



Ghani Global Group

Faith

Experience

Innovation

Growth

ANNUAL REPORT 2024

Ghani Chemical Industries Limited

Manufacturers of Medical / Industrial Gases & Chemicals



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Form of Proxy (In English & Urdu)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Masroor Ahmad Khan
(Chairman)
Hafiz Farooq Ahmad
(Chief Executive Officer)
Atique Ahmad Khan
Rabia Atique
Muhammad Hanif
Hafiz Imran Lateef
Shiekh Muhammad Saleem Ahsan

MANAGEMENT TEAM

Asim Mahmud
(Director Finance / CFO)
Farzand Ali
(GM Corporate / Company Secretary)
Syed Sibtul Hassan Gilani
(GM Procurement)
Bilal Butt
(GM Sales & Marketing)
Abid Ameen
(Head of Plants)

BOARD COMMITTEES

Audit & Risk Management Committee

Shiekh Muhammad Saleem Ahsan
(Chairman)
Masroor Ahmad Khan
Rabia Atique

HR&R and Compensation Committee

Hafiz Imran Lateef
(Chairman)
Rabia Atique
Hafiz Farooq Ahmad
Muhammad Hanif

BANKERS

Albaraka Bank Pakistan Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Bank Islami (Pakistan) Limited
Dubai Islamic Bank Limited
Faysal Bank Limited
Habib Bank Limited

Habib Metro Bank Limited
JS Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Soneri Bank Limited
The Bank of Punjab
The Bank of Khyber

EXTERNAL AUDITORS

ShineWing Hameed Chaudhri & Co.
Chartered Accountants

SHARIAH ADVISOR (SUKUK)

Al Halal Shariah Advisors (Private) Limited

CREDIT RATING

Long term rating A
Short term rating A1
(by The Pakistan Credit Rating Agency Limited)

LEGAL ADVISOR

Asif Mahmood Khan, Advocate
DSK Law Firm, Lahore.

REGISTERED/CORPORATE OFFICE

10-N, Model Town Ext, Lahore.
UAN: 111 GHANI 1 (442-641)
Fax: (092) 042-35160393
E-mail: info.gases@ghaniglobal.com
Website: www.ghaniglobal.com

REGIONAL MARKETING OFFICE

C-7/A, Block F, Gulshan-e-Jamal
Rashid Minhas Road, Karachi.
Ph: 021-34572150

MANUFACTURING PLANTS

- Phool Nagar, Tehsil Pattoki,
Distt. Kasur, Punjab.
- Eastern Industrial Zone, Port Qasim,
Karachi, Sindh.
- Hattar Special Economic Zone,
Distt. Haripur, KPK.

SHARE REGISTRAR

Corplink (Private) Limited
Wings Arcade, 1-K Commercial,
Model Town, Lahore-Pakistan.
Tell: 042-35916714



VISION

- 🌐 Ghani Chemical Industries Limited is committed to quality, service, value and honesty, with dedication to provide the very best products of glass and to serve the health care industry particularly and greater community at large.
- 🌐 Ghani Chemical Industries Limited believes in faith, experience, innovation and growth, and will strive to strengthen all employees, customers and business peers.
- 🌐 Ghani Chemical Industries Limited always seek to cultivate trust and reputation in all business relationships, both large and small.

MISSION



- 🌐 Ghani Chemical Industries Limited strive to achieve market leadership through technological edge, distinguished by quality and customer satisfaction, and emphasis on employee's welfare and ensure adequate return to shareholders.
- 🌐 GCIL further wish to contribute to the development of healthcare, Environment, economy and country through harmonized endeavor.

CORPORATE SOCIAL RESPONSIBILITY



AS CORPORATE CITIZEN, WE/GCIL!

- 🌍 Ensure that the business values and policies are aligned in such a way that it strikes a balance between improving and developing the wealth of business and contributing for betterment of society in an effective manner.
- 🌍 Endeavor to assume an even greater responsibility towards our society and stakeholders, including employees, their families and our business partners etc.
- 🌍 Believe that the Corporate Social Responsibility is primarily about conducting business in a transparent and ethical way that not only enhances value for all of our stakeholders but also supports the events that enhance the wellbeing of the community.
- 🌍 Ensure that corporate social responsibilities and guidelines for corporate governance are steps in the right direction.
- 🌍 Endeavor that customer relation management is a strategic business philosophy and processes are rooted through ethical practices.
- 🌍 Support a clean environment and motivates its customers for this cause.
- 🌍 Try our level best that business activities of customer must be environment-friendly and not be hazardous to that Society.

Safety

Health

Environment

Quality

SHEQ



Ghani Chemical Industries cares for the employees, customers and general public and is committed to providing a safe and injury free workplace.

Ghani Chemical Industries endeavors to carry out activities in a manner which:

- Complies strictly with all the SHEQ legislations and regulations,
- Involves all personnel in a system of shared responsibility for safe operation,
- Looks for continuous improvement in the workplace through the application of best safety & quality practices,
- Contributes to the permanent improvement of operational efficiency and customers' satisfaction through a risk management program to protect our people, assets and business viability.

“We endeavor to achieve our objective of zero accidents.”

CUSTOMER'S SATISFACTION



- ➡ High quality customer service is an integral part of GCIL's philosophy. It is our constant endeavor to provide exclusive service with wider accessibility.
- ➡ Besides "Safety", our corporate slogan is "Customer First". We always lay emphasis upon providing in the best quality service to our customers.
- ➡ We continuously develop and improve customer - service oriented culture within GCIL. Knowing our customers and their need is the key to our business success.
- ➡ Our team of professionals are well-equipped and well-trained to provide the most efficient and personalized service to our customers.
- ➡ It is incumbent upon the company and the management to ensure safe delivery of product to customers and that all the employees, customers and visitors coming to the site(s), go back to their families in safe condition.
- ➡ All the safety programmes, in-house and at customer's premises, have been installed to ensure continuity in programmes.
- ➡ A team of safety engineers is on board which ensures that all the safety aspects including human, machines, buildings, vehicles tankers and storage are met and taken care of.

Customer First

BRIEF HISTORY

| | |
|----------------------|--|
| MAY 2009 | Setup 1 st 110 TPD ASU Plant for manufacturing of Medical and Industrial Gases near Lahore. |
| OCTOBER 2010 | ISO - 9001-2008 Certification |
| MARCH 2014 | Setup 2 nd 110 TPD ASU Plant for manufacturing of Medical and Industrial Gases at Port Qasim, Karachi. |
| AUGUST 2015 | ISO - 14001-2004 Certification |
| JULY 2019 | Transfer of entire manufacturing undertakings and business from Ghani Gases Limited to Ghani Chemical Industries Limited, as a result of merger scheme approved by the Honourable Lahore High Court. |
| DECEMBER 2019 | Setup 3 rd 110 TPD ASU Plant for manufacturing of Medical and Industrial Gases near Lahore. |
| AUGUST 2020 | Signing of long term agreement with Attock Refinery Limited for supply of Liquid Nitrogen for a period of 05 years. |
| NOVEMBER 2020 | Signing of long term agreement with Engro Polymer & Chemicals Limited for supply of Oxygen and Nitrogen gases for a period of 15 years. |
| MARCH 2021 | FSSC 22000 Food Safety System Certification |
| APRIL 2021 | ISO 45001-2018 Occupational Health and Safety Management System Certification |
| OCTOBER 2021 | PS 4992:2010 Halal Certification |
| MARCH 2022 | Appreciation letter issued by National Command and Operation Center (NCOC) for contributions by the Company for the national effort against COVID-19. |
| JULY 2022 | Setup of 4 th 100 TPD ASU Plant for manufacturing of Oxygen and Nitrogen gases at Port Qasim, Karachi. |
| OCTOBER 2022 | Transfer of G3 Technologies Limited with and into Ghani Chemical Industries Limited, as a result of merger scheme approved by the Honourable Lahore High Court. |
| NOVEMBER 2022 | Listing of Ghani Chemical Industries Limited at Pakistan Stock Exchange Limited. |

CUSTOMER SEGMENTS

Oil & Gas



Light & Medium Engineering Works



Chemical & Fertilizer



Research and Analysis



Ship Breaking & Scrap Cutting



Environment



Pharmaceutical



Merchandise Market



Health Care



Glass



Food & Beverage



Refineries



Metal Fabrication



Pulp & Paper



Steel & Iron Mills

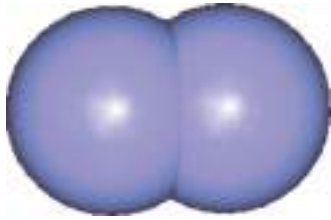


Livestock



GCIL! A Good solution for every situation...

PRODUCTS & SERVICES



Liquid Oxygen



Liquid Nitrogen



Liquid Argon



Liquid Helium



Liquid CO₂



Dissolve Acetylene



Ethylene Ripener



Pain Relief Mixture



Industrial Gases Pipeline



Industrial Cryogenic /
Gases Cylinders



Calcium Carbide



Liquid Medical Oxygen



Compressed Medical Oxygen



Liquid Medical Cryogenic /
Gases Cylinders



Nitrous Oxide



Helium



Oxygen Therapy Equipment



Medical Gas Pipeline



Gas Handling Equipment



Gas Manifold



Gas Outlet Points



Aviation Oxygen



Gas Regulator



Compressed Air



Compressed Argon



Compressed Acetylene



Compressed Nitrogen



Compressed Oxygen



CO₂ Mixture



High Purity Gases



Lab Mixture Gas



Lamp Mixture Gas



Argon Mixture Gas

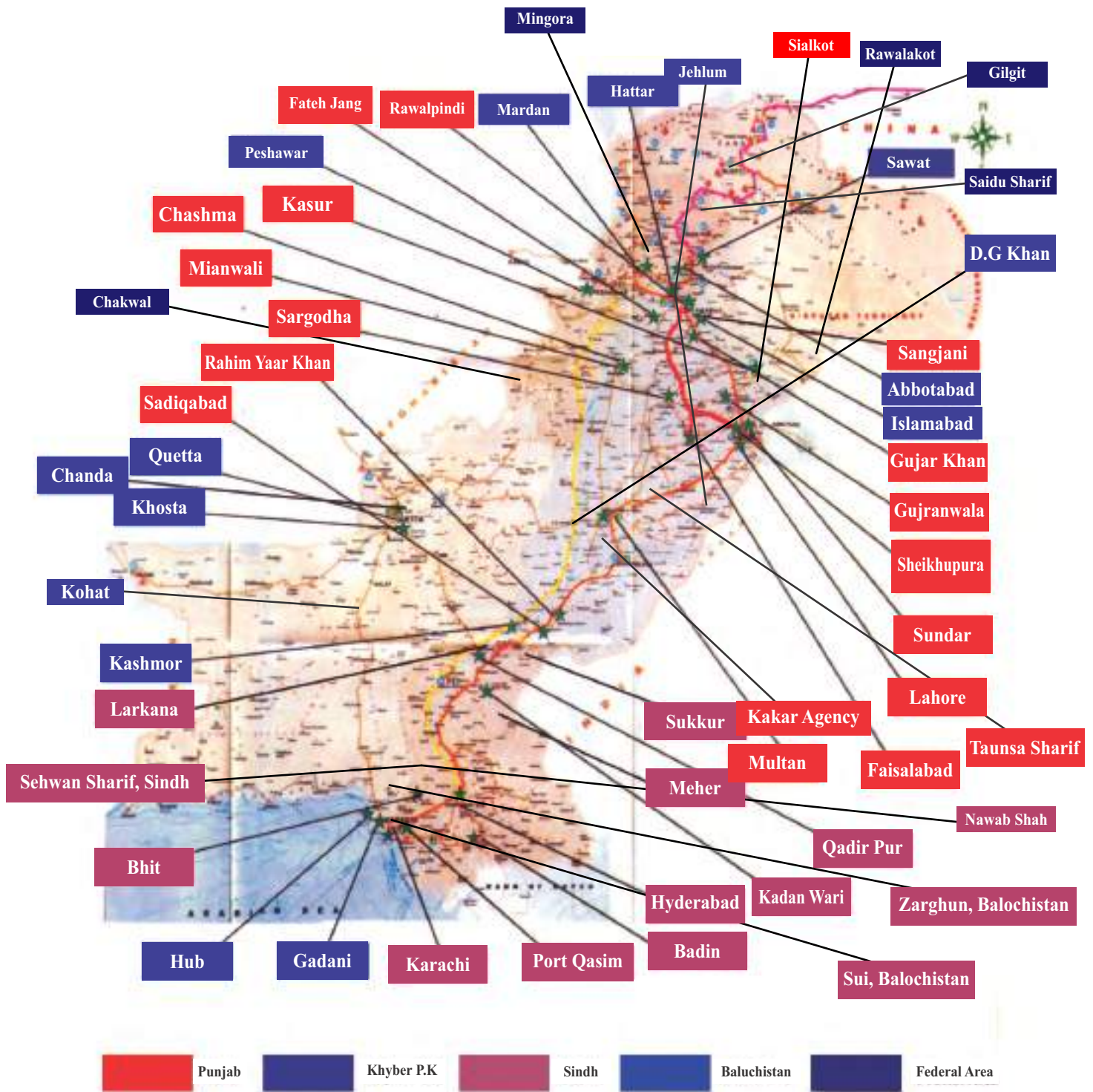


CO₂ Mig Wire

CORE VALUES



GEOGRAPHICAL PRESENCE



Manufacturing Plants: ■ Punjab ■ Sindh ■ Khyber PK

We are! Where our customers are

MEMBERSHIPS / CERTIFICATIONS

Memberships

KCCI - Karachi Chamber of Commerce & Industry

LCCI - Lahore Chamber of Commerce & Industry

HCCI - Haripur Chamber of Commerce & Industry

BQATI - Bin Qasim Association of Trade & Industry

PCMA - Pakistan Chemical Manufacturer Association

Certifications

ISO 9001: 2015 Quality Management System

ISO 14001: 2015 Environmental Management System

ISO 45001:2018 Occupational Health and Safety Management System

PS 4992: 2010 Halal Certification

FSSC 22000 Food Safety System Certification



FINANCIAL HIGHLIGHTS

| | (Rs. in '000') | | | | |
|-------------------------------------|----------------|-----------|-----------|-----------|-----------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| <u>Operating Performance</u> | | | | | |
| Sales | 6,394,859 | 5,111,123 | 4,781,791 | 4,350,558 | 2,332,739 |
| Gross profit | 1,612,511 | 1,459,838 | 1,746,672 | 1,657,115 | 493,699 |
| Operating profit | 1,673,850 | 1,306,021 | 1,390,694 | 1,175,011 | 97,129 |
| Other income | 551,108 | 330,935 | 211,830 | 55,092 | 28,772 |
| Profit/ (loss) before tax | 1,284,483 | 931,639 | 1,163,912 | 966,746 | (223,687) |
| Profit/ (loss) after tax | 785,807 | 507,891 | 812,426 | 691,149 | (160,831) |
| Total Comprehensive Income | 1,023,616 | 1,005,169 | 2,199,944 | 691,149 | (160,831) |
| Earning per share (EPS) | 1.58 | 1.06 | 2.26 | 2.28 | (1.22) |
| EPS based on comprehensive income | 2.05 | 2.01 | 5.06 | 2.28 | (1.22) |
| <u>Balance Sheet</u> | | | | | |
| | | | Restated | | |
| Share capital | 5,001,879 | 5,001,879 | 4,347,163 | 1,535,250 | 1,150,000 |
| Accumulated profits/reserves | 3,952,597 | 3,828,079 | 3,257,626 | 1,377,161 | 686,087 |
| Non-current assets | 11,204,705 | 7,777,715 | 6,351,335 | 4,198,105 | 4,035,482 |
| Current assets | 5,675,932 | 5,349,908 | 4,405,441 | 1,792,056 | 1,339,955 |
| Non-current liabilities | 3,349,384 | 1,987,754 | 1,425,030 | 1,344,090 | 1,422,596 |
| Current liabilities | 3,677,679 | 2,309,911 | 2,405,836 | 1,733,585 | 1,854,274 |
| Right issue | - | - | 6.51% | 33.5% | - |
| Bonus issue | - | 10% | 120% | - | - |

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 9th Annual General Meeting (AGM) of Ghani Chemical Industries Limited (the Company/GCIL) will be held on Saturday, October 26, 2024, at 11:00 AM, at registered office of the Company, at 10-N, Model Town Ext., Lahore, to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2024 together with Directors' and Auditors' Reports thereon.

In accordance with Section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following web link and QR enabled code:

<https://ghaniglobal.com/ghanichemicals/annual-reports-gci/>



2. To appoint auditors of the Company for the year ending June 30, 2025 and to fix their remuneration. The retiring auditors' M/S ShineWing Hameed Chaudhri & Co., Chartered Accountants, being eligible, have offered themselves for reappointment.
3. Any other business with permission of the Chair.

SPECIAL BUSINESS

4. To consider and if deemed fit, to enhance the investment from Rs. 100 million to Rs. 200 million in Ghani Global Holdings Limited (GGL/the Holding Company) by passing the special resolution with or without modification(s) under section 199 of the Companies Act, 2017, as annexed with statement under section 134(3) of the Companies Act, 2017.
5. To consider and if deemed fit, to enhance the investment from Rs.900 million to Rs.1300 million in Ghani Global Glass Limited (GGGL/associated Company) by passing the special resolution with or without modification(s) under section 199 of the Companies Act, 2017, as annexed with statement under section 134(3) of the Companies Act, 2017.

By order of the Board

FARZAND ALI
Company Secretary

Place: **Lahore**
Dated: **October 02, 2024**

Notes:

1. BOOK CLOSURE

Share Transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from Saturday, October 19, 2024 to Saturday, October 26, 2024 (both days inclusive). Transfer received in order at the office of the share registrar

Corplink (Private) Limited
Wings Arcade, 1 - K, Commercial Model Town, Lahore 54000, Pakistan
Office: +92 42 35916714, +92 42 35916719, +92 42 35869037 Email: shares@corplink.com.pk

at the close of business on Friday, October 18, 2024 will be treated in time for the purpose of attendance in the AGM.

2. ATTENDANCE OF MEETING

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

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

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

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

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

The Company has made arrangements to ensure that all participants, including shareholders, can now participate in the AGM proceedings via video link. In order to attend the meeting through video link members are requested to share the below information at agmgcil24@ghaniglobal.com, for their appointment/registration and proxy verification by or before Wednesday, October 23, 2024 as per below format.

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

Video link details and login credentials will be shared with those members whose registered emails containing all the particulars are received on or before Wednesday, October 23, 2024 at 04:00PM.

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address agmgcil24@ghaniglobal.com

3. E-VOTING & VOTING THROUGH POSTAL BALLOT

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 (the "Regulations"), amended through Notification dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan ("SECP"), wherein, SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of the Company will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its forthcoming AGM to be held on Saturday, September 26, 2024 at 11:00 a.m. in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

4. AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE

The audited financial statements of the Company for the year ended June 30, 2024 have been made available on Company's website www.ghaniglobal.com in addition to annual and quarterly financial statements for the prior years.

Any member requiring printed copy of Annual Report may send request using a standard Request Form placed on the Company's website, the Company will provide the printed copy of Accounts to such members free of cost within one week of such demand.

5. CHANGE IN ADDRESS AND CNIC

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

- Change in their address, if any
- Members, who have not yet submitted attested photocopy of their valid CNIC are requested to submit the same along with folio numbers at earliest, directly to the Company's Share Registrar

6. DEPOSIT OF PHYSICAL SHARES INTO CENTRAL DEPOSITORY

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

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

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

The statement sets out the material facts pertaining to the special business items to be transacted at the Annual General Meeting of the Company to be held on Saturday, October 26, 2024.

Agenda Item No. 4

The Board of Directors of Ghani Chemical Industries Limited (GCIL/the Company) has proposed to enhance the investment in Ghani Global Holdings Limited (GGL/the Holding Company). GGL is also listed at Pakistan Stock Exchange Limited (PSX).

The principal activity of the Holding Company (GGL), subsequent to the separation of manufacturing undertaking (GCIL) is to manage investments in its subsidiary and associated companies and trading activities.

The shareholders of GCIL have already accorded approval to invest Rs.100 million in GGL in their EOGM held on September 20, 2022 whereas the GCIL was listed at PSX on November 14, 2022.

Now, upon request of the holding company (GGL), the Board of Directors of GCIL has recommended to enhance the investment from Rs. 100 million to Rs. 200 million in GGL by way of long term loans and advances with existing terms and conditions as already approved by the shareholders of the Company.

The purpose of investment is to earn profit on Company's funds.

The following resolutions are proposed to be passed as Special Resolutions:

“RESOLVED THAT approval of investment in Ghani Global Holdings Limited (GGL/the Holding Company) by shareholders of the Company (Ghani Chemical Industries Limited/GCIL) under section 199 of the Companies Act, 2017 in their Extra Ordinary General Meeting held on September 20, 2022 by way of long term loans and advances for Rs. 100 million be and is hereby modified and enhanced to Rs. 200 million (Rupees Two Hundred Million) by way of long term loans and advances as per terms and conditions mentioned in the statement under section 134(3) of the Companies Act, 2017.”

“FURTHER RESOLVED THAT the above said resolutions shall be valid for a period of three years starting from the date of approval by the shareholders and the Chief Executive Officer and/or Company Secretary of the Company be and are hereby singly empowered and to undertake the decision of said investment as and when required and to take all steps and actions necessary, incidental and ancillary including execution of any and all documents and agreements as may be required in this regard and to do all acts, matters, deeds and things as may be necessary or expedient for the purpose of implementing the aforesaid resolutions.”

Agenda Item No. 5

The Board of Directors of Ghani Chemical Industries Limited (GCIL/the Company) has proposed to enhance the investment in Ghani Global Glass Limited (GGGL/associated Company). GGGL is also listed at Pakistan Stock Exchange Limited (PSX). GGGL is principally engaged in manufacturing and sale of glass tubes, glass-ware, vials and ampules and chemicals.

The shareholders of GCIL have already accorded approval to invest Rs.900 million in GGGL in their EOGM held on September 20, 2022 whereas the GCIL was listed at PSX on November 14, 2022. The Company (GCIL) is already earning handsome profits on this investment.

Now, upon request of the GGGL, the Board of Directors of GCIL has recommended to enhance the investment from Rs.900 million to Rs. 1300 million in GGGL by way of long term loans and advances with terms and conditions already approved by shareholders of the Company.

The purpose of investment is to earn profit on Company's funds.

The following resolutions are proposed to be passed as Special Resolutions:

“RESOLVED THAT approval of investment in Ghani Global Glass Limited (GGGL/associated Company) by shareholders of the Company (Ghani Chemical Industries Limited/GCIL) under section 199 of the Companies Act, 2017 be and is hereby accorded to enhance from Rs.900 million to Rs.1300 million (Rupees Thirteen Hundred Million) by way of long term loans and advances as already approved by the shareholders in their Extra Ordinary General Meeting held on September 20, 2022 with terms and conditions mentioned in the statement under section 134(3) of the Companies Act, 2017.”

“FURTHER RESOLVED THAT the above said resolutions shall be valid for a period of three years starting from the date of approval by the shareholders and the Chief Executive Officer and/or Company Secretary of the Company be and are hereby singly empowered and authorized to undertake the decision of said investment as and when required to take all necessary steps and actions, incidental and ancillary including execution of any and all documents and agreements as may be required in this regard and to do all acts, matters, deeds and things as may be necessary or expedient for the purpose of implementing the aforesaid resolutions.”

The information required under SRO 1240(1)/2017, dated December 6, 2017, in respect of Agenda Item No. 4 & 5 is provided as under:

DISCLOSURES:

(A) Regarding associated company or associated undertaking:-

| Sr. No. | Requirement | Loans and Advances in Ghani Global Holdings Ltd. | Loans and Advances in Ghani Global Glass Ltd. |
|----------------|---|--|---|
| (i) | Name of Associated/ subsidiary Company | Ghani Global Holdings Limited (GGL) | Ghani Global Glass Limited (GGGL) |
| (ii) | Basis of relationship | Holding Company and Common Directorship. | Associated Company and Common Directorship. |
| (iii) | Earnings per share for the last three years | Year 2024: Rs. 0.069 Year 2023: Rs. 0.046 Year 2022: Rs. 0.030 | Year 2024: Rs. 0.60 Year 2023: Rs. 0.42 Year 2022: Rs. 0.82 |

| (iv) | Break-up value per shares, based on latest audited financial statements | Rs. 10.76 as on June 30, 2024. Rs. 10.69 as on June 30, 2023. | Rs. 10.70 as on June 30, 2024. Rs. 10.10 as on June 30, 2023. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------------------|---|--|--|--------------------|----------------|---------|---------------------|------------------|------------------|-----------|--------------|-----------|-------------------------|--------|-------------------------|---------|---|---------------------------|--|--------------------|-----------|----------------|-----------|---------------------|------------------|-----------------|-----------|-------------------------------|-----------|-------------------------|---------|---------------------|-----------|-------------------------------------|------------------|
| (v) | Financial position, including main items of statement of financial position and profit and loss accounts on the basis of its latest financial statements. | Unconsolidated Audited Financial Statements for the year ended June 30, 2024 showed: <table border="1"> <thead> <tr> <th>Profit & Loss:</th> <th>Rupees In '000'</th> </tr> </thead> <tbody> <tr> <td>Sales (net)</td> <td>170,802</td> </tr> <tr> <td>Gross Profit</td> <td>13,357</td> </tr> <tr> <td>Operating Profit</td> <td>44,830</td> </tr> <tr> <td>Finance Cost</td> <td>10,231</td> </tr> <tr> <td>Profit before Taxation</td> <td>25,094</td> </tr> <tr> <td>Net Profit for the year</td> <td>24,326</td> </tr> </tbody> </table> | Profit & Loss: | Rupees In '000' | Sales (net) | 170,802 | Gross Profit | 13,357 | Operating Profit | 44,830 | Finance Cost | 10,231 | Profit before Taxation | 25,094 | Net Profit for the year | 24,326 | Audited Financial Statements for the year ended June 30, 2024 showed: <table border="1"> <thead> <tr> <th>Profit & Loss:</th> <th>Rupees In '000'</th> </tr> </thead> <tbody> <tr> <td>Sales (net)</td> <td>2,439,728</td> </tr> <tr> <td>Gross Profit</td> <td>549,898</td> </tr> <tr> <td>Operating Profit</td> <td>427,119</td> </tr> <tr> <td>Finance Cost</td> <td>406,705</td> </tr> <tr> <td>Profit before levy & Taxation</td> <td>175,260</td> </tr> <tr> <td>Net Profit for the year</td> <td>144,818</td> </tr> </tbody> </table> | Profit & Loss: | Rupees In '000' | Sales (net) | 2,439,728 | Gross Profit | 549,898 | Operating Profit | 427,119 | Finance Cost | 406,705 | Profit before levy & Taxation | 175,260 | Net Profit for the year | 144,818 | | | | |
| Profit & Loss: | Rupees In '000' | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sales (net) | 170,802 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gross Profit | 13,357 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Operating Profit | 44,830 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Finance Cost | 10,231 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit before Taxation | 25,094 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net Profit for the year | 24,326 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit & Loss: | Rupees In '000' | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sales (net) | 2,439,728 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gross Profit | 549,898 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Operating Profit | 427,119 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Finance Cost | 406,705 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit before levy & Taxation | 175,260 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net Profit for the year | 144,818 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Financial Position: <table border="1"> <tbody> <tr> <td>Non-Current assets</td> <td>3,581,211</td> </tr> <tr> <td>Current assets</td> <td>356,897</td> </tr> <tr> <td>Total Assets</td> <td>3,938,108</td> </tr> </tbody> </table> <table border="1"> <tbody> <tr> <td>Paid up Capital</td> <td>3,581,211</td> </tr> <tr> <td>Total Equity</td> <td>3,811,350</td> </tr> <tr> <td>Non-Current Liabilities</td> <td>-</td> </tr> <tr> <td>Current Liabilities</td> <td>126,758</td> </tr> <tr> <td>Total equity and Liabilities</td> <td>3,938,108</td> </tr> </tbody> </table> | Non-Current assets | 3,581,211 | Current assets | 356,897 | Total Assets | 3,938,108 | Paid up Capital | 3,581,211 | Total Equity | 3,811,350 | Non-Current Liabilities | - | Current Liabilities | 126,758 | Total equity and Liabilities | 3,938,108 | Financial Position: <table border="1"> <tbody> <tr> <td>Non-Current assets</td> <td>2,556,883</td> </tr> <tr> <td>Current assets</td> <td>2,662,066</td> </tr> <tr> <td>Total Assets</td> <td>5,218,950</td> </tr> </tbody> </table> <table border="1"> <tbody> <tr> <td>Paid up Capital</td> <td>2,400,000</td> </tr> <tr> <td>Total Equity</td> <td>2,568,460</td> </tr> <tr> <td>Non-Current Liabilities</td> <td>358,418</td> </tr> <tr> <td>Current Liabilities</td> <td>2,292,071</td> </tr> <tr> <td>Total equity and Liabilities</td> <td>5,218,950</td> </tr> </tbody> </table> | Non-Current assets | 2,556,883 | Current assets | 2,662,066 | Total Assets | 5,218,950 | Paid up Capital | 2,400,000 | Total Equity | 2,568,460 | Non-Current Liabilities | 358,418 | Current Liabilities | 2,292,071 | Total equity and Liabilities | 5,218,950 |
| Non-Current assets | 3,581,211 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current assets | 356,897 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Assets | 3,938,108 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Paid up Capital | 3,581,211 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Equity | 3,811,350 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non-Current Liabilities | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current Liabilities | 126,758 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total equity and Liabilities | 3,938,108 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non-Current assets | 2,556,883 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current assets | 2,662,066 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Assets | 5,218,950 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Paid up Capital | 2,400,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Equity | 2,568,460 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non-Current Liabilities | 358,418 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current Liabilities | 2,292,071 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total equity and Liabilities | 5,218,950 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

