, subsequent to the separation of manufacturing undertaking, is to manage investments in its subsidiaries.

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 Company transferred its manufacturing undertaking to its subsidiary Company, i.e. Ghani Chemical Industries Limited on July 08, 2019 from effective date. After transfer of manufacturing undertaking to the subsidiary, certain bills and invoices relating to subsidiary Company continue in the name of the Company due to under process legal formalities. Accordingly sales and cost of sales included in statement of profit or loss primarily represent the transfer transactions of aforesaid bills and invoices of transition period to the subsidiary and consequent impact on statement of financial position and statement of profit or loss and referred to this note elsewhere in the financial statements.

1.2 Separate interim financial statements

These financial statements are separate condensed interim financial statements of the Company. Consolidated condensed interim financial statements of the Company are being prepared and presented separately by the Company. The Company has following long term investments in subsidiary companies.

Name of company	Shareholding
Ghani Chemical Industries Limited - Unquoted	99.38%
Ghani Global Glass Limited - Quoted	50.10%

2 BASIS OF PREPARATION

2.1 Statement of compliance

These interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard ('IAS') 34, 'Interim Financial Reporting', issued by International Accounting Standards Board ('IASB') as notified under the Companies Act, 2017, and Provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These interim financial statements are unaudited and being submitted to shareholders, as required by Section 237 of the Companies Act, 2017. The figures for the six months period ended December 31, 2019 have however been subjected to a limited scope review by the auditors as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019.

2.3 These interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended June 30, 2019. The accounting policies and methods of computations adopted for the preparation of these interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended June 30, 2019. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last annual financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended June 30, 2019 except those that stated in note 3.2 (a) below.

3.2 Change in accounting standards, interpretations and amendments to published accounting and reporting standards

a) Standards and amendments to published accounting and reporting standards which were effective during the six months period ended December 31, 2019

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17: Leases. As the distinction between operating and finance lease is eliminated, it has resulted in leases being recognised on the statement of financial position except for short-term and low-value leases. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. However, the application of IFRS 16 does not have any material impact on the Company's books of account.

The amendments that were mandatory for the six months period ended December 31, 2019 are considered not to be relevant for the Company's financial reporting process and hence have not been disclosed here.

b) Standards and amendments to approved accounting and reporting standards that are not yet effective

There is a new standard and certain amendments and interpretation to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2020. However, these standard, amendments and interpretation will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

3.3 Functional and presentation currency

These interim financial statements is presented in Pak rupees, which is the functional and presentation currency for the Company.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied in the Company's annual audited financial statements for the year ended June 30, 2019.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual audited financial statements for the year ended June 30, 2019.

	Note	Un-Audited December 31, 2019 (Rupees '000')	Audited June 30, 2019
5 LONG TERM INVESTMENTS - At Cost			
<i>Subsidiaries</i>			
Ghani Chemical Industries Limited - Unquoted	5.1	2,056,952	2,056,952
Ghani Global Glass Limited - Quoted	5.2	722,315	722,315
		<u>2,779,267</u>	<u>2,779,267</u>

5.1 Ghani Chemical Industries Limited - Unquoted

Opening carrying value		2,056,952	143,000
100,000,000 shares pursuance of Scheme of arrangement		-	1,913,952
Closing carrying Value	5.1.1	<u>2,056,952</u>	<u>2,056,952</u>

5.1.1 Ghani Chemical Industries Limited (GCIL) is a public unlisted Company incorporated in Pakistan. As of reporting date, the Company owns 99.38% (June 30, 2019: 99.38%) shareholding of GCIL. The Company has an equity investment in GCIL, of 115,000,000 ordinary shares at Rupees 10 out of which 114,300,000 (June 30, 2019: 114,300,000) shares were issued. During the year ended on June 30, 2019; the Company acquired 100,000,000 shares of Rupees 10 each under 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 the Honourable Lahore High Court, Lahore on February 06, 2019 at aggregate amount of Rupees 1,913.952 million (Refer to note 16).

