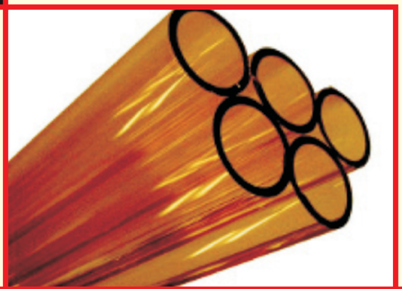
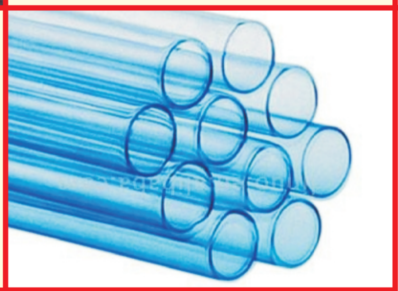
INFORMATION MEMORANDUM

Brand New State-of-the-Art Manufacturing Plant



International Standard Import Substitute Product



European Technology

Ghani Global Group

GHANI GLOBAL GLASS LIMITED

Faith..... Experience...... Innovation..... Growth

بسم الله الرحمن الرحيم

TABLE OF CONTENTS

EXECUTIVE SUMMARY

Ghani Global Glass Limited (GGG) has applied for listing at Karachi and Lahore Stock exchanges in the result of sanction of the scheme of arrangement for merger/ amalgamation of Libaas Textile Limited with and into Ghani Global Glass Limited by the Honourable Lahore High Court Lahore vide its order dated 27-01-2015 in Civil Original No. 34/2014.

This information memorandum has been prepared by the management of GGG for circulation by the exchanges amongst TRE Certificate Holders of the exchange / market participants.

The Company

Ghani Global Glass Limited was incorporated in October 2007 for setup a glass tubing manufacturing plant. For this purpose 108 kanal 10 marla land was acquired during February 2008.

Company has been setting up a brand new state-of-the-art fully automated Glass Plant, of world's top ranking European Brand on turnkey basis. The installed capacity of the plant to produce international standard Glass Tubing up to 24 tons/ per day.

Plant and machinery have been imported from world's renowned manufacturers of glass manufacturing machinery from Italy, Japan, Germany, UK and China.

Imported portion of plant and machinery has already been arrived at site. Local components of plant and machinery, fabrication and erection work is actively in progress since February 2015. It is expected that plant will commence the trial run operation by end of May 2015.

Glass tubing are used for manufacturing of Ampoules and Vials by the pharmaceutical industry itself and/or being supplied by Ampoule and Vial manufacturers to the Pharmaceutical Industry. In both the cases Glass Tubing is used as material to reshape as Ampoules and or Vials.

At present almost 80% of tubing requirements of the country is met through imports from different countries like China, Indonesia, Germany, Japan and others. So this venture is an import substitute.

The Group

Ghani Global Group (GGG) is an off shoot of the well-known Ghani Glass Group a leader in glass industry.

At present Ghani Global Group is successfully operating two state of the art industrial and medical gases manufacturing plants at Phool Nagar, District Kasur and Port Qasim, Karachi in the name of Ghani Gases Limited.

Below are the associated companies of Ghani Global Glass Limited:

PRESENT ASSOCIATED COMPANIES	EX-ASSCIATED COMPANIES & FIRMS
Ghani Gases Limited	Ghani Glass Limited
Ghani Engineering (Pvt) Limited	Ghani Automobile Industries Limited
Ghani Global Foods (Pvt) Limited	Ghani Mines (Pvt) Limited
Air Ghani (Pvt) Limited	Al-Muhandus Corporation
Real Estate Projects	Ahmad Brothers and Company

Shareholding Structure

At present number of shares held by different categories of shareholders and their percentage holding is given below:

Category of Shareholders	Shares Held	% of Holding
Directors	13,032,000	26.06
Relatives	540,000	1.08
Associated company	4,500,000	9.00
Friends/investors from various sectors	29,928,000	59.86
Shareholders of merged entity	2,000,000	4.00
Total	**50,000,000**	**100%**

Means of Financing

The project has a debt to equity ratio of 55:45. The total equity amounting to PKR 500 million whereas total debt amounts to PKR 600 million.

The project has been financed as under:

		Rupees
	Equity	
	Directors	130,032,000
	Relatives	5,400,000
	Friends/Investors from various sectors	299,280,000
*	Shareholders of Libaas Textile Limited (merging entity)	20,000,000
	Total Equity	**500,000,000**
*	Shares allotted other than cash in the result of merger into Ghani Global Glass Ltd	
	Debt	
	Al Baraka Bank (Pakistan) Limited	600,000,000
	Total Financing	**1,100,000,000**

Project Cost

Below is the breakup of estimated project cost:

Amount in PKR

Particulars	Details	Estimated
Land	108 Kanal 10 Marla	35,000,000
Buildings including roads and foundations	63,850 square Feet	150,000,000
Furnace		265,000,000
Plant & Machinery		480,000,000
Pre-Operating Expenses		29,200,000
Vehicles		16,800,000
Office Furniture/ Equipment		4,000,000
Contingencies		20,000,000
Initial Working Capital		100,000,000
Total		**1,100,000,000**

GHANI GLOBAL GLASS LIMITED

The Business

Ghani Global Glass Limited ("GGG" or "the Company") is in the process of setting up a brand new state-of- the-art glass tubing plant for manufacturing of glass tubes. The plant has a capacity of 24 tons per day. Glass Tubing is used for manufacturing of Ampoules and Vials by the pharmaceutical industry itself and / or being supplied by the Ampoule and Vial manufacturers to the Pharmaceutical Industry. In both the cases Glass Tubing is used as material to reshape as Ampoules and or Vials.

Plant Technology and Capacity

GGG has installed brand new machinery imported from world renowned manufacturers of glass manufacturing machinery from Italy, Japan, Germany, UK and China.

Technical Know-How and Furnace Design of the plant is based on latest available European technology namely **"Kimbel"** having handsome experience and patent name in glass Tubing field.

Production capacity of the plant is 24 tons per day and 8400 tons per annum on 350 days/ annum basis. Plant consist of two state - of- the- art glass tubing manufacturing lines to produce high quality tubing glass.

The company has planned to commence the trail run operation by end of May 2015.

Project Location

The project is located at 52 Kilometers Multan Road near Phool Nagar behind the Ghani Gases Limited project (an associated company) having separate entry from main road. Project is spread over a vast area of more than 108 Kanal of land, which is under the ownership of the Company. The location of project is ideal for this business because of the developed infrastructure with all supporting facilities available in the vicinity.

Furthermore, the plant is situated near close proximity to the target market and is well positioned to cater to the demand of customers around Lahore and easy road access to other parts of the country.

Power

GGG has obtained 1.2 MW electricity load from LESCO, WAPDA. This electricity load is sufficient to meet the requirements of the plant.

In addition to the above, in order to overcome the prevailing power supply shortages in the country, the Company has installed an in house 1.5 MW power diesel generation as a backup to fulfill the power needs and uninterrupted power supply to the plant.

Gas

To meet the heating requirements of furnace, GGG has obtained 40MCF/hr gas connection from Sui Northern Gas Pipelines Limited. External and internal piping has been completed and the connection will be energized shortly.