(B) General Disclosures:

| | | | |
|-------|---|---|--|
| (i) | Maximum amount of investment to be made | Rs. 200 million as long term loans and advances being increased from Rs. 100 million. | Rs. 1300 million as long term loans and advances being increased from Rs. 900 million. |
| (ii) | Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment | To earn profits on Company's funds | To earn profits on Company's funds |
| (iii) | Source of funds to be utilized for investment. | Through internal sources, equity issue and/or other options are under planning. | Through internal sources, equity issue and/or other options are under planning. |

| (iv) | Salient features of the agreement (if any) with associated company or associated undertaking with regards to proposed investment. | Agreement will be executed before extending the advances and loans in accordance with the terms and conditions, as approved by the shareholders. | Agreement will be executed before extending the advances and loans in accordance with the terms and conditions, as approved by the shareholders. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|---------------|---|------------------------|------------|-------|--------------------|------------|-------|-----------------------|------------|------|--------------------|---|---|--------------------|---|---|------------------------------|---|---|----------------------------|---|---|----------------------------|---|---|--|---------------|---|------------------------|---------|-------|-----------------------|---------|-------|----------------|---|---|-------------------|---|---|-------------------|---|---|-----------------|---|---|-------------------|---|---|--|--|---------------|---|------------------------|-------|-------|--------------------|-------|-------|-----------------------|-------|-------|-------------------|-------|-------|--------------------|---|---|--------------------|---|---|------------------------------|---|---|----------------------------|-------------|-------|----------------------------|---|---|--|---------------|---|--------------------|---------|-------|-----------------------|---------|-------|--------------------|---|-------|----------------------|---|-------|------------------------------|---------|-------|-----------------|---|---|---------------------------|---|---|
| (v) | Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associates company or associated undertaking or the transaction under consideration: | <p>Currently shareholding position of the following directors and majority shareholders of the Company (Ghani Chemical Industries Limited/GCIL) in associated company (GGL) is as under:</p> <table border="1" data-bbox="654 590 1060 1266"> <thead> <tr> <th>Name of Directors/ majority shareholders</th> <th>No. of Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Mr. Masroor Ahmad Khan</td> <td>54,176,839</td> <td>15.29</td> </tr> <tr> <td>Hafiz Farooq Ahmad</td> <td>51,093,082</td> <td>14.42</td> </tr> <tr> <td>Mr. Atique Ahmad Khan</td> <td>11,981,714</td> <td>3.38</td> </tr> <tr> <td>Mr. Muhammad Hanif</td> <td>-</td> <td>-</td> </tr> <tr> <td>Hafiz Imran Lateef</td> <td>-</td> <td>-</td> </tr> <tr> <td>Sheikh Muhammad Saleem Ahsan</td> <td>-</td> <td>-</td> </tr> <tr> <td>Ghani Global Holdings Ltd.</td> <td>-</td> <td>-</td> </tr> <tr> <td>Ghani Products (Pvt.) Ltd.</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>GCIL holds no shares in GGL. The sponsors directors of GGL holds the following shares in GCIL:</p> <table border="1" data-bbox="654 1409 1060 1957"> <thead> <tr> <th>Name of Directors/ majority shareholders</th> <th>No. of Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Mr. Masroor Ahmad Khan</td> <td>261,576</td> <td>0.052</td> </tr> <tr> <td>Mr. Atique Ahmad Khan</td> <td>261,576</td> <td>0.052</td> </tr> <tr> <td>Mr. Umer Ahmed</td> <td>-</td> <td>-</td> </tr> <tr> <td>Mrs. Saira Farooq</td> <td>-</td> <td>-</td> </tr> <tr> <td>Ms. Aleena Atique</td> <td>-</td> <td>-</td> </tr> <tr> <td>Ms. Farzin Khan</td> <td>-</td> <td>-</td> </tr> <tr> <td>Mr. Mahmood Ahmad</td> <td>-</td> <td>-</td> </tr> </tbody> </table> | Name of Directors/ majority shareholders | No. of Shares | % | Mr. Masroor Ahmad Khan | 54,176,839 | 15.29 | Hafiz Farooq Ahmad | 51,093,082 | 14.42 | Mr. Atique Ahmad Khan | 11,981,714 | 3.38 | Mr. Muhammad Hanif | - | - | Hafiz Imran Lateef | - | - | Sheikh Muhammad Saleem Ahsan | - | - | Ghani Global Holdings Ltd. | - | - | Ghani Products (Pvt.) Ltd. | - | - | Name of Directors/ majority shareholders | No. of Shares | % | Mr. Masroor Ahmad Khan | 261,576 | 0.052 | Mr. Atique Ahmad Khan | 261,576 | 0.052 | Mr. Umer Ahmed | - | - | Mrs. Saira Farooq | - | - | Ms. Aleena Atique | - | - | Ms. Farzin Khan | - | - | Mr. Mahmood Ahmad | - | - | <p>Currently shareholding position of the following directors and majority shareholders of the Company (Ghani Chemical Industries Limited/ GCIL) in associated company (GGGL) is as under:</p> <table border="1" data-bbox="1076 548 1494 1260"> <thead> <tr> <th>Name of Directors/ majority shareholders</th> <th>No. of Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Mr. Masroor Ahmad Khan</td> <td>2,400</td> <td>0.001</td> </tr> <tr> <td>Hafiz Farooq Ahmad</td> <td>2,400</td> <td>0.001</td> </tr> <tr> <td>Mr. Atique Ahmad Khan</td> <td>2,400</td> <td>0.001</td> </tr> <tr> <td>Mrs. Rabia Atique</td> <td>2,400</td> <td>0.001</td> </tr> <tr> <td>Mr. Muhammad Hanif</td> <td>-</td> <td>-</td> </tr> <tr> <td>Hafiz Imran Lateef</td> <td>-</td> <td>-</td> </tr> <tr> <td>Sheikh Muhammad Saleem Ahsan</td> <td>-</td> <td>-</td> </tr> <tr> <td>Ghani Global Holdings Ltd.</td> <td>120,235,680</td> <td>50.10</td> </tr> <tr> <td>Ghani Products (Pvt.) 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Ltd. | - | - | Name of Directors/ majority shareholders | No. of Shares | % | Hafiz Farooq Ahmad | 284,678 | 0.057 | Mr. Atique Ahmad Khan | 261,576 | 0.052 | Mr. Abdullah Ahmed | 1 | 0.000 | Ms. Saima Shafi Rana | 1 | 0.000 | Sheikh Muhammad Saleem Ahsan | 566,548 | 0.113 | Mr. Asim Mahmud | - | - | Syed Sibtul Hassan Gilani | - | - |
| Name of Directors/ majority shareholders | No. of Shares | % | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr. Masroor Ahmad Khan | 54,176,839 | 15.29 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hafiz Farooq Ahmad | 51,093,082 | 14.42 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr. Atique Ahmad Khan | 11,981,714 | 3.38 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr. Muhammad Hanif | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hafiz Imran Lateef | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sheikh Muhammad Saleem Ahsan | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ghani Global Holdings Ltd. | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ghani Products (Pvt.) Ltd. | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Name of Directors/ majority shareholders | No. of Shares | % | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr. Masroor Ahmad Khan | 261,576 | 0.052 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr. Atique Ahmad Khan | 261,576 | 0.052 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr. Umer Ahmed | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mrs. Saira Farooq | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ms. Aleena Atique | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ms. Farzin Khan | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr. Mahmood Ahmad | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Name of Directors/ majority shareholders | No. of Shares | % | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr. Masroor Ahmad Khan | 2,400 | 0.001 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hafiz Farooq Ahmad | 2,400 | 0.001 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr. Atique Ahmad Khan | 2,400 | 0.001 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mrs. Rabia Atique | 2,400 | 0.001 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr. Muhammad Hanif | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hafiz Imran Lateef | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sheikh Muhammad Saleem Ahsan | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ghani Global Holdings Ltd. | 120,235,680 | 50.10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ghani Products (Pvt.) Ltd. | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Name of Directors/ majority shareholders | No. of Shares | % | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hafiz Farooq Ahmad | 284,678 | 0.057 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr. Atique Ahmad Khan | 261,576 | 0.052 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr. Abdullah Ahmed | 1 | 0.000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ms. Saima Shafi Rana | 1 | 0.000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sheikh Muhammad Saleem Ahsan | 566,548 | 0.113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mr. Asim Mahmud | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Syed Sibtul Hassan Gilani | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | | |
|--------|---|--|--|
| (vi) | In case any investment in associated company or associated undertaking has already made, the performance review of such investment including complete information/justification for any impairment or write offs. | <p>The already approved investment by the shareholders of the Company in EOGM held on September 20, 2022 by way of long term loans and advances for Rs. 100 million in Ghani Global Holdings Limited (GGL) by way of long term loans and advances as per terms and conditions mentioned in the annexed statement under section 134(3) of Companies Act, 2017.</p> <p>There has been no impairment or write offs in this regard.</p> <p>GCIL is already earning profits on the investments i.e. 2024: Rs.10.179 million 2023: Rs. -</p> | <p>The already approved investment by the shareholders of the Company (Ghani Chemical Industries Limited/GCIL) in EOGM held on September 20, 2022 by way of long term loans and advances for Rs. 900 million in Ghani Global Glass Limited (GGGL) be and is hereby modified and enhanced to Rs. 1,300 million (Rupees Fifteen Hundred Million) by way of long term loans and advances as per terms and conditions mentioned in the annexed statement under section 134(3) of Companies Act, 2017.</p> <p>There has been no impairment or write offs in this regard.</p> <p>GCIL is already earning profits on the investments i.e. 2024: Rs.199.133 million 2023: Rs.114.858 million</p> |
| (vii) | In case of Equity Investment | NIL | NIL |
| (viii) | In case of Investment in form of Guarantee | NIL | NIL |

(C) In case of Investments in form of Loan and Advances:

| | | | |
|-------|---|--|--|
| (i) | Category wise amount of investments | To enhance long term loan and advances from Rs. 100 million to Rs. 200 million. | To enhance long term loan and advances from Rs.900 million to Rs.1300. |
| (ii) | Average borrowing cost of the investing company | 3 months KIBOR+110bps | 3 months KIBOR+110bps |
| (iii) | Particulars of collateral security to be obtained in relation to the proposed investment. | <p>Ghani Global Holdings Limited (GGL) will enhance Demand Promissory Note amount in favor of Ghani Chemical Industries Limited from Rs.100 million to Rs.200 million.</p> <p>Furthermore, the sponsoring directors of Ghani Global Holdings Limited shall issue personal guarantees in favor of Ghani Chemical Industries Limited, equivalent to Rs. 200 million.</p> | <p>Ghani Global Glass Limited (GGGL) will enhance Demand Promissory Note amount in favor of Ghani Chemical Industries Limited from Rs.900 million to Rs.1300 million.</p> <p>Furthermore, the sponsoring directors of Ghani Global Glass Limited shall issue personal guarantees in favor of Ghani Chemical Industries Limited, equivalent to Rs. 1,300 million.</p> |
| (iv) | If the investment carry conversion features | N/A | N/A |

| | | | |
|-----|--|--|--|
| (v) | Repayment schedule and terms & conditions of loan or advances to be given to the associated company or associated undertaking. | Loan and Advances shall be repayable within three (3) years from the date of payment, with payment of profit on quarterly basis. Any other term or condition as may be approved by the shareholders of the company. | Loan and Advances shall be repayable within three (3) years from the date of payment, with payment of profit on quarterly basis. Any other term or condition as may be approved by the shareholders of the company. |
|-----|--|--|--|

In pursuance to Regulation No. 3 (3) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 under SRO 1240(1)/2017 dated 6 December 2017, the directors of the Company have carried out due diligence for the proposed investment in its holding company i.e. Ghani Global Holdings Limited, and its associated company i.e. Ghani Global Glass Limited before recommending for member's approval.

The following documents shall be available to the members of the Company for inspection in the AGM to be held on Saturday, October 26, 2024.

- Recommendations of due diligence reports of investing company.
- Last three years' annual reports of holding/associated/subsidiary companies.



PATTERN OF THE SHARE HOLDING

as at June 30, 2024

FORM - 34

| NUMBER OF SHARES | | NO OF SHAREHOLDERS | NUMBER OF SHARES HELD |
|------------------|---------|--------------------|-----------------------|
| From | To | | |
| 1 | 100 | 2077 | 77,139 |
| 101 | 500 | 1614 | 495,085 |
| 501 | 1,000 | 567 | 453,904 |
| 1,001 | 5,000 | 1162 | 3,066,847 |
| 5,001 | 10,000 | 417 | 3,200,559 |
| 10,001 | 15,000 | 166 | 2,099,429 |
| 15,001 | 20,000 | 100 | 1,809,526 |
| 20,001 | 25,000 | 65 | 1,506,784 |
| 25,001 | 30,000 | 53 | 1,495,322 |
| 30,001 | 35,000 | 33 | 1,092,236 |
| 35,001 | 40,000 | 30 | 1,160,370 |
| 40,001 | 45,000 | 24 | 1,036,249 |
| 45,001 | 50,000 | 33 | 1,621,400 |
| 50,001 | 55,000 | 19 | 1,008,369 |
| 55,001 | 60,000 | 11 | 634,395 |
| 60,001 | 65,000 | 5 | 316,030 |
| 65,001 | 70,000 | 15 | 1,021,996 |
| 70,001 | 75,000 | 15 | 1,107,711 |
| 75,001 | 80,000 | 14 | 1,097,570 |
| 80,001 | 85,000 | 9 | 738,930 |
| 85,001 | 90,000 | 11 | 959,929 |
| 90,001 | 95,000 | 13 | 1,204,119 |
| 95,001 | 100,000 | 18 | 1,786,997 |
| 100,001 | 105,000 | 6 | 616,802 |
| 105,001 | 110,000 | 3 | 327,000 |
| 110,001 | 115,000 | 4 | 446,033 |
| 115,001 | 120,000 | 1 | 119,708 |
| 120,001 | 125,000 | 4 | 496,500 |
| 125,001 | 130,000 | 6 | 767,595 |
| 130,001 | 135,000 | 5 | 661,642 |
| 140,001 | 145,000 | 1 | 144,000 |
| 145,001 | 150,000 | 5 | 745,085 |
| 155,001 | 160,000 | 1 | 155,650 |
| 160,001 | 165,000 | 6 | 983,900 |
| 165,001 | 170,000 | 5 | 838,411 |
| 170,001 | 175,000 | 1 | 172,810 |
| 175,001 | 180,000 | 1 | 179,850 |
| 180,001 | 185,000 | 3 | 547,537 |
| 185,001 | 190,000 | 2 | 377,000 |
| 190,001 | 195,000 | 4 | 769,770 |
| 195,001 | 200,000 | 3 | 600,000 |
| 200,001 | 205,000 | 2 | 403,913 |
| 205,001 | 210,000 | 4 | 834,522 |
| 210,001 | 215,000 | 1 | 214,500 |
| 215,001 | 220,000 | 2 | 438,138 |

| | | | |
|-------------|-------------|-------|-------------|
| 220,001 | 225,000 | 1 | 225,000 |
| 225,001 | 230,000 | 1 | 226,876 |
| 230,001 | 235,000 | 2 | 467,500 |
| 235,001 | 240,000 | 1 | 240,000 |
| 245,001 | 250,000 | 5 | 1,247,000 |
| 255,001 | 260,000 | 1 | 259,926 |
| 260,001 | 265,000 | 4 | 1,050,048 |
| 270,001 | 275,000 | 1 | 270,975 |
| 285,001 | 290,000 | 1 | 287,500 |
| 295,001 | 300,000 | 2 | 600,000 |
| 300,001 | 305,000 | 1 | 305,000 |
| 305,001 | 310,000 | 1 | 305,350 |
| 310,001 | 315,000 | 1 | 313,180 |
| 320,001 | 325,000 | 2 | 647,609 |
| 325,001 | 330,000 | 1 | 330,000 |
| 340,001 | 345,000 | 2 | 686,410 |
| 350,001 | 355,000 | 1 | 351,150 |
| 360,001 | 365,000 | 1 | 361,000 |
| 365,001 | 370,000 | 1 | 366,500 |
| 380,001 | 385,000 | 1 | 384,350 |
| 420,001 | 425,000 | 2 | 845,809 |
| 465,001 | 470,000 | 1 | 466,000 |
| 495,001 | 500,000 | 4 | 2,000,000 |
| 515,001 | 520,000 | 1 | 515,248 |
| 520,001 | 525,000 | 1 | 523,380 |
| 555,001 | 560,000 | 1 | 558,965 |
| 560,001 | 565,000 | 1 | 562,302 |
| 565,001 | 570,000 | 1 | 568,251 |
| 580,001 | 585,000 | 1 | 585,000 |
| 685,001 | 690,000 | 1 | 689,765 |
| 695,001 | 700,000 | 1 | 700,000 |
| 725,001 | 730,000 | 1 | 729,300 |
| 750,001 | 755,000 | 1 | 754,500 |
| 800,001 | 805,000 | 1 | 802,000 |
| 830,001 | 835,000 | 1 | 834,960 |
| 865,001 | 870,000 | 1 | 869,278 |
| 895,001 | 900,000 | 1 | 900,000 |
| 985,001 | 990,000 | 1 | 986,960 |
| 995,001 | 1,000,000 | 1 | 1,000,000 |
| 1,150,001 | 1,155,000 | 1 | 1,150,349 |
| 1,170,001 | 1,175,000 | 1 | 1,175,000 |
| 1,205,001 | 1,210,000 | 2 | 2,420,000 |
| 1,215,001 | 1,220,000 | 1 | 1,218,000 |
| 1,235,001 | 1,240,000 | 1 | 1,238,366 |
| 1,295,001 | 1,300,000 | 1 | 1,300,000 |
| 1,390,001 | 1,395,000 | 1 | 1,392,445 |
| 1,485,001 | 1,490,000 | 1 | 1,489,000 |
| 1,495,001 | 1,500,000 | 1 | 1,500,000 |
| 1,520,001 | 1,525,000 | 1 | 1,525,000 |
| 1,715,001 | 1,720,000 | 1 | 1,720,000 |
| 1,935,001 | 1,940,000 | 1 | 1,935,140 |
| 1,995,001 | 2,000,000 | 1 | 2,000,000 |
| 2,495,001 | 2,500,000 | 1 | 2,500,000 |
| 2,530,001 | 2,535,000 | 1 | 2,535,000 |
| 2,595,001 | 2,600,000 | 1 | 2,600,000 |
| 2,695,001 | 2,700,000 | 1 | 2,700,000 |
| 2,995,001 | 3,000,000 | 1 | 3,000,000 |
| 3,060,001 | 3,065,000 | 1 | 3,063,700 |
| 3,295,001 | 3,300,000 | 1 | 3,300,000 |
| 5,385,001 | 5,390,000 | 1 | 5,390,000 |
| 7,745,001 | 7,750,000 | 1 | 7,750,000 |
| 8,000,001 | 8,005,000 | 1 | 8,000,395 |
| 12,505,001 | 12,510,000 | 1 | 12,509,749 |
| 20,995,001 | 21,000,000 | 1 | 21,000,000 |
| 65,520,001 | 65,525,000 | 1 | 65,521,490 |
| 276,605,001 | 276,610,000 | 1 | 276,605,983 |
| | | 6,623 | 500,187,971 |

CATEGORIES OF SHARE HOLDERS

as at June 30, 2024

| Categories of Shareholders | No. of Share Holders | Shares Held | Percentage |
|---|----------------------|--------------------|---------------|
| Directors, Chief Executive Officer and their Spouse(s) and Children | 7 | 1,446,242 | 0.289 |
| Associated Companies | 2 | 371,817,473 | 74.336 |
| Financial Institutions | 2 | 13,157 | 0.003 |
| Insurance Companies | 3 | 73,098 | 0.015 |
| Modaraba Companies | 4 | 18,051 | 0.004 |
| Mutual Funds | 1 | 7,288 | 0.001 |
| NIT & ICP | 2 | 153,705 | 0.031 |
| Leasing Companies | 1 | 8,646 | 0.002 |
| Individuals | 6,555 | 96,564,306 | 19.306 |
| Joint Stock Companies | 40 | 19,471,389 | 3.893 |
| Foreign Companies | 1 | 100,650 | 0.020 |
| Executives | 4 | 2,763,966 | 0.553 |
| Others | 1 | 7,750,000 | 1.549 |
| Total | 6,623 | 500,187,971 | 100.00 |
| Shareholders holding 10% or more | 2 | 371,817,473 | 74.36 |

CHAIRMAN'S REVIEW

I am pleased to present the Review Report to the shareholders on the Board's overall performance and effectiveness in achieving the Company's objectives.

Review of Overall Performance and Effectiveness of the Board

The Board has diligently fulfilled its roles and responsibilities, making significant contributions to the Company's strategic leadership. It has conducted regular reviews of the Company's financial statements and governance matters, including the transparency of disclosures, policies, corporate plans, budgets, and compliance with regulatory requirements.

In addition to reviewing strategic and critical business matters, the Board has specifically assessed the risks posed by change in macroeconomic factors and supply chain disruptions to the Company. Appropriate safeguards have been taken to minimize the impacts of these adverse factors on the Company.

The composition of the Board of Directors reflects a mix of varied backgrounds to provide quality strategic direction to the management. The Board has also formed subcommittees, including the Human Resource & Remuneration Committee, the Audit and Risk Management Committee. These sub-committees are operating effectively within the framework of law.

The Board has approved a risk management framework with a vision to implement a robust system of internal controls and provide an effective control environment for compliance with the best practices of Corporate Governance. The Board has also stressed on high standards of honesty and integrity as pivotal factors for success of the business and Company.

As required by Listed Companies (Code of Corporate Governance Regulations) 2019, annual evaluations of the Board of Directors and its subcommittees have been carried out. This evaluation aims to ensure that Board has the skills required to provide strategic leadership to the Company. Improvement areas, if any, identified as part of the evaluation process are addressed accordingly. Based on the latest feedback received, the evaluation and performance of the Board is considered satisfactory.

Acknowledgement

On behalf of the Board of Directors, I would like to acknowledge valuable contributions of directors who have completed their term and warmly welcome our new directors who bring in diverse expertise of governance, strategy and business acumen. I extend my special gratitude to all shareholders for their continued trust and support. I acknowledge with thanks our employees' dedication and hard work at all levels and look forward to their continued support. I would also like to appreciate the commendable efforts and commitment of our Board Members and CEO in providing strategic leadership to the Company.



Masroor Ahmad Khan
Chairman, Board of Directors

Lahore
Dated: September 16, 2024

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF
GHANI CHEMICAL INDUSTRIES LIMITED

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **GHANI CHEMICAL INDUSTRIES LIMITED** (the Company) for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

LAHORE; OCTOBER 03, 2024
UDIN: CR202410195wAVsWTPYI

ShineWing Hameed Chaudhri
SHINEWING HAMEED CHAUDHRI & CO., & Co.
CHARTERED ACCOUNTANTS

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

Name of Company: Ghani Chemical Industries Limited
Year ended: June 30, 2024

The Company has complied with the requirements of the Regulations in the following manner:-

1. The total number of directors are seven (7) as per the following,-

- a. Male: 6
- b. Female: 1

2. The composition of the Board is as follows:-

i. Independent directors: Sheikh Muhammad Saleem Ahsan
Hafiz Imran Lateef

ii. Non-Executive directors: Mr. Masroor Ahmad Khan
Mr. Muhammad Hanif
Ms. Rabia Atique

iii. Executive directors: Hafiz Farooq Ahmad
Mr. Atique Ahmad Khan

iv. Female director: Ms. Rabia Atique

For a Board comprising of seven members, one-third equates to 2.33. The independent directors meet the criteria of independence as laid down under the Code. The Board has fixed the number of independent directors at two considering the required skills set and experience. However, fractional contained in one-third number (i.e., 0.33) is not rounded up as one (1), being less than 0.5.

Following casual vacancy occurred during the financial year 2023-24. The process of filling up the casual vacancies was completed within the stipulated time period as per the Act. The details are provided as under:-

| Sr. # | Name of resigning Director | Category | Date of resignation | Name of new Director appointed | Date of appointment |
|--------------|-----------------------------------|-----------------|----------------------------|--|----------------------------|
| 1 | Mr. Muhammad Yahya | Non-Executive | 28-06-24 | Mr. Muhammad Hanif. (Non-Executive) | 28-06-24 |

3. The directors have confirmed that none of them is serving as a director on more than seven (7) listed companies, including this company;

4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. At present, the Board is in compliance with the requirements of the time frame related to directors' training program as stipulated in the Regulations, furthermore, one (1) of the Directors is exempt from the directors training program by virtue of his education and experience as per regulations.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below.-

a) Audit & Risk Management Committee:

| Sr. No. | Name | Status |
|---------|------------------------------|----------|
| 1. | Sheikh Muhammad Saleem Ahsan | Chairman |
| 2. | Mr. Masroor Ahmad Khan | Member |
| 3. | Mrs. Rabia Atique | Member |

b) Human Resources & Remuneration and Compensation Committee:

| Sr. No. | Name | Status |
|---------|--------------------|----------|
| 1. | Hafiz Imran Lateef | Chairman |
| 2. | Mrs. Rabia Atique | Member |
| 3. | Hafiz Farooq Ahmad | Member |
| 4. | Mr. Muhammad Hanif | Member |

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings of the Committees were as per following:-
- a) Audit & Risk Management Committee - Quarterly
 - b) HR&R and Compensation Committee - Annually
15. The Board has set up an effective internal audit function/ or has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirements and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.



(HAFIZ FAROOQ AHMAD)
Chief Executive Officer



(ATIQUE AHMAD KHAN)
Director

Lahore.
Dated: September 16, 2024

DIRECTORS' REPORT

Dear Shareholders:

Assalam-o-Alaikum Wa RehmatUllah Wa Barakatoh!

The directors of Ghani Chemical Industries Limited (the Company) are pleased to present the unconsolidated as well as consolidated audited financial statements of the Company for the year ended June 30, 2024, in compliance with the requirements of Companies Act, 2017.

OVERVIEW OF THE NATIONAL ECONOMY

Pakistan's economy is currently directing through a very challenging phase. The nation faces a dual challenge in uplifting its economy. We have to achieve growth while maintaining macroeconomic stability. These extraordinary conditions demand a very comprehensive and strategic outlay for the revival of the economy in the short as well as in the long run.

Pakistan's economy experienced a moderate recovery in FY 2024, with GDP growing by 2.38%, a significant improvement from the 0.21% contraction seen the previous year. The industrial sector rebounded with a 1.21% growth, recovering from a 3.74% decline in FY 2023. The agricultural sector saw impressive growth, expanding by 6.25%; the highest in 19 years. Headline inflation eased to 12.6% in June 2024, thanks to tighter monetary and fiscal policies, record agricultural output, and a stable currency.

The trade deficit narrowed by 12.3% in FY 2024, decreasing to USD 24.09 billion from USD 27.47 billion in FY 2023, driven by a 10.54% rise in exports and a 0.84% decline in imports. This reduction reflects lower domestic demand, effective import management, and falling global commodity prices. Workers' remittances increased by 10.7% to USD 30.25 billion, up from USD 27.33 billion in the previous year. The current account deficit shrank significantly by 79% to USD 0.681 billion, compared to USD 3.275 billion the year before, supported by the reduced trade deficit and higher remittances. Foreign Direct Investment grew by 17% to USD 1.90 billion, up from USD 1.63 billion last year.

Foreign exchange reserves rose to USD 14.7 billion as of July 23, 2024, with USD 9.4 billion held by the State Bank and USD 5.3 billion by commercial banks. On July 29, 2024, the State Bank of Pakistan reduced the policy rate to a 16-month low of 19.5%.

The International Monetary Fund (IMF) has forecast that Pakistan's economy will grow by 3.5% in the Fiscal year 2024-25.

PRINCIPLE ACTIVITY

Your Company is principally engaged in manufacturing, sale and trading of medical/ industrial gases and chemicals.

FINANCIAL PERFORMANCE

Alhamdulillah sales and end result performance of your Company has considerably increased as compared with the last year.