	Note	Un-Audited December 31, 2019 (Rupees '000')	Audited June 30, 2019
5.2 Ghani Global Glass Limited - Quoted			
Opening carrying value		722,315	450,000
25,098,282 shares acquired pursuance of Scheme of arrangement	5.2.1	-	272,315
		<u>722,315</u>	<u>722,315</u>
Less: Impairment loss		-	-
Closing carrying Value		<u>722,315</u>	<u>722,315</u>

5.2.1 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. The Company is principally engaged in manufacturing and sale of glass tubes, glass-ware, vials and ampules. The Company acquired 25,000,000 shares at the rate of Rupees 18 each on January 19, 2017 representing 25% holding in the share capital of the Ghani Global Glass Limited. During the year ended on June 30, 2019; the Company further acquired 25,098,282 shares of Rupees 10 each under the 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 the Honourable Lahore High Court, Lahore on February 06, 2019 at aggregate amount of Rupees 272,315,889. As of reporting date, the Company holds 50.10% shares of GGGL (June 30, 2019: 50.10%).

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

6 DUE FROM RELATED PARTY

This represents amount receivable from Ghani Global Glass Limited, a subsidiary Company against commission on corporate guarantee issued by the Company.

7 TAX REFUNDS DUE FROM GOVERNMENT

This represents sales tax receivable from Government which is adjustable against future taxable supplies. Refer to note 1.1

	Note	Un-Audited December 31, 2019 (Rupees '000')	Audited June 30, 2019
8 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL			
122,956,711 (June 2019: 122,956,711) Ordinary shares of Rupees 10 each fully paid in cash		1,229,567	1,229,567
13,000 (June 2019: 13,000) Ordinary shares of Rupees 10 each issued for consideration other than cash under scheme of arrangement for amalgamation	8.1	130	130
14,424,253 (June 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	144,243	144,243
15,911,860 (June 2019: 15,911,860) Ordinary shares of Rupees 10 each issued as fully paid bonus shares		159,119	159,119
		<u>1,533,059</u>	<u>1,533,059</u>

- 8.1** 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** 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.
- 8.3** Movement to the issued, subscribed and paid-up share capital of the Company is as follows:

Un-Audited December 31, 2019 (Number of Shares)	Audited June 30, 2019		Un-Audited December 31, 2019 (Rupees '000')	Audited June 30, 2019
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 pursuant to Scheme of Compromises, Arrangement and Reconstruction	-	144,243
<u>153,305,824</u>	<u>153,305,824</u>	Closing balance	<u>1,533,059</u>	<u>1,533,059</u>

9 TRADE AND OTHER PAYABLES

Trade creditors		12,339	-
Accrued liabilities		990	890
Sales tax payable	1.1	1,163	-
		<u>14,492</u>	<u>890</u>

10 DUE TO RELATED PARTIES

This represents amount payable to Ghani Chemical Industries Limited (a subsidiary Company) on account of payments made and expenses incurred on behalf of the Company and net balance with regard to transactions pertaining to note 1.1

11 CONTINGENCIES AND COMMITMENTS

There are no change in contingencies and commitments as disclosed in the notes to the financial statements for the year ended June 30, 2019.

		Six months period ended	
		December 31,	December 31,
		2019	2018
12 EARNINGS PER SHARE			
Loss after taxation attributable to ordinary shareholders	(Rupees '000')	<u>(9,576)</u>	<u>(12)</u>
Weighted average number of ordinary shares outstanding during the year	(Number)	<u>153,305,824</u>	<u>138,881,600</u>
Earnings per share	(Rupees)	<u>(0.062)</u>	<u>-</u>
12.1	Diluted earnings per share has not been presented as the 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.		

13 RELATED PARTIES

Related parties comprise of subsidiary and associated companies, directors of the Company, companies in which directors also hold directorship, related companies, 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 financial statements, are as follows:

13.1 Name and nature of relationship

a) *Subsidiary Companies*

Ghani Chemical Industries Limited
Ghani Global Glass Limited

13.2 *Transactions with related parties*

Nature of Relationship	Nature of Transaction	Un-Audited December 31, 2019	Un-Audited December 31, 2018
		(Rupees '000')	
	Payment made	-	2,740
Subsidiaries	Investment under Scheme of Compromises, Arrangement and	-	2,186,267
	Guarantee commission	1,300	1,300
	Payments made on behalf of the Company	(3,903)	-
	Sales - note 1.1	661,036	-
	Purchases	10,050	-
	Settlement/adjustments against sales	(671,085)	-
Sponsors	Loan transferred under the Scheme	-	231,450

14 FINANCIAL RISK MANAGEMENT

14.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk.

These interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at June 30, 2019.

There have been no changes in the risk management department or in any risk management policies since the year ended June 30, 2019.

14.2 Fair value measurement

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 interim 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:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (Unobservable inputs) (level 3).

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

15 SUBSEQUENT EVENTS

- 15.1** The Board of directors of the Company in its meeting held on January 09, 2020 has decided to explore the opportunities for divestment, wholly or partially, of its investment in subsidiary, Ghani Chemical Industries Limited (Refer to note 5.1).

16 GENERAL AND CORRESPONDING FIGURES

- 16.1** The condensed interim statement of financial position has been compared with preceding statement of financial position as at June 30, 2019, whereas the condensed statement of interim profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the corresponding period of the previous year.
- 16.2** Corresponding figures for statement of profit or loss, statement of cash flows and statement of changes in equity for the period ended December 31, 2018 have been restated as compared to published financial statements for the same period as certified copy of the order approving the Scheme of Compromises, Arrangement and Reconstruction was issued subsequent to issue of financial statements for the six months period ended on December 31, 2018. Moreover, transactions as referred in note 1.1 pertaining to the period ended on September 30, 2019 were not included in the published financial statements for the period ended September 30, 2019, have now been included in the six months results of the Company
- 16.3** Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

17 DATE OF AUTHORIZATION

These financial statements have been approved and authorized for issue in the Board of Directors meeting of the Company held on February 28, 2020.



Atique Ahmad Khan
Chief Executive



Asim Mahmud
Chief Financial Officer




Hafiz Farooq Ahmad
Director

Ghani Global Holdings Limited and Its Subsidiaries
Condensed Interim Consolidated Statement of Financial Position
As at December 31, 2019

		Un-audited December 31, 2019	Audited June 30, 2019
	Note	(Rupees "000")	
ASSETS			
Non-current assets			
Property, plant and equipment	5	5,486,428	4,867,992
Intangible assets		359,553	360,293
Long term deposits		69,749	67,494
		<u>5,915,730</u>	<u>5,295,779</u>
Current assets			
Stores, spares and loose tools		235,224	203,794
Stock in trade		419,150	307,891
Trade debts		846,892	793,263
Loans and advances		343,028	390,195
Trade deposits and prepayments		81,979	68,206
Other receivables		5,306	1,737
Tax refunds due from government		156,982	148,999
Advance income tax - net		536,471	558,364
Cash and bank balances		186,065	170,317
		<u>2,811,097</u>	<u>2,642,766</u>
TOTAL ASSETS		<u>8,726,827</u>	<u>7,938,545</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital		2,000,000	2,000,000
200,000,000 (June 2019: 200,000,000) ordinary shares of Rs. 10 each			
Issued, subscribed and paid up share capital	6	1,533,059	1,533,059
Capital reserve - share premium		522,137	522,137
Unappropriated profit		550,790	539,872
Loans from sponsors		1,195,701	1,013,351
Attributable to the equity holders of the Holding Company		<u>3,801,687</u>	<u>3,608,419</u>
Non - Controlling Interests		290,718	281,149
Total equity		<u>4,092,405</u>	<u>3,889,568</u>
Non-current liabilities			
Long term financing	7	698,542	473,510
Redeemable capital - Sukuk	8	487,416	595,833
Long term security deposits		72,320	34,451
Deferred taxation		312,122	302,181
		<u>1,570,400</u>	<u>1,405,975</u>
Current liabilities			
Trade and other payables		517,541	336,702
Payable to Provident Fund		6,047	-
Unclaimed dividend		844	844
Accrued profit on financing		124,372	80,320
Short term borrowings		1,814,583	1,683,471
Current portion of long term liabilities		573,997	522,350
Provision for taxation		26,638	19,315
		<u>3,064,022</u>	<u>2,643,002</u>
Total liabilities		<u>4,634,422</u>	<u>4,048,977</u>
TOTAL EQUITY AND LIABILITIES		<u>8,726,827</u>	<u>7,938,545</u>
CONTINGENCIES AND COMMITMENTS			
	9	-	-