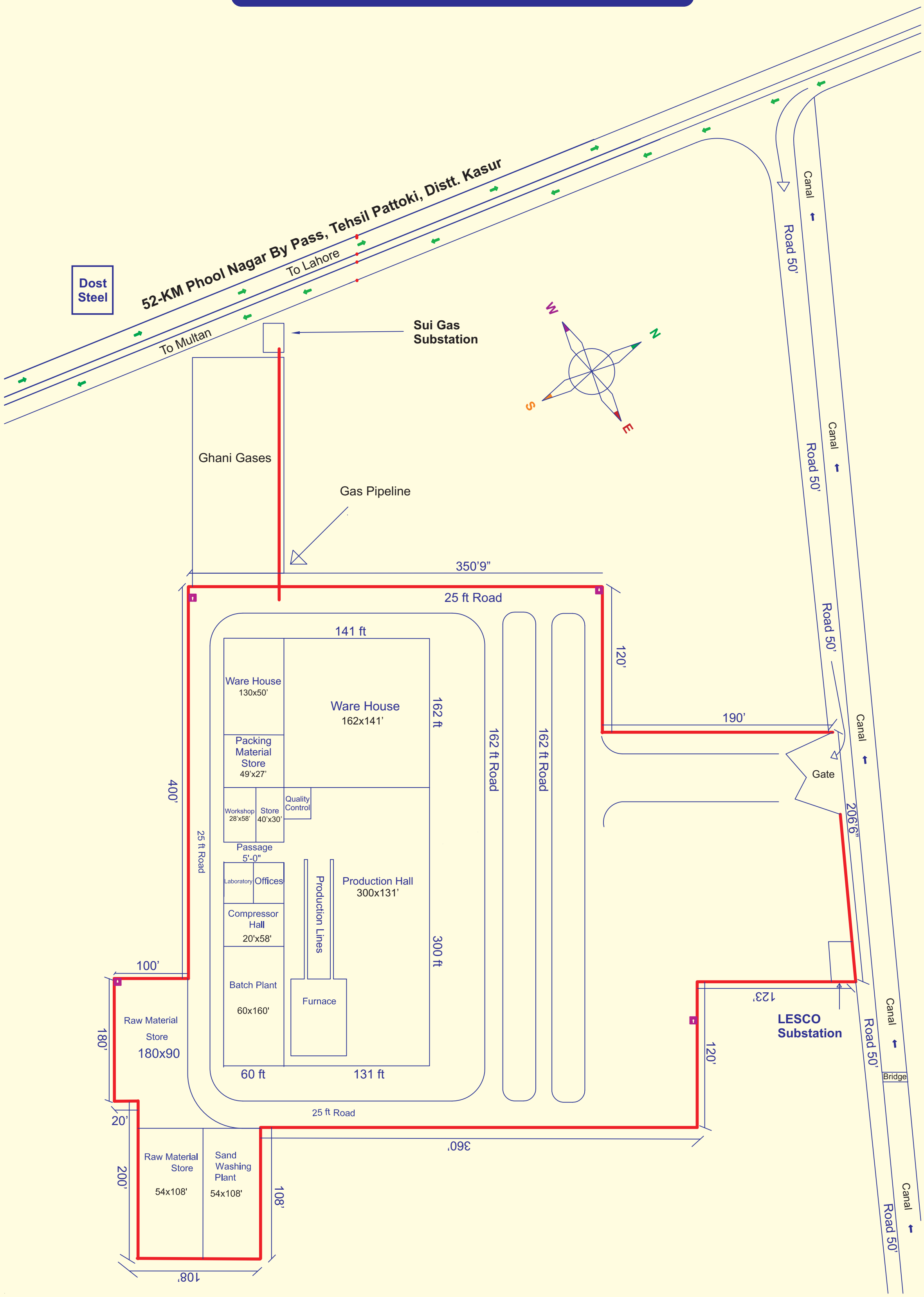
In addition to the above, in order to overcome the gas supply shortages, the Company has installed 135000 LTRs LPG storage facility as a backup to fulfill the gas needs of the plant.

Water

In order to meet the requirement of water, a ground water turbine of one (1) cusec capacity has been installed inside the project premises.

04 INFORMATION MEMORANDUM

LAYOUT PLAN

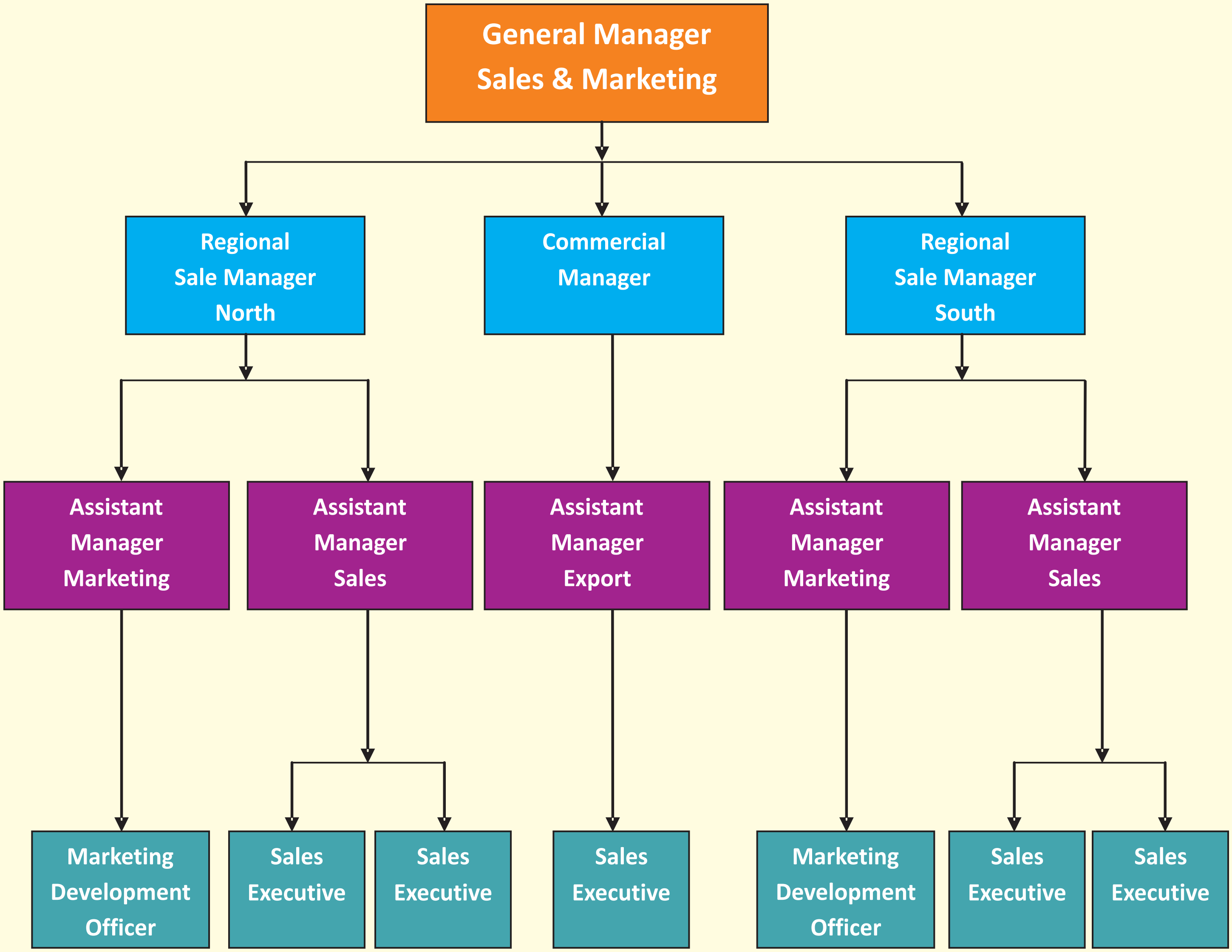


52-KM Phool Nagar By Pass, Tehsil Pattoki, Distt. Kasur
To Lahore
To Multan
Dost Steel
Sui Gas Substation
W
N
S
E
Ghani Gases
Gas Pipeline
350'9"
25 ft Road
141 ft
Ware House 130x50'
Ware House 162x141'
162 ft
162 ft Road
162 ft Road
120'
190'
Gate
Packing Material Store 49'x27'
Workshop 28'x58'
Store 40'x30'
Quality Control
Passage 5'-0"
Laboratory
Offices
Production Lines
Production Hall 300x131'
Compressor Hall 20'x58'
Batch Plant 60x160'
Furnace
300 ft
60 ft
131 ft
400'
25 ft Road
100'
180'
Raw Material Store 180x90
20'
200'
Raw Material Store 54x108'
Sand Washing Plant 54x108'
108'
108'
25 ft Road
360'
123'
120'
206'6"
LESCO Substation
Canal
Road 50'
Bridge