By the grace of Almighty Allah despite all adverse factors, your Company succeeded to improve the sales/ turnover as compared to the last year. For the year ended June 30, 2024, your Company closed the gross sales at Rs. 6,395 million as compared to last year end sales of Rs. 5,111 million showing 25% increase in sales. Gross profit increased from Rs. 1,460 million to Rs. 1,613 million showing 10% increase in Gross profit. Distribution expenses decreased whereas administrative expenses has been increased by 25% and 12% respectively. Despite all adverse economic factors your Company's operating profit is Rs. 1,674 million as compared to last year's operating profit of Rs. 1,306 million due to remarkable increase in sales this year.

Due to significant increase in interest rate, finance cost increased from Rs. 374 million to Rs. 389 million. However, due to considerable increase in sales volume, profit after taxation increased to Rs. 786 million against Rs. 508 million in comparison with same period of last year. Earnings per share is Rs. 1.58 whereas during last year. Company's Earnings per share was Rs. 1.06.

A comparison of the key financial results of your Company for the year ended June 30, 2024 is as under:

| Particulars | Rupees in '000' Except EPS | | Variance | |
|--|----------------------------|-------------|-----------|------|
| | Jun-24 | Jun-23 | Rs. 000 | % |
| Sales | 6,394,859 | 5,111,123 | 1,283,736 | 25 |
| Cost of sales | (3,824,876) | (2,872,358) | (952,518) | 33 |
| Gross profit | 1,612,511 | 1,459,838 | 152,673 | 10 |
| Distribution cost | (144,685) | (193,425) | 48,740 | (25) |
| Administrative expenses | (242,069) | (215,623) | (26,446) | 12 |
| Other income | 551,108 | 330,934 | 220,174 | 67 |
| Profit from operations | 1,673,850 | 1,306,022 | 367,828 | 28 |
| Finance cost | (389,367) | (374,382) | (14,985) | 4 |
| Profit before taxation, minimum and final tax levies | 1,284,483 | 931,640 | 352,843 | 38 |
| Taxation | (498,676) | (423,749) | (74,927) | 18 |
| Profit after taxation | 785,807 | 507,891 | 277,916 | 55 |
| Surplus arisen upon revaluation of freehold/leasehold land | 237,809 | 497,278 | (259,469) | (52) |
| Total comprehensive income for the year | 1,023,616 | 1,005,169 | 18,447 | 2 |
| Earnings per share | 1.58 | 1.06 | - | - |
| Earnings per share based on comprehensive income | 2.05 | 2.01 | - | - |

In the result of revaluation of land, your Company succeeded to add Rs. 238 million (2023: Rs. 497 million) in financial results and accordingly total comprehensive income for the year is Rs. 1,024 million (2023: Rs. 1,005 million) and earning per share based on comprehensive income is Rs. 2.05 (2023: Rs. 2.01).

Your Company is successfully running four state-of-the-art 410 TPD (tons per day) Air Separation Plants at Lahore (02) and Karachi (02). All Processes are fully controlled through Modern Supervisory control and data acquisition on (SCADA) system provided by leading brands i.e. Yokogawa and Siemens. GCIL is the only Liquid Medical Oxygen manufacturer with "Back up Plant" facility at its Lahore and Post Qasim Site, due to which it supplied highest quantity of Medical Oxygen to hospitals during COVID with smooth & reliable services.

Our plants are designed to produce Oxygen purity $\geq 99.6\%$ thus product on of Liquid Medical Oxygen produced and supplied by Ghani Chemical Industries exceed the standards set out as per EU/US Pharmacopeia standard $\geq 99.5\%$ at all our plants nationwide.

FUTURE PROSPECTS

Your Company has been taking bold steps for new developments in healthcare both in public and private sector across the country with increased emphasis on a healthier and generally better quality of life. In addition to oxygen, nitrous oxide, and other industrial gases like Nitrogen, Argon etc. are being prepared for use in pharmaceutical-based products as well as in food and beverage industry.

The industrial gas market in Pakistan remained gloomy as demand from industrial sector is slow. Strengthening operations and rapid growth in the industrial sector will propel the market growth.

The growing petroleum exploration and production market is charging up to meet the domestic demand of natural gas and petroleum products resulting to decrease the import bill of petroleum products.

In the oil and gas industry, with a number of refinery projects currently underway or planned for the future. These projects are intended to help meet the growing domestic demand for petroleum products.

In 2024-25, several exploration and production (E&P) companies in Pakistan are actively involved in drilling new wells to boost the country's oil and gas production apart from focusing on maintaining and revitalizing old wells. These efforts are part of a broader strategy to increase domestic hydrocarbon production and reduce the energy demand supply gap in the country.

Nitrogen gas demand supply would eventually be increased for operations in refineries, the exploration and production sector to assist compliance with new tougher environmental regulations.

The increased population and the ongoing health challenges have led to a significant rise in the use of medical oxygen in public hospitals. Oxygen is an essential medicine used to care for patients at all levels of the healthcare system, including in surgery, trauma, heart failure, asthma, and pneumonia and maternal and child care.

Nothing that wide application of medical oxygen is essential for the treatment of many communicable and non-communicable diseases and medical condition across the life course, to which older persons in particular are vulnerable.

Your Company has made strategic investment to build a sizeable 5th 275TPD ASU plant in the KPK region capable of producing liquid oxygen, liquid nitrogen and liquid argon simultaneously. Taking into consideration the complexities associated with transportation of these products particularly in order to fulfill the region's need for Oxygen in the healthcare industry.

Your Company has negotiated long term, medium term and annual contracts with public hospitals for FY 2024-25 which would play pivotal role to attain growth in all segments of the business and eventually enhance the profitability of the company Insha'Allah!

PAYOUT TO SHAREHOLDERS

The management of your Company strongly believes in passing on the return of investment to their shareholders. However keeping in view the ongoing projects (Company's 5th & Pakistan's largest 275TPD ASU plant and import substitute Calcium Carbide project) being set up at Hattar, Special Economic Zone, KPK, the board of directors has not recommended any dividend (2023: 10% Bonus share).

STATUTORY AUDITORS OF THE COMPANY

The present auditors' M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants will retire on conclusion of Annual General Meeting being held on October 26, 2024. As recommended by the Audit Committee, the Board of Directors has recommended their re-appointment as auditors of the Company for the year ending June 30, 2025.

SHARE PRICE TREND

The share price of Rs. 10 each of your Company at one stage rose as high as Rs. 13.60 on December 12, 2023 and lowered as low as Rs. 7.73 on September 18, 2023 and closed at Rs. 11.33 as on June 30, 2024.

CONSOLIDATED FINANCIAL STATEMENTS

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

STAFF RETIREMENT BENEFIT

Ghani Chemical Industries Limited operates a funded, contributory Provident Fund Scheme for its employees and contributions based on salaries of the employees are made to the Fund on monthly basis.

STATUTORY PAYMENT

There is no outstanding statutory payment payable other than those shown in the relevant Notes to the financial statements.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

Ghani Chemical Industries Limited has adopted the requirements of the Code of Corporate Governance set out by the Pakistan Stock Exchange Limited (PSX) in their Rule Book, relevant for the year ended June 30, 2024 and have been duly complied with.

STATEMENT OF COMPLIANCE

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

CODE OF CONDUCT

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

CONTRIBUTION TO NATIONAL EXCHEQUER

During the year under review your Company has contributed Rs. 667.26 million (2023: Rs. 527.4 million) in shape of taxes, duties and levies paid to central and provincial governments and local authorities.

AUDIT AND RISK MANAGEMENT COMMITTEE

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

Names of Members of Audit and Risk Management Committee are as under:

| Name of Director | Category | Designation in Committee |
|------------------------------|------------------------|--------------------------|
| Sheikh Muhammad Saleem Ahsan | Independent director | Chairman |
| Masroor Ahmad Khan | Non-executive director | Member |
| Rabia Atique | Non-executive director | Member |

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

HR&R AND COMPENSATION COMMITTEE

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

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

| Name of Director | Category | Designation in Committee |
|-------------------------|-------------------------|---------------------------------|
| Hafiz Imran Lateef | Independent director | Chairman |
| Hafiz Farooq Ahmad | Executive director/CEO | Member |
| Rabia Atique | Non- Executive director | Member |
| Muhammad Hanif | Non- Executive director | Member |

RELATIONS WITH STAKEHOLDERS

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

CORPORATE SOCIAL RESPONSIBILITY

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

The Corporate Social Responsibility and guidelines for corporate governance are steps in the right direction. Customer Relation Management is a strategic business philosophy and processes are rooted through ethical practice. With the growth of our business, we have assumed an even greater responsibility towards our society and stakeholders, including employees, their families and our business partner etc.

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

From the last many years, the Company has been sending every year one employee of the Company, selected through balloting, to perform Hajj (with pay on Company's expense). Ghani Chemical Industries endeavors to be a trusted corporate entity and fulfil the responsibility towards the environment and society in general.

BOARD OF DIRECTORS

The Board of Directors, which consist of Seven (07) members, have responsibility to independently and transparently monitor the performance of the Company and take strategic decision to achieve sustainable growth in the Company value.

Total Number of directors:

| Description | Number of Directors |
|--------------------|----------------------------|
| Male | 06 |
| Female | 01 |
| Total | 07 |

Composition of directors:

| Categories | Number of Directors |
|-------------------------|----------------------------|
| Independent directors | 02 |
| Non-executive directors | 03 |
| Executive directors | 02 |
| Total | 07 |

The composition of the Board is as follows:-

- i. Independent directors: Sheikh Muhammad Saleem Ahsan
Hafiz Imran Lateef
- ii. Non-Executive directors: Mr. Masroor Ahmad Khan
Mr. Muhammad Hanif
Ms. Rabia Atique
- iii. Executive directors: Hafiz Farooq Ahmad
Mr. Atique Ahmad Khan
- iv. Female director: Ms. Rabia Atique

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

During the period under review, one (01) casual vacancy occurred in FY 2023 - 24. The process of filling up the casual vacancy was completed within the stipulated time period as per the Act. The details are provided as under:-

| Sr. # | Name of resigning Director | Category | Date of resignation | Name of new Director appointed | Date of appointment |
|-------|----------------------------|---------------|---------------------|------------------------------------|---------------------|
| 1 | Mr. Muhammad Yahya | Non-Executive | 28-06-2024 | Mr. Muhammad Hanif (Non-Executive) | 28-06-2024 |

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

A total of seven (07) meetings of the Board of Directors were held during the year ended June 30, 2024. Leave of absence was granted to the directors who could not attend some of the board meetings.

DURATION OF THE DIRECTORS

The present board of directors was elected in Annual General Meeting of the Company held on October 31, 2023 for a period of three years and shall retire on October 30, 2026.

BOARD EVALUATION:

In accordance with the Code of Corporate Governance (CCG) and the Companies Act, 2017 the evaluation of the Board, its committees and individual directors was conducted. The Board is assisted by sub committees i.e., the Audit & Risk Management Committee and the HR&R and Compensation Committee, and these sub committees held meetings during the year as per the stipulation of CCG. It is also important to recognize the key role played by the sub-committees in assisting board of directors in performing their duties.

The Board Evaluation was conducted by an independent external evaluator M/s. Javed Chaudhry & Co., Chartered Accountants for the year ended June 30, 2024.

STRATEGIC OBJECTIVES ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

The Board is actively involved and strongly supports the Company's ESG initiatives. The Company's dedication lies in integrating ESG considerations seamlessly into its strategy.

This supports long-term growth, mitigates risks, and cultivates a foundation of trust with stakeholders. The Company's strategic goals encompass eco-friendliness, societal obligations and proficient governance. We are resolute in diminishing carbon footprints, conserving resources, promoting usage of green energy and handling waste materials in an environment friendly manner. The Company's focal points include promoting diversity, ensuring employee welfare and actively participating in the community. The Company's decision-making is steered by ethical behavior, openness, transparency and prudent risk management.

GENDER, RACE & DIVERSITY

GCIL displayed commitment to fostering a culture of inclusivity and diversity, where everyone was given opportunity to thrive. In the past year, we made significant strides in increasing gender diversity within our organization. We recognized diversity as a key driver for innovation and competitiveness. We remain dedicated to continuing our efforts to create a workplace that reflects the diverse gender and race.

GCIL also actively promoted women's participation at all levels and provided equal opportunities of growth to everyone.

DIRECTORS' REMUNERATION

During the year under review aggregate amount of remuneration paid to the Chief Executive Officer and Executive Director is disclosed in Note No. 43 of the Audited Financial Statements of the Company.

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

No remuneration except Meeting Fee for attending the board meetings amounting to Rs. 25,000/- per meeting is paid to non-executive and independent directors of the board.

RELATED PARTY TRANSACTIONS:

The Company has fully complied with the best practices on transfer pricing as contained in the listing regulation of stock exchange in Pakistan. The transactions with related parties were carried out at arm's length prices determined in accordance with the comparable uncontrolled prices method. During the year, the Company carried out transactions with its related parties. Details of these transactions are disclosed in financial statements attached therein (Note 44). Details of related party transactions are placed before the Audit Committee, and upon recommendation of the Board Audit Committee, the same are placed before the Board of Directors for review and approval in accordance with regulatory requirements.

CHAIRMAN'S REVIEW

The chairman's review deals with the overall performance of the board and effectiveness of the role played by the board in achieving the company's objectives for the year ended June 30, 2024 in compliance with section 192 (4) of the Companies Act, 2017 is annexed.

PATTERN OF SHAREHOLDING

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

POST BALANCE SHEET EVENTS

The following material changes or commitments affecting the financial position of the Company have occurred between the end of financial year of the Company and date of this report:

The Board of Directors of your Company (GCIL) has approved the demerger/merger Scheme of Compromises, Arrangements and Reconstruction and other related matters (the Scheme) subject to the sanction by the Honorable Lahore High Court, Lahore . Main Features of the Scheme are as under:-

1. To carve out Calcium Carbide Project that is being setup by the Company at Hattar Special Economic Zone from GCIL to Ghani ChemWorld Limited (GCWL/at present wholly owned subsidiary of GCIL).
2. To merge the left over assets of Ghani Products (Private) Limited (GPL/an associated company) with and into the GCIL against One to One SWAP ratio.

3. To issue and allot Partially Redeemable Shares of GCWL to the shareholders of GCIL in the ratio of 50:1,000 (50 Partially Redeemable Shares of Rs. 100/- each of GCWL against 1,000 ordinary shares of GCIL) i.e. Rs. 5,000 worth of partially redeemable shares* will be given to the shareholders of GCIL against 1,000 ordinary shares having face value of Rs. 10,000/-

*partially redeemable shares of Rs 100/- each (with par/nominal value divided into redeemable portion of Rs. 90/- per shares and irredeemable portion of Rs 10/- per share)

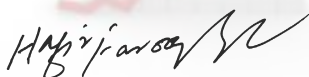
4. To issue and allot 70 Million additional ordinary shares of GCIL to the GCWL.
5. To list the GCWL at PSX after submission of requisite documents.

ACKNOWLEDGMENT

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

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

On behalf of the Board



HAFIZ FAROOQ AHMAD
(Chief Executive Officer)



ATIQUE AHMAD KHAN
(Director)

Lahore

Dated: September, 16 2024

1- کمپنیم کاربانڈ پروجیکٹ کی تشکیل جو کمپنی کی جانب سے جی سی آئی ایل سے غنی کیم ورلڈ لمیٹڈ (جی سی ڈبلیو ایل / فی الحال جی سی آئی ایل کی مکمل ملکیت والی ماتحت کمپنی) کو حطار اسپیشل اکنا مک زون میں قائم کیا جا رہا ہے۔

2- غنی پروڈکٹس (پرائیویٹ) لمیٹڈ (جی پی ایل / ایک متعلقہ کمپنی) کے باقی ماندہ اثاثوں کو ون ٹون سو یپ تناسب کے ساتھ جی سی آئی ایل میں ضم کرنا۔

3- جی سی آئی ایل کے شیئر ہولڈرز کو جی سی ڈبلیو ایل کے جزوی طور پر ریڈیم ایبل شیئرز 1000:50 کے تناسب سے جاری اور الاٹ کیے جائیں گے (جی سی آئی ایل کے 1000 عام حصص کے مقابلے میں جی سی ڈبلیو ایل کے 1000 روپے کے 50 جزوی طور پر ریڈیم ایبل شیئرز) یعنی 5000 روپے مالیت کے جزوی طور پر ریڈیم ایبل شیئرز جی سی آئی ایل کے شیئر ہولڈرز کو دیے جائیں گے۔

* جزوی طور پر 100 / - روپے کے قابل واپسی حصص (جس کی قیمت 90 / - روپے فی حصص کے قابل واپسی حصے اور 10 / - روپے فی حصص کے ناقابل تلافی حصے میں تقسیم کی گئی ہے)

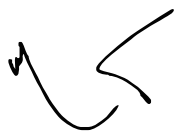
4- جی سی آئی ایل کے 70 ملین اضافی عام حصص جی سی ڈبلیو ایل کو جاری اور الاٹ کرنا۔

5- مطلوبہ دستاویزات جمع کرانے کے بعد جی سی ڈبلیو ایل کو پی ایس ایکس میں لسٹ کرنا۔

اعتراف

ڈائریکٹرز ہمارے قابل قدر اسٹیک ہولڈرز کی تعریف کرتے ہیں جنہوں نے کمپنی پر اعتماد کا اظہار کیا۔ ہم کمپنی کے ملازمین کی پیشہ ورانہ ذمہ داریوں اور بینکروں، سرکاری ایجنسیوں کے تعاون کے لئے ان کی لگن کا تہ دل سے شکریہ ادا کرنا چاہتے ہیں، جنہوں نے کمپنی اور اس کے ماتحت اداروں کو آپریشنل اور مالی دونوں شعبوں میں اچھی کارکردگی کا مظاہرہ کرنے کے قابل بنایا ہے۔

ہم اپنے شیئر ہولڈرز کا شکریہ ادا کرتے ہیں جنہوں نے کمپنی کی انتظامیہ، ایس ای سی پی، پاکستان اسٹاک ایکسچینج اور تمام سرکاری عہدیداروں کے ساتھ ساتھ اللہ سبحانہ و تعالیٰ کے احکامات اور ہمارے نبی محمد ﷺ کی سنت پر اعتماد کا اظہار کیا۔



عنایت احمد خان
ڈائریکٹر

بورڈ آف ڈائریکٹرز کی طرف سے



حافظ فاروق احمد
چیف ایگزیکٹو آفیسر

لاہور

بتاریخ: ستمبر 16، 2024

متعلقہ پارٹی ٹرانزیکشنز:

کمپنی نے پاکستان میں اسٹاک آپٹیمائزیشن کے سٹیٹنگ ریگولیشن میں موجود ٹرانسفر پرائسنگ کے بہترین طریقوں پر مکمل عمل کیا ہے۔ متعلقہ فریقوں کے ساتھ لین دین آرم لینتھ کی بنیاد پر کیا گیا جس کا تعین موازنہ بے قابو قیمتوں کے طریقہ کار کے مطابق کیا گیا۔ سال کے دوران، کمپنی نے اپنے متعلقہ فریقوں کے ساتھ لین دین کیا۔ ان لین دین کی تفصیلات اس میں منسلک مالی بیانات میں ظاہر کی گئی ہیں (نوٹ 44)۔ متعلقہ پارٹی ٹرانزیکشنز کی تفصیلات آڈٹ کمیٹی کے سامنے رکھی جاتی ہیں، اور بورڈ آڈٹ کمیٹی کی سفارش پر، انہیں ریگولیٹری تقاضوں کے مطابق جائزہ اور منظوری کے لئے بورڈ آف ڈائریکٹرز کے سامنے رکھا جاتا ہے۔

چیئرمین کے جائزہ رپورٹ

کمپنیز ایکٹ 2017 کی دفعہ 192(4) کے تحت بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول کی خاطر بورڈ کو موثر رول کے متعلق اختتامی سال 30 جون 2024 کیلئے چیئرمین کا جائزہ منسلک ہے۔

ماحولیاتی، سماجی اور گورننس پر اسٹریٹجک مقاصد (ای ایس جی)

بورڈ فعال طور پر کمپنی کے ای ایس جی اقدامات میں شامل ہے اور ان کی بھرپور حمایت کرتا ہے۔ کمپنی کی لگن اپنی حکمت عملی میں بغیر کسی رکاوٹ کے ای ایس جی کے خیالات کو ضم کرنے میں مضمر ہے۔ یہ طویل مدتی ترقی کی حمایت کرتا ہے، خطرات کو کم کرتا ہے، اور اسٹیک ہولڈرز کے ساتھ اعتماد کی بنیاد پیدا کرتا ہے۔ کمپنی کے اسٹریٹجک اہداف میں ماحول دوست، معاشرتی ذمہ داریاں اور موثر حکمرانی شامل ہیں۔ ہم کاربن کے اثرات کو کم کرنے، وسائل کے تحفظ، سبز توانائی کے استعمال کو فروغ دینے اور ماحول دوست طریقے سے فضلہ مواد کو سنبھالنے کے لئے پرعزم ہیں۔ کمپنی کے فوکل پوائنٹس میں تنوع کو فروغ دینا، ملازمین کی فلاح و بہبود کو یقینی بنانا اور کمیونٹی میں فعال طور پر حصہ لینا شامل ہے۔ کمپنی کی فیصلہ سازی اخلاقی طرز عمل، کھلے پن، شفافیت اور دانشمندانہ خطرے کے انتظام پر مبنی ہے۔

جنس، نسل اور تنوع

جی سی آئی ایل نے شمولیت اور تنوع کی ثقافت کو فروغ دینے کے عزم کا مظاہرہ کیا، جہاں ہر ایک کو پھیلنے پھولنے کا موقع دیا گیا۔ گزشتہ سال، ہم نے اپنی تنظیم کے اندر صنفی تنوع کو بڑھانے میں اہم پیش رفت کی ہے۔ ہم نے تنوع کو جدت طرازی اور مسابقت کے لئے ایک کلیدی محرک کے طور پر تسلیم کیا۔ ہم ایک ایسی کام کی جگہ بنانے کے لئے اپنی کوششوں کو جاری رکھنے کے لئے وقف ہیں جو متنوع صنف اور نسل کی عکاسی کرتا ہے۔

جی سی آئی ایل نے تمام سطحوں پر خواتین کی شرکت کو فعال طور پر فروغ دیا اور سب کو ترقی کے مساوی مواقع فراہم کیے۔

شیئرز کا نمونہ

کمپنیز ایکٹ 2017 کی دفعہ 227(2)(ایف) کے تحت شیئر ہولڈنگ کا ایک نمونہ منسلک کیا گیا ہے۔

پوسٹ بیلنس شیٹ کے واقعات

کمپنی کے مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حیثیت کو متاثر کرنے والی مندرجہ ذیل مادی تبدیلیاں یا وعدے ہوئے ہیں۔

چیرمین بورڈ آف ڈائریکٹرز نان ایگزیکٹو ڈائریکٹرز میں سے ہے۔

زیر غور مدت کے دوران، مالی سال 2023-24 میں ایک عارضی خالی جگہ پیدا ہوئی۔

ایکٹ کے مطابق عارضی خالی اسامی کو پُر کرنے کا عمل مقررہ مدت کے اندر مکمل کیا گیا تھا جس کی تفصیلات مندرجہ ذیل ہیں۔

| استغفی دینے والے ڈائریکٹر کا نام | ساخت | استغفی کی تاریخ | نئے ڈائریکٹرز کی تقرری تاریخ | تقرری کی تاریخ |
|----------------------------------|--------------|-----------------|------------------------------|----------------|
| محمد یحییٰ | نان ایگزیکٹو | 28-06-2024 | محمد حنیف (نان ایگزیکٹو) | 28-06-2024 |

بورڈ کا چیرمین نان ایگزیکٹو ڈائریکٹر میں سے ہے۔ بورڈ میٹنگ کانولٹس میٹنگ سے سات روز قبل بمعہ ورکنگ پیپرز ڈائریکٹرز کو ارسال کیا جاتا ہے۔

سال مختتمہ 30 جون 2024 کے دوران ڈائریکٹرز کے کل سات (07) اجلاس ہوئے اور ان اجلاس میں غیر حاضر رہنے والے ڈائریکٹر کو چھٹی کی اجازت دی گئی۔

ڈائریکٹروں کی مدت

موجودہ بورڈ آف ڈائریکٹرز کا انتخاب 28 اکتوبر 2023 کو ہونے والے کمپنی کے سالانہ جنرل اجلاس میں تین سال کی مدت کے لیے کیا گیا تھا اور وہ 30 اکتوبر 2026 کو ریٹائر ہوں گے۔

بورڈ کی تشخص

کوڈ آف کارپوریٹ گورننس (سی سی جی) اوپنیز ایکٹ، 2017 کے مطابق بورڈ، اس کی کمیٹیوں اور انفرادی ڈائریکٹروں کا جائزہ لیا گیا۔ بورڈ کو ذیلی کمیٹیوں یعنی آڈٹ اینڈ رسک مینجمنٹ کمیٹی اور ایچ آر اینڈ آر اور معاوضہ کمیٹی کی مدد حاصل ہے، اور ان ذیلی کمیٹیوں نے سی سی جی کی شرائط کے مطابق سال کے دوران اجلاس منعقد کیے۔ بورڈ آف ڈائریکٹرز کو ان کے فرائض کی انجام دہی میں مدد دینے میں ذیلی کمیٹیوں کے کلیدی کردار کو تسلیم کرنا بھی ضروری ہے۔

بورڈ کا جائزہ 30 جون 2024ء کو ختم ہونے والے سال کے لئے ایک آزاد بیرونی تجزیہ کار جاوید چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے کیا۔

ڈائریکٹرز کا معاوضہ

زیر جائزہ سال کے دوران چیف ایگزیکٹو آفیسر اور ایگزیکٹو ڈائریکٹر کو ادا کیے جانے والے معاوضے کی مجموعی رقم کمپنی کے آڈٹ شدہ مالیاتی بیانات کے نوٹ نمبر 43 میں ظاہر کی گئی ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے سی ای او سمیت ایگزیکٹو ڈائریکٹرز کے معاوضے کا سالانہ جائزہ لیا جاتا ہے۔

بورڈ کے نان ایگزیکٹو اور انڈیپنڈنٹ ڈائریکٹرز کو بورڈ کے اجلاسوں میں شرکت کے لیے 25 ہزار روپے فی اجلاس فیس کے علاوہ کوئی معاوضہ ادا نہیں کیا جاتا۔

بورڈ آف ڈائریکٹرز

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

ٹوٹل ڈائریکٹران کی تعداد

| ڈائریکٹران کی تعداد | تفصیل |
|---------------------|----------|
| 06 | مرد |
| 01 | خواتین |
| 07 | کل تعداد |

ڈائریکٹران کی ساخت

| تعداد | تفصیل |
|-------|---------------------------|
| 02 | آزاد/غیر متعلقہ ڈائریکٹرز |
| 03 | نان ایگزیکٹو ڈائریکٹرز |
| 02 | ایگزیکٹو ڈائریکٹرز |
| 07 | کل تعداد |

بورڈ کی تشکیل مندرجہ ذیل ہے:

i- آزاد ڈائریکٹر: شیخ محمد سلیم احسان

حافظ عمران لطیف

ii- نان ایگزیکٹو ڈائریکٹر: مسرور احمد خان

محمد حنیف

رابعہ عتیق

iii- ایگزیکٹو ڈائریکٹر: حافظ فاروق احمد

عتیق احمد خان

iv- خاتون ڈائریکٹر: رابعہ عتیق

آڈٹ کمیٹی کا اپنا ٹرم آف ریفرنس ہے جو بورڈ آف ڈائریکٹرز نے لسٹیڈ کمپنیز (کوڈ آف کارپوریٹ گورنس) ریگولیشنز 2019 کے تحت مرتب کیا ہے۔

ہیومن ریسورس اور معاوضہ کی کمیٹی

بورڈ نے ہیومن ریسورس اور معاوضہ کی کمیٹی تشکیل دی ہوئی ہے۔ یہ کمیٹی چار ممبران پر مشتمل ہے جن میں ایک غیر متعلقہ، دو نان ایگزیکٹو اور ایک ایگزیکٹو ڈائریکٹرز ہے۔ ہیومن ریسورس اور معاوضہ کمیٹی کے ممبران کے نام یہ ہیں۔

| ڈائریکٹرز کا نام | تخصیص | عہدہ |
|------------------|-----------------------|---------|
| حافظ عمران لطیف | آزاد ڈائریکٹر | چیئرمین |
| حافظ فاروق احمد | ایگزیکٹو ڈائریکٹر | ممبر |
| رابعہ عتیق | نان ایگزیکٹو ڈائریکٹر | ممبر |
| محمد حنیف | نان ایگزیکٹو ڈائریکٹر | ممبر |

اسٹیک ہولڈرز کے ساتھ تعلقات

آپ کی کمپنی تمام اسٹیک ہولڈرز، اسٹاک ایکسچینج، ایس ای سی پی، بینکرز، ملازمین، اسٹاک ایکسچینج، ایس ای سی پی اور کمپنی کے دیگر تمام کاروباری شراکت داروں کے ساتھ باہمی فائدہ مند تعلقات قائم کرنے کے لئے پرعزم ہے۔ الحمد للہ زیر غور مدت کے دوران تمام اسٹیک ہولڈرز کے ساتھ تعلقات خوشگوار رہے۔