The annexed notes from 1 to 15 form an integral part of these condensed interim 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
Condensed Interim Consolidated Statement of Profit or Loss
For the Six Months Period Ended December 31, 2019 (Un-Audited)

	Note	Re-stated		Re-stated	
		Six months period ended December 31, 2019 (Rupees "000")	December 31, 2018	Three months period ended December 31, 2019 (Rupees "000")	December 31, 2018
Net sales		1,627,371	1,426,740	800,951	771,649
Cost of sales		(1,111,336)	(1,023,403)	(567,556)	(546,557)
Gross profit		516,035	403,337	233,395	225,092
Selling and distribution expenses		(136,258)	(124,561)	(65,007)	(64,693)
Administrative expenses		(101,584)	(105,262)	(48,183)	(60,574)
Other operating expenses		(4,681)	(8,180)	(1,166)	(2,969)
		(242,523)	(238,003)	(114,356)	(128,236)
Other income		4,225	5,527	2,789	1,170
Profit from operations		277,737	170,861	121,828	98,026
Finance costs		(220,670)	(133,008)	(115,093)	(71,147)
Profit before taxation		57,067	37,853	6,735	26,879
Taxation		(36,580)	(23,308)	(26,461)	(12,671)
Profit after taxation		20,487	14,545	(19,726)	14,208
Attributable to:					
Owners of the Holding Company		10,918	45,064	(21,452)	26,446
Non - Controlling Interests		9,569	(30,519)	1,726	(12,238)
		20,487	14,545	(19,726)	14,208
Earnings per share	10	0.07	0.32	(0.14)	0.19

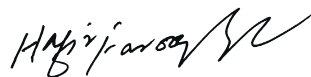
The annexed notes from 1 to 15 form an integral part of these condensed interim consolidated financial statements.



ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)



ASIM MAHMUD
(CHIEF FINANCIAL OFFICER)



HAFIZ FAROOQ AHMAD
(DIRECTOR)

Ghani Global Holdings Limited and Its Subsidiaries
Condensed Interim Consolidated Statement of Comprehensive Income
For the Six Months Period Ended December 31, 2019 (Un-Audited)

	Un-audited December 31, 2019 (Rupees "000")	Un-audited December 31, 2018
Profit before taxation	20,487	14,545
Other comprehensive income	-	-
Total comprehensive income for the period	20,487	14,545
Attributable to:		
Owners of the Holding Company	10,918	45,064
Non - Controlling Interests	9,569	(30,519)
	20,487	14,545


The annexed notes from 1 to 15 form an integral part of these condensed interim 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
Condensed Interim Consolidated Statement of Changes in Equity
For the Six Months Period Ended December 31, 2019 (Un-Audited)

	Share Capital	Capital reserve - share premium	Unappropriated profit	Loans from sponsors	Attributable to the equity holders of the Holding Company	Non - Controlling Interests	Total equity
	(Rupees "000")						
Balance as at July 01, 2018 (Restated)	1,322,682	460,198	259,050	677,924	2,719,854	6,979	2,726,833
NCI upon acquisition of GGGL	-	-	-	-	-	348,216	348,216
Total comprehensive income attributable to holding company	-	-	-	45,064	45,064	(30,519)	14,545
Sponsor loan upon transfer under scheme	-	-	734,361	-	734,361	-	734,361
Loan repaid during the period	-	-	(2,760)	-	(2,760)	-	(2,760)
Issuance of bonus shares	66,134	(66,134)	-	-	-	-	-
Balance as at December 31, 2018 re-stated (un-audited)	1,388,816	394,064	990,651	722,988	3,496,519	324,676	3,821,195
Balance as at July 01, 2019	1,533,059	522,137	1,013,351	539,872	3,608,419	281,149	3,889,568
Profit attributable to non-controlling interests for the period	-	-	-	-	-	9,569	9,569
Total comprehensive income attributable to holding company	-	-	-	10,918	10,918	-	10,918
Loan received during the period	-	-	182,350	-	182,350	-	182,350
Balance as at December 31, 2019 (un-audited)	1,533,059	522,137	1,195,701	550,790	3,801,687	290,718	4,092,405

The annexed notes from 1 to 15 form an integral part of these condensed interim consolidated financial statements.



ATTIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)



ASIM MAHMUD
(CHIEF FINANCIAL OFFICER)



HAFIZ FAROOQ AHMAD
(DIRECTOR)

Ghani Global Holdings Limited and Its Subsidiaries
Condensed Interim Consolidated Cash Flow Statement
For the Six Months Period Ended December 31, 2019 (Un-Audited)

	Note	(Restated)	
		Six months period ended	
		December 31, 2019	December 31, 2018
		(Rupees "000")	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operating activities	11	383,053	350,784
Finance cost paid		(176,618)	(124,761)
Income tax paid		2,577	(42,755)
		<u>(174,041)</u>	<u>(167,516)</u>
Net cash generated from operating activities		209,012	183,268
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in operating fixed assets	5.1	(27,872)	(161,487)
Additions in capital work in progress		(686,471)	-
Proceeds from disposal of capital stores		2,020	-
Proceeds from disposal of operating fixed assets		1,722	16,490
Long term deposits - net		(2,255)	1,749
Net cash used in investing activities		(712,856)	(143,248)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing		276,678	153,319
Repayments of redeemable capital - Sukuk		(108,417)	(108,333)
Loan from sponsors - net		182,350	(2,760)
Short term borrowings		131,112	(116,564)
Dividend paid		-	(853)
Proceeds from long term deposits		37,869	1,028
Net cash generated from / (used in) financing activities		519,592	(74,163)
Net (decrease) / increase in cash and cash equivalents		15,748	(34,143)
Cash and cash equivalents at the beginning of the period		170,317	250,413
Cash and cash equivalents at the end of the period		186,065	216,270

The annexed notes from 1 to 15 form an integral part of these condensed interim 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

Notes To The Condensed Interim Consolidated Financial Information

For the Six Months Period Ended December 31, 2019 (Un-Audited)

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, subsequent to the separation of manufacturing undertaking, 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 99.38% (June 30 2019: 99.38%) ownership in the share capital of Ghani Chemical Industries Limited.

Ghani Global Glass Limited

Ghani Global Glass Limited ("the Company") 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 of the Company was further changed to Ghani Global Glass Limited on January 14, 2009. The Company 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 50.10% (2019: 50.10%) ownership in the share capital of Ghani Global Glass Limited.

Registered offices of the Group including subsidiary companies is located at 10-N Model Town Extension, Lahore. Manufacturing facilities of the subsidiary companies are located at Phool Nagar Bypass, District Kasur and Port Qasim, Karachi.

2 STATEMENT OF COMPLIANCE

2.1 This condensed interim consolidated financial statements of the Company for the six months ended December 31, 2019 is un-audited and has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial information is being submitted to the shareholders as required by the Listing Regulations of Pakistan Stock Exchange and section 237 of the Companies Act, 2017.

2.2 Functional and presentation currency

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

3 BASIS OF PREPARATION

3.1 This consolidated condensed interim financial information does not include the information reported for annual financial statements and should be read in conjunction with the audited annual published consolidated financial statements for the year ended June 30, 2019.

3.2 The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Group for the year ended June 30, 2019.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this consolidated interim condensed financial information 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 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.

During preparation of this consolidated interim condensed financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Group for the year ended June 30, 2019.