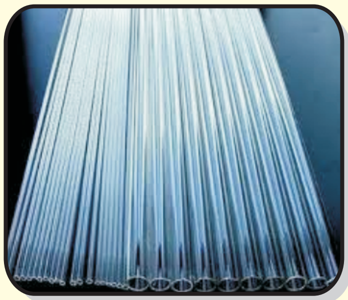
KEY MANAGEMENT

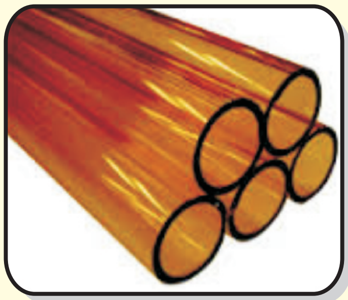
Name & Designation	Education	Experience
Mr. Nazir Ahmed GM Operations	B.Sc. Mechanical Engineer	43 years valuable experience in plant operations, maintenance including SHEQ
Mr. Asad Wazir Plant Manager	B.Sc. Mechanical Engineer	29 years valuable experience in plant operations, maintenance including SHEQ
Mr. Hafiz Imtiaz Ahmad Senior Manager Furnace	B.Sc. Mechanical Engineer	15 years in Glass Manufacturing
Mr. Adnan Butt GM Sales & Marketing	MBA Marketing	27 years in different industries in Sales and Marketing
Mr. Sajjad Ali Khan National Sales Manager	Post Graduation Diploma in Business Management From London	40 years In difference industries in Sales and Marketing
Mr. Nabeel Butt Commercial Manager	Graduation	17 Year Experience in Sales, Marketing and Imports
Farzand Ali GM Corporate	CA Finalist Fellow Member of institute of Corporate Secretaries	30 years rich experience of Finance and Corporate matters of mainly Glass industry
Mr. Asim Mahmud Chief Financial Officer	Fellow Chartered Accountant [FCA]	Ample experience about 15 years in Sugar, Textile and Chemical Industries

MARKETING STRUCTURE



THE PRODUCTS





Tubing Glass is produced in a clear transparent and colored (amber) version. It is also crystal clear, bright distortion free and light weight glass with high chemical resistance and is ideal for use in medical and pharmaceutical industries.

The process of manufacturing Boro-silicate neutral glass tubing is complex and a number of challenges must be overcome to produce a high-quality final article. Each step in the process provides its own unique opportunities for glass quality issues arise.

Many of the problems that affect the performance of an article are either batch related or the direct result of problems in the melting process. These issues are generally categorized as “glass quality”.

Tubing glass having superior physical properties and the wide variety of products it offers has led to a number of applications, such as, in industry, tubing glass can be put to applicable usage for being shaped, worked, toughened, laminated and decorated according to requirements.

Glass Tubing is used for manufacturing of Ampoules and Vials by the pharmaceutical industry itself and/ or being supplied by Ampoule and Vial manufacturers to the Pharmaceutical Industry. In both the cases Glass Tubing is used as material to reshape as Ampoules and or Vials.

Ghani Global Group management with handsome experience in Glass industry will ensure to overcome Glass quality related issues as part of production process with continuous training of staff and to provide testing equipments and fully equipped laboratory for fracture diagnosis.

Technology and Process

The company has imported brand new machinery from, world renowned manufacturers of glass manufacturing machinery from Italy, Japan, Germany, UK and China.

Technical Know-How and Furnace Design of the plant has been based on latest available European technology namely **“Kembel”** having handsome experience and patent name in glass tubing field.

Sponsors are ex-directors of Ghani Group having handsome experience and a history for successful operations of mining, glass and gases manufacturing units.

GLASS TUBING FOR AMPOULES

For ampoules GGG will make sure that medicines remain safely packed at all times. Its excellent surface properties provide permanent protection of the contents, ensuring long-term effectiveness of the packed pharmaceuticals. A 100% optical control of all glass tubes involves the examination of every single glass tube for contamination or surface flaws. This is the way to produce high-transparency glass which safely preserves the contents.

Clear

Standard dimensions for ampoules

According to ISO 9187-1

Outside Diameter mm	standard GGG	standard ISO	Wall Thickness mm	standard GGG	standard ISO
10.00	± 0.12	± 0.15	0.50	± 0.02	± 0.03
10.75	± 0.12	± 0.15	0.50	± 0.02	± 0.03
12.75	± 0.12	± 0.15	0.50	± 0.02	± 0.03
14.75	± 0.12	± 0.15	0.55	± 0.02	± 0.03
17.75	± 0.14	± 0.20	0.60	± 0.03	± 0.04
22.50	± 0.19	± 0.25	0.70	± 0.04	± 0.04

Amber

Standard dimensions for ampoules

According to ISO 9187 -1

Outside Diameter mm	standard GGG	standard ISO	Wall Thickness mm	standard GGG	standard ISO
10.00	± 0.12	± 0.15	0.50	± 0.02	± 0·03
10.75	± 0.12	± 0.15	0.50	± 0.02	± 0.03
12.75	± 0.12	± 0.15	0.50	± 0.02	± 0.03
14.75	± 0.12	± 0.15	0.55	± 0.02	± 0.03
17.75	± 0.14	± 0.20	0.60	± 0.03	± 0.04
22.50	± 0.19	± 0.25	0.70	± 0.04	± 0.04

Other dimensions and types of tubing ends are also available on request.

GLASS TUBING FOR VIALS

Vials effectively protect their content. Whether or not the properties of medicines remain unchanged over long periods of time literally depends upon the containers they are kept in. The outstanding chemical resistance, neutrality and impermeability of clear and amber ensure an optimum protection of contents against premature aging and loss of effectiveness.

And to top everything GGG will insure, all glass tubes are subjected to 100% optical control throughout the entire production process. Other dimensions and types of tubing ends are also available on request.

Clear

Standard dimensions for vials

According to ISO 8362-1

Outside Diameter mm	standard GGG	standard ISO	Wall Thickness mm	standard GGG	standard ISO
16	± 0.14	± 0.15	1.0	± 0.04	± 0.04
22	± 0.19	± 0.20	1.0	± 0.04	± 0.04
24	± 0.19	± 0.20	1.0	± 0.04	± 0.04
30	± 0.20	± 0.25	1.2	± 0.05	± 0.05