کارپوریٹ سماجی ذمہ داری

کارپوریٹ شہری کی حیثیت سے جی سی آئی ایل پائیدار کاروباری طریقوں اور اپنی ذمہ داریوں کو نبھانے کے لئے پرعزم ہے۔ ہمارا ماننا ہے کہ کارپوریٹ سماجی ذمہ داری بنیادی طور پر شفاف اور اخلاقی طریقے سے کاروبار کرنے کے بارے میں ہے جو نہ صرف ہمارے تمام اسٹیک ہولڈرز کی قدر میں اضافہ کرتی ہے بلکہ ان واقعات کی حمایت بھی کرتی ہے جو کمیونٹی کی فلاح و بہبود کو بڑھاتی ہیں۔

کارپوریٹ سماجی ذمہ داری اور کارپوریٹ گورننس کے لئے رہنما خطوط صحیح سمت میں قدم ہیں۔ کسٹمر ریلیشن مینجمنٹ ایک اسٹریٹجک کاروباری فلسفہ ہے اور اس کا عمل اخلاقی مشق سے جڑا ہوا ہے۔ ہمارے کاروبار کی ترقی کے ساتھ، ہم نے اپنے معاشرے اور اسٹیک ہولڈرز، بشمول ملازمین، ان کے اہل خانہ اور ہمارے کاروباری شراکت داروں وغیرہ کے تئیں اور بھی بڑی ذمہ داری قبول کی ہے۔

جی سی آئی ایل صاف ستھرے ماحول کی بھی حمایت کرتی ہے اور اس مقصد کے لئے اپنے صارفین کی حوصلہ افزائی کرتی ہے، جی سی آئی ایل بھی پوری کوشش کرتی ہے کہ صارفین کی کاروباری سرگرمیاں ماحول دوست ہوں اور معاشرے کے لئے خطرناک نہ ہوں۔

گزشتہ کئی سالوں سے کمپنی ہر سال کمپنی کے ایک ملازم کو ج (کمپنی کے اخراجات پر تنخواہ کے ساتھ) بھیجنے کے لیے ووٹنگ کے ذریعے منتخب کرتی آرہی ہے۔ غنی کیمیکل انڈسٹریز ایک قابل اعتماد کارپوریٹ ادارہ بننے اور عمومی طور پر ماحولیات اور معاشرے کے تئیں اپنی ذمہ داری پوری کرنے کی کوشش کرتی ہے۔

عملے کی ریٹائرمنٹ کا فائدہ

غنی کیمیکل انڈسٹریز لمیٹڈ اپنے ملازمین کے لئے فنڈڈ، کٹری بیوٹری پروویڈنٹ فنڈ اسکیم چلاتا ہے اور ملازمین کی تنخواہوں کی بنیاد پر ماہانہ بنیاد پر فنڈ میں عطیات دیئے جاتے ہیں۔

قانونی ادائیگیاں

مالی بیانات کے متعلقہ نوٹوں میں دکھائے گئے اثاثوں کے علاوہ کوئی واجب الادا قانونی ادائیگی قابل ادائیگی نہیں ہے۔

کارپوریٹ گورننس کے کوڈ کے ساتھ تعمیل

غنی کیمیکل انڈسٹریز لمیٹڈ نے 30 جون 2024 کو ختم ہونے والے سال کے لیے متعلقہ کارپوریٹ گورننس (فہرست شدہ کمپنیاں) (کوڈ آف کارپوریٹ گورننس) (ریگولیشنز، 2019) کی ضروریات کو اپنایا ہے اور ان کی مناسب طریقے سے تعمیل کی گئی ہے۔

تعمیل کا بیانیہ

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

ضابطہ اخلاق

غنی کیمیکل انڈسٹریز کے بورڈ نے، بورڈ آف ڈائریکٹرز اور ملازمین کے لئے علیحدہ علیحدہ ضابطہ اخلاق مرتب کیا ہے۔ تمام متعلقہ لوگوں کو اس بابت اطلاع دے دی گئی ہے تاکہ اس ضابطہ کے رولز جوگا ہوں اور سپلائرز سے متعلق ہیں اس پر عمل درآمد کریں۔

قومی خزانے میں حصہ

زیر غور سال کے دوران غنی کیمیکل انڈسٹریز نے مرکزی اور صوبائی حکومتوں اور مقامی حکام کو ادا کیے جانے والے ٹیکسوں، ڈیوٹیوں اور لیویز کی شکل میں 667.26 ملین روپے (527.4:2023 ملین روپے) کا حصہ ڈالا ہے۔

محاسباتی اور رسک منیجمنٹ کمیٹی

بورڈ نے ایک آڈٹ کمیٹی قائم کی ہے جو تین ممبران پر مشتمل ہے جن میں سے ایک غیر متعلقہ اور دونوں ایگزیکٹو ڈائریکٹرز ہیں۔ کمیٹی کے ممبران کے نام یہ ہیں۔

| ڈائریکٹرز کا نام | تخصیص | عہدہ |
|---------------------|-----------------------|----------|
| شیخ محمد سلیم احسان | آزاد ڈائریکٹر | چیئر مین |
| مسرور احمد خان | نان ایگزیکٹو ڈائریکٹر | ممبر |
| رابعہ عتیق | نان ایگزیکٹو ڈائریکٹر | ممبر |

مربوط مالیاتی بیانات

کمپنیز ایکٹ 2017 کی دفعہ 228 کے تقاضوں کی تعمیل میں کمپنی کے مربوط مالی گوشواروں کے ساتھ ساتھ آڈیٹرز اور ڈائریکٹرز کی رپورٹ کو کمپنی کے مالی گوشواروں کے ساتھ منسلک کیا گیا ہے۔

2024-25 میں پاکستان میں متعدد ایکسپلوریشن اور پروڈکشن (ای اینڈ پی) کمپنیاں ملک میں تیل اور گیس کی پیداوار کو بڑھانے کے علاوہ پرانے کنوؤں کی دیکھ بھال اور بحالی پر توجہ مرکوز کرنے کے علاوہ نئے کنوؤں کی کھدائی میں فعال طور پر شامل ہیں۔ یہ کوششیں گھریلو ہائیڈرو کاربن کی پیداوار میں اضافے اور ملک میں توانائی کی طلب کی فراہمی کے فرق کو کم کرنے کی وسیع تر حکمت عملی کا حصہ ہیں۔

نائٹروجن گیس کی طلب کو بالآخر ریفاٹریوں، تلاش اور پیداوار کے شعبے میں آپریشنز کے لئے بڑھایا جائے گا تاکہ نئے سخت ماحولیاتی ضوابط کی تعمیل میں مدد مل سکے۔

بڑھتی ہوئی آبادی اور جاری صحت کے چیلنجوں کی وجہ سے سرکاری اسپتالوں میں طبی آکسیجن کے استعمال میں نمایاں اضافہ ہوا ہے۔ آکسیجن ایک ضروری دوا ہے جو صحت کی دیکھ بھال کے نظام کی تمام سطحوں پر مریضوں کی دیکھ بھال کے لئے، بشمول سرجری، صدمے، دل کی ناکامی، دمہ، اور نمونیا اور زچہ و بچہ کی دیکھ بھال میں استعمال ہوتی ہے۔

بہت سی متعدی اور غیر متعدی بیماریوں کے علاج اور زندگی بھر میں طبی حالت کے علاج کے لئے طبی آکسیجن کا وسیع پیمانے پر استعمال ضروری نہیں ہے، جس سے خاص طور پر عمر رسیدہ افراد خطرے میں ہیں۔

کمپنی نے کے پی کے خطے میں 5 واں 275 ٹی پی ڈی اے ایس یو پلانٹ تعمیر کرنے کے لئے اسٹریٹجک سرمایہ کاری کی ہے جو بیک وقت مائع آکسیجن، مائع نائٹروجن اور مائع آرگن پیدا کرنے کی صلاحیت رکھتا ہے۔ یہ پلانٹ خاص طور پر صحت کی دیکھ بھال کی صنعت میں آکسیجن کی خطے کی ضرورت کو پورا کرنے کے لئے ان مصنوعات کی نقل و حمل سے وابستہ پیچیدگیوں کو مد نظر رکھے گا۔

کمپنی نے مالی سال 2024-25 کے لئے سرکاری ہسپتالوں کے ساتھ طویل مدتی، وسط مدتی اور سالانہ معاہدے کئے ہیں جو کاروبار کے تمام شعبوں میں ترقی حاصل کرنے میں اہم کردار ادا کرے گا اور بالآخر کمپنی کے منافع میں انشاء اللہ اضافہ کرے گا۔

شیئر ہولڈرز کو ادائیگی

آپ کی کمپنی کی انتظامیہ اپنے حصص داروں کو سرمایہ کاری کی واپسی منتقل کرنے پر پختہ یقین رکھتی ہے۔ تاہم حطار، اسپیشل اکنامک زون، کے پی کے میں قائم کیے جانے والے جاری منصوبوں (کمپنی کا پانچواں اور پاکستان کا سب سے بڑا 275 ٹی پی ڈی اے ایس یو پلانٹ اور درآمدی متبادل کیلیم کاربائیڈ پروجیکٹ) کو مد نظر رکھتے ہوئے بورڈ آف ڈائریکٹرز نے کسی منافع کی سفارش نہیں کی ہے۔ (10:2023 بونس شیئر)

کمپنی کے قانونی آڈیٹرز

موجودہ آڈیٹرز شائن ونگ حمید چوہدری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس 26 اکتوبر 2024 کو ہونے والے سالانہ جنرل اجلاس کے اختتام پر ریٹائر ہو جائیں گے۔ آڈٹ کمیٹی کی تجویز کے مطابق بورڈ آف ڈائریکٹرز نے 30 جون 2025 کو ختم ہونے والے سال کے لئے کمپنی کے آڈیٹرز کے طور پر ان کی دوبارہ تقرری کی سفارش کی ہے۔

شیئرز کی قیمت کا رجحان

ایک مرحلے پر آپ کی کمپنی کے 10 روپے کے شیئرز کی قیمت 12 دسمبر 2023 کو 13.60 روپے تک بڑھ گئی اور 18 ستمبر 2023 کو کم ہو کر 7.73 روپے رہ گئی اور 30 جون 2024 کو 11.33 روپے پر بند ہوئی۔

| | | | | |
|--|-----------|-----------|-----------|------|
| Profit after taxation | 785,807 | 507,891 | 277,916 | 55 |
| Surplus arisen upon revaluation of freehold/leasehold land | 237,809 | 497,278 | (259,469) | (52) |
| Total comprehensive income for the year | 1,023,616 | 1,005,169 | 18,447 | 2 |
| Earnings per share | 1.58 | 1.06 | - | - |
| Earnings per share based on comprehensive income | 2.05 | 2.01 | - | - |

زمین کی دوبارہ تشخیص کے نتیجے میں، آپ کی کمپنی مالیاتی نتائج میں 238 ملین روپے (2023:497 ملین روپے) شامل کرنے میں کامیاب رہی اور اس کے مطابق سال کے لئے کل جامع آمدنی 1,024 ملین روپے (2023:1,005 ملین روپے) ہے اور جامع آمدنی کی بنیاد پر فی حصص آمدنی 2.05 روپے (2023:2.01 روپے) ہے۔

آپ کی کمپنی لاہور میں 02 اور کراچی میں 02 ٹوٹل چارجڈ ترین 410 ٹی پی ڈی (ٹن یومیہ) ایئر سپریشن پلانٹس کامیابی سے چلا رہی ہے۔ تمام پروسیسرز کو جدید سپروائزری کنٹرول اور ڈیٹا ایکوزیشن آن (ایس سی اے ڈی اے) سسٹم کے ذریعے مکمل طور پر کنٹرول کیا جاتا ہے جو معروف برانڈز یعنی یوگوا اور سیمز کی طرف سے فراہم کیا جاتا ہے۔ جی سی آئی ایل واحد مائع میڈیکل آکسیجن مینوفیکچرر ہے جس کے پاس لاہور اور پورٹ قاسم سائٹ پر "بیک اپ پلانٹ" کی سہولت موجود ہے، جس کی وجہ سے اس نے کوویڈ کے دوران اسپتالوں کو ہموار اور قابل اعتماد خدمات کے ساتھ سب سے زیادہ مقدار میں میڈیکل آکسیجن فراہم کی۔

ہمارے پلانٹس کو >99.6 آکسیجن پاکیزگی پیدا کرنے کے لئے ڈیزائن کیا گیا ہے اس طرح غنی کیمیکل انڈسٹریز کے ذریعہ تیار اور فراہم کردہ مائع میڈیکل آکسیجن کی مصنوعات یورپی یونین/یو ایس فارما کو پیا کے معیار کے مطابق ملک بھر میں ہمارے تمام پلانٹس میں >99.5 طے شدہ معیار سے تجاوز کرتی ہیں۔

مستقبل کے امکانات

آپ کی کمپنی صحت مند اور عام طور پر بہتر معیار زندگی پر زیادہ زور دینے کے ساتھ ملک بھر میں سرکاری اور نجی دونوں شعبوں میں صحت کی دیکھ بھال میں نئی ترقی کے لئے جرات مندانہ اقدامات اٹھا رہی ہے۔ آکسیجن کے علاوہ نائٹرس آکسائیڈ اور نائٹروجن، آرگن وغیرہ جیسی دیگر صنعتی گیسوں کو دو سازی پر مبنی مصنوعات کے ساتھ ساتھ کھانے اور مشروبات کی صنعت میں استعمال کے لئے تیار کیا جا رہا ہے۔

پاکستان میں صنعتی گیس مارکیٹ مایوس کن رہی کیونکہ صنعتی شعبے کی جانب سے طلب سست ہے۔ صنعتی شعبے میں آپریشنز کو مضبوط بنانے اور تیز رفتار ترقی سے مارکیٹ کی ترقی کو فروغ ملے گا۔

بڑھتی ہوئی پٹرولیم ایکسپلوریشن اینڈ پروڈکشن مارکیٹ قدرتی گیس اور پیٹرولیم مصنوعات کی مقامی طلب کو پورا کرنے کے لئے چارج کر رہی ہے جس کے نتیجے میں پیٹرولیم مصنوعات کے درآمدی بل میں کمی واقع ہو رہی ہے۔

تیل اور گیس کی صنعت میں، اس وقت متعدد ریفاٹری منصوبوں پر کام جاری ہے یا مستقبل کے لئے منصوبہ بندی کی گئی ہے۔ ان منصوبوں کا مقصد پٹرولیم مصنوعات کی بڑھتی ہوئی گھریلو طلب کو پورا کرنے میں مدد کرنا ہے۔

بنیادی سرگرمیاں

آپ کی کمپنی بنیادی طور پر طبی/صنعتی گیسوں اور کیمیکلز کی مینوفیکچرنگ، فروخت اور تجارت میں مصروف ہے۔

مالیاتی کارکردگی

الحمد للہ گزشتہ سال کے مقابلے میں آپ کی کمپنی کی فروخت اور حتمی نتائج کی کارکردگی میں نمایاں اضافہ ہوا ہے۔

اللہ تعالیٰ کے فضل و کرم سے تمام منفی عوامل کے باوجود آپ کی کمپنی گزشتہ سال کے مقابلے میں سیلز/ٹرن اوور کو بہتر بنانے میں کامیاب رہی۔ 30 جون 2024ء کو ختم ہونے والے سال کے دوران آپ کی کمپنی نے مجموعی فروخت 6,395 ملین روپے پر بند کی جبکہ گزشتہ سال کے اختتام پر فروخت

5,111 ملین روپے تھی جو فروخت میں 25 فیصد اضافے کو ظاہر کرتی ہے۔ مجموعی منافع 1460 ملین روپے سے بڑھ کر 1613 ملین روپے ہو گیا جو مجموعی منافع میں 10 فیصد اضافہ ظاہر کرتا ہے۔ تقسیم کے اخراجات میں کمی آئی ہے جبکہ انتظامی اخراجات میں اضافہ ہوا جو کہ بالترتیب 25 فیصد کمی اور 12 فیصد اضافہ ہے۔ تمام منفی معاشی عوامل کے باوجود آپ کی کمپنی کا آپریٹنگ منافع 1,674 ملین روپے رہا جو گزشتہ سال کے 1,306 ملین روپے کے آپریٹنگ منافع کے مقابلے میں اس سال فروخت میں نمایاں اضافے کی وجہ سے ہے۔

شرح سود میں نمایاں اضافے کے باعث فنانس لاگت 374 ملین روپے سے بڑھ کر 389 ملین روپے ہو گئی۔ تاہم فروخت کے حجم میں خاطر خواہ اضافے کے باعث بعد از ٹیکس منافع گزشتہ سال کے اسی عرصے کے 508 ملین روپے کے مقابلے میں بڑھ کر 786 ملین روپے ہو گیا۔ پچھلے سال کے مقابلے میں فی حصص آمدنی 1.58 روپے ہو گئی جبکہ پچھلے سال کمپنی کی فی حصص آمدنی 1.06 روپے تھی۔

30 جون، 2024 کو ختم ہونے والے سال کے لئے آپ کی کمپنی کے کلیدی مالی نتائج کا موازنہ درج ذیل ہے:

| Particulars | Rupees in '000' Except EPS | | Variance | |
|--|----------------------------|-------------|-----------|------|
| | Jun-24 | Jun-23 | Rs. 000 | % |
| Sales | 6,394,859 | 5,111,123 | 1,283,736 | 25 |
| Cost of sales | (3,824,876) | (2,872,358) | (952,518) | 33 |
| Gross profit | 1,612,511 | 1,459,838 | 152,673 | 10 |
| Distribution cost | (144,685) | (193,425) | 48,740 | (25) |
| Administrative expenses | (242,069) | (215,623) | (26,446) | 12 |
| Other income | 551,108 | 330,934 | 220,174 | 67 |
| Profit from operations | 1,673,850 | 1,306,022 | 367,828 | 28 |
| Finance cost | (389,367) | (374,382) | (14,985) | 4 |
| Profit before taxation, minimum and final tax levies | 1,284,483 | 931,640 | 352,843 | 38 |
| Taxation | (498,676) | (423,749) | (74,927) | 18 |

ڈائریکٹرز رپورٹ

معزز شیئر ہولڈرز

السلام علیکم ورحمۃ اللہ وبرکاتہ

آپ کی کمپنی (غنی کیمیکل انڈسٹریز لمیٹڈ) کے ڈائریکٹرز کمپنیز ایکٹ 2017 کے تقاضوں کی تعمیل میں 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی حسابات پیش کرنے پر خوش ہیں۔

قومی معیشت کا جائزہ

پاکستان کی معیشت اس وقت انتہائی مشکل دور سے گزر رہی ہے۔ قوم کو اپنی معیشت کو بہتر بنانے میں دوہرے چیلنج کا سامنا ہے۔ ہمیں میکرو اکنامک استحکام برقرار رکھتے ہوئے ترقی حاصل کرنی ہے۔ یہ غیر معمولی حالات مختصر اور طویل مدت میں معیشت کی بحالی کے لیے ایک بہت ہی جامع اور اسٹریٹجک اخراجات کا مطالبہ کرتے ہیں۔

مالی سال 2024 میں پاکستان کی معیشت میں معتدل بحالی کا تجربہ ہوا، جی ڈی پی میں 2.38 فیصد اضافہ ہوا، جو گزشتہ سال کے 0.21 فیصد سکڑاؤ کے مقابلے میں نمایاں بہتری ہے۔ صنعتی شعبے نے مالی سال 2023 میں 3.74 فیصد کمی کے مقابلے میں 1.21 فیصد کی نمو کے ساتھ بحالی کی۔ زرعی شعبے میں متاثر کن نمود دیکھنے میں آئی اور اس میں 6.25 فیصد اضافہ ہوا۔ یہ 19 سال میں سب سے زیادہ ہے۔ سخت مانیٹری اور مالیاتی پالیسیوں، ریکارڈ زرعی پیداوار اور مستحکم کرنسی کی بدولت جون 2024 میں ہیڈ لائن افراط زر کم ہو کر 12.6 فیصد رہ گئی۔

تجارتی خسارہ مالی سال 2024 میں 12.3 فیصد کم ہوا جو مالی سال 2023 کے 27.47 ارب ڈالر سے کم ہو کر 24.09 ارب ڈالر رہ گیا جس کی وجہ برآمدات میں 10.54 فیصد اضافہ اور درآمدات میں 0.84 فیصد کمی ہے۔ یہ کمی کم گھریلو طلب، موثر درآمدی انتظام اور عالمی اجناس کی گرتی ہوئی قیمتوں کی عکاسی کرتی ہے۔ کارکنوں کی ترسیلات زر 10.7 فیصد اضافے کے ساتھ 30.25 ارب ڈالر تک پہنچ گئیں جو گزشتہ سال 27.33 ارب ڈالر تھیں۔ تجارتی خسارے میں کمی اور ترسیلات زر میں اضافے کی وجہ سے کرنٹ اکاؤنٹ خسارہ 79 فیصد کم ہو کر 0.681 ارب ڈالر رہ گیا جو ایک سال قبل 3.275 ارب ڈالر تھا۔ براہ راست غیر ملکی سرمایہ کاری 17 فیصد اضافے کے ساتھ 1.90 ارب ڈالر رہی جو گزشتہ سال 1.63 ارب ڈالر تھی۔

غیر ملکی زرمبادلہ کے ذخائر 23 جولائی 2024 تک بڑھ کر 14.7 ارب ڈالر ہو گئے جن میں اسٹیٹ بینک کے پاس 9.4 ارب ڈالر اور کمرشل بینکوں کے پاس 5.3 ارب ڈالر شامل ہیں۔ 29 جولائی 2024 کو اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ کو 16 ماہ کی کم بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) نے پیش گوئی کی ہے کہ مالی سال 2024-25 میں پاکستان کی معیشت 3.5 فیصد ترقی کرے گی۔



FINANCIAL STATEMENT



**INDEPENDENT AUDITORS' REPORT
 TO THE MEMBERS OF GHANI CHEMICAL INDUSTRIES LIMITED**

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **GHANI CHEMICAL INDUSTRIES LIMITED** (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2024, and the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017). In the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

| S.No. | Key audit matters | How the matter was addressed in our audit |
|-------|---|---|
| 1. | Revaluation of property, plant and equipment (notes 5.2 & 6) Under IAS 16 (Property, plant and equipment), the management carries its freehold land and leasehold land under revaluation model. | Our audit procedures, amongst others, included the following: - evaluated the competence, capabilities and objectivity of the independent external property valuation Expert engaged by the management as management Expert for valuation; |

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Principal Office:
 HM House

| S.No. | Key audit matters | How the matter was addressed in our audit |
|-------|--|--|
| | <p>Under the said model, if fair value can be measured reliably, an entity may carry all items of property, plant and equipment of a class at a revalued amount, which is the fair value of the items at the date of revaluation less any subsequent accumulated depreciation.</p> <p>As at June 30, 2024 the carrying value of freehold land and leasehold land aggregated Rs.2,334.929 million. The fair value of the Company's freehold land and leasehold land were assessed by management based on independent valuations performed by an external property valuation Expert as at May 07, 2024.</p> <p>Freehold land has been revalued on the basis of present market value whereas leasehold land has been revalued on the basis of present (realisable) market value. This technique requires significant judgment as to estimating the revalued amounts in terms of their quality, structure, layout and locations.</p> <p>We identified valuation of freehold land and leasehold land as a key audit matter due to the significant carrying values and the significant management judgment and estimation involved in determining their values due to factors described above.</p> | <ul style="list-style-type: none"> - obtained understanding of the valuation process and techniques adopted by the valuation Expert to assess the reasonableness of the reports; - obtained the valuation reports of external valuation Expert and tested mathematical accuracy of the reports; and - assessed the adequacy of the related disclosures in the annexed financial statements. |
| 2. | <p>Financing obligations and compliance with related covenant requirements (note 22)</p> <p>At the reporting date, the Company has outstanding long term financing facilities aggregating Rs.2,098 million including Rs.835.262 million obtained during the current year, which constitute approximately 30% of total liabilities of the Company.</p> | <p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> - reviewed terms and conditions of financing agreements entered into by the Company with various banks and financial institutions; - circularised direct balance confirmations to banks and financial institutions and verified receipts and payments from relevant statements; - reviewed maturity analysis of financing to ascertain the classification of financing as per their remaining maturities; |

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| S.No. | Key audit matters | How the matter was addressed in our audit |
|-------|--|--|
| 3. | <p>The Company's key operating / performance indicators including liquidity, gearing and finance cost are directly influenced by the additions to the portfolio of financing. Further, new financing arrangements entail additional financial and non-financial covenants for the Company to comply with.</p> <p>The significance of new financing obtained during the year along with the sensitivity of compliance with underlying financing covenants are considered a key area of focus during the audit and therefore, we have identified this as a key audit matter.</p> <p>3. Contingencies</p> <p>The Company is subject to material litigations involving different Courts pertaining to taxation and other matters, which require management to make assessments and judgments with respect to likelihood and impact of such litigations on the unconsolidated financial statements of the Company.</p> <p>The management has engaged independent legal counsels on these matters.</p> <p>The assessment of provisioning against such litigations is a complex exercise and requires significant judgments to determine the level of certainty on these matters.</p> <p>The details of contingencies along with management's assessments are disclosed in note 32 to these unconsolidated financial statements.</p> | <ul style="list-style-type: none"> - assessed the status of compliance with financing covenants and also inquired from the management with regard to their ability to ensure future compliance with the covenants; - checked on test basis the calculations of finance cost recognised in the statement of profit or loss; and - assessed the adequacy of disclosures made in respect of the long term financing obligations in the financial statements. <p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> - discussed legal cases with the internal legal department of the Company to understand the management's view point, obtained and reviewed the litigation documents to assess the facts and circumstances; - obtained opinions from legal counsels dealing with such cases in the form of confirmations; - evaluated the possible outcome of these legal cases in line with the requirements of IAS 37 (Provisions, contingent liabilities and contingent assets); and - disclosures of legal exposures and provisions were assessed for completeness and accuracy. |

Information Other than the Unconsolidated Financial Statements and Auditors' Report Thereon

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

The engagement partner on the audit resulting in this independent auditors' report is Nafees ud din.

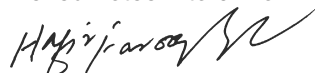
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Shinewing Hameed Chaudhri & Co.
SHINewing HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

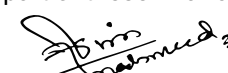
GHANI CHEMICAL INDUSTRIES LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

| | | 2024 | 2023 |
|--|-------------|---------------------------|--------------------------|
| | | | Restated |
| Assets | Note | Rupees in thousand | |
| Non-current assets | | | |
| Property, plant and equipment | 5 | 10,568,886 | 7,210,169 |
| Right of use assets | 6 | 547,649 | 498,874 |
| Intangible assets | 7 | 1,479 | 1,479 |
| Long term investments | 8 | 20,075 | 0 |
| Long term deposits | 9 | 66,616 | 67,193 |
| | | <u>11,204,705</u> | <u>7,777,715</u> |
| Current assets | | | |
| Stores, spares and loose tools | 10 | 362,135 | 313,845 |
| Stock-in-trade | 11 | 160,587 | 79,375 |
| Trade debts | 12 | 2,142,223 | 1,108,225 |
| Loans and advances | 13 | 1,336,248 | 1,494,459 |
| Deposits, prepayments and other receivables | 14 | 590,358 | 443,570 |
| Tax refunds due from Government | 15 | 93,841 | 34,230 |
| Prepaid tax levies | | 516 | 0 |
| Advance income tax | 16 | 421,970 | 440,031 |
| Short term investments | 17 | 100,000 | 911,000 |
| Cash and bank balances | 18 | 468,054 | 525,173 |
| | | <u>5,675,932</u> | <u>5,349,908</u> |
| Total assets | | <u>16,880,637</u> | <u>13,127,623</u> |
| Equity and liabilities | | | |
| Share capital and reserves | | | |
| Share capital | 19 | 5,001,879 | 5,001,879 |
| Share premium | 20 | 164,011 | 164,011 |
| Revaluation surplus on freehold and leasehold land | 21 | 735,087 | 497,278 |
| Merger reserve | 1.4 | 1,342,746 | 1,342,746 |
| Unappropriated profit | | 2,609,851 | 1,824,044 |
| Total equity | | <u>9,853,574</u> | <u>8,829,958</u> |
| Non-current liabilities | | | |
| Long term finances | 22 | 1,640,536 | 1,270,043 |
| Redeemable capital - Sukuk | 23 | 800,000 | 0 |
| Long term security deposits | 24 | 70,136 | 49,091 |
| Lease liabilities | 25 | 5,858 | 5,805 |
| Deferred liabilities | 26 | 832,854 | 662,816 |
| | | <u>3,349,384</u> | <u>1,987,755</u> |
| Current liabilities | | | |
| Trade and other payables | 27 | 313,738 | 350,095 |
| Contract liabilities | 28 | 644,340 | 59,745 |
| Accrued profit | 29 | 336,120 | 122,787 |
| Unclaimed dividend | | 491 | 491 |
| Short term borrowings | 30 | 1,580,482 | 1,127,439 |
| Current portion of non-current liabilities | 31 | 486,870 | 407,883 |
| Provision for tax levies | | 212,217 | 160,709 |
| Taxation | | 103,421 | 80,761 |
| | | <u>3,677,679</u> | <u>2,309,910</u> |
| Total liabilities | | <u>7,027,063</u> | <u>4,297,665</u> |
| Contingencies and commitments | 32 | | |
| Total equity and liabilities | | <u>16,880,637</u> | <u>13,127,623</u> |

The annexed notes 1 to 54 form an integral part of these financial statements.