5 PROPERTY, PLANT AND EQUIPMENT

		December 31, 2019	June 30, 2019
	Note	(Rupees '000)	
Operating fixed assets	5.1	5,240,796	4,784,927
Capital work in progress - at cost	6.2	245,632	83,065
		<u>5,486,428</u>	<u>4,867,992</u>

	Un-audited December 31, 2019 (Rupees "000")	Audited June 30, 2019
5.1 Movement of operating fixed assets- tangible		
Opening book value	4,784,927	3,173,893
Add: addition during the period	549,755	1,824,125
Less: book value of the disposals	789	19,890
	<u>5,333,893</u>	<u>4,978,128</u>
Less: depreciation charged during the period	93,097	193,201
Closing book value	<u>5,240,796</u>	<u>4,784,927</u>
5.1.1 Addition during the period / year		
Land - Freehold	1,683	46,177
Land- Leasehold	63	-
Plant and machinery	537,503	1,588,053
Building	5,106	106,546
Furniture and fixtures	2,607	9,539
Office equipment	2,457	3,514
Computers	286	1,139
Vehicles	50	69,157
	<u>549,755</u>	<u>1,824,125</u>
5.1.2 Deletion during the period / year		
Land - Freehold	-	14,028
Plant and machinery	230	130
Vehicles	559	5,732
	<u>789</u>	<u>19,890</u>
5.2 Movement of capital work in progress		
Opening balance	83,065	33,176
Transfer upon acquisition	-	30,427
Additions during the period	686,471	210,626
Capitalized during the period - building	(523,904)	(191,164)
Closing balance	<u>245,632</u>	<u>83,065</u>
6 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL		
122,956,711 (June 2019: 122,956,711) Ordinary shares of Rupees 10 each fully paid in cash.	1,229,567	1,229,567
13,000 (June 2019: 13,000) Ordinary shares of Rupees 10 each issued for consideration other than cash under scheme of arrangement for amalgamation.	130	130
14,424,253 (June 2019: 14,424,253) Ordinary shares of Rupees 10 each issued for consideration other than cash under scheme of arrangement.	144,243	144,243
15,911,860 (June 2019: 15,911,860) Ordinary shares of Rupees 10 each issued as fully paid bonus shares.	159,119	159,119
	<u>1,533,059</u>	<u>1,533,059</u>

Note

	Un-audited December 31 2019	Audited June 30, 2019
Note	(Rupees "000")	
7 LONG TERM FINANCING		
<i>From banking companies - secured:</i>		
Diminishing Musharakah	2,522	3,485
Diminishing Musharakah	15,306	20,912
Diminishing Musharakah	50,053	64,509
Diminishing Musharakah	129,450	129,450
Diminishing Musharakah	247,025	279,760
Syndicate financing facility	174,025	223,746
<i>From Islamic Financial Institution - secured</i>		
Diminishing Musharakah	437,491	57,332
	<u>1,055,872</u>	<u>779,194</u>
Current portion taken as current liability	<u>(357,330)</u>	<u>(305,684)</u>
	<u><u>698,542</u></u>	<u><u>473,510</u></u>

8 REDEEMABLE CAPITAL - SUKUK

Long Term Certificates (Sukuk)	704,083	812,500
Current portion taken as current liability	<u>(216,667)</u>	<u>(216,667)</u>
	<u><u>487,416</u></u>	<u><u>595,833</u></u>

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

9.1.1 There are no material changes in contingencies as disclosed in the note to the financial statements for the year ended June 30, 2019.

9.2 Commitments

9.2.1 Commitments in respect of letter of credit amounted to Rupees 154.29 million (June 2019: Rupees 230.73 million).

9.2.2 Commitments for construction of building as at balance reporting amounted to Rupees 27 million (June 2019: Rupees 27 million).

	Six months period ended	
	December 31 2019	December 31 2018
10 EARNINGS PER SHARE		
Profit attributable to ordinary shareholders of the Holding Company (Rupees "000")	<u>10,918</u>	<u>45,064</u>
Weighted average number of ordinary shares outstanding during the period / year (Number)	<u>153,305,824</u>	<u>153,305,824</u>
Earnings per share (Rupees)	<u>0.07</u>	<u>0.32</u>

Un-audited December 31, 2019 (Rupees "000")	Un-audited December 31, 2018
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11 CASH GENERATED FROM OPERATING ACTIVITIES

Profit before taxation	57,067	37,855
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Adjustments to reconcile profit to non-cash charges and items

Depreciation	93,099	94,516
Amortization on intangible assets	740	1,481
Finance cost	220,670	134,308
Gain on disposal of operating fixed assets	(933)	(1,998)
	313,576	228,307