Amber

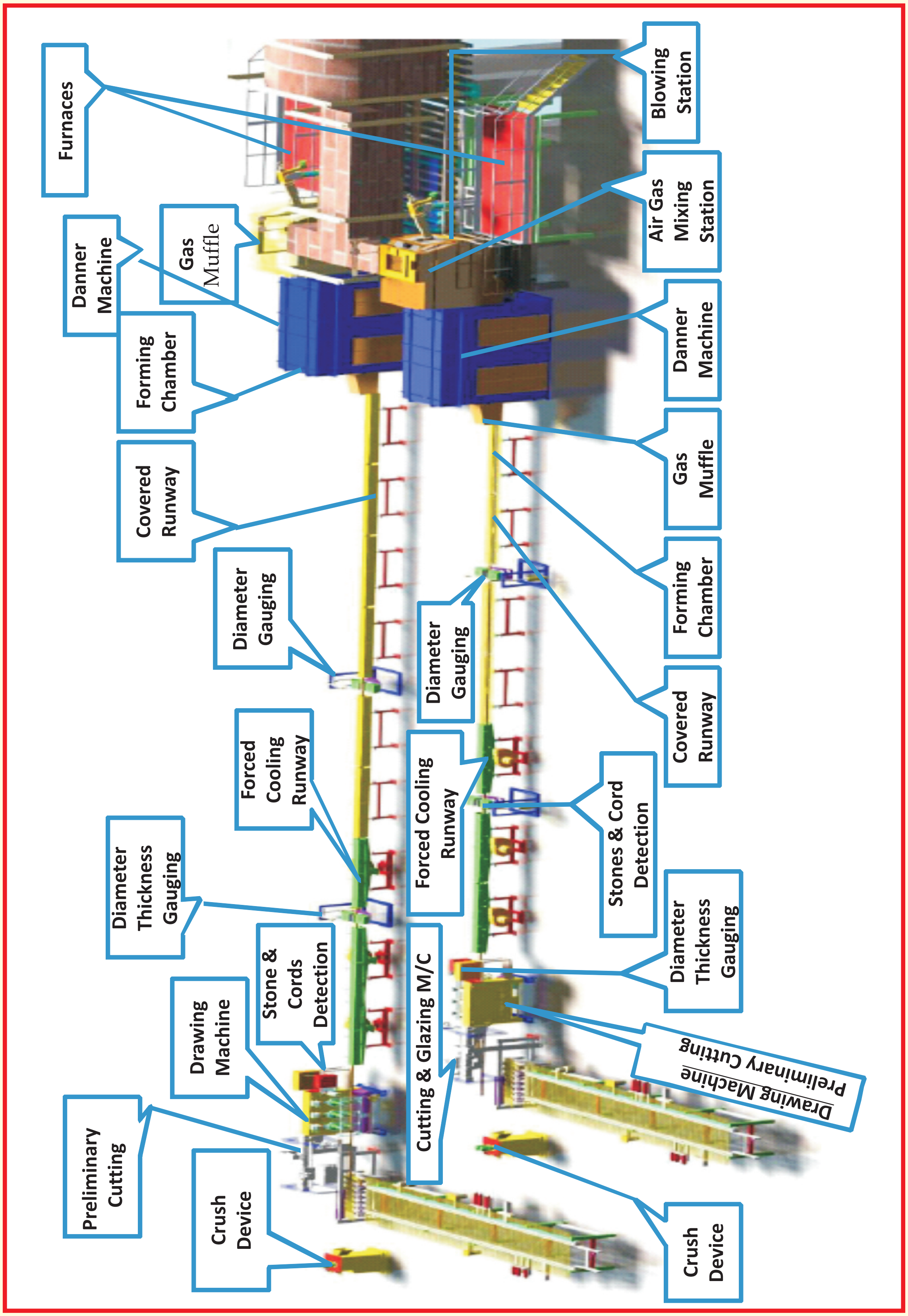
Standard dimensions for vials

According to ISO 8362-1

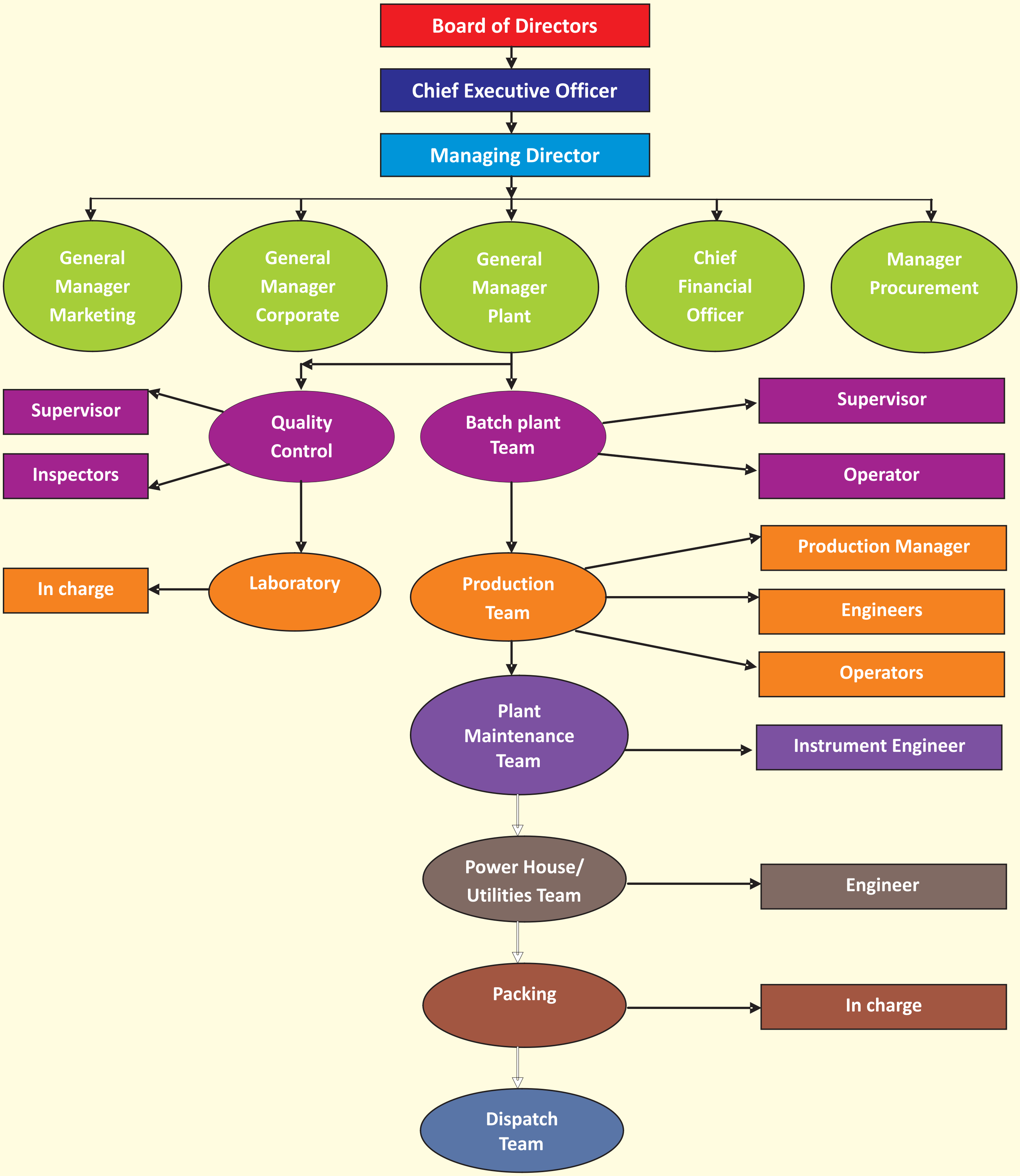
Outside Diameter mm	standard GGG	standard ISO	Wall Thickness mm	standard GGG	standard ISO
16	± 0.14	± 0.15	1.0	± 0.04	± 0.04
22	± 0.19	± 0.20	1.0	± 0.04	± 0.04
24	± 0.19	± 0.20	1.0	± 0.04	± 0.04
30	± 0.20	± 0.25	1.2	± 0.05	± 0.05

Other dimensions and types of tubing ends are also available on request.

PRODUCTION PROCESS



ORGANIZATION STRUCTURE



THE GROUP

The project sponsors/ directors associated with Ghani Group of Companies are both experienced and qualified. At present they are successfully operated two state of the art gases manufacturing plants in the name of Ghani Gases Limited (GG). During 2009 GG entered in industrial and medical gases business when all core indicators were reflecting negative. In addition to this GG faced a strong competition of gases players ruling from decades. Despite these difficulties, Alhamdulillah during first year of operation, Ghani Gases achieved an impressive performance.

Strong back ground with vision of the management, history behind honour of the commitment, introduction of global quality products, Ghani Gases developed a revolution in the country's gases industry.

Performance of Ghani Gases can be evaluated from turnover (sales) history which started from Rs. 350 million during 2010 and achieved Rs. 1,559 million mark during 2014 and planned for Rs. two billion plus for 2015.

Brief introduction to the main sponsors and directors are as follow:

Atique Ahmad Khan, Chairman

Mr. Atique Ahmad Khan is the Chairman of the Board of Directors of Ghani Global Glass Limited. He is qualified mechanical and electrical engineer. Mr. Atiqiue has been associated with Ghani Glass Limited since the acquisition of Prince Glass during January 2000. His practical experience spans over a period of more than two and half decades, and during this time he has achieved numerous milestones at numerous key position of Ghani Group.

Mr. Atique is proactive manager who when assigned the task of reactivating one of the plants of Ghani Group, known to be achieved it at a phenomenal pace in a short period of two months. Under his dynamic leadership, the Karachi glass plant became one of the finest in the South Asian region in terms of its operating efficiency levels. His entrepreneurial skills were further polished during the procurement trips to various countries that he undertook while at Ghani Glass Limited.

Mr. Atique is also the Chief Executive Officer of Ghani Gases Limited an associated company of Ghani Global Glass Limited. Under the dynamic leadership of Mr. Attqiue, Ghani Gases has been growing horizontally and vertically.

Masroor Ahmad Khan, Chief Executive Officer

Mr. Masroor Ahmad Khan is the Chief Executive Officer of Ghani Global Glass Limited. Mr. Khan is a B.A graduate from Punjab University. Mr. Khan is seasoned businessman, who was an executive director at Ghani Glass Limited prior to setup of Ghani Global Group. Mr. Khan's work experience spans over a period of three decades, during which he has held numerous senior management positions.