Hafiz Farooq Ahmad
(Chief Executive Officer)



Asim Mahmud
(Chief Financial Officer)




Atique Ahmad Khan
(Director)

GHANI CHEMICAL INDUSTRIES LIMITED
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

| | | 2024 | 2023 Restated |
|--|-----------|-------------------------|-------------------------|
| | Note | Rupees in thousand | |
| Sales | 33 | 6,394,859 | 5,111,123 |
| Less: sales tax | 33 | (957,472) | (778,927) |
| Sales - net | | <u>5,437,387</u> | 4,332,196 |
| Cost of sales | 34 | (3,824,876) | (2,872,358) |
| Gross profit | | <u>1,612,511</u> | 1,459,838 |
| Distribution cost | 35 | (144,685) | (193,425) |
| Administrative expenses | 36 | (242,069) | (215,623) |
| Other expenses | 37 | (103,015) | (75,702) |
| Other income | 38 | 551,108 | 330,934 |
| | | <u>61,339</u> | (153,816) |
| Profit from operations | | <u>1,673,850</u> | 1,306,022 |
| Finance cost | 39 | (389,367) | (374,382) |
| Profit before taxation, minimum and final tax levies | | 1,284,483 | 931,640 |
| Minimum and final tax levies | 40 | (210,789) | (151,817) |
| Profit before taxation | | 1,073,694 | 779,823 |
| Taxation | 41 | (287,887) | (271,932) |
| Profit after taxation | | <u>785,807</u> | 507,891 |
| Other comprehensive income | | | |
| Surplus arisen upon revaluation of: | | | |
| - freehold land | 5.2 | 123,040 | 246,080 |
| - leasehold land | 5.2 & 6.1 | 114,769 | 251,198 |
| | | <u>237,809</u> | 497,278 |
| Total comprehensive income for the year | | <u><u>1,023,616</u></u> | <u><u>1,005,169</u></u> |
| | | ----- Rupees ----- | |
| Earnings per share | 42 | <u><u>1.58</u></u> | <u><u>1.06</u></u> |

The annexed notes 1 to 54 form an integral part of these financial statements.



Hafiz Farooq Ahmad
(Chief Executive Officer)



Asim Mahmud
(Chief Financial Officer)



Atique Ahmad Khan
(Director)

GHANI CHEMICAL INDUSTRIES LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

| | Capital reserves | | | Revenue reserve unappropriated profit | Total | |
|---|------------------|---------------|--|---------------------------------------|-----------|----------------|
| | Share capital | Share premium | Revaluation surplus on freehold and leasehold land | | | Merger reserve |
| ----- Rupees in thousand ----- | | | | | | |
| Balance as at June 30, 2022 - Restated | 4,347,163 | 300,000 | 298,727 | 1,342,746 | 1,316,153 | 7,604,789 |
| Transactions with owners: | | | | | | |
| - Proceeds from right shares issued | 220,000 | 0 | 0 | 0 | 0 | 220,000 |
| - Bonus shares issued | 434,716 | (135,989) | (298,727) | 0 | 0 | 0 |
| Total comprehensive income for the year ended June 30, 2023 | 0 | 0 | 497,278 | 0 | 507,891 | 1,005,169 |
| Balance as at June 30, 2023 | 5,001,879 | 164,011 | 497,278 | 1,342,746 | 1,824,044 | 8,829,958 |
| Total comprehensive income for the year ended June 30, 2024 | 0 | 0 | 237,809 | 0 | 785,807 | 1,023,616 |
| Balance as at June 30, 2024 | 5,001,879 | 164,011 | 735,087 | 1,342,746 | 2,609,851 | 9,853,574 |

The annexed notes 1 to 54 form an integral part of these financial statements.



Hafiz Farooq Ahmad
(Chief Executive Officer)



Asim Mahmud
(Chief Financial Officer)




Atique Ahmad Khan
(Director)

GHANI CHEMICAL INDUSTRIES LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2024

| | | 2024 | 2023 |
|--|------|----------------------|--------------------|
| | Note | (Rupees in thousand) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit for the year - before taxation, minimum and final tax levies | | 1,284,483 | 931,640 |
| Adjustments for non-cash charges and other items: | | | |
| Finance cost | 39 | 389,367 | 374,382 |
| Gain on disposal of operating fixed assets | 5.3 | (74,185) | (7,469) |
| Depreciation | 5.6 | 176,432 | 157,404 |
| Amortisation of right-of-use assets | 6 | 14,332 | 10,782 |
| Amortisation of intangible assets | 7 | 0 | 1,235 |
| Allowance for expected credit loss | 12.1 | 5,000 | 4,337 |
| Profit before working capital changes | | 1,795,429 | 1,472,311 |
| Effect on cash flows due to working capital changes | | | |
| (Increase) / decrease in current assets: | | | |
| Stores, spares and loose tools | | (48,290) | (67,091) |
| Stock-in-trade | | (81,212) | 55,885 |
| Trade debts | | (1,038,998) | (199,893) |
| Loan and advances | | 158,211 | (772,933) |
| Deposits, prepayments and other receivables | | (146,788) | (10,165) |
| Short term investments | | 811,000 | (252,000) |
| Tax refunds due from Government | | (59,611) | (10,369) |
| Increase in trade and other payables and contract liabilities | | 548,238 | 66,786 |
| | | 142,550 | (1,189,780) |
| Cash generated from operations | | 1,937,979 | 282,531 |
| Income tax, minimum and final tax levies paid | | (222,672) | (245,881) |
| Net cash generated from operating activities | | 1,715,307 | 36,650 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Fixed capital expenditure | | (3,529,549) | (1,105,749) |
| Proceeds from sale of operating fixed assets | | 243,287 | 66,823 |
| Proceeds from sale of long term and held-for-sale investments - net | | 0 | 626,704 |
| Long term investments made in Subsidiaries | | (20,075) | 0 |
| Long term deposits | | 577 | 0 |
| Net cash used in investing activities | | (3,305,760) | (412,222) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from issue of right shares | | 0 | 220,000 |
| Long term finances | | 597,012 | 608,150 |
| Redeemable capital - Sukuk: | | | |
| - issued | 23 | 800,000 | 0 |
| - redeemed | 23 | (162,500) | (216,667) |
| Long term security deposits - net | | 21,045 | 4,825 |
| Short term borrowings | | 453,043 | (237,125) |
| Lease liabilities | | 69 | (432) |
| Finance cost paid | | (175,335) | (333,174) |
| Net cash generated from financing activities | | 1,533,334 | 45,577 |
| Net decrease in cash and cash equivalents | | (57,119) | (329,995) |
| Cash and cash equivalents - at beginning of the year | 18 | 525,173 | 855,168 |
| Cash and cash equivalents at end of the year | 18 | 468,054 | 525,173 |

The annexed notes 1 to 54 form an integral part of these financial statements.


 Hafiz Farooq Ahmad
 (Chief Executive Officer)


 Asim Mahmud
 (Chief Financial Officer)


 Atique Ahmad Khan
 (Director)

GHANI CHEMICAL INDUSTRIES LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1. LEGAL STATUS AND OPERATIONS

1.1 Ghani Chemical Industries Ltd. (the Company) was incorporated in Pakistan as a private limited company on November 23, 2015 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and was converted into a public limited company on April 20, 2017. The Company is principally engaged in manufacturing, sale and trading of medical & industrial gases and chemicals. The registered office and head office of the Company are situated at 10-N, Model Town Extension, Lahore whereas production facilities are situated at Phool Nagar, District Kasur and Industrial Zone, Port Qasim, Karachi. The Company's liaison office is situated in Sangjani, District Rawalpindi.

The Company is a Subsidiary of Ghani Global Holdings Ltd., which holds 279,905,983 (2023: 279,905,983) ordinary shares of the Company representing 55.96% (2023: 58.53%) of its paid-up capital as at June 30, 2024.

As per the Scheme of Compromises, Arrangement and Reconstruction (the Scheme), as sanctioned by the Lahore High Court, Lahore on February 06, 2019, the Holding Company had transferred its manufacturing undertaking to the Company on July 08, 2019 after the effective date.

1.2 Merger of GTECH with and into GCIL

G3 Technologies Ltd. (GTECH - formerly Service Fabrics Ltd.) was incorporated in Pakistan on December 01, 1987 as a Public Limited Company under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017 on May 30, 2017). Name of the Company was changed to G3 Technologies Ltd. on November 17, 2021. The shares of GTECH were quoted on Pakistan Stock Exchange Ltd. GTECH was domiciled in Pakistan and its registered office was situated at 10-N, Model Town Extension, Lahore. GTECH had also changed its principal business from selling of fabrics to manufacturing and trading of chemicals.

The Board of Directors (the Board) of GTECH in their meeting held on April 14, 2022 has decided to merge GTECH with and into Ghani Chemical Industries Ltd. (GCIL - an Associated Company). The Board has also filed a petition before the Lahore High Court, Lahore (LHC) for sanctioning the Scheme of Merger after completion of all related formalities. The Board has also held Extraordinary General Meeting of GTECH on May 07, 2022 for approval of disinvestment of 22,000,000 ordinary shares of Ghani Chemical Industries Ltd. The LHC has approved the joint petition filed by the Company and GTECH vide its order dated October 11, 2022.

The Court has specified December 31, 2021 as the effective date of merger. As a result of the merger, from and on the effective date:

(i) The undertaking of GTECH as at the effective date stood transferred to and vested in GCIL.

(ii) The transfer / vesting was subject to the existing charges / mortgages / hypothecation, if any. There were, however, no charges / mortgages / hypothecation registered on the assets of GTECH.

(iii) The moveable assets of GTECH were transferred and became property of GCIL as its integral part.

(iv) All the immovable assets and properties and other rights, connections including listing status with Pakistan Stock Exchange Ltd. (PSX) and CDS rights with Central Depository Company of Pakistan Ltd. (CDC) etc. of GTECH stood transferred in the name of GCIL on the effective date.

(v) All the liabilities of GTECH as at the effective date stood transferred and vested in GCIL so as to become as and from the effective date the debts, liabilities and obligations of GCIL.

(vi) All the assets of GTECH under the Scheme as at the effective date stood transferred to GCIL. This included properties of all kinds, moveable or immovable, tangible or intangible, leasehold property, stocks, receivables and book debts, advances, deposits, prepayments, investments, cash and bank balances.

(vii) All the legal proceedings instituted, causes, suits, appeals, petitions, revisions of whatever nature by or against GTECH in the Court of Law pending on the effective date would be continued, prosecuted and enforced by or against GCIL as if this Scheme had not been made. Such legal proceedings would stand transferred to GCIL.

(viii) All the banking, whether current, deposit, investment, saving and other accounts maintained in the name of GTECH stood transferred to GCIL.

(ix) Listing status of GTECH with PSX and eligibility status with CDC along with all privileges, rights and liabilities of GTECH with PSX and CDC stood transferred in the name of GCIL.

(x) All the utility licenses, connections, meters and other facilities for electricity, gas, water and telecommunications stood transferred to GCIL.

(xi) All the titles of land and other immovable property registered in the name of GTECH stood transferred to GCIL.

(xii) All the employment contracts and obligations there under of GTECH stood transferred to GCIL.

As a result of merger of GTECH with and into GCIL and on fulfilment of relevant requirements, GTECH was delisted from the Pakistan Stock Exchange Ltd. with effect from November 14, 2022. Trading in shares of GTECH was already suspended and the shares of surviving entity (GCIL) were issued to the shareholders of GTECH as per the swap ratio.

1.3 Accounting policy for merger

GCIL has adopted the following accounting policy that involves accounting for the assets and liabilities of GTECH using existing carrying values i.e. the values at the cut-off date:

(i) - the acquired assets and liabilities have been recorded at their existing carrying values (at the cut-off date).

(ii) - no goodwill has been recorded.

(iii) - the difference between consideration transferred and net of carrying amount of the assets and liabilities received from GTECH (at the cut-off date), after taking effect of any adjustments due to intercompany balances and investments, has been recognised within equity as merger reserve.

(iv) - any intercompany balances and investments have been eliminated.

1.4 Financial effect of merger based on reviewed financial statements of GTECH for the period of six months ended December 31, 2021

GCIL has acquired assets and assumed liabilities of GTECH as detailed below:

| | Carrying amounts as at December 31, 2021 Rupees in thousand |
|--|--|
| Assets | |
| Property, plant and equipment | 262,497 |
| Long term investments | 409,989 |
| Stores, spares and loose tools | 26,923 |
| Trade debts | 36,275 |
| Loans and advances | 10,081 |
| Tax refunds due from Government | 17,760 |
| Short term investments | 1,380,000 |
| Cash and bank balances | 47,235 |
| | <u>2,190,760</u> |
| Liabilities | |
| Trade and other payables | 95,715 |
| Unclaimed dividends | 491 |
| Taxation | 2,195 |
| | <u>98,401</u> |
| Net assets acquired | <u>2,092,359</u> |
| Share capital issued to shareholders of GTECH | <u>(749,613)</u> |
| Merger reserve (gain arisen upon merger of GTECH with and into GCIL) | <u>1,342,746</u> |

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan 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 from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention, except where otherwise specifically stated.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees, which is the Company's functional currency. All financial information has been rounded-off to the nearest thousand of Rupees unless otherwise stated.

2.4 Critical accounting estimates, assumptions and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognised prospectively.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- Useful lives, residual values and depreciation method of property, plant and equipment.
- Provision for impairment of inventories.
- Allowance for expected credit loss.
- Impairment loss of non-financial assets other than inventories.
- Estimation of provisions.
- Estimation of contingent liabilities.
- Provisions for current taxation, minimum tax and final tax levies and recognition of deferred tax asset (for carried forward tax losses).

The revisions to accounting estimates, if any, are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future year if the revision affects both current and future years.

3. CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

3.1 Standards and amendments to approved accounting standards that are effective and relevant

There are certain amendments and interpretations to the accounting and reporting standards, which are mandatory for accounting periods beginning on or after July 01, 2023. However, these do not have any significant impact on the Company's financial statements.

3.2 Standards and amendments to approved accounting standards that are not yet effective

There are standards and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2024. However, these are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

4. MATERIAL ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these unconsolidated financial statements are the same as those applied in the preparation of the unconsolidated financial statements of the Company for the year ended June 30, 2023, except as detailed in note 4.1:

4.1 IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes (the Guidance) issued by ICAP

The Institute of Chartered Accountants of Pakistan (ICAP) has issued the aforementioned Guidance through Circular No. 07 / 2024 dated May 15, 2024. In light of the said Guidance, as the minimum taxes and final taxes are not calculated on the 'taxable income' as defined in IAS 12 (Income Taxes) but calculated on turnover or other basis (as per relevant sections of the Income Tax Ordinance, 2001 - the Ordinance); accordingly, minimum taxes and final taxes should be accounted for under IAS 37 (Provisions, contingent liabilities and contingent assets) / IFRIC 21 (Levies) as levies (though these are charged under tax law) and not under IAS 12 as income taxes. Based on the Guidance, the minimum taxes under the Ordinance are hybrid taxes, which comprise of a component within the scope of IAS 12 and a component within the scope of IFRIC 21.

The aforesaid Guidance has been applied retrospectively by the Company and the comparative information has been restated, which has not affected current year or prior years' net sales, profit after taxes and levies, equity and cash flows. Impact as of July 01, 2022 is not material to these unconsolidated financial statements. In accordance with the requirements of IAS 1 (Presentation of financial statements), the balances as at June 30, 2023 have been restated and third statement of financial position as of July 01, 2022 has not been presented due to immaterial impact.

In the unconsolidated statement of profit or loss for the year ended June 30, 2023, in terms of the requirements of IFRIC 21 / IAS 37 (the requirements), minimum tax and final tax aggregating Rs.151.817 million, which were previously presented as 'taxation' have now been reclassified as 'minimum and final tax levies'.

In the unconsolidated statement of financial position as at June 30, 2023, in terms of the aforementioned requirements, minimum tax aggregating Rs.160.709 million, which was previously presented as 'Taxation' has now been reclassified as 'Provision for tax levies'.

4.2 Property, plant and equipment

a) Owned

Measurement

Items of property, plant and equipment other than freehold and leasehold land are measured at cost less accumulated depreciation and impairment loss, if any. Freehold and leasehold land are stated at revalued amounts.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Normal repairs and maintenance costs are charged to statement of profit or loss as and when incurred.

Revaluation

Increases in the carrying amounts arising on revaluation of freehold and leasehold land are recognised, in statement of other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in statement of profit or loss, the increase is first recognised in statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognised in statement of other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to statement of profit or loss.

Depreciation

Depreciation is charged to statement of profit or loss using the reducing balance method. Depreciation on additions to property, plant and equipment is charged from the date on which the asset is acquired or capitalised, while no depreciation is charged from the date on which the asset is disposed-off.

De-recognition

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

Judgment and estimates

The useful lives, residual values and depreciation method are reviewed and adjusted, if appropriate, at each year-end. The effect of any change in estimates is accounted for on a prospective basis.

b) Right of use assets and related liabilities

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company.

The lease liabilities are initially measured at the present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. At initial recognition, liabilities have been discounted using the Company's incremental borrowing rate. Lease payment includes fixed payments with annual increments. The lease liabilities are subsequently measured at amortised cost using the effective interest rate.

Right-of-use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use assets are depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The carrying amount of the right-of-use asset is reduced by impairment losses, if any.

c) Capital work-in-progress

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

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

4.3 Intangible assets - Software

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

Software is amortised using straight line method at the rate given in note 7.1 to these financial statements. Amortisation is charged to statement of profit or loss from the date on which the asset is available for use. Amortisation on additions is charged on pro-rata basis from the date on which asset is put to use, while for disposals, amortisation is charged upto the date of disposal.

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

4.4 Investments - Subsidiaries

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

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

4.5 Stores, spares and loose tools

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

4.6 Stock-in-trade

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

| Particulars | Mode of valuation |
|-----------------------------|---|
| - Raw and packing materials | At weighted average cost. |
| - Work-in-process | At weighted average manufacturing cost. |
| - Finished goods | At weighted average manufacturing cost. |
| - Items in transit | Cost comprise invoice values plus other charges incurred thereon. |

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

4.7 Trade and other receivables

Trade and other receivables are stated initially at fair value and subsequently measured at amortised cost. Allowance is made on the basis of lifetime expected credit losses that result from all possible default events over the expected life of the trade debts and other receivables. Bad debts are written-off when considered irrecoverable.

4.8 Loans, advances, prepayments and trade deposits

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

4.9 Cash and cash equivalents

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

4.10 Trade and other payables

Trade and other payables are initially measured at cost, which is the fair value of the consideration to be paid in future for goods and services, whether or not billed to the Company.

4.11 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently measured at amortised cost using the effective interest rate method.

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of that asset.

4.12 Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognised at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled or expired. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of profit or loss.

a) Financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- i) amortised cost where the effective interest rate method is applied;
- ii) fair value through profit or loss; and
- iii) fair value through other comprehensive income.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are either recorded in statement of profit or loss or other comprehensive income (OCI).

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Further, financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicate that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

Impairment of financial assets

The Company assesses on a historical as well as forward-looking basis, the expected credit loss (ECL) as associated with its trade debts. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the ECL model:

- Trade debts
- Bank balances

Simplified approach for trade debts

The Company recognises life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Recognition of loss allowance

The Company recognises an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Write-off

The Company writes-off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written-off result in impairment gains.

b) Financial Liabilities

Classification, initial recognition and subsequent measurement

Financial liabilities are classified in the following categories:

- i) fair value through profit or loss; and
- ii) other financial liabilities.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in case of other financial liabilities also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

i) Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

ii) Other financial liabilities

After initial recognition, other financial liabilities which are interest bearing subsequently measured at amortised cost, using the effective interest rate method. Gains and losses are recognised in statement of profit or loss for the year, when the liabilities are derecognised as well as through effective interest rate amortisation process.

Derecognition of financial liabilities

The Company derecognises financial liabilities when and only when the Company's obligations are discharged, cancelled or expired.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amount and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

4.13 Impairment of non-financial assets other than inventories

The assets that are subject to depreciation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised. The Company recognises the reversal immediately in the statement of profit or loss.

4.14 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably.

- Revenue from sale of goods or rendering of services is recognised when performance obligations are satisfied by transferring control (i.e. at the time when deliveries are made or services are rendered) of a promised good or service to a customer, and control either transfers over time or at a point in time. Revenue from sale of goods and rendering of services is measured net of sales tax, returns and trade discounts.
- Dividend income is recognised when the Company's right to receive dividend is established, i.e. on the date of books closure of the investee company declaring the dividend.
- Gains and losses arising on disposal of investments are included in income in the year in which these are disposed-off.
- Return on bank deposits is recognised on time proportion basis using the effective rate of return.

Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods and services to a customer before the customer pays its consideration or before payment is due.

Contract liabilities

Contract liability is the obligation of the Company to transfer goods and services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods and services, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs its performance obligations under the contract.

4.15 Foreign currency transactions

Foreign currency transactions are recorded in Pak Rupees using the exchange rates prevailing at the date of transactions. Monetary assets and liabilities in foreign currencies are translated in Pak Rupees at the rates of exchange prevailing at the reporting date. Exchange gains and losses are taken to statement of profit or loss.

4.16 Taxation

Taxation comprises of current tax and deferred tax.

Income tax expense is recognised in the statement of profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any, in which case the tax amounts are recognised directly in other comprehensive income or equity.

(a) Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any. The charge for current year also includes adjustments where necessary, relating to prior years which arise from assessments framed / finalised during the year.

(b) Deferred

Deferred tax is recognised using the statement of financial position liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts appearing in the financial statements. Deferred tax liability is recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that temporary differences will reverse in the future and taxable income will be available against which the temporary differences can be utilised. Deferred tax is charged or credited to the statement of profit or loss.

Deferred tax asset and liability is measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

4.17 Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

4.18 Related party transactions

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

4.19 Provisions

Provisions are recognised when the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, prices and conditions, and can take place many years in future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustment to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

4.20 Contingent liabilities

A contingent liability is disclosed when the Company

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

4.21 Employees' benefits

Defined contribution plan

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

Compensated absences

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

4.22 Segment reporting

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

Segment assets and liabilities include items directly attributable to segment as well as those that can be allocated on a reasonable basis. Segment assets consist primarily of property, plant & equipment, stores, spares & loose tools and stock-in-trade. Segment liabilities comprise of long term finances, lease liabilities, short term borrowings and trade & other payables.

On the basis of its internal reporting structure, the Company has two reportable segments i.e. Industrial & Medical Gases and Industrial Chemicals.

4.23 Deferred income - government grant

Government grant is initially measured at fair value; after initial recognition, it is measured at amortised cost using the effective interest rate method.

4.24 Dividend and appropriation to reserves

Dividend distribution to the Company's shareholders and appropriation to reserves are recognised in the period in which these are approved.

5. PROPERTY, PLANT AND EQUIPMENT

| | Note | 2024 | 2023 |
|-------------------------------------|------|--------------------|------------------|
| | | Rupees in thousand | |
| Operating fixed assets | 5.1 | 6,792,002 | 6,241,673 |
| Capital work-in-progress | 5.8 | 3,158,662 | 209,889 |
| Stores held for capital expenditure | | 618,222 | 758,607 |
| | | <u>10,568,886</u> | <u>7,210,169</u> |

5.1 Operating fixed assets - tangible

| | Freehold land | Leasehold land | Buildings | Plant and machinery | Furniture and fixtures | Office equipment | Computers | Vehicles | Total |
|--|------------------|----------------|----------------|---------------------|------------------------|------------------|--------------|----------------|------------------|
| -----Rupees in thousand----- | | | | | | | | | |
| As at June 30, 2022 | | | | | | | | | |
| Cost / revaluation | 1,040,320 | 189,751 | 464,441 | 4,961,147 | 37,742 | 11,867 | 13,873 | 148,009 | 6,867,150 |
| Accumulated depreciation | 0 | 47 | 190,200 | 716,530 | 20,418 | 3,247 | 10,689 | 56,837 | 997,968 |
| Book value | 1,040,320 | 189,704 | 274,241 | 4,244,617 | 17,324 | 8,620 | 3,184 | 91,172 | 5,869,182 |
| Year ended June 30, 2023 | | | | | | | | | |
| Additions | 0 | 0 | 0 | 51,757 | 11,719 | 623 | 1,526 | 92,248 | 157,873 |
| Leasehold land transferred from held-for-sale category | 0 | 52,250 | 0 | 0 | 0 | 0 | 0 | 0 | 52,250 |
| Revaluation adjustments | 246,080 | 132,999 | 0 | 0 | 0 | 0 | 0 | 0 | 379,079 |
| Depreciation | 0 | 47 | 0 | 0 | 0 | 0 | 0 | 0 | 47 |
| Disposals: | | | | | | | | | |
| - cost / revaluation | 56,000 | 0 | 0 | 198 | 0 | 0 | 0 | 11,300 | 67,498 |
| - accumulated depreciation | 0 | 0 | 0 | (49) | 0 | 0 | 0 | (8,095) | (8,144) |
| | 56,000 | 0 | 0 | 149 | 0 | 0 | 0 | 3,205 | 59,354 |
| Depreciation charge for the year | 0 | 0 | 27,424 | 97,037 | 2,214 | 909 | 1,218 | 28,602 | 157,404 |
| Book value | 1,230,400 | 375,000 | 246,817 | 4,199,188 | 26,829 | 8,334 | 3,492 | 151,613 | 6,241,673 |
| Year ended June 30, 2024 | | | | | | | | | |
| Additions | 0 | 7,178 | 516 | 399,257 | 3,875 | 3,235 | 2,365 | 304,735 | 721,161 |
| Revaluation adjustments (note 5.2) | 123,040 | 51,662 | 0 | 0 | 0 | 0 | 0 | 0 | 174,702 |
| Disposals: | | | | | | | | | |
| - cost / revaluation | 0 | 0 | 0 | 53,573 | 0 | 544 | 0 | 147,463 | 201,580 |
| - accumulated depreciation | 0 | 0 | 0 | (2,062) | 0 | (283) | 0 | (30,133) | (32,478) |
| - cost | 0 | 0 | 0 | 51,511 | 0 | 261 | 0 | 117,330 | 169,102 |
| Depreciation charge for the year | 0 | 0 | 24,724 | 97,912 | 2,885 | 1,048 | 1,336 | 48,527 | 176,432 |
| Book value | 1,353,440 | 433,840 | 222,609 | 4,449,022 | 27,819 | 10,260 | 4,521 | 290,491 | 6,792,002 |
| As at June 30, 2023 | | | | | | | | | |
| Cost / revaluation | 1,230,400 | 375,000 | 464,441 | 5,012,706 | 49,461 | 12,490 | 15,399 | 228,957 | 7,388,854 |
| Accumulated depreciation | 0 | 0 | 217,624 | 813,518 | 22,632 | 4,156 | 11,907 | 77,344 | 1,147,181 |
| Book value | 1,230,400 | 375,000 | 246,817 | 4,199,188 | 26,829 | 8,334 | 3,492 | 151,613 | 6,241,673 |
| As at June 30, 2024 | | | | | | | | | |
| Cost / revaluation | 1,353,440 | 433,840 | 464,957 | 5,358,390 | 53,336 | 15,181 | 17,764 | 386,229 | 8,083,137 |
| Accumulated depreciation | 0 | 0 | 242,348 | 909,368 | 25,517 | 4,921 | 13,243 | 95,738 | 1,291,135 |
| Book value | 1,353,440 | 433,840 | 222,609 | 4,449,022 | 27,819 | 10,260 | 4,521 | 290,491 | 6,792,002 |
| 240,000 | | | | | | | | | |
| Depreciation rate (% - per annum) | | 50-100 years | 10% | Machine hours | 10% | 10% | 30% | 20% | |

5.2 The Company, during May, 2024, has again carried-out revaluations of its freehold and leasehold land situated at :

- 52 - Km, Phool Nagar, District Kasur
- Mouza Parna, Phool Nagar, Tehsil Pattoki, District Kasur
- Plot Nos. 7 and 8, 9 to 12, B2, 13-24, B3, B4, Zone - B, Hattar.