Cash flows from operating activities before working capital changes	370,643	266,162
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Cash flows from working capital changes

(Increase) / decrease in current assets:

Stores, spares and loose tools	(31,430)	(23,141)
Stock in trade	(111,259)	138,863
Trade debts	(53,629)	(116,495)
Loans and advances	47,167	28,170
Trade deposits and prepayments	(13,773)	(6,489)
Other receivables	(3,569)	80
Tax refunds due from government	(7,983)	61,980

Increase / (decrease) in current liabilities:

Trade and other payables	180,839	813
Payable to provident fund	6,047	-
Due to parent company	-	-
Payable to related party	-	841
Net cash generated from working capital changes	12,410	84,622

Cash generated from operating activities	383,053	350,784
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12 TRANSACTIONS WITH RELATED PARTIES

12.1 Related parties comprise of associated companies, directors, companies in which directors also hold directorship, related companies, 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 financial statements, are as follows:

12.2 Transactions with related parties

Name	Nature of Transaction	Un-audited	Un-audited
		December 31, 2019 (Rupees "000")	December 31, 2018
Key management personnel			
Sponsors	Loan received / (repaid)	182,350	(2,760)
Others			
Provident fund trust	Contribution	17,369	15,983

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

13 SEGMENT INFORMATION

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

a) 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.

b) Glass tubes and glass ware

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

c) Other

This segment covers business of trading of chemicals.

13.2 Segment results are as follows:

	December 31, 2019			
	Industrial and Medical Gases	Glass tube and glass ware	Others	Total
	(Rupees "000")			
Net sales	875,966	473,248	278,157	1,627,371
Cost of sales	(574,147)	(336,102)	(201,087)	(1,111,336)
Gross profit	301,819	137,146	77,070	516,035
Selling and distribution expenses	(111,582)	(14,457)	(10,219)	(136,258)
Administrative expenses	(67,675)	(28,207)	(5,702)	(101,584)
	(179,257)	(42,664)	(15,921)	(237,842)
Segment profit	122,562	94,482	61,149	278,193

	Total (Rupees "000")
Unallocated corporate expenses	
Other operating expenses	(4,681)
Other income	4,225
	<u>277,737</u>
Finance cost	(220,670)
Profit before taxation	57,067
Taxation	(36,580)
Profit after taxation	<u><u>20,487</u></u>

	December 31, 2018			
	Industrial and Medical Gases	Glass tube and glass ware	Others	Total
	(Rupees "000")			
Net sales	1,140,410	260,206	26,124	1,426,740
Cost of sales	(774,461)	(237,192)	(11,750)	(1,023,403)
Gross profit	365,949	23,014	14,374	403,337
Selling and distribution expenses	(97,237)	(17,983)	(9,341)	(124,561)
Administrative expenses	(67,631)	(31,122)	(6,509)	(105,262)
	(164,868)	(49,105)	(15,850)	(229,823)
Segment profit	201,081	(26,091)	(1,476)	173,514

	Total (Rupees "000")
Unallocated corporate expenses	
Other operating expenses	(8,180)
Other income	5,527
	<u>170,861</u>
Finance cost	(133,008)
Profit before taxation	37,853
Taxation	(23,308)
Profit after taxation	<u><u>14,545</u></u>

14 GENERAL AND CORRESPONDING FIGURES

14.1 The condensed interim consolidated statement of financial position has been compared with preceding consolidated statement of financial position as at June 30, 2019, whereas the condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows have been compared with the corresponding period of the previous year.

14.2 Corresponding figures for statement of profit or loss, statement of cash flows and statement of changes in equity for the period ended December 31, 2018 have been restated as compared to published financial statements for the same period as certified copy of the order approving the Scheme of Compromises, Arrangement and Reconstruction was issued subsequent to issue of financial statements for the six months period ended on December 31, 2018.

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

15 DATE OF AUTHORIZATION

This consolidated condensed interim financial information was approved by the Board of Directors of the Company and authorized for issue on February 28 , 2020.



ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)



ASIM MAHMUD
(CHIEF FINANCIAL OFFICER)



HAFIZ FAROOQ AHMAD
(DIRECTOR)