Mr. Khan has been a driving force behind the success of Ghani Glass Limited. He has played an active role in nourishing the “Ghani” Brand and getting it recognized in all the industries, especially pharmaceutical industry. His hard work enabled Ghani Glass Limited to secure long-term supply contracts with leading multinational pharmaceutical companies. He has been playing a vital role for success story of Ghani Gases Limited an associated of Ghani Global Glass Limited.

Mr. Masroor is certified director under the code of corporate governance.

Hafiz Farooq Ahmad, Managing Director

Mr. Hafiz Farooq Ahmad is the Managing Director of Ghani Global Group. He is an engineering graduate from the University of Illinois, Chicago, USA.

Earlier in his career, Mr. Farooq has worked with Applied Materials America, which is a major semi-conductor manufacturer in USA. At applied materials he was involved in manufacturing of correct-by-design (CBD) cobalt chips and he has the privilege of holding a patent in his name for the same chips, which is registered in USA.

Mr. Farooq has also worked as director of Ghani Float Glass Limited. He is credited for the commissioning of the Float Glass plant and bringing it into production in a very short period of time. This project was later on merged into Ghani Glass Limited. He remained directors of Ghani Glass Limited till November, 2014. Mr. Hafiz is the Managing Director of Ghani Gases Limited.

Mr. Hafiz is certified director under the code of corporate governance.

About of Group

Ghani Global Group of Companies is an off shoot of the Ghani Glass Group. The sponsors, who are ex-directors of Ghani Group of Companies, have formed Ghani Global Group during 2007 for setting up diversified projects.

Following are the brief description of associated group companies of Ghani Global Glass Limited:

Ghani Gases Limited

Ghani Gases Limited was incorporated during the year 2007. It is Public Limited Company listed at Karachi and Islamabad Stock Exchanges.

Ghani Gases is the first Company in Pakistan which got the status of listing through Book Building Mechanism. This was the first ever transaction for offer for sale of shares under book building rules introduced by the SECP during April 2008.

Company is engaged in business for manufacturing and sale of industrial and medical gases and its allied activities. The Company having two state of the art industrial and medical gases manufacturing plants located at Phool Nagar, District Kasur and Port Qasim, Karachi (known as GGL-North and GGL-South respectively).

Ghani Gases plants are equipped with world's best technology machines and has been maintaining according to the international standards. To ensure smooth performance a European company is on board for maintenance of the plant.

Ghani Gases entered in industrial and medical gases business during 2009 when all core indicators were reflecting as negative. In addition to this Ghani Gases faced a strong competition of gases players ruling from decades. Despite these difficulties, Alhamdulillah during first of the operation, Ghani Gases achieved an impressive performance.

Strong background with vision of the management, history behind honour of the commitment, introduction of global quality products with competitive prices, better services, aggressive marketing strategy, quick and in-time investment decisions, better cash flow management, coordination and team work of the professionals have helped to achieve the targets.

Ghani Gases has developed a revolution in the country's gases Industry by capturing substantial size of market in a short period.

During first year of operation, Ghani Gases developed customer base around Pakistan from Punjab to Khyber PK, Baluchistan and Sindh provinces. In addition to entering in Oil & Gas, Chemical & Fertilizer, Pharmaceutical, Healthcare, Food & Beverage and Steel & Iron industries as well as Live Stock and merchant market, Ghani Gases has also succeeded to develop a customer base at Gadani being one of the largest ship breaking industries of the region. Ghani Gases has been now playing a vital role for revival of Gadani ship breaking industry. Beside core business Ghani Gases has entered in chemical business and meeting argon gas demand through local manufacturing and import sources.

Performance of Ghani Gases Limited can be evaluated through turnover (sales) history of the company as under:

2015	Rs. 1,315 million (Three Quarters)
2014	Rs. 1,559 million
2013	Rs. 1,402 million
2012	Rs. 850 million
2011	Rs. 521 million
2010	Rs. 315 million

Air Ghani (pvt) Limited

Ghani Global Group has setup Air Ghani (Pvt) Limited with collaboration of the sponsor of one of the leading European Screw & Centrifugal Air Compressor Service provider company named “RivAir Air Management” based in Italy. The company has formally been launched during May 2014.

Air Ghani has been providing high tech industrial services for maintenance and technical assistance for Screw & Centrifugal Air Compressors and parts to different industries in Pakistan.

Ghani Global Foods (pvt) Limited

Ghani Global Group has planned to setup a food processing unit to cater the European and other export market under the umbrella of Ghani Global Foods (Pvt) Limited. Sponsors are actively working on this project.

Real Estate Projects

Ghani Global Group has been in real estate business for last few years. Group has successfully constructed and handed over a multi story commercial project in the centre of Lahore in the name of Shadman Mall. In addition to above group is developing multistory commercial project in the name of City Star Shopping Mall at prime location of Link Road, Model Town, Lahore and a multistory commercial cum residential project in the name of City Star Heights near Kalma Chowk, Lahore.

Ghani Glass Limited (Ex-Associate)

Ghani Glass Limited was incorporated in 1992. It is a Public Limited Company listed on Karachi and Lahore Stock Exchanges.

The Company established a most modern glass container manufacturing plant during 1995 initially designed to produce 32,120 tons of finished glass products. This was the first glass plant of Pakistan set up as per GMP requirement of pharmaceutical industry. The project is located in District Haripur.

In December 1999 Ghani Group acquired its biggest competitor "Prince Glass Works Limited", which had filed bankruptcy. It was named Ka'as Ul Musaf'fa (Pvt) Limited.

In 2004 the old furnaces were re-built with increased capacity and introducing three 12-section double gob machines 1st time in Pakistan.

In January 2004 Ka'as Ul Musaf'fa (Pvt) Limited was merged into Ghani Glass Limited and consequently Ghani Glass became largest glass manufacturing company in Pakistan with 7 furnaces and annual installed capacity of 165,000 metric ton.

Today Ghani Glass is the largest glass manufacturing facility with 7 furnaces with annual installed capacity of 65,000 metric ton and a Reflective Float Glass Plant equipped with latest available technology having the annual gross installed capacity is 500,000 matric tons.

Makerwal Collieries Limited (Ex-Associate)

Makerwal Collieries Limited was incorporated in 1960. It is an unquoted public limited company and was running under Pakistan Mineral Development Corporation.

The Project was acquired from Privatization Commission of Pakistan, under privatization policy of the Government by open bidding. It was the first privatization of a mining venture in the country. Leasehold of the company is spread over an area of 19,693 acres out of which 13,378 acres falls in Punjab and 6,315 acres in NWFP. It is the largest coal-mining project running in private sector.

Coal of the Makerwal is a "popular brand in the market" and is being used by cement industry and brick kilns as well as for power generation.

Ghani Mines (pvt) Limited (Ex-Associate)

Ghani Mines (Pvt) Limited was established during 1992. It is a leading company in the salt mines business in the private sector. Mines are located in Warcha (Kourrian) salt range of Qauidabad, Distt. Khushab. Ghani Mines is exporting best quality rock salt and earning foreign exchange for the country.

Ahmad Brothers and Company (Ex-Associate)

Ahmad Brothers and Company was established during 1963. It has leases of Silica Sand and other minerals. Silica sand quarries are in Qamar Mashani, Distt. Mianwali.

The Firm has the distinction of being the exclusive supplier to Philips Electrical Company of Pakistan Limited for continuous period of 26 years.

Al-Muhandus Corporation (Ax-Associate)

The firm (Al-Muhandus Corporation) was established in 1985. It is also in the salt mining business and is one of the leading salt mining houses in private sector. Mines are located in Warcha/ Choa, Qaidabad, Distt. Khushab. The firm is in export business of best quality rock salt from last many years and sharing with the nation to earn foreign exchange for the country.

GLASS SECTOR IN PAKISTAN

Glass manufacturing in the developed and under developed world is a mature market business. Annual growth in the total industry sales generally follows population growth. Glass tubing manufacturing is also a geographical business; the product is light weight and large in volume, and the major raw materials (silica sand, soda ash, borax, sodium nitrate, limestone, feldspar and dolomite) are generally readily available, therefore production facilities need to be located close to their markets. In developed countries factories are generally sized to service the requirements of a city but in underdeveloped countries situation is different.