The revaluation exercises have been carried-out by independent Valuers [Unicorn International Surveyors, 74-B , Gulberg II, Lahore.]. Freehold land has been revalued on the basis of present market values whereas leasehold land has been revalued on the basis of estimated prevailing lease rate. These revaluations have resulted in revaluation surplus aggregating Rs.174.702 million as worked-out below:

| | Rupees in thousand |
|--|-------------------------------|
| (a) Cost / revalued amount of freehold land as at May 07, 2024 | 1,230,400 |
| Revalued amount as at May 07, 2024 | 1,353,440 |
| Revaluation surplus arisen upon revaluation | <u><u>123,040</u></u> |
| (b) Cost / revalued amount of leasehold land as at May 07, 2024 | 382,178 |
| Revalued amount as at May 07, 2024 | 433,840 |
| Revaluation surplus arisen upon revaluation | <u><u>51,662</u></u> |
| (c) Had there been no revaluations, book value of freehold and leasehold land would have been Rs.76.463 million (2023: Rs.76.463 million) and Rs.200.991 million (2023: Rs.193.813 million) respectively as at June 30, 2024. | |
| (d) Based on the aforementioned revaluation reports, the forced sale values of the revalued freehold and leasehold land have been assessed at Rs.1,429.824 million (2023: Rs.1,284.320 million). | |

5.3 Particulars of operating fixed assets disposed-off during the year:

| Description | Cost | Accumulated depreciation | Book value | Sale proceeds | Gain/(loss) | Particulars of Purchaser |
|--|------------------|--------------------------|------------|---------------|-------------|--|
| | -----Rupees----- | | | | | Sold through negotiation |
| Items with individual net book value exceeding Rs. 500,000 each | | | | | | |
| Plant & machinery | | | | | | |
| Oxyfuel Plant Borosilicate | 53,547 | (2,061) | 51,486 | 70,000 | 18,514 | Ghani Global Glass Ltd. (a related party) |
| Vehicles | | | | | | |
| Toyota Camry Vehicle | 14,607 | (2,950) | 11,657 | 20,000 | 8,343 | Muhammad Asad Khan Niazi (a third party). |
| Honda Civic | 10,453 | 0 | 10,453 | 10,750 | 297 | Shehryar Ghazanfar (a third party). |
| Crown Majesta | 14,660 | (9,616) | 5,044 | 22,000 | 16,956 | Malik Shafique (a third party). |
| Land Cruiser | 47,523 | 0 | 47,523 | 56,800 | 9,277 | Muhammad Afzal (a third party). |
| Honda City | 1,930 | (1,325) | 605 | 3,675 | 3,070 | Mr. Shahid Ayub (employee). |
| Toyota Fortuner | 4,698 | (3,255) | 1,443 | 2,119 | 676 | Mr. Ashraf Bawany (Company Director). |
| Toyota Crown | 32,867 | 0 | 32,867 | 37,000 | 4,133 | Malik Shafique (a third party). |
| Honda Civic | 2,714 | (1,998) | 716 | 1,224 | 508 | Syed Sibtul Hassan Gilani (employee). |
| Mercedes Benz A 200 Sedan | 10,516 | (4,676) | 5,840 | 15,500 | 9,660 | Malik Shafique (a third party). |
| | 139,968 | (23,820) | 116,148 | 169,068 | 52,920 | |
| Aggregate value of items having individual book value not exceeding Rs. 500,000 each | | | | | | |
| Plant and machinery | 26 | (1) | 25 | 105 | 80 | |
| Vehicles | 7,495 | (6,313) | 1,182 | 4,056 | 2,874 | |
| Office equipment | 544 | (283) | 261 | 58 | (203) | |
| Total | 2024 | 201,580 | (32,478) | 169,102 | 243,287 | 74,185 |
| Total | 2023 | 67,498 | (8,144) | 59,354 | 66,823 | 7,469 |

5.4 Particulars of immovable property in the name of the Company are as follows:

| Location | Usage of immovable property | Total Area | Covered Area |
|--|--------------------------------|---------------------------------|--------------|
| | | | In sq. ft. |
| - 52 - Km, Phool Nagar, District Kasur | Manufacturing facility (gases) | 113 Kanals 8 marlas and 90 feet | 67,031 |
| - Mouza Parna, Phool Nagar, Tehsil Pattoki, District Kasur | Industrial land | 83 Kanals and 9 Marlas | - |
| - Plot Nos. 7 and 8, 9 to 12, B2, 13-24, B3,B4, Zone - B, Hattar | Industrial land | 157.76 Kanals (19.72 Acres) | - |

5.5 As at June 30, 2024, plant and machinery include vacuum insulated evaporator tanks installed at various customers' sites for supply of gas products. These assets are secured against deposits as disclosed in note 24. Cost and book value of these vacuum insulated evaporator tanks were as follows:

| | Note | 2024 Rupees in thousand | 2023 |
|------------|------|----------------------------|---------|
| Cost | | 207,724 | 187,619 |
| Book value | | 159,953 | 144,602 |

5.6 Depreciation charge on operating fixed assets has been allocated as follows:

| | | | |
|-------------------------|----|----------------|----------------|
| Cost of sales | 34 | 120,959 | 122,162 |
| Administrative expenses | 36 | 55,473 | 35,242 |
| | | <u>176,432</u> | <u>157,404</u> |

5.7 Leasehold land rights located at Hattar under KPEZDMC is still under provisional allotment; therefore, at the reporting date, this has been carried as leasehold land.

5.8 **Capital work in progress** (plant and machinery) - at cost

| | Note | 2024 | 2023 |
|-----------------------------|------|--------------------|----------------|
| | | Rupees in thousand | |
| Opening balance | | 209,889 | 20,667 |
| Additions during the year | 5.9 | 2,962,909 | 189,222 |
| Capitalised during the year | | (14,136) | 0 |
| Closing balance | | <u>3,158,662</u> | <u>209,889</u> |

5.9 These include expenditure aggregating Rs.1,516.179 million (2023: Rs.135.891 million) relating to installation of new plant (Liquid Air Separation Unit) and expenditure aggregating Rs.1,439.404 million (2023: Rs.61.242 million) relating to Calcium Carbide plant at Hattar, KPK.

5.10 During the year, borrowing cost at the rates ranging from 21.67% to 25.53% (2023: 17.96% to 23.44%) per annum amounting Rs.363.580 million (2023: Rs.74.143 million) has been included in the cost of plant and machinery.

6. **RIGHT OF USE ASSETS**

| | | | |
|-------------------------------|-----|----------------|----------------|
| Opening balance | | 500,000 | 400,283 |
| Revaluation increment | 6.1 | 63,107 | 118,152 |
| Revaluation adjustment - cost | | (13,107) | (18,435) |
| | | <u>550,000</u> | <u>500,000</u> |

Amortisation

| | | | |
|---|-----|----------------|----------------|
| Opening balance | | 1,126 | 8,779 |
| Revaluation adjustment - accumulated amortisation | | (13,107) | (18,435) |
| Amortised during the year | 6.4 | 14,332 | 10,782 |
| | | <u>2,351</u> | <u>1,126</u> |
| Closing balance | | <u>547,649</u> | <u>498,874</u> |

6.1 The Company, during May, 2024, has again carried-out revaluation of leasehold land situated at Plot No. A-53, Chemical Area, East Industrial Zone, Port Qasim, Karachi with an area of 40 Kanals having covered area of 17,045 sq. ft. The revaluation exercise has been carried out by independent Valuers [Unicorn International Surveyors, 74-B, Gulberg II, Lahore]. Leasehold land has been revalued on the basis of present market rate of project land and it has resulted in revaluation surplus of Rs.63.107 million as worked-out below:

| | Rs. in thousand |
|--|-----------------|
| Carrying value of leasehold land as at May 07, 2024 | 486,893 |
| Revalued amount of leasehold land as at May 07, 2024 | 550,000 |
| Revaluation surplus arisen upon revaluation | <u>63,107</u> |

6.2 Had there been no revaluation, book value of leasehold land would have been Rs.24.724 million (2023: Rs.25.441 million).

6.3 Based on the aforementioned revaluation report dated May 07, 2024, the forced sale value of the revalued leasehold land has been assessed at Rs.440 million (2023: Rs.400 million)

6.4 Amortisation charge for the year on right of use assets has been calculated by using straight line method over the lease terms i.e. ranging from 40 to 50 years and grouped under administrative expenses.

7. INTANGIBLE ASSETS

| | Note | 2024 Rupees in thousand | 2023 |
|-----------------------------------|------|----------------------------|---------------|
| Cost | | | |
| Balance at year-end | | 14,808 | 14,808 |
| Amortisation | | | |
| Opening balance | | 13,329 | 12,094 |
| Amortised during the year | | 0 | 1,235 |
| | | <u>13,329</u> | <u>13,329</u> |
| Carrying value at year-end | | <u>1,479</u> | <u>1,479</u> |

7.1 No amortisation has been charged for the current year as carrying value represents 10% residual value (2023: amortisation was charged at the rate of 20% of cost and allocated to administrative expenses.)

8. LONG TERM INVESTMENTS - At cost

Subsidiary Companies

Ghani Gases (Pvt.) Ltd. (GGPL)

999,997 ordinary shares of Rs. 10 each 8.1 10,075 0
Shareholding held: 99.9%

- Value of investments based on net assets shown in the audited financial statements for the year ended June 30, 2024
Rs. 9.013 million

Ghani Power (Pvt.) Ltd. (GPPL)

999,997 ordinary shares of Rs. 10 each 8.2 10,000 0
Shareholding held: 99.9%

- Value of investments based on net assets shown in the audited financial statements for the year ended June 30, 2024
Rs. 9.650 million

| | |
|---------------|----------|
| <u>20,075</u> | <u>0</u> |
|---------------|----------|

8.1 GGPL was incorporated in Pakistan under the Companies Act, 2017 (XIX of 2017) as a private limited company on May 18, 2020. The principal business of GGPL is to carry on the business of manufacturers, buyers, sellers, importers, exporters, dealers and traders of all types of gases including LPG and LNG for use in industries, hospitals, houses, factories and all types of chemicals including petro-chemicals and their derivatives and importers, exporters and manufacturers of and dealers in heavy chemicals, alkalis, acids, drugs, tannins, essences, pharmaceutical, surgical and scientific apparatus and materials.

8.2 GPPL was incorporated in Pakistan as a private limited company on March 15, 2024 under the Companies Act, 2017. The principal line of business of GPPL is to carry on all or any of the businesses of generating, purchasing, importing, transforming, converting, manufacturing, distributing, supplying, exporting and dealing in power, electricity, oil, gas, hydrocarbons, petrochemicals, petroleum solar, hydel power plants and petroleum products, asphalt, bituminous substances or services associated therewith and all other forms of energy and energy related products / services including all kinds of efficient use of energy and to perform all other acts which are necessary or incidental to the above businesses and related products. GPPL has not commenced its commercial operations till the reporting date.

| 9. LONG TERM DEPOSITS - Considered good | | 2024 | 2023 |
|--|-------------|---------------------------|---------------|
| Security deposits against: | Note | Rupees in thousand | |
| - utility bills | 9.1 | 64,873 | 64,873 |
| - rented premises | | 1,743 | 1,734 |
| - ljarah finance facilities | | 0 | 586 |
| | | 66,616 | 67,193 |

9.1 These deposits are being held for an indefinite period with no fixed maturity date; therefore, have been carried at cost, as amortised cost is impractical to determine.

10. STORES, SPARES AND LOOSE TOOLS

| | | | |
|-------------|--|----------------|----------------|
| Stores | | 56,413 | 53,996 |
| Spare parts | | 305,269 | 259,487 |
| Loose tools | | 453 | 362 |
| | | 362,135 | 313,845 |

11. STOCK IN TRADE

| | | | |
|-----------------------------------|--|----------------|---------------|
| Finished goods - industrial gases | | 79,595 | 64,057 |
| - industrial chemicals | | 80,992 | 15,318 |
| | | 160,587 | 79,375 |

12. TRADE DEBTS - Unsecured

| | | | |
|------------------------------------|-------------|------------------|------------------|
| Considered good | 12.4 | 2,142,223 | 1,108,225 |
| Considered doubtful | | 24,856 | 19,856 |
| | | 2,167,079 | 1,128,081 |
| Allowance for expected credit loss | 12.1 | (24,856) | (19,856) |
| | | 2,142,223 | 1,108,225 |

12.1 Allowance for expected credit loss

| | | | |
|--------------------------------------|--|---------------|---------------|
| Opening balance | | 19,856 | 16,027 |
| Charge for the year | | 5,000 | 4,337 |
| Balances written-off during the year | | 0 | (508) |
| Closing balance | | 24,856 | 19,856 |

12.2 Trade debts aggregating Rs.659.861 million (2023: Rs.396.069 million) were either past due or overdue but not impaired as allowance for expected credit loss. These balances relate to various customers, primarily Government organisations, with whom there was no recent history of default. The ageing analysis of these trade debts is as follows:

| | Note | 2024 Rupees in thousand | 2023 |
|-----------------|------|----------------------------|----------------|
| Up to 1 month | | 90,348 | 122,244 |
| 31 to 60 days | | 75,868 | 42,182 |
| 61 to 90 days | | 58,007 | 37,449 |
| 91 to 180 days | | 173,570 | 51,121 |
| 181 to 365 days | | 114,077 | 74,900 |
| Above 365 days | | 147,991 | 68,173 |
| | | 659,861 | 396,069 |

12.3 Receivables from the government institutions aggregate Rs.659.861 million as at June 30, 2024 (2023: Rs.396.069 million)

12.4 The balance includes receivable from Ghani Global Glass Ltd. (a related party) amounting Rs.68.182 million as at June 30, 2024 (2023: Rs. 87.696 million).

13. LOAN AND ADVANCES

Unsecured, considered good

| | | | |
|---------------------------------|------|------------------|------------------|
| - to employees against expenses | | 4,107 | 4,853 |
| - to employees against salaries | | 2 | 92 |
| - to suppliers and contractors | | 149,515 | 205,691 |
| Due from related parties | 13.1 | 1,122,278 | 778,635 |
| Letters of credit | | 61,831 | 506,673 |
| | | 1,337,733 | 1,495,944 |
| Allowance for impairment | | (1,485) | (1,485) |
| | | 1,336,248 | 1,494,459 |

13.1 Due from related parties

Ghani Global Glass Ltd. (GGGL)
(including accrued mark-up and common allocation of expenses aggregating Rs.172.805 million (2023: Rs. 43.155 million) **13.2**

1,019,397 778,363

Ghani Global Holdings Ltd.
(the Holding Company)
(including accrued mark-up aggregating Rs.5.581 million (2023:Rs.Nil) **13.3**

102,881 272

1,122,278 **778,635**

- 13.2** Maximum amounts due from GGGL, including mark-up, at the end of any month during the year was Rs.1,087.578 million (2023: Rs.866.519 million).
- 13.3** Maximum amount due from the Holding Company, including mark-up, at the end of any month during the year was Rs.102.881 million (2023: Rs.0.272 million).
- 13.4** The Company's shareholders, vide special resolution dated April 03, 2023 pursuant to the requirements of section 199 of the Companies Act, 2017, have authorised the Company to make investment upto Rs. 900 million in GGGL by way of advances and loans, as and when required by GGGL. The advances carry mark-up at the rate of 3 months KIBOR + 150 bps ; the effective mark-up rates charged by the Company during the year ranged from 22.96% to 24.40% (2023 : 16.82% to 23.58%) per annum.
- 13.5** The Company's shareholders, vide special resolution dated April 03, 2023 pursuant to the requirements of section 199 of the Companies Act, 2017, have authorised the Company to make investment upto Rs. 100 million in the Holding Company by way of advances and loans, as and when required by the Holding Company. The advances carry mark-up at the rate of 3 months KIBOR + 85 bps ; the effective mark-up rates charged by the Company during the year ranged from 22.31% to 23.75% per annum.

| 14. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES | Note | 2024 | 2023 |
|--|-------------|---------------------------|-------------|
| | | Rupees in thousand | |
| Trade deposits | | 197,036 | 143,597 |
| Prepayments | | 10,442 | 9,512 |
| Bank profit receivable | | 811 | 4,244 |
| Letters of credit margins | | 4,136 | 0 |
| Advances to suppliers | | 9,216 | 0 |
| Advances to construction contractor | 14.1 | 178,379 | 75,879 |
| Other receivable | 14.2 | 190,338 | 210,338 |
| | | 590,358 | 443,570 |

- 14.1** This represents advance made to Baig Construction Company against civil works for Hattar project.
- 14.2** This represents advance made to Digital Custodian Company Ltd. against sale of shares.

15. TAX REFUNDS DUE FROM GOVERNMENT

| | | |
|----------------------------|---------------|--------|
| Sales tax refundable - net | 93,841 | 34,230 |
|----------------------------|---------------|--------|

16. ADVANCE INCOME TAX

| | | |
|-------------------------------------|------------------|-----------|
| Opening balance | 440,031 | 417,798 |
| Paid during the year | 289,712 | 245,881 |
| Refunds received during the year | (67,556) | 0 |
| | 662,187 | 663,679 |
| Adjusted against income tax payable | (240,217) | (223,648) |
| | 421,970 | 440,031 |

| 17. SHORT TERM INVESTMENTS | Note | 2024 | 2023 |
|---|--|--------------------|------------------|
| | | Rupees in thousand | |
| Term deposit receipts | | <u>100,000</u> | <u>911,000</u> |
| 18. CASH AND BANK BALANCES | | | |
| Cash-in-hand | | 899 | 392 |
| Cash at banks on: | | | |
| - current accounts | | <u>209,190</u> | <u>233,583</u> |
| - deposit accounts | 18.1 | <u>257,965</u> | <u>291,198</u> |
| | | <u>467,155</u> | <u>524,781</u> |
| | | <u>468,054</u> | <u>525,173</u> |
| 18.1 | These carry profit at the rates ranging from 12.76% to 19.50% (2023: 5.97% to 17.08%) per annum. | | |
| 19. SHARE CAPITAL | | | |
| 19.1 Authorised share capital | | | |
| 800,000,000 ordinary shares of Rs.10 each | | 8,000,000 | 8,000,000 |
| 50,000,000 Class B shares of Rs.10 each | | 500,000 | 500,000 |
| | 19.3 | <u>8,500,000</u> | <u>8,500,000</u> |
| 19.2 Issued, subscribed and paid up share capital | | 2024 | 2023 |
| | Note | Rupees in thousand | |
| 53,525,000 ordinary shares of Rs.10 each fully paid in cash | | 535,250 | 535,250 |
| 100,000,000 ordinary shares of Rs.10 each issued for consideration other than cash i.e. Scheme of Arrangement | | 1,000,000 | 1,000,000 |
| 10,000,000 ordinary shares issued as right shares of Rs.10 each fully paid in cash | | 100,000 | 100,000 |
| 239,701,600 ordinary shares of Rs.10 each issued as fully paid bonus shares | 19.4 | 2,397,016 | 2,397,016 |
| 74,961,338 ordinary shares of Rs.10 each issued upon merger of GTECH with and into the Company | | 749,613 | 749,613 |
| 22,000,000 Class B shares of Rs.10 each | 19.5 | 0 | 220,000 |
| 22,000,000 Class B shares converted into ordinary shares of Rs.10 each | | 220,000 | 0 |
| | | <u>5,001,879</u> | <u>5,001,879</u> |

- 19.3** The authorised share capital of the Company, during the preceding year, was increased from Rs.5.500 billion divided into 550,000,000 ordinary shares of Rs.10 each to Rs.8.500 billion divided into 800,000,000 ordinary shares of Rs.10 each and 50,000,000 Class B shares of Rs.10 each.
- 19.4** The balance includes 43,471,634 ordinary shares of Rs.10 each issued as fully paid bonus shares in the proportion of 10 ordinary shares for every 100 ordinary shares held during the preceding financial year.
- 19.5** The Company, during the preceding year, had issued 22,000,000 class B shares at the rate of Rs.10 per share. This right issue was made at the rate of 8.8045 class B shares for every 100 existing ordinary shares. These class B shares have been converted into ordinary shares during the current financial year as per the conversion ratio of 1:1.

| 19.6 | Shares held by related parties | Note | 2024 | 2023 |
|-------------|---------------------------------------|-------------|---------------------------|--------------------|
| | | | (Number of Shares) | |
| | Ghani Global Holdings Ltd. | | 279,905,983 | 279,905,983 |
| | Ghani Products (Pvt.) Ltd. | | 91,911,490 | 86,631,490 |
| | | | 371,817,473 | 366,537,473 |

20. SHARE PREMIUM

| | 2024 | 2023 |
|--|---------------------------|----------------|
| | Rupees in thousand | |
| Opening balance | 164,011 | 300,000 |
| Less: premium utilised during the preceding year upon issuance of 434,716,338 bonus shares | 0 | (135,989) |
| Balance as at June 30, | 164,011 | 164,011 |

21. REVALUATION SURPLUS ON FREEHOLD AND LEASEHOLD LAND

| | | | |
|--|------------|----------------|----------------|
| Opening balance | | 497,278 | 298,727 |
| Surplus on revaluations of freehold and leasehold land carried-out during the year | 5.1 | 174,702 | 379,126 |
| Surplus on revaluations of leasehold land carried-out during the year | 6.1 | 63,107 | 118,152 |
| Less: surplus utilised during the preceding year upon issuance of 434,716,338 bonus shares | | 0 | (298,727) |
| Balance as at June 30, | | 735,087 | 497,278 |

| 22. | LONG TERM FINANCES | Note | 2024 | 2023 |
|----------------------------------|--|-------|--------------------|-----------|
| From banking companies - secured | | | Rupees in thousand | |
| | Diminishing Musharakah | 22.2 | 0 | 1,279 |
| | Diminishing Musharakah | 22.3 | 750 | 750 |
| | Diminishing Musharakah | 22.4 | 136,348 | 245,440 |
| | Diminishing Musharakah and Islamic Refinance Facility | 22.5 | 2,286 | 11,429 |
| | Diminishing Musharakah | 22.6 | 500,000 | 0 |
| | Diminishing Musharakah (ITERF) | 22.7 | 330,159 | 395,835 |
| | Long Term Islamic Finance Facility | 22.8 | 384,612 | 283,176 |
| | Diminishing Musharakah | 22.9 | 499,993 | 499,993 |
| | From Islamic Financial Institution - secured | | | |
| | Diminishing Musharakah | 22.10 | 192,281 | 4,029 |
| | Others | | | |
| | From sponsoring directors - unsecured | 22.11 | 52,000 | 52,000 |
| | | | 2,098,429 | 1,493,931 |
| | Current portion grouped under current liabilities | | (457,893) | (223,888) |
| | | | 1,640,536 | 1,270,043 |
| 22.1 | Balance at beginning of the year | | 1,493,931 | 910,313 |
| | Availed during the year | | 835,262 | 758,314 |
| | Repayments made during the year | | (230,764) | (174,696) |
| | Balance at the end of the year | | 2,098,429 | 1,493,931 |
| 22.2 | This represented Diminishing Musharakah facility having credit limit of Rs.10 million availed from a banking company for purchase of vehicles. The agreement tenor was 3 years and the balance was repayable in 36 instalments ending June, 2024. It carried profit at the rate of 3 months KIBOR + 1% and was secured against ownership of Musharakah assets jointly in the bank's and customer's name. | | | |
| 22.3 | This represents Diminishing Musharakah facilities having credit limit of Rs.5.987 million and Rs.37.711 million availed from a banking company to finance machinery & equipment. The facilities were available upto July, 2022 and May, 2023 respectively. The facilities carried profit at the rate of 1 year KIBOR + 0.80% and 6 months KIBOR + 0.80% respectively. These facilities are secured against first pari passu charge of Rs.110 million over fixed assets, first specific charge of Rs.17.500 million over imported assets and equitable mortgage over land and buildings. These facilities have been matured during the preceding financial year and the management is negotiating with the bank for final settlement. | | | |
| 22.4 | This represents Diminishing Musharakah facility having credit limit of Rs.450 million availed from a banking company to finance machinery and equipment; the facility tenor is 5 years including 1 year grace period. The balance is repayable in 16 equal quarterly instalments and carries profit at the rate of 3 months KIBOR + 1%. The facility is secured against pari passu charge with 25% margin aggregating Rs.600 million over all plant and machinery of the Company. The banking company has allowed moratorium of one year under SBP BPRD circular no. 13/2020; accordingly, repayment has commenced from October, 2021. | | | |

22.5**Diminishing Musharakah and Islamic refinance facility**

| | 2024 | 2023 |
|------------------------------|---------------------------|-------------|
| | Rupees in thousand | |
| Opening balance | 11,429 | 39,186 |
| Payment made during the year | (9,143) | (28,080) |
| Deferred income | 0 | 323 |
| | 2,286 | 11,429 |

This represents Diminishing Musharakah and Islamic refinance facility having credit limit of Rs.110 million under Islamic Refinance Scheme for payment of salaries and wages to workers and employees of the Company to dampen the effect of Covid-19 for a period of 2.5 years including six months grace period. The outstanding balance of salary finance was fully repaid during the preceding year. The repayment of salary loan was made in 8 equal quarterly instalments after a grace period and commenced from January, 2021. It carried profit at the rate of 3%. The facility is secured against first pari passu charge of Rs.96 million over plant & machinery and personal guarantees of three sponsoring Directors of the Company.

The year end balance represents Diminishing Musharakah facility to retire letter of credit of Oxy Fuel Plant and carries profit at the rate of 6 months KIBOR + 1%. The outstanding balance is fully repayable by July, 2024.

22.6 This represents long term Diminishing Musharakah finance facilities having credit limit of Rs.500 million availed from a banking company during November, 2023 for retirement of letters of credit established through other banks for import of Air Separation Plant (275 tons) or its components / equipment or to finance CAPEX related to Industrial & Medical Plant at Hattar Economic Zone. The finance facility carries profit at 3 months KIBOR + 1% and its tenor is six years inclusive of two years grace period. The finance facility is secured against charge of Rs.667 million over fixed assets (land, buildings, plant and machinery) of the Company, cross corporate guarantee of the Holding Company (Ghani Global Holdings Ltd.) and personal guarantees of three sponsoring directors of the Company.

22.7

(a) This represents Diminishing Musharakah facility having credit limit of Rs.439 million under State Bank of Pakistan (SBP) ITERF Scheme to finance capital expenditure requirements related to procuring Gaseous Air Separation Unit (ASU); draw down has been allowed in multiple tranches. The facility tenor is 8 years including 2 years grace period; repayment will be made in 24 quarterly instalments and commenced from May, 2023. It carries profit at SBP rate + 4% per annum. The facility is secured against exclusive charge over operating fixed assets (excluding land and buildings) of the new unit for Rs.625 million, first pari passu charge of Rs.625 million over all present and future fixed assets of the Company, personal guarantees of sponsoring directors of the Company and assignment of receivables.

(b) As the above finance is below market rate of mark-up, this has been initially measured at its fair value i.e. the present value of the future cash flows discounted at prevailing market mark-up rate . The difference between the fair value of the finance on initial recognition and the amount received has been accounted for as Government grant.

(c) The Company, during the preceding year, has recorded Rs.33.679 million as Government grant on finances obtained at below market rate of mark-up as per the requirements of IAS 20 (Accounting for government grants and disclosure of government assistance).

(d) The Company has adhered to the terms of the grant; hence, this is being amortised at average borrowing cost rate of the Company. An amount of Rs. 7.486 million (2023:Rs.8.824 million) has been recognised in the current's year statement of profit or loss in this regard and this amount has been adjusted against finance cost for the year.

22.8 This Long Term Islamic Finance Facility (LTIFF) has been obtained during the preceding year from a banking company. The facility has a credit limit of Rs.500 million and has been obtained to meet CAPEX requirements of the Company; the facility tenor is 6 years including one year grace period. The balance is repayable in 20 equal quarterly instalments ending December, 2028. It carries profit at the rate of 3 months KIBOR + 1.50%. The facility is secured against first pari passu hypothecation charge of Rs.667 million over all present and future fixed assets of the Company inclusive of 25% margin.

22.9 This represents Diminishing Musharakah facility obtained during the preceding year having credit limit of Rs.500 million. The facility has been availed from a banking company to finance project at Hattar for setting up an additional manufacturing plant of medical and industrial gases; the facility tenor is six years including 1.5 years grace period. The balance is repayable in 18 equal quarterly instalments ending December, 2028. It carries profit at the rate of 3 months KIBOR + 0.90%. The facility is secured against first pari passu / joint pari passu charge over all existing and future fixed assets of the Company with 25% margin and personal guarantees of three sponsoring directors.

22.10 These Islamic finance facilities carry profit at the rates ranging from 3 to 6 months KIBOR + 1%. These Islamic finance facilities having credit limit of Rs.260 million (2023: Rs.51.275 million) are secured against ownership of Musharakah assets in favour of a financial institution. These finance facilities are repayable in monthly instalments ending November, 2026. These finance facilities are secured against ownership of vehicles in the name of financial institution and post dated cheques of all instalments.

22.11 These loans have been provided by sponsoring Directors to meet capital expenditure requirements of the Company and are repayable after 5 years at the discretion of the lenders. Profit rates on these loans range from 1 month KIBOR and profit is payable on monthly basis.

| 23. REDEEMABLE CAPITAL - Sukuk | 2024 Rupees 000' |
|---|-----------------------------|
| Opening balance as at June 30, 2023 | 162,500 |
| Sukuk certificates redeemed during the year | (162,500) |
| Sukuk certificates issued during the year | 800,000 |
| Closing balance as at June 30, 2024 | 800,000 |

- 23.1** The Company had issued rated, privately placed and secured long term Islamic Certificates (Sukuk) as instrument of redeemable capital under section 120 of the Companies Ordinance, 1984 (now the Companies Act, 2017) amounting Rs.1,300 million divided into 13,000 certificates of Rs.100,000 each for a period of 6 years under an agreement dated November 15, 2016 for swapping of financing facilities and to meet business requirements. These certificates were redeemable in 24 consecutive quarterly instalments commenced from February 03, 2017 and ended on February 03, 2024. Rentals were payable on quarterly basis along with redemption of certificates. These carried profit rate of 3 months KIBOR plus 1%. These certificates were secured against first pari passu charge over present and future fixed assets of the Company to the extent of Rs.1,625 million. The banking company had allowed moratorium of one year; consequently, repayment of instalments for the months of May, 2020 to February, 2021 were deferred for one year. The balance of these Sukuk Certificates was fully redeemed during the current year.
- 23.2** The Company, during the year, has issued rated, privately placed and secured long term Islamic Certificates (Sukuk) as instrument of redeemable capital under section 66 of the Companies Act, 2017 (Issue of securities and redeemable capital not based on interest) upto Rs.800 million for a period of 6 years under an agreement dated December 13, 2022 to finance capital expenditure requirements at Hattar Industrial Estate, Hattar, which includes plants, machinery, spares and auxiliary equipment, etc. Principal will be repaid in 16 consecutive quarterly instalments after expiry of 24 months from the date of last disbursement i.e. January 16, 2024. These carry profit at the rate of 3 months KIBOR plus 1.25% with no floor and no cap. These certificates are secured against first pari passu charge over present and future fixed assets of the Company inclusive of 25% margin.

24. LONG TERM SECURITY DEPOSITS

These security deposits have been utilised for the purpose of the business in accordance with written agreements. These represent amounts received from the customers on installation of certain equipment and may be used in ordinary course of the Company's business under the provisions of section 217 of the Companies Act, 2017. The Company, during the year, has received deposits aggregating Rs.23.370 million and repaid / adjusted deposits aggregating Rs.2.325 million.

| | 2024 | 2023 |
|---|---------------------------|-------------|
| | Rupees in thousand | |
| 25. LEASE LIABILITIES | | |
| Lease liabilities | 6,190 | 6,121 |
| Less: current portion grouped under current liabilities | 332 | 316 |
| | 5,858 | 5,805 |
| 25.1 Movement of lease liabilities | | |
| Balance at beginning of the year | 6,121 | 6,040 |
| Profit charge for the year | 532 | 513 |
| Payment made during the year | (463) | (432) |
| Balance at end of the year | 6,190 | 6,121 |
| Maturity analysis of undiscounted lease payments | | |
| Payable upto one year | 332 | 316 |
| Payable between one to five years | 1,924 | 1,832 |
| Payable after five years | 27,670 | 28,126 |
| | 29,926 | 30,274 |

25.2 Amortisation for the year on right of use assets has been calculated by straight line method over the lease terms i.e. ranging from 40 to 50 years and grouped under administrative expenses. Right of use assets represent leasehold land, which is located at 53 - A, Industrial Zone, Bin Qasim, Karachi with an area of 40 kanals having covered area of 217,800 sq. ft.

| 26. DEFERRED LIABILITIES | Note | 2024 | 2023 |
|-------------------------------------|-------------|---------------------------|----------------|
| | | Rupees in thousand | |
| Gas infrastructure development cess | 26.1 | 0 | 7,991 |
| Deferred income - Government grant | 26.2 | 11,107 | 17,369 |
| Deferred taxation | 26.4 | 821,747 | 637,456 |
| | | 832,854 | 662,816 |

26.1 Gas Infrastructure Development Cess (GIDC)

| | | |
|---|-----------------|----------|
| Balance at year-end | 21,684 | 20,578 |
| Interest against provision for GIDC | 699 | 1,106 |
| Closing liability based on present value | 22,383 | 21,684 |
| Current portion grouped under current liabilities | (22,383) | (13,693) |
| | 0 | 7,991 |

The Supreme Court of Pakistan (SCP), during the financial year ended June 30, 2021, had decided the appeal against consumers upholding the vires of Gas Infrastructure Development Cess (GIDC) Act, 2015 through its judgment dated August 13, 2020. The review petition was filed against the judgment, wherein the SCP provided some relief by increasing the time period for recovery of GIDC from 24 instalments to 48 instalments. The review application, however, was dismissed.

The Company has filed a constitutional petition before the Lahore High Court (LHC) challenging the imposition of GIDC amount of Rs.22.638 million. The order of the writ petition was not in favour of the Company, which was challenged in ICA before the LHC.

The Company had recorded provision for GIDC, which was grouped under trade and other payables during the financial year ended June 30, 2020. This amount was classified as non-current liability at its value, by discounting future estimated cash flows using risk free rate of return i.e. 8.60%. This resulted in income of Rs.3.540 million, which was grouped in other income during the financial year ended June 30, 2021.

26.2 Deferred income - Government grant

| | | | |
|---|-------------|----------------|---------------|
| Balance at beginning of the year | 26.3 | 24,855 | 323 |
| Amortised during the year | | (7,486) | (323) |
| | | 17,369 | 0 |
| Government grant recognised during the year | 22.7 | 0 | 33,679 |
| Amortised during the year | 22.7 | 0 | (8,824) |
| | | 0 | 24,855 |
| Current portion grouped under current liabilities | | (6,262) | (7,486) |
| | | 11,107 | 17,369 |

26.3

(a) In response to COVID-19, the State Bank of Pakistan (SBP) through Circular No. 6 of 2020, has introduced a Refinance Scheme for payment of wages and salaries to the workers and employees of business concerns. The Refinance Scheme has been managed through Participating Financial Institutions (PFIs) and funded by SBP. Borrowers obtained loans from PFIs to ease their cash flow constraints and thereby avoid layoffs. The benefit of a government loan at a below-market rate of interest has been treated as a government grant. The loan has been measured in accordance with IFRS 9 (Financial Instruments). The benefit of the below market rate of interest has been measured as the difference between the initial carrying value of loan determined in accordance with IFRS 9 and the proceeds received. The benefit has been accounted for and presented as deferred grant in accordance with IAS 20. The deferred grant has been amortised at average borrowing cost rate of the Company; an amount of Rs.7,486 thousand (2023: Rs.9,147 thousand) has been recognised in the current year statement of profit or loss in this regard.

(b) Also refer contents of note 22.7

26.4 Deferred taxation

| | Note | 2024 Rupees in thousand | 2023 |
|---|------|----------------------------|------------------|
| This is composed of the following: | | | |
| Taxable temporary difference arising in respect of accelerated tax depreciation allowances | | 955,952 | 861,808 |
| Deductible temporary differences arising in respect of: | | | |
| - unused tax losses | | 0 | (19,989) |
| - allowance for expected credit loss | | (7,639) | (5,758) |
| - alternate corporate tax / minimum tax recoverable against normal tax charge in future years | | (126,566) | (198,605) |
| | | (134,205) | (224,352) |
| | | 821,747 | 637,456 |

27. TRADE AND OTHER PAYABLES

| | | | |
|--------------------------------------|------|----------------|----------------|
| Trade creditors | | 59,888 | 252,910 |
| Bills payable | 27.1 | 87,400 | 0 |
| Accrued liabilities | | 83,882 | 24,419 |
| Workers' (profit) participation fund | 27.2 | 10,047 | 18,328 |
| Workers' welfare fund | 27.3 | 65,078 | 46,764 |
| Payable to employees' provident fund | | 0 | 13 |
| Withholding taxes | | 7,443 | 7,661 |
| | | 313,738 | 350,095 |

27.1 These are secured against term deposit receipts as disclosed in note 17.

| 27.2 Workers' (profit) participation fund | Note | 2024 | 2023 |
|---|------|--------------------|---------------|
| | | Rupees in thousand | |
| Opening balance | | 18,328 | 50,382 |
| Paid during the year | | (77,265) | (82,088) |
| Allocation for the year | | 68,984 | 50,034 |
| Closing balance | | <u>10,047</u> | <u>18,328</u> |

| | | | |
|----------------------------|--|---------------|---------------|
| 27.3 Workers' welfare fund | | | |
| Opening balance | | 46,764 | 36,591 |
| Adjusted during the year | | (7,900) | (8,840) |
| Charge for the year | | 26,214 | 19,013 |
| Closing balance | | <u>65,078</u> | <u>46,764</u> |

28. CONTRACT LIABILITIES

The Company, during the year, has recognised revenue aggregating Rs.30.439 million out of the contract liabilities balance outstanding at beginning of the year.

29. ACCRUED PROFIT

Profit accrued on :

| | | | |
|------------------------------|--|----------------|----------------|
| - long term finances | | 245,323 | 65,485 |
| - redeemable capital - Sukuk | | 38,072 | 6,148 |
| - short term borrowings | | 52,725 | 51,154 |
| | | <u>336,120</u> | <u>122,787</u> |

30. SHORT TERM BORROWINGS

| | | | |
|--------------------------------------|------|------------------|------------------|
| From banking companies - secured | 30.1 | 1,570,488 | 1,127,439 |
| Temporary book overdraft - unsecured | 30.2 | 9,994 | 0 |
| | | <u>1,580,482</u> | <u>1,127,439</u> |

30.1 These finances have been obtained under profit arrangements and are secured against charge on present and future current assets, personal guarantees of sponsoring directors of the Company, corporate guarantees of the Holding Company and lien over import documents. These form part of total credit funded facilities of Rs.1,650 million (2023: Rs.1,450 million). The rates of profit range from 18.65% to 24.43% (2023: 11.58% to 23.88%) per annum. These facilities are expiring on various dates by January 2025.

30.2 This temporary book overdraft has arisen due to issuance of cheques for amounts in excess of balance in a bank account.

| 31. CURRENT PORTION OF NON-CURRENT LIABILITIES | Note | 2024 Rupees in thousand | 2023 |
|--|------|----------------------------|----------------|
| Long term finances | 22 | 457,893 | 223,888 |
| Redeemable capital - Sukuk | 23 | 0 | 162,500 |
| Lease liabilities | 25 | 332 | 316 |
| Gas Infrastructure Development Cess | 26.1 | 22,383 | 13,693 |
| Deferred income | 26.2 | 6,262 | 7,486 |
| | | 486,870 | 407,883 |

32. CONTINGENCIES AND COMMITMENTS

Contingencies

- 32.1** The Company has filed two separate constitutional petitions on February 15, 2009 before the Lahore High Court (the LHC), Lahore on the ground that the Company was not required to pay any advance tax on electricity bills due to huge carried forward tax losses and available refunds. The LHC has granted stay orders upon furnishing of bank guarantees in favour of LESCO amounting Rs.3.140 million. The outcome of the cases is pending and the management is hopeful that matter shall be decided in favour of the Company.
- 32.2** During the financial year ended June 30, 2020, the Company has filed a writ petition before the Sindh High Court, Karachi against Federation of Pakistan owing to dispute between K-Electric regarding origination bill including amount of Rs.35.858 million in lieu of Industrial Support Package (ISPA). As per order of the Sindh High Court dated May 05, 2020; the Company has submitted post-dated cheques of the involved amount to the Court for further proceeding of the matter. The management during the current financial year, has made payment of the disputed amount to K-Electric.
- 32.3** The Tax Department has filed references before the Lahore High Court against the orders passed by the Appellate Tribunal in favour of the Company for the Tax Years 2011 and 2014. The references are pending adjudication.
- 32.4** Punjab Revenue Authority vide show cause notice dated March 28, 2024 has raised demands aggregating Rs.101.944 million under section 49 of the Punjab Sales Tax on Services Act, 2012 and the Rules made there under. The Company has filed a writ petition before the Lahore High Court; the petition is pending adjudication.
- 32.5** The Company has filed a petition before the Supreme Court of Pakistan (SCP) against imposition of the Fuel Price Adjustment & Quarterly Tariff Adjustment. Based on the Company's legal advisors certificate, total amount related to the Company is Rs.225.019 million on the basis of actual consumption of electricity. The Company has prayed to SCP to suspend the judgment of the Islamabad High Court dated June 26, 2024. The petition filed before the SCP is pending adjudication.
- 32.6** The Company has filed a writ petition against imposition of FC-Surcharge amounting Rs.14.178 million before the Lahore High Court (LHC). The petition filed before LHC is pending adjudication.

32.7 The un-availed funded and unfunded credit facilities from banks (other than loans from directors) as of reporting date were for Rs.567.880 million (2023: Rs.403.840 million). These limits include credit lines that are interchangeable and may be utilised for either funded facilities or unfunded facilities.

32.8 Bank guarantees aggregating Rs.186.858 million (2023: Rs.133.670 million) have been provided to various customers / institutions against supplies of products.

Commitments

32.9 Commitments in respect of letters of credit amounted to Rs.147.783 million as at June 30, 2024 (2023: Rs.1,943.721 million).

32.10 Commitments for construction of buildings as at June 30, 2024 amounted to Rs.150 million (2023:Rs.200 million).

| 33. SALES | Note | 2024 | 2023 |
|--|-------------|---------------------------|-------------|
| | | Rupees in thousand | |
| Local | | | |
| Gross sales | | | |
| Supplies | | 6,269,968 | 5,052,441 |
| Services | | 59,510 | 58,682 |
| | | 6,329,478 | 5,111,123 |
| Sales / service tax | | (957,472) | (778,927) |
| | | 5,372,006 | 4,332,196 |
| Export | | | |
| Services | | 65,381 | 0 |
| | | 5,437,387 | 4,332,196 |
| 34. COST OF SALES | | | |
| Salaries, wages and other benefits | 34.1 | 136,302 | 101,093 |
| Fuel and power | | 2,772,920 | 1,742,201 |
| Utilities | | 7,091 | 6,919 |
| Consumable stores and spares | | 97,988 | 146,283 |
| Rent, rates and taxes | | 1,125 | 927 |
| Repair and maintenance | | 6,144 | 6,747 |
| Communication | | 495 | 606 |
| Travelling and vehicles' running | | 6,894 | 8,731 |
| Insurance | | 9,533 | 7,607 |
| Depreciation | 5.6 | 120,959 | 122,162 |
| Inadmissible sales tax (input), freight and others | | 21,120 | 35,789 |
| Cost of goods manufactured | | 3,180,571 | 2,179,065 |
| Changes in finished goods | | | |
| Opening stock | | 79,375 | 135,260 |
| Purchases | | 725,517 | 637,408 |
| Closing stock | 11 | (160,587) | (79,375) |
| | | 644,305 | 693,293 |
| | | 3,824,876 | 2,872,358 |

34.1 These include Rs.7.204 million (2023: Rs.4.937 million) in respect of retirement benefits.

| 35. DISTRIBUTION COSTS | Note | 2024 | 2023 |
|---|-------------|---------------------------|-------------|
| | | Rupees in thousand | |
| Salaries, wages and other benefits | 35.1 | 62,767 | 65,262 |
| Transportation | | 48,335 | 84,144 |
| Traveling, boarding, lodging and conveyance | | 1,581 | 1,581 |
| Communication | | 482 | 432 |
| Vehicles' running and maintenance | | 11,251 | 10,838 |
| Rent, rates and taxes | | 2,057 | 4,560 |
| Loading and unloading | | 693 | 702 |
| Postage and courier | | 293 | 296 |
| Repair and maintenance | | 163 | 206 |
| Office expenses | | 1,333 | 731 |
| Others | | 15,730 | 24,673 |
| | | 144,685 | 193,425 |

35.1 These include Rs.4.356 million (2023: Rs.4.552 million) in respect of retirement benefits.

36. ADMINISTRATIVE EXPENSES

| | | | |
|-------------------------------------|-------------|----------------|---------|
| Salaries and other benefits | 36.1 | 90,570 | 92,856 |
| Communication | | 2,364 | 1,542 |
| Electricity and other utilities | | 11,037 | 8,895 |
| Rent, rates and taxes | | 6,900 | 6,348 |
| Repair and maintenance | | 74 | 298 |
| Traveling and conveyance | | 366 | 1,624 |
| Vehicles' running and maintenance | | 9,502 | 5,036 |
| Printing and stationery | | 4,092 | 5,134 |
| Donations and charity | | 1,765 | 2,273 |
| Fees and subscription | | 12,968 | 18,858 |
| Advertisement | | 0 | 35 |
| Insurance | | 7,420 | 5,334 |
| Depreciation | 5.6 | 55,473 | 35,242 |
| Amortisation of right of use assets | 6 | 14,332 | 10,782 |
| Amortisation of intangible assets | 7 | 0 | 1,235 |
| Others | | 25,206 | 20,131 |
| | | 242,069 | 215,623 |

36.1 These include Rs.5.559 million (2023: Rs.5.448 million) in respect of retirement benefits.

| 37. OTHER EXPENSES | Note | 2024 | 2023 |
|--|-------------|---------------------------|----------------|
| | | Rupees in thousand | |
| Legal and professional (other than Auditors) | | 952 | 955 |
| Allowance for expected credit loss | 12.1 | 5,000 | 4,337 |
| Auditors' remuneration: | | | |
| - statutory audit | | 942 | 858 |
| - half yearly review | | 231 | 220 |
| - other certifications | | 569 | 285 |
| | | 1,742 | 1,363 |
| Workers' (profit) participation fund | 27.2 | 68,984 | 50,034 |
| Workers' welfare fund | 27.3 | 26,214 | 19,013 |
| Others | | 123 | 0 |
| | | 103,015 | 75,702 |
| 38. OTHER INCOME | | | |
| Profit on bank deposits | | 129,824 | 153,064 |
| Return on advances to Associated Companies | | 209,311 | 115,444 |
| Gain on sale of investment in GTECH | | 0 | 12,361 |
| Gain on sale of long term investments | | 0 | 150 |
| Gain on disposal of operating fixed assets | 5.3 | 74,185 | 7,469 |
| Takaful claim received | | 0 | 2,960 |
| Compensation charges recovered from a customer due to short lifting of chemical supplies | | 110,958 | 39,255 |
| Commission related to services work at an hospital | | 20,903 | 0 |
| Miscellaneous | | 5,927 | 231 |
| | | 551,108 | 330,934 |
| 39. FINANCE COST | | | |
| Finance cost on: | | | |
| - long term finances | | 95,989 | 88,772 |
| - redeemable capital - Sukuk | | 12,941 | 46,290 |
| - short term borrowings | | 265,914 | 229,111 |
| - lease liabilities | | 532 | 513 |
| | | 375,376 | 364,686 |
| Interest against provision for Gas Infrastructure and Development Cess | | 699 | 1,106 |
| Bank charges and commission | | 13,292 | 8,590 |
| | | 389,367 | 374,382 |

| 40. MINIMUM AND FINAL TAX LEVIES | Note | 2024 | 2023 |
|---|---|---------------------------|---------------------------|
| | | Rupees in thousand | |
| For the year | | 210,174 | 160,709 |
| Prior years | | 615 | (8,892) |
| | | 210,789 | 151,817 |
| 41. TAXATION | | | |
| For the year | | 103,647 | 78,944 |
| Prior years | | (51) | 0 |
| | | 103,596 | 78,944 |
| Deferred | 26.4 | 184,291 | 192,988 |
| | | 287,887 | 271,932 |
| 41.1 | Returns filed by the Company upto the tax year 2023 have been assessed under the self assessment scheme envisaged in section 120 of the Income Tax Ordinance, 2001 (the Ordinance). | | |
| 41.2 Tax charge reconciliation | | | 2024 |
| | | | Rupees in thousand |
| Numerical reconciliation between the tax expense as per accounting profit with taxable income | | | |
| Profit before taxation, minimum and final tax levies | | | 1,284,483 |
| Tax expense as per accounting profit at the rate of 29% | | | 372,500 |
| Impact of super tax at the rate of 10% | | | 103,647 |
| Impact of minimum tax and final tax levies | | | (16,883) |
| Effect of prior year tax | | | 564 |
| Adjustment of alternate corporate tax | | | 72,039 |
| Impact of admissible / inadmissible expenses | | | (52,788) |
| Adjustment of unused tax losses | | | 19,989 |
| Others | | | (392) |
| Total taxation, minimum and final tax levies expense | | | 498,676 |
| 41.3 | No numeric tax rate reconciliation is presented in these financial statements for the financial year ended June 30, 2023 as the Company was mainly liable to pay tax due under sections 4C (Super tax on high earning persons) and 113C (Alternative Corporate Tax) of the Ordinance. | | |
| 42. EARNINGS PER SHARE | | | |
| There is no dilutive effect on earnings per share of the Company, which is based on: | | 2024 | 2023 |
| | | Rupees in thousand | |
| Profit after taxation attributable to ordinary shareholders | | 785,807 | 507,891 |
| | | (Number of shares) | |
| Weighted average number of ordinary shares in issue during the year | | 497,122,398 | 478,187,972 |
| | | ----- Rupees ----- | |
| Earnings per share - basic | | 1.58 | 1.06 |

43. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

| <u>Description</u> | 2024 | | | 2023 | | |
|-----------------------------|------------------------------|---------------|---------------|-----------------|---------------|---------------|
| | Chief Executive | Director | Executives | Chief Executive | Director | Executives |
| | -----Rupees in thousand----- | | | | | |
| Managerial remuneration | 17,408 | 17,408 | 39,243 | 17,408 | 17,408 | 24,887 |
| Medical | 696 | 696 | 1,306 | 696 | 1,741 | 995 |
| Provident fund contribution | 1,450 | 1,450 | 3,269 | 1,450 | 1,450 | 2,073 |
| | <u>19,554</u> | <u>19,554</u> | <u>43,818</u> | <u>19,554</u> | <u>20,599</u> | <u>27,955</u> |
| No. of persons | 1 | 1 | 13 | 1 | 1 | 8 |

43.1 The chief executive and directors of the Company have been provided with free use of the Company maintained cars in accordance with their entitlement. Some of the executives have also been provided with the Company maintained cars as per their terms of employment.

43.2 Meeting fees aggregating Rs.1,225 thousand (2023:Rs.425 thousand) were paid to 5 (2023:5) directors for attending Board meetings during the year.

44. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of Holding, Subsidiary and Associated Companies, directors of the Company, key management personnel and staff retirement benefit fund. The Company in the normal course of business carries out transactions with various related parties. Details of related parties with whom the Company has transacted along with relationship and transactions, other than those which have been disclosed in these financial statements, were as follows:

| Name of related party | Relationship |
|-----------------------------------|--|
| - Ghani Global Holdings Ltd. | Parent Company |
| - Ghani Gases (Pvt.) Ltd. | Subsidiary Company |
| - Ghani Power (Pvt.) Ltd. | Subsidiary Company |
| - Ghani Global Glass Ltd. | Associated Company - common directorship |
| - Kilowatt Labs Technologies Ltd. | -do- |
| - Air Ghani (Pvt.) Ltd. | -do- |
| - Ghani Global Foods (Pvt.) Ltd. | -do- |
| - Ghani Products (Pvt.) Ltd. | -do- |

| Name of related party | Relationship |
|--|--|
| - Ghani Engineering (Pvt.) Ltd. | Associated Company - common directorship |
| - A-One Prefabs (Pvt.) Ltd. | -do- |
| - A-One Batteries (Pvt.) Ltd. | -do- |
| - Ghani Industrial Complex (Pvt.) Ltd. | -do- |
| - Kaya Projects (Pvt.) Ltd. | -do- |
| - G3 Fintech (Pvt.) Ltd. | -do- |
| - Mr. Masroor Ahmad Khan | Director/ shareholder |
| - Mr. Atique Ahmad Khan | -do- |
| - Hafiz Farooq Ahmad | -do- |
| - Provident Fund Trust | Employees' retirement fund |

44.1 Transactions with related parties

| Relationship with related party | Nature of transaction | 2024 | 2023 |
|---|---|---------------------------|-------------|
| | | Rupees in thousand | |
| Holding Company | Commission against corporate guarantees | 9,037 | 3,958 |
| | Return on advances given | 10,179 | 0 |
| | Purchases | 0 | 19,099 |
| Subsidiary Companies | Investments made | 19,975 | 0 |
| Associated Company | | | |
| - Ghani Global Glass Ltd. | Sales | 60,767 | 192,743 |
| | Sale of fixed assets | 82,600 | 0 |
| | Return on advances given | 199,131 | 114,858 |
| | Expenses shared | 182,208 | 496,316 |
| Other Associated Companies | Return on advances given | 0 | 586 |
| Key management personnel (directors) | Purchase of shares | 100 | 0 |
| | Sale of investment | 0 | 75 |
| Employees' provident fund trust | Contribution paid | 34,238 | 29,875 |

45. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

| Financial instruments by category | 2024 | 2023 |
|--|--------------------|------------------|
| | Rupees in thousand | |
| Financial assets - at amortised cost | | |
| Long term deposits | 66,616 | 67,193 |
| Trade debts | 2,167,079 | 1,128,081 |
| Trade deposits and bank profit | 197,847 | 147,841 |
| Bank balances | 467,155 | 524,781 |
| | <u>2,898,697</u> | <u>1,867,896</u> |
| Financial liabilities - at amortised cost | | |
| Long term finances | 2,098,429 | 1,493,931 |
| Redeemable capital - Sukuk | 800,000 | 162,500 |
| Long term security deposits | 70,136 | 49,091 |
| Lease liabilities | 6,190 | 6,121 |
| Gas Infrastructure Development Cess | 22,383 | 21,684 |
| Trade and other payables | 231,170 | 277,329 |
| Accrued profit | 336,120 | 122,787 |
| Short term borrowings | 1,580,482 | 1,127,439 |
| | <u>5,144,910</u> | <u>3,260,882</u> |

45.1 Financial Risk Factors

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried-out by the Company's finance department under policies approved by the board of directors. The Company's finance department evaluates financial risks based on principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity, provided by the board of directors.

45.2 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: currency risk, interest rate risk and price risk.

(a) Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company is exposed to currency risk on import of plant & machinery, stores & spares and stock-in-trade. The Company exposure to foreign currency risk at the reporting date was as follows:

| | Rupees | EUR € | CNY ¥ | U.S.\$ |
|--------------------------------------|-------------------------|------------|---------------|--------------|
| | ----- in thousand ----- | | | |
| 2024 | | | | |
| Funded | | | | |
| Bills payable | 87,400 | 0 | 0 | 314 |
| Unfunded | | | | |
| Outstanding letters of credit | 147,783 | 17 | 35 | 508 |
| Total exposure | <u>235,183</u> | <u>17</u> | <u>35</u> | <u>822</u> |
| 2023 | | | | |
| Unfunded | | | | |
| Outstanding letters of credit | <u>1,943,721</u> | <u>111</u> | <u>20,195</u> | <u>3,861</u> |

The following significant exchange rates have been applied:

| | Average rate | | Reporting date rate | |
|------------------|--------------|--------|---------------------|--------|
| | 2024 | 2023 | 2024 | 2023 |
| EUR € to Rupee | 299.26 | 260.58 | 297.92 | 313.30 |
| CNY ¥ to Rupee | 38.26 | 35.68 | 38.35 | 39.73 |
| U.S. \$ to Rupee | 277.07 | 248.11 | 278.59 | 286.60 |

Sensitivity analysis

As at June 30, 2024, if Rupee had strengthened / devalued by 10% against U.S.\$ with all other variables held constant, profit before taxation for the current year would have been higher / lower by Rs.8.748 million mainly as a result of net foreign exchange gain / loss on translation of foreign currency financial liabilities.

(b) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market profit rates. At the reporting date, the profit rate profile of the Company's profit bearing financial instruments is as follows:

| | 2024 | 2023 | 2024 | 2023 |
|--|---|--|--------------------|------------------|
| | Effective rates per annum | | Carrying amount | |
| | | | Rupees in thousand | |
| Fixed rate instruments | | | | |
| Cash at banks on deposit accounts | 12.76% to 19.50% | 5.97% to 17.08% | <u>257,965</u> | <u>291,198</u> |
| Variable rate instruments | | | | |
| Long term finances | SBP rate +4% & 3 to 6 months KIBOR + 1 % to 1.5% | SBP rate + 3 months to 1 year KIBOR + 1% | <u>2,098,429</u> | <u>1,493,931</u> |
| Redeemable capital - Sukuk | 3 months KIBOR + 1.25% | 3 months KIBOR + 1% | <u>800,000</u> | <u>162,500</u> |
| Lease liabilities | 8.50% | 8.50 to 8.85% | <u>6,190</u> | <u>6,121</u> |
| Short term borrowings | 18.65% to 24.43% | 11.58% to 23.88% | <u>1,570,488</u> | <u>1,127,439</u> |

Fair value sensitivity analysis for fixed rate instruments

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

Fair value sensitivity analysis for variable rate instruments

At June 30, 2024, if profit rate on variable rate financial liabilities had been 1% higher / lower with all other variables held constant, profit before taxation for the year would have been lower / higher by Rs.44.751 million (2023: Rs.27.900 million) mainly as a result of higher profit rates.