Tubing glass having superior physical properties and high quality products it offers has led to a number of applications, such as, in industry, tubing glass can be put to applicable usage for being shaped, worked, toughened, laminated and decorated according to requirements. All ampoules are made of tubing glass. In addition to this, glass vials are also made of tubing glass. There is huge difference between the demand and local production of Neutral Glass Tubing in Pakistan.

Total demand of the country is 7,000 tons. There is only one Tubing glass plant in Pakistan located in Karachi having capacity to produce 04 ton/per day. During last year this plant stopped the production of amber glass tubing. This plant is not meeting the requirements of the country. In the result gap is filled by imports from different countries like Germany, China, Japan, Italy, Indonesia, Malaysia and USA. PCT Code is 7002-3910.

Few units are exclusively using European imported tubes due to their own expensive drugs or as per requirement of other ampoules filling customers. Whereas some units are partly using European tubes.

The price of Chinese Glass tubing is less than European tubes so its share is increasing. And its all because of market competition and cost saving drives in local and multinational concerns. Market survey revealed that consumers desire to shift on local tubes, if consistence supply with better quality is provided on competitive rates.

Total annual demand of the country is 7,000 tones whereas local production is 1200-1500 tons only. The only single unit of glass tubing unit is not performing in accordance with market demand and in the result its local market share is shrinking and customers have no other option but to import glass tubing. Glass sector in Pakistan is as old as the age of the country.

Key Players in the Country

There is only one unit in Karachi in the name of “Corn Pak” which is producing Tubing Glass having capacity of 04 tons per day. Rest of the demand of the country is met through imports from different countries like Germany, China, Japan, Italy, Indonesia, Malaysia and USA. PCT code is 7002-3910.

GGG is envisaged to cater the import as well as local market and will supply international standard quality product with competitive prices.

Capacity utilization of the plant has been assumed at 60% for the first year of production, which will gradually increase up to 80% in the fourth year of operation. This is very conservative assumption considering the fact that GGG has setup a brand new state-of-the-art Eurpein Technology glass tubing manufacturing plant.

Competitors Profile

On account of out dated technology, and increase in population only one glass tubing company is available to meet the requirement of the country so there exists a huge potential for new entrants, having relevant experience to, embark upon the same. Other competitors are importers which import 80 % of the total demand of the country.

Marketing Scope

The company is offering high quality international standard product at competitive prices. Imports of tubing glass will be discouraged and the confidence of users will increase. On the other hand import bill of the country will reduce.

In addition to above, Company has planned to cater the export market from SAARC, Middle East and African countries.

EDGE TO GHANI GLOBAL GLASS

- Brand New State-of-the-Art manufacturing plant
- European Technology
- Import Substitute Products
- Experienced sponsors in the relevant field
- Strong Distribution Network
- Qualified and Experienced Technical and Managerial Teams
- Introduction of Oxy-Boosting System first time in Glass history of Pakistan
- Strong Dealers 's Network
- Contamination Free Packing Area
- Implementation of Quality Management System (ISO - 9001)
- Compliance with SHEQ legislation and regulations
- Strong Sales and Marketing Strategy
- Strong Quality Assurance Plan
- Ribba-Free Business

SWOT ANALYSIS

The sponsors of the project have carried out an extensive market study and have analyzed the associated risk factors in addition to analyzing the opportunities and strengths of the project. An analysis of the supply/ demand has been carried out and activities of existing competitors and importers have also been taken into consideration.

A SWOT analysis has helped in analyzing various project related factor, which could play a crucial role in the final decision making by any investor.

STRENGTHS

- Handsome Experience in glass industry.
- European quality and standard.
- Largest market share in glass production.
- State of art brand new plant.
- New product development.
- Marketing edge due to previous relationship with customers due to Gases and Glass business.
- Production with comprehensive quality assurance.
- Indigenous raw material.
- Riba free operations.
- Plant is strategically located.
- We are responsive.
- Values-based leadership.
- Strong Technical edge & economy of Scale
- Introduction Oxy boosting system.
- Ample space for project expansions
- Production process control
- Focus on SHEQ
- Emphasis on plant's technology
- Logistics support and control
- Own Power Generation plant and back up for furnaces
- Responsive production planning
- Huge synergies available.
- Comprehensive quality plan and latest Laboratory.
- Experience team of professionals.

- The importers, already in the business, have established their clientele over the period and can give tough competition.

- *The process requires technical expertise quality assurance on a continuing basis which has been addressed by inducting professionally competent staff.*
- *Rising domestic demand for glass Tubing.*
- *Demand for glass tubing is influenced by:*
  - *Growth in consumption due to increase in population*
  - *Quality consciousness*
- *The glass tube users are dependent on the massive imports. The company having the experienced and ALHAMDULILLAH technically sound management intends to take the opportunity to set up the boro-silicate neutral glass tube manufacturing unit to substitute the imports.*
- *Imported Tubes also bears the burden of Duty/ Taxes and freight cost which shall not be incurred in our case.*
- *Chinese quality is low and less resistive, having more breakage percentage.*

- *Expected competition during the initial stages of the Plant as a result of Importers/Competitors' campaign.*

COMPETITIVE ANALYSIS

Threats of new Entrants (Med)

- Heavy investment and technological update is required which is a time consuming exercise.
- Demand supply gap will always attract new participants.

Bargaining Power of Customers (Low)

- Bargaining power of customers is relatively low due to non availability of quality product locally.
- There is already a demand-supply gap in the market.

Rivalry amongst Existing Competition (Med)

- Rivalry amongst competitors is medium due to monopolistic position of importers. However importers may continue to import and sale in local market at cheaper rate to book losses for some period.
- For this reason importers are charging a significant price premium.

Bargaining Power of Suppliers (Low)

- Bargaining power of suppliers is insignificant considering the nature of product.
- Energy/gas requirements of the plant, which is considered to be a crucial input, have been addressed by installing in house power generation plant and LPG storages.

Threat of Substitutes (Low)

- There are no real substitutes for the products of GGG except imports which is already in practice.

PEST ANALYSIS

Political Factors Influencing the Industry

Today, well into seventh decade of its existence as an independent state, Pakistan is passing critical period. It is navigating a perfect storm and faces not one bit several daunting challenges. Extremist forces continue to challenge the state and the constitution. The economy remains under stress and depends on large external flows to remain solvent.

The rate of population growth remains relatively high; every year, the country adds close to four million people to its large population. Its human resources are poorly developed. There are severe power shortages; apporting the limited supply of power means plunging large areas into complete darkness several times a day and for several hours at a time.

The democratic performances remained poor in Pakistan. It can be clarified by several techniques. The constitutional and electoral necessities among institutional factors destabilized responsible and receptive government. The leadership of Pakistan battered by deceitful political personalities and encouraged for self-interest motivation with materialistic benefits and bestowed interests.

Economic prosperity is defining the place and clout of nations on global stage in the present world order. The issues of economy and terrorism have captured the national attention in Pakistan too. The need of the hour is to strengthen the economy of the country which in turn would translate in to the might for the state, enabling it to better deal with the menace of foreign-sponsored terrorism.

While there is no doubt that Pakistan's economy has constantly faced serious challenges over the decades yet there is indeed much left to be desired in terms of the management of the existing resources and structural reforms. Whenever the economic woes of Pakistan are discussed, the rulers point out to the limited resources and the dismal state they inherited the economy in. Fair enough, more often than not, the point conceded here. But fact of the matter is what stops them from properly managing the pool of resources at their disposal as well as inducing the much needed reforms to address the structural inefficiencies?

The protest marches, besides holding the capital of Pakistan hostage for weeks made the already severely battered economy of the country suffer mammoth financial losses. The politically uncertainty naturally having negative impact on local as well as foreign investment in the country and certain heads of states postponed their visits to the country.

The country has barely begun the reforms needed to enhance the economy's productivity and competitiveness. Export growth is stalled, due in part to an overhauled rupee. But these shortcoming s should not obscure the fact that real progress has been achieved. This is impressive start for a runner who used to drop off consistently by this point in the economic revival race. Pakistan has passed the 5km mark, is coming on 10km, and is still going strong.

Increased FDI & remittances and improved business environment, the industrial sector will most likely be witnessing growth due to increasing demand. The development of industrial sector is critical for the development of all other sectors, including glass sector. The present government has taken bold initiatives for development of energy, ports, infrastructure, industrial collaboration, water resources and LNG projects. Therefore, it is anticipated that like other industries the glass and health sector would also flourish and regulations would remain liberal in order to support the growth of the industry.

Economic Factors Influencing the Industry

Pakistan has succeeded in stabilizing its economy, but steady implementation of reforms is vital if the country hopes to find a place among the world's fast-growing emerging markets. Key challenge for Pakistan is to continue the policies that it has begun and push the reforms through. Second, Pakistan confronts a major challenge with its security situation, so the authorities have been trying to maintain good economic stability and growth in this difficult context. Third the lack of energy in Pakistan remains a serious growth constraint.

Pakistan has made good progress, reserves of State Bank of Pakistan, which had declined perilously low levels, are now rebounding. The fiscal deficit, which was extremely large at 8 percent GDP in 2012-13, is on track this year to get down below 5 percent of GDP. Not only is the deficit lower, but financing conditions eased considerably. Pakistan has regained access to international capital markets, and the country has received disbursements from the IMF and other development partners.

The economy grew about 4 percent last year, and it is expected an improved figure this year. That's a good performance considering the country was carrying out major fiscal consolidations. The government has been working to increase the energy supply to tackle the country's huge electricity outages and improve the operations of the generation and distribution companies to make them more efficient.

The government has improved the trade regime and taken some initial steps on improving the business climate and on the privatization of public enterprises. Pakistan is net importer of oil, so the decline in oil prices is positive shock. Government is also developing infrastructure, Pak China Corridor, Karachi- Lahore Motorways, LNG imports and other projects to starts Pakistan's economic reform path.

The growing economy and population of Pakistan has a direct relationship with the demand in tubing glass. Even in case of economic slowdown, the tubing glass sector won't suffer because of direct concern with health and pharmaceutical sector.

Social Factors Influencing the Industry

Pakistan is among those developing countries where population growth is fairly high. At present it is the sixth most populous country in the world with projected population of over 188 million. The current population growth rate is 1.94 percent and median age is 22.6 years. By the passage of time expenses of food and healthcare have been increasing. Increasing cost of healthcare have constrained access to health services. Total national cost of medicine has increased threefold from 2007 to 2014 from one billion to three billion US dollars. Increasing poverty and poor health in Pakistan is understandable as the country's GDP grew at an average rate of only three percent during the last 5-6 years. With more awareness and growing middle class segment now ever more conscious of health and demand for healthcare and medicines. Due to the betterment witnessed in the quality of life, the consumption of medicines automatically enhances. Pakistan has one of the largest labour and manpower resource in the world, due to its large population, which is sixth largest in the world. According to data produced by the CIA World Factbook, the total number of Pakistan's labour force is 57.2 million, making it the ninth largest country by available human workforce. About 43% of this labour is involved in agriculture, 20.3% in industry and the remaining 36.6% in other services. Unemployment rate is 7.8 percent. Therefore, abundant workforce is available for the industrial sector at very low cost.

Technological Factors Influencing the Industry

Latest brand new state-of-the-art glass tubing production plant is being commissioned. Technical Know-How and Furnace Design of the plant is based on latest available European technology namely "Kimbel" having handsome experience and patent name in Glass Tubing field. At present only one player having old technology is in filed which is also importing Glass Tubing to meet the quality requirements.

Key Success Factors

There is only single unit in operation at present in Karachi with old technology and producing 1200 to 1500 tons per annum. Whereas total demand of the country is 7,000tons. Demand supply gap is met through imports. Based on simple market supply and demand dynamics, a strong potential exists for new entrepreneurs to enter the market.

Sector Outlook

In glass sector, their are three listed companies, turn out history of these companies are as under:

	2010	2011	2012	2013	2014
	Rs. in millions				
Ghani Glass	6,534	6,869	8,620	10,362	10,200
Tariq Glass	2,071	2,782	4,451	3,889	7,756
Balochistan Glass	1,099	1,099	1,961	2,714	2,204

Share market price of Rs. 10 per share of Ghani Glass is Rs. 72-75 and Tariq Glass Rs. 55-56, where as due to technical, liquidity and internal issues Balochistan Glass is not performing well and its market share price is Rs. 4-5 per share. None of the above companies is competitor of GGG.

The outlook for the glass sector is positive, and this expectation is premised upon the growth in population and awareness of healthcare and overall health issues taking place in the country. More specifically, number of hospitals and health units are being set-up in Pakistan which will increase the demand for glass tubing.

RISK AND MITIGANTS

Company Specific Risk

Risk Factor	Probability	Mitigating Factor
Operating Risk	Low	Availability of raw material in abundance.
Product Sales Risk	Low	Experienced sales & marketing team and import substitute product.
Financing Risk	Medium	Sponsors are financially sound.
Financial Projection Risk	Low	The Company has used conservative assumptions to forecast financial projections.
Political and Economic Risk	Medium	Current demand to sustain even in bad political and economic scenario.
Business Risk offered	Low	No real substitute for the products by GGG's qualified experienced and professional management team.
Competition Risk	Low	Stiff competition to have minimum impact on revenues from importers due to conservative forecasting.
Regulatory Risk	Low	Government likely to support the import substitute industry as it will save foreign exchange for the country.
Economic Slowdown Risk	Low	Huge supply-demand gap prevails in the industry that will remain relatively unaffected even in economic slowdown
Technology Obsolescence well in Risk	Low	Technology procured is brand new and established in Europe

- **Operating Risk - (Level: low)**

  Raw Material availability might affect production and delivery.

  Mitigation

  All the raw materials used in glass manufacturing process is 100% indigenous and abundantly available in the country.

- **Product Sales Risk - (Level: low)**

  Overcoming competition from importers, searching for and capturing new markets may be a challenge.

  Mitigation

  The marketing and sales team consists of a combination of seniors and well qualified seasoned personnel who have extensive experience in the field. Further, keeping in view the availability of international quality at competitive rates, imports will discouraged and the products will be available local market with time, cost and investment savings. Group have already good relations with pharma industry and supply, procuring orders from the industry and meeting sales target does not seem difficult.

- **Financing Risk - (Level: Medium)**

  Availability of liquid and long term investment must be assured.

  Mitigation

  The sponsors are financially sound. Since the Sponsor's are a well-known/established group running various concerns successfully and they enjoy a commendable reputation in the industrial sector, raising additional financing for the project, if required at all, does not seem difficult.

- **Financial Projection Risk - (Level: low)**

  The Company has used various assumptions in forecasting the financial projections which are subject to change depending on the industry, economic and political dynamics. This can seriously impact the actual future results of the Company.

  Mitigation

  GGG has adopted a very conservative forecasting approach in order to ensure that even if the actual conditions diverge significantly, it has minimal impact on future results of the Company.

- **Political and Economic Risk (Level: Medium)**

  Political and Economic risk can arise from volatile geo-political environment in the country. Such instability could cause hindrance in local and foreign investment. Under such circumstances, industries may not be able to operate efficiently.

  Mitigation

  The current political and economic conditions are stabilizing. Even if conditions worsen, hitting the industrial sector as a whole, it is expected that GGG will be able to cope up with the risk by filling in the vacuum of current huge supply-demand gap and meeting its current sales target.

- **Business Risk - (Level: low)**

  Business risk is the risk of demand deficiency for the glass tubing and also the risk of management failure.

  Mitigation

  There are no real substitutes for the glass tubing, which are the main products of GGG. Considering this factor, there is currently a huge demand of glass tubing which is met from imports.

  Furthermore, the recruited management team has proven track record and will continue to perform with even higher level of dedication to make the project successful.

- **Competition Risk - (Level: low)**

  Competition from importers may result in price war, thus reducing sales revenue and bottom line profits.

  Mitigation

  The current GGG forecasting has been carried out using very conservative approach i.e the forecasted prices are much lower than prevailing market pricing. Therefore, even a sharp decline in sales price shall not significantly impact the projected financials.

- **Regulatory Risk - (Level: low)**

  The uncertain government policies may affect the industry in the future.

  Mitigation

  It is expected that the Government will encourage import substitute products and will not amend the regulations adversely to stabilize the importers. It will save foreign exchange of the country. Locally produced glass are lower in cost and beneficial to fuel the economy. Hence there is strong probability that the Government will support the industry to help reduce the Government's import bill.

- **Economic Slowdown Risk - (Level: low)**

  The sale of glass produced by the Company is dependent upon the economic conditions prevailing in the country. There is a risk that the economic slowdown may affect the bottom line results of the Company.

  Mitigation

  The current supply-demand gap is significant which is met through imports. Users of these glass tubing have only two options, they can either import the glass or cut down their output. Even in bad economic conditions, demand for glass tubing will be high since it is directly and indirectly used by pharmaceutical companies.

- **Technology Obsolescence Risk - (Level: low)**

  The obsolescence of tubing glass manufacturing technology used by the Company can impact the results of the Company negatively.

  Mitigation

  GGG has procured brand new latest European technology plant for manufacturing glass tubing. The technology on which this plant is based is the one being used successfully in various other countries in Europe.

PROJECTIONS

There are three listed companies in the glass sector namely Ghani Glass Limited, Tariq Glass Industries Limited and Baluchistan Glass Limited. However Baluchistan Glass Limited is not performing well due to technological and financial issues. None of above players are competitor of Ghani Global Glass Limited.

Following are some of the key assumptions that have been used for valuation purposes:

ASSUMPTIONS	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Increase in selling price	-	3.50%	5.00%	12.00%	12.00%	12.00%
Increase Fuel & power	-	15.00%	15.00%	15.00%	15.00%	15.00%
Tax Rate (%age of taxable income)	1.00%	18.41%	35.00%	35.00%	35.00%	35.00%
Capacity Utilization	60.00%	70.00%	75.00%	80.00%	80.00%	80.00%
Creditor/Payable Days	30	30	30	30	30	30
Debtor/Receivable Days	30	30	30	30	30	30
Stock/Inventory Days	45	45	45	45	45	45
Dividend Per Share	-	-	5.00%	10.00%	20.00%	20.00%

Projected Income Statement

Year	1	2	3	4	5	6
						Rupees in '000
Sales	790,560	1,075,323	1,223,963	1,460,666	1,648,949	1,846,824
Cost of goods sold	596,658	769,145	876,994	1,015,174	1,167,087	1,299,266
Gross Profit	**193,902**	**306,178**	**346,969**	**445,492**	**481,862**	**547,558**
Administrative/ selling expenses	23,400	26,340	29,664	33,423	37,678	42,496
Financial Charges	63,200	60,875	47,850	33,950	20,150	6,250
WPPF	7,512	15,328	18,862	26,469	29,683	34,917
	94,112	102,543	96,376	93,842	87,511	83,663
Operating profit	**99,790**	**203,635**	**250,593**	**351,650**	**394,351**	**463,895**
Other income	44	115	165	214	265	314
Profit before taxation	**99,834**	**203,750**	**250,758**	**351,864**	**394,616**	**464,209**
Provision for taxation	7,905	37,511	92,468	114,692	132,048	183,168
Profit after tax	**91,929**	**166,239**	**158,290**	**237,172**	**262,568**	**281,041**
Unappropriated profit b/f	(10,907)	81,021	247,261	380,551	567,723	730,291
Profit available for appropriation	81,022	247,261	405,551	617,723	830,291	1,011,332
Proposed dividend	-	-	25,000	50,000	100,000	100,000
Unappropriated profit c/f	**81,022**	**247,261**	**380,551**	**567,723**	**730,291**	**911,332**
GP rate	25	28	28	30	29	30
NP rate	12	15	13	16	16	15
EPS	1.84	3.32	3.17	4.74	5.25	5.62
Dividend %	-	-	5.00%	10.00%	20.00%	20.00%

Projected Balance Sheet

Year	1	2	3	4	5	6
						Rupees in '000
ASSETS						
Fixed Assets						
Operating Fixed Assets	858,220	742,685	726,592	777,657	808,661	675,355
Goodwill	19,794	19,794	19,794	19,794	19,794	19,794
	878,014	762,479	746,386	797,451	828,455	695,149
Non Current Assets						
Investments	-	-	-	-	-	-
Long term Deposits	1,513	2,713	3,913	5,113	6,313	7,513
Current Assets						
Stores and spares	20,000	25,000	25,000	25,000	25,000	25,000
Stock in trade	88,032	100,492	112,719	131,001	150,399	166,770
Trade receivables	65,880	89,610	101,996	121,723	137,412	153,901
Advances, deposits and prepayments	15,000	20,000	30,000	35,000	35,000	35,000
Short term advances, deposits prepayments	1,796	2,797	3,795	4,795	5,796	6,798
Short term investments	-	-	-	-	-	-
Cash and bank balances	148,682	313,558	352,989	338,746	323,858	554,369
	339,390	551,457	626,499	656,265	677,465	941,838
	1,218,917	**1,316,649**	**1,376,798**	**1,458,829**	**1,512,233**	**1,644,500**
EQUITY AND LIABILITIES						
Share capital	500,000	500,000	500,000	500,000	500,000	500,000
Reserves	81,022	247,261	380,551	567,723	730,291	911,332
	581,022	747,261	880,551	1,067,723	1,230,291	1,411,332
Non Current Liabilities						
Share deposit money	5,510	-	-	-	-	-
Long term Islamic financing	500,000	366,667	233,333	100,000	-	-
	505,510	366,667	233,333	100,000	-	-
Current Liabilities						
Current portion of long term finances	100,000	133,333	133,333	133,333	100,000	-
Creditors and accrued liabilities	24,480	31,878	37,115	43,082	49,892	50,000
Provision for taxation	7,905	37,511	92,466	114,691	132,050	183,168
Dividend payable	-	-	-	-	-	-
	132,385	202,722	262,914	291,106	281,942	233,168
	1,218,917	**1,316,649**	**1,376,798**	**1,458,829**	**1,512,233**	**1,644,500**

Projected Cash Flow Statement

Year	1	2	3	4	5	6
						Rupees in '000
Cash Flows from Operating Activities						
Profit before tax	99,834	203,750	250,758	351,864	394,616	464,209
Adjustment for :						
Depreciation	141,781	116,535	122,094	149,935	169,996	134,306
	241,615	**320,285**	**372,852**	**501,799**	**564,612**	**598,516**
Changes in working capital						
Stores and spares	(19,966)	(5,000)	-	-	-	-
Stock in trade	(88,032)	(12,461)	(12,225)	(18,284)	(19,398)	(16,372)
Trade receivables	(65,880)	(23,730)	(12,386)	(19,726)	(15,691)	(16,489)
Advances, deposits and prepayments	12,971	(5,000)	(10,000)	(5,000)	-	-
Short term investment	5,745		-	-	-	-
Creditors and accrued liabilities	16,317	7,398	5,237	5,965	6,813	106
	(138,845)	**(38,793)**	**(29,376)**	**(37,042)**	**(28,275)**	**(32,754)**
Cash Generated from Operations	102,770	281,491	343,475	464,756	536,338	565,761
Income tax paid	-	(7,905)	(37,511)	(92,466)	(114,691)	(132,050)
Dividend paid	-		(25,000)	(50,000)	(100,000)	(100,000)
Profit on Islamic financing paid						
Net Cash Flows From Operating Activities	**102,770**	**273,585**	**280,964**	**322,290**	**321,646**	**333,712**
Cash Flows from Investing Activities						
Long term Security Deposits	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)
Short term advances, deposits prepayments	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Fixed Assets	(685,057)	(1,000)	(106,000)	(201,000)	(201,000)	(1,000)
Goodwill	-		-	-	-	-
Net Cash Flows From Investing Activities	(687,257)	(3,200)	(108,200)	(203,200)	(203,200)	(3,200)
Cash Flows from Financing Activities						
Islamic financing	600,000	(100,000)	(133,333)	(133,333)	(133,333)	(100,000)
Sponsor loan	(93)		-	-	-	-
Share Deposit money	-	(5,510)	-	-	-	-
Net Cash Flows From Financing Activities	**599,907**	**(105,510)**	**(133,333)**	**(133,333)**	**(133,333)**	**(100,000)**
	15,421	164,876	39,431	(14,243)	(14,888)	230,511
Cash and cash equivalents beg	133,261	148,682	313,558	352,989	338,746	323,858
	148,682	**313,558**	**352,989**	**338,746**	**323,858**	**554,369**

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