(c) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instruments or its issuer or factors affecting all similar financial instruments traded in the market. The Company is not exposed to any significant price risk.

45.3 Credit risk exposure and concentration of credit risk

Credit risk represents the risk of a loss if the counter party fails to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the credit worthiness of counterparties.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk primarily arises from trade debts and balances with banks. To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other relevant factors. Where considered necessary, advance payments are obtained from certain parties. The management has set a maximum credit period of 30 days to reduce the credit risk. Credit risk on bank balances is limited as the counter parties are banks with reasonably high credit ratings.

In respect of other counter parties, due to the Company's long standing business relationship with them, management does not expect non-performance by these counter parties on their obligations to the Company.

Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2024 along with comparative is tabulated below:

| | 2024 | 2023 |
|--------------------------------|--------------------|-----------|
| | Rupees in thousand | |
| Long term deposits | 66,616 | 67,193 |
| Trade debts | 2,167,079 | 1,128,081 |
| Trade deposits and bank profit | 197,847 | 147,841 |
| Bank balances | 467,155 | 524,781 |
| | 2,898,697 | 1,867,896 |

Out of the total financial assets credit risk is concentrated in trade debts and balances with banks as they constitute 91% (2023: 88%) of the total financial assets. The Company's exposure to credit risk in respect of trade debts other than Government parties is influenced mainly by the individual characteristics of each customer. The Company establishes an allowance for expected credit loss that represents its estimate of incurred losses in respect of trade debts except for Government parties.

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

Trade debts of the Company are not exposed to significant credit risk as the Company trades with credit worthy customers. Trade debts except for Government parties aggregating Rs.1,507.218 million (2023: Rs.681.812 million) are past due of which Rs.24.856 million (2023: Rs.19.856 million) have been impaired. Required allowance as determined by management as per IFRS 9 - Financial instruments has been made in these financial statements.

Credit risk on bank balances is limited as the counter parties are banks with reasonably high credit ratings.

Bank balances

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

| | Rating | | Rating agency | 2024 | 2023 |
|---------------------------------------|------------|-----------|---------------|--------------------|---------|
| | Short term | Long term | | Rupees in thousand | |
| Bank Alfalah Ltd. | A1+ | AAA | PACRA | 95,015 | 63,199 |
| The Bank of Punjab | A1+ | AA+ | PACRA | 14,764 | 168 |
| Allied Bank Ltd. | A1+ | AAA | PACRA | 4,165 | 333 |
| Askari Bank Ltd. | A1+ | AA+ | PACRA | 194 | 118,341 |
| Bank Islami Pakistan Ltd. | A1 | AA- | PACRA | 2,072 | 772 |
| Dubai Islamic Bank (Pakistan) Ltd. | A1+ | AA | VIS | 46,180 | 0 |
| Faysal Bank Ltd. | A1+ | AA | PACRA | 2,231 | 1,383 |
| JS Bank Ltd. | A1+ | AA | PACRA | 262 | 515 |
| National Bank of Pakistan | A1+ | AAA | PACRA | 36,013 | 42,208 |
| Habib Metropolitan Bank Ltd. | A1+ | AA+ | PACRA | 54,893 | 206,576 |
| MCB Bank Ltd. | A1+ | AAA | PACRA | 12 | 12 |
| Al-Baraka Bank (Pakistan) Ltd. | A1 | A+ | VIS | 18,433 | 3,343 |
| Habib Bank Ltd. | A1+ | AAA | VIS | 20,219 | 12,930 |
| Meezan Bank Ltd. | A1+ | AAA | VIS | 69,890 | 71,131 |
| Soneri Bank Ltd. | A1+ | AA- | PACRA | 2,511 | 2,252 |
| Bank Al Habib Ltd. | A1+ | AAA | PACRA | 116 | 1,517 |
| The Bank of Khyber | A1 | A+ | VIS | 100,135 | 101 |
| United Bank Ltd. | A1+ | AAA | VIS | 50 | 0 |
| | | | | 467,155 | 524,781 |

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach is to ensure, as far as possible, to always have sufficient liquidity to meet its liabilities when due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and ensuring the availability of adequate credit facilities. The Company's treasury department aims at maintaining flexibility in funding by keeping committed credit lines available.

Financial liabilities in accordance with their contractual maturities are presented below:

| Particulars | Carrying amount | Contractual cash flows | Less than 1 year | Between 1 and 5 years | More than 5 years |
|-------------|-----------------|------------------------|------------------|-----------------------|-------------------|
|-------------|-----------------|------------------------|------------------|-----------------------|-------------------|

----- Rupees in thousand -----

Year ended June 30, 2024

| | | | | | |
|-----------------------------|------------------|------------------|------------------|------------------|----------------|
| Long term finances | 2,098,429 | 2,688,886 | 630,059 | 2,058,827 | 0 |
| Redeemable capital - Sukuk | 800,000 | 1,428,089 | 136,399 | 1,125,626 | 166,064 |
| Long term security deposits | 70,136 | 70,136 | 0 | 70,136 | 0 |
| Lease liabilities | 6,190 | 29,926 | 332 | 1,924 | 27,670 |
| Gas Infrastructure | | | | | |
| Development Cess | 22,383 | 22,638 | 22,638 | 0 | 0 |
| Trade and other payables | 231,170 | 231,170 | 231,170 | 0 | 0 |
| Accrued profit | 336,120 | 336,120 | 336,120 | 0 | 0 |
| Short term borrowings | 1,580,482 | 1,918,765 | 1,918,765 | 0 | 0 |
| | 5,144,910 | 6,725,730 | 3,275,483 | 3,256,513 | 193,734 |

Year ended June 30, 2023

| | | | | | |
|-----------------------------|------------------|------------------|------------------|----------------|---------------|
| Long term finances | 1,493,931 | 1,242,696 | 320,449 | 922,247 | 0 |
| Redeemable capital - Sukuk | 162,500 | 181,390 | 181,390 | 0 | 0 |
| Long term security deposits | 49,091 | 49,091 | 0 | 49,091 | 0 |
| Lease liabilities | 6,121 | 30,274 | 316 | 1,832 | 28,126 |
| Gas Infrastructure | | | | | |
| Development Cess | 21,684 | 22,638 | 16,978 | 5,660 | 0 |
| Trade and other payables | 277,329 | 277,329 | 277,329 | 0 | 0 |
| Accrued profit | 122,787 | 122,787 | 122,787 | 0 | 0 |
| Short term borrowings | 1,127,439 | 1,376,008 | 1,376,008 | 0 | 0 |
| | 3,260,882 | 3,302,213 | 2,295,257 | 978,830 | 28,126 |

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

46. CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The Company also monitors capital using a gearing ratio, which is net debt comprising of profit bearing long term & short term finances and lease liabilities less cash & bank balances. Capital signifies equity as shown in the statement of financial position plus net debt. The gearing ratio as at June 30, 2024 and June 30, 2023 is as follows:

| | 2024 | 2023 |
|--|--------------------|-------------------|
| | Rupees in thousand | |
| Total debt | 4,485,101 | 2,789,991 |
| Cash and bank balances | (468,054) | (525,173) |
| Net debt | 4,017,047 | 2,264,818 |
| Share capital | 5,001,879 | 5,001,879 |
| Share premium | 164,011 | 164,011 |
| Revaluation surplus on freehold land and leasehold land | 735,087 | 497,278 |
| Merger reserve | 1,342,746 | 1,342,746 |
| Unappropriated profit | 2,609,851 | 1,824,044 |
| Equity | 9,853,574 | 8,829,958 |
| Capital | 13,870,621 | 11,094,776 |
| Gearing ratio (Net debt / (Net debt + Equity)) | 28.96% | 20.41% |

47. SEGMENT REPORTING

47.1 The Company has following two strategic divisions which are its reportable segments. Following summary describes the operations of each reportable segments:

a) Industrial Chemicals

This segment covers business of trading of chemicals.

b) 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 and 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.

47.2 Segment results were as follows:

| | Year ended June 30, 2024 | | | Year ended June 30, 2023 | | |
|--|------------------------------|----------------------|-------------|------------------------------|----------------------|-------------|
| | Industrial and Medical Gases | Industrial Chemicals | Total | Industrial and Medical Gases | Industrial Chemicals | Total |
| ----- Rupees in thousand ----- | | | | | | |
| Net sales | 4,722,622 | 714,765 | 5,437,387 | 3,484,521 | 847,675 | 4,332,196 |
| Cost of sales | (3,158,648) | (666,228) | (3,824,876) | (2,161,144) | (711,214) | (2,872,358) |
| Gross profit | 1,563,974 | 48,537 | 1,612,511 | 1,323,377 | 136,461 | 1,459,838 |
| Distribution cost | (140,344) | (4,341) | (144,685) | (187,622) | (5,803) | (193,425) |
| Administrative expenses | (229,966) | (12,103) | (242,069) | (204,842) | (10,781) | (215,623) |
| | (370,310) | (16,444) | (386,754) | (392,464) | (16,584) | (409,048) |
| Segment profit | 1,193,664 | 32,093 | 1,225,757 | 930,913 | 119,877 | 1,050,790 |
| Unallocated corporate expenses | | | | | | |
| Other expenses | | | (103,015) | | | (75,702) |
| Other income | | | 551,108 | | | 330,934 |
| | | | 1,673,850 | | | 1,306,022 |
| Finance cost | | | (389,367) | | | (374,382) |
| Profit before taxation, minimum and final tax levies | | | 1,284,483 | | | 931,640 |
| Minimum and final tax levies | | | (210,789) | | | (151,817) |
| Taxation | | | (287,887) | | | (271,932) |
| Profit after taxation | | | 785,807 | | | 507,891 |

The segment assets and liabilities at the reporting date for the year-end were as follows:

| | As at June 30, 2024 | | | As at June 30, 2023 | | |
|--------------------------------|------------------------------|----------------------|------------|------------------------------|----------------------|------------|
| | Industrial and Medical Gases | Industrial Chemicals | Total | Industrial and Medical Gases | Industrial Chemicals | Total |
| ----- Rupees in thousand ----- | | | | | | |
| Segment assets | 11,059,252 | 2,131,890 | 13,191,142 | 9,677,936 | 93,923 | 9,771,859 |
| Unallocated assets | | | 3,689,495 | | | 3,355,764 |
| Total assets | | | 16,880,637 | | | 13,127,623 |
| Segment liabilities | 2,498,456 | 603,459 | 3,101,915 | 1,996,996 | 3,554 | 2,000,550 |
| Unallocated liabilities | | | 3,925,148 | | | 2,297,115 |
| Total liabilities | | | 7,027,063 | | | 4,297,665 |

47.3 All the non-current assets of the Company at the reporting date were located within Pakistan. Depreciation expense mainly relates to industrial and medical gases segment.

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

47.5 One (2023: One) of the Company's customers having sales aggregating Rs.1,389,545 thousand (2023: Rs.1,334,526 thousand) contributed towards 21.73% (2023: 26.11%) of the Company's gross sales.

48. PLANT CAPACITY AND ACTUAL PRODUCTION

The following normal production capacity has been worked-out on the basis of daily triple shift basis:

| | 2024 | 2023 |
|--|-------------------------|------------|
| | ----- Cubic Meter ----- | |
| Industrial and medical gases | | |
| Production at normal capacity - gross | 98,846,964 | 98,846,964 |
| Production at normal capacity - net of normal losses | 90,939,207 | 90,939,207 |
| Actual production - net of normal losses | 55,469,935 | 58,483,480 |
| Efficiency achieved | <u>61%</u> | <u>64%</u> |

48.1 Under-utilisation

Under-utilisation of available capacity is due to unavoidable / abnormal shutdowns and repair and maintenance of plant & machinery.

49. Disclosure Requirements for All Shares Islamic Index

Following information has been disclosed as required under Paragraph 10 of item VI and item VII of Part I of the 4th Schedule to the Companies Act, 2017 relating to "All Shares Islamic Index".

| | Note | 2024 | | 2023 | |
|--------------------------------------|-----------|---------------------------------------|---------------------|---------------------------|---------------------|
| | | Carried under | | Carried under | |
| | | Non - Sharia arrangement ^s | Sharia arrangements | Non - Sharia arrangements | Sharia arrangements |
| ----- Rupees in thousand ----- | | | | | |
| Long term financing | 22 & 23 | 0 | 2,898,429 | 0 | 1,656,431 |
| Lease liabilities | 25 | 0 | 6,190 | 0 | 6,121 |
| Short term borrowings | 30 | 0 | 1,570,488 | 0 | 1,127,439 |
| Accrued profit | 29 | 0 | 336,120 | 0 | 122,787 |
| Short term investments and loans | 13.1 & 17 | 0 | 1,043,892 | 0 | 1,646,480 |
| Bank balances - current and deposits | 18 | 0 | 467,155 | 0 | 524,781 |
| Profit earned on bank deposits | 38 | 0 | 129,824 | 0 | 153,064 |
| Profit earned on short term loans | 38 | 0 | 209,311 | 0 | 115,444 |
| Revenue earned | 33 | 0 | 6,394,859 | 0 | 5,111,123 |
| Profit on Islamic mode of financing | 39 | 0 | 375,376 | 0 | 364,686 |

The Company has banking relationship with Islamic windows of conventional banking system as well as Shariah compliant banks only.

50. NUMBER OF EMPLOYEES

| | 2024 | 2023 |
|---|------------|------------|
| | (Number) | |
| Total number of employees at the year-end | <u>357</u> | <u>309</u> |
| Average number of employees during the year | <u>332</u> | <u>317</u> |

51. DISCLOSURES RELATING TO PROVIDENT FUND

The Company operates funded contributory provident fund scheme for all its permanent and eligible employees. The following information is based on the audited financial statements for the year ended June 30, 2024 and June 30, 2023.

| | | 2024 | 2023 |
|---|------|--------------------|---------------|
| | | Rupees in thousand | |
| (i) Size of the Fund - total assets | | <u>82,257</u> | <u>71,461</u> |
| (ii) Cost of investments made | 51.1 | <u>0</u> | <u>15,521</u> |
| (iii) Percentage of investments made | | <u>0.00%</u> | <u>21.72%</u> |
| (iv) Fair value of investments | | <u>0</u> | <u>15,521</u> |
| 51.1 Cost of investments is as follows: | | | |
| Investments in listed equity collective investment schemes / mutual funds / debt securities and money markets | | <u>0</u> | <u>15,521</u> |

52. EVENT AFTER THE REPORTING DATE

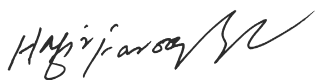
The Board of directors of the Company, in their meeting held on July 11, 2024, have decided to carve out Calcium Carbide and related products 'Project located at Hattar Special Economic Zone (the Project)' from the Company. The Project stand transferred / carved out at its fair value to be determined by a registered Valuer / Chartered Accountants firm to a Company to be formed for this purpose.

53. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison; significant re-classifications / re-statements made in these unconsolidated financial statements have been detailed in note 4.1.

54. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on by the board of directors of the Company.



Hafiz Farooq Ahmad
(Chief Executive Officer)



Asim Mahmud
(Chief Financial Officer)



Atique Ahmad Khan
(Director)

**INDEPENDENT AUDITORS' REPORT
 TO THE MEMBERS OF GHANI CHEMICAL INDUSTRIES LIMITED**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **GHANI CHEMICAL INDUSTRIES LIMITED** and its Subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2024, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

| S.No. | Key audit matters | How the matter was addressed in our audit |
|-------|---|--|
| 1. | Revaluation of property, plant and equipment (notes 6.2 & 7) Under IAS 16 (Property, plant and equipment), the management carries its freehold land and leasehold land under revaluation model. | Our audit procedures, amongst others, included the following: - evaluated the competence, capabilities and objectivity of the independent external property valuation Expert engaged by the management as Expert for valuation. |

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Principal Office:
 HM House
 7 Park Square, Lahore



PAKISTAN

SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

| S.No. | Key audit matters | How the matter was addressed in our audit |
|-------|--|---|
| | <p>Under the said model, if fair value can be measured reliably, an entity may carry all items of property, plant and equipment of a class at a revalued amount, which is the fair value of the items at the date of revaluation less any subsequent accumulated depreciation.</p> <p>As at June 30, 2024 the carrying value of freehold land and leasehold land aggregated Rs.2,334.929 million. The fair value of the Group's freehold land and leasehold land were assessed by management based on independent valuations performed by an external property valuation Expert as at May 07, 2024.</p> <p>Freehold land has been revalued on the basis of present market value whereas leasehold land has been revalued on the basis of present (realisable) market value. This technique requires significant judgment as to estimating the revalued amounts in terms of their quality, structure, layout and locations.</p> <p>We identified valuation of freehold land and leasehold land as a key audit matter due to the significant carrying values and the significant management judgment and estimation involved in determining their values due to factors described above.</p> | <ul style="list-style-type: none"> - obtained understanding of the valuation process and techniques adopted by the valuation Expert to assess the reasonableness of the reports; - obtained the valuation reports of external valuation Expert and tested mathematical accuracy of the reports; and - assessed the adequacy of the related disclosures in the annexed consolidated financial statements. |
| 2. | <p>Financing obligations and compliance with related covenant requirements (note 22)</p> <p>At the reporting date, the Group has outstanding long term financing facilities aggregating Rs.2,098 million including Rs.835.262 million obtained during the current year, which constitute approximately 30% of total liabilities of the Group.</p> | <p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> - reviewed terms and conditions of financing agreements entered into by the Group with various banks and financial institutions; - circularised direct balance confirmations to banks and financial institutions and verified receipts and payments from relevant statements; |

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| S.No. | Key audit matters | How the matter was addressed in our audit |
|-------|--|---|
| 3. | <p>The Group's key operating / performance indicators including liquidity, gearing and finance cost are directly influenced by the additions to the portfolio of financing. Further, new financing arrangements entail additional financial and non-financial covenants for the Group to comply with.</p> <p>The significance of new financing obtained during the year along with the sensitivity of compliance with underlying financing covenants are considered a key area of focus during the audit and therefore, we have identified this as a key audit matter.</p> <p>3. Contingencies</p> <p>The Group is subject to material litigations involving different Courts pertaining to taxation and other matters, which require management to make assessments and judgments with respect to likelihood and impact of such litigations on the consolidated financial statements of the Group.</p> <p>The management has engaged independent legal counsels on these matters.</p> <p>The assessment of provisioning against such litigations is a complex exercise and requires significant judgments to determine the level of certainty on these matters.</p> <p>The details of contingencies along with management's assessments are disclosed in note 32 to these consolidated financial statements.</p> | <ul style="list-style-type: none"> - reviewed maturity analysis of financing to ascertain the classification of financing as per their remaining maturities; - assessed the status of compliance with financing covenants and also inquired from the management with regard to their ability to ensure future compliance with the covenants; - checked on test basis the calculations of finance cost recognised in the consolidated statement of profit or loss; and - assessed the adequacy of disclosures made in respect of the long term financing obligations in the consolidated financial statements. <p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> - discussed legal cases with the internal legal department of the Group to understand the management's view point, obtained and reviewed the litigation documents to assess the facts and circumstances; - obtained opinions from legal counsels dealing with such cases in the form of confirmations; - evaluated the possible outcome of these legal cases in line with the requirements of IAS 37 (Provisions, contingent liabilities and contingent assets); and - disclosures of legal exposures and provisions were assessed for completeness and accuracy. |

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Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Nafees ud din.

LAHORE; OCTOBER 01, 2024
UDIN: AR202410195kDyove9fp

Shinewing Hameed Chaudhri & Co
SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

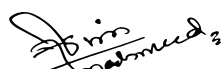
GHANI CHEMICAL INDUSTRIES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

| | | 2024 | 2023 Restated |
|--|-------------|---------------------------|--------------------------|
| Assets | Note | Rupees in thousand | |
| Non-current assets | | | |
| Property, plant and equipment | 6 | 10,568,886 | 7,210,169 |
| Right of use assets | 7 | 547,649 | 498,874 |
| Intangible assets | 8 | 1,652 | 1,479 |
| Long term deposits | 9 | 66,616 | 67,193 |
| | | <u>11,184,803</u> | <u>7,777,715</u> |
| Current assets | | | |
| Stores, spares and loose tools | 10 | 362,135 | 313,845 |
| Stock-in-trade | 11 | 160,587 | 79,375 |
| Trade debts | 12 | 2,142,223 | 1,108,225 |
| Loans and advances | 13 | 1,336,248 | 1,494,459 |
| Deposits, prepayments and other receivables | 14 | 590,358 | 443,570 |
| Tax refunds due from Government | 15 | 93,841 | 34,230 |
| Prepaid tax levies | | 516 | 0 |
| Advance income tax | 16 | 421,995 | 440,031 |
| Short term investments | 17 | 100,000 | 911,000 |
| Cash and bank balances | 18 | 486,760 | 525,173 |
| | | <u>5,694,663</u> | <u>5,349,908</u> |
| Total assets | | <u><u>16,879,466</u></u> | <u><u>13,127,623</u></u> |
| Equity and liabilities | | | |
| Share capital and reserves | | | |
| Share capital | 19 | 5,001,879 | 5,001,879 |
| Share premium | 20 | 164,011 | 164,011 |
| Revaluation surplus on freehold and leasehold land | 21 | 735,087 | 497,278 |
| Merger reserve | 1.6 | 1,342,746 | 1,342,746 |
| Unappropriated profit | | 2,608,613 | 1,824,044 |
| Total equity | | <u>9,852,336</u> | <u>8,829,958</u> |
| Non-current liabilities | | | |
| Long term finances | 22 | 1,640,536 | 1,270,043 |
| Redeemable capital - Sukuk | 23 | 800,000 | 0 |
| Long term security deposits | 24 | 70,136 | 49,091 |
| Lease liabilities | 25 | 5,858 | 5,805 |
| Deferred liabilities | 26 | 832,854 | 662,816 |
| | | <u>3,349,384</u> | <u>1,987,755</u> |
| Current liabilities | | | |
| Trade and other payables | 27 | 313,805 | 350,095 |
| Contract liabilities | 28 | 644,340 | 59,745 |
| Accrued profit | 29 | 336,120 | 122,787 |
| Unclaimed dividend | | 491 | 491 |
| Short term borrowings | 30 | 1,580,482 | 1,127,439 |
| Current portion of non-current liabilities | 31 | 486,870 | 407,883 |
| Provision for tax levies | | 212,217 | 160,709 |
| Taxation | | 103,421 | 80,761 |
| | | <u>3,677,746</u> | <u>2,309,910</u> |
| Total liabilities | | <u>7,027,130</u> | <u>4,297,665</u> |
| Contingencies and commitments | 32 | | |
| Total equity and liabilities | | <u><u>16,879,466</u></u> | <u><u>13,127,623</u></u> |

The annexed notes 1 to 54 form an integral part of these consolidated financial statements.



Hafiz Farooq Ahmad
(Chief Executive Officer)



Asim Mahmud
(Chief Financial Officer)

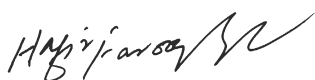


Atique Ahmad Khan
(Director)

GHANI CHEMICAL INDUSTRIES LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

| | | 2024 | 2023 Restated |
|--|-----------|-------------------------|-------------------------|
| | Note | Rupees in thousand | |
| Sales | 33 | 6,394,859 | 5,111,123 |
| Less: sales tax | 33 | (957,472) | (778,927) |
| Sales - net | | <u>5,437,387</u> | 4,332,196 |
| Cost of sales | 34 | (3,824,876) | (2,872,358) |
| Gross profit | | <u>1,612,511</u> | 1,459,838 |
| Distribution cost | 35 | (144,685) | (193,425) |
| Administrative expenses | 36 | (243,355) | (215,623) |
| Other expenses | 37 | (103,079) | (75,702) |
| Other income | 38 | 551,221 | 330,934 |
| | | <u>60,102</u> | (153,816) |
| Profit from operations | | <u>1,672,613</u> | 1,306,022 |
| Finance cost | 39 | (389,368) | (374,382) |
| Profit before taxation, minimum and final tax levies | | <u>1,283,245</u> | 931,640 |
| Minimum and final tax levies | 40 | (210,789) | (151,817) |
| Profit before taxation | | <u>1,072,456</u> | 779,823 |
| Taxation | 41 | (287,887) | (271,932) |
| Profit after taxation | | <u>784,569</u> | 507,891 |
| Other comprehensive income | | | |
| Surplus arisen upon revaluation of: | | | |
| - freehold land | 6.2 | 123,040 | 246,080 |
| - leasehold land | 6.2 & 7.1 | 114,769 | 251,198 |
| | | <u>237,809</u> | 497,278 |
| Total comprehensive income for the year | | <u><u>1,022,378</u></u> | <u><u>1,005,169</u></u> |
| | | ----- Rupees ----- | |
| Earnings per share | 42 | <u>1.58</u> | <u>1.06</u> |

The annexed notes 1 to 54 form an integral part of these consolidated financial statements.



Hafiz Farooq Ahmad
(Chief Executive Officer)



Asim Mahmud
(Chief Financial Officer)



Atique Ahmad Khan
(Director)

GHANI CHEMICAL INDUSTRIES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

| | Capital reserves | | | Revenue reserve unappropriated profit | Total | |
|---|------------------|---------------|--|---------------------------------------|-----------|----------------|
| | Share capital | Share premium | Revaluation surplus on freehold and leasehold land | | | Merger reserve |
| ----- Rupees in thousand ----- | | | | | | |
| Balance as at June 30, 2022 - Restated | 4,347,163 | 300,000 | 298,727 | 1,342,746 | 1,316,153 | 7,604,789 |
| Transactions with owners: | | | | | | |
| - Proceeds from right shares issued | 220,000 | 0 | 0 | 0 | 0 | 220,000 |
| - Bonus shares issued | 434,716 | (135,989) | (298,727) | 0 | 0 | 0 |
| Total comprehensive income for the year ended June 30, 2023 | 0 | 0 | 497,278 | 0 | 507,891 | 1,005,169 |
| Balance as at June 30, 2023 | 5,001,879 | 164,011 | 497,278 | 1,342,746 | 1,824,044 | 8,829,958 |
| Total comprehensive income for the year ended June 30, 2024 | 0 | 0 | 237,809 | 0 | 784,569 | 1,022,378 |
| Balance as at June 30, 2024 | 5,001,879 | 164,011 | 735,087 | 1,342,746 | 2,608,613 | 9,852,336 |

The annexed notes 1 to 54 form an integral part of these consolidated financial statements.



Hafiz Farooq Ahmad
(Chief Executive Officer)



Asim Mahmud
(Chief Financial Officer)





Atique Ahmad Khan
(Director)


GHANI CHEMICAL INDUSTRIES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JE 30,2024

| | | 2024 | 2023 |
|--|------|----------------------|--------------------|
| | Note | (Rupees in thousand) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit for the year - before taxation, minimum and final tax levies | | 1,283,245 | 931,640 |
| Adjustments for non-cash charges and other items: | | | |
| Finance cost | 39 | 389,368 | 374,382 |
| Gain on disposal of operating fixed assets | 6.3 | (74,185) | (7,469) |
| Depreciation | 6.6 | 176,432 | 157,404 |
| Amortisation of right-of-use assets | 7 | 14,332 | 10,782 |
| Amortisation of intangible assets | 8 | 0 | 1,235 |
| Allowance for expected credit loss | 12.1 | 5,000 | 4,337 |
| Goodwill | 8.3 | (173) | 0 |
| Profit before working capital changes | | 1,794,019 | 1,472,311 |
| Effect on cash flows due to working capital changes | | | |
| (Increase) / decrease in current assets: | | | |
| Stores, spares and loose tools | | (48,290) | (67,091) |
| Stock-in-trade | | (81,212) | 55,885 |
| Trade debts | | (1,038,998) | (199,893) |
| Loan and advances | | 158,211 | (772,933) |
| Deposits, prepayments and other receivables | | (146,788) | (10,165) |
| Short term investments | | 811,000 | (252,000) |
| Tax refunds due from Government | | (59,611) | (10,369) |
| Increase in trade and other payables and contract liabilities | | 548,305 | 66,786 |
| | | 142,617 | (1,189,780) |
| Cash generated from operations | | 1,936,636 | 282,531 |
| Income tax, minimum and final tax levies paid | | (222,697) | (245,881) |
| Net cash generated from operating activities | | 1,713,939 | 36,650 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Fixed capital expenditure | | (3,529,549) | (1,105,749) |
| Proceeds from sale of operating fixed assets | | 243,287 | 66,823 |
| Proceeds from sale of long term and held-for-sale investments - net | | 0 | 626,704 |
| Long term deposits | | 577 | 0 |
| Net cash used in investing activities | | (3,285,685) | (412,222) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from issue of right shares | | 0 | 220,000 |
| Long term finances | | 597,012 | 608,150 |
| Redeemable capital - Sukuk: | | | |
| - issued | 23 | 800,000 | 0 |
| - redeemed | 23 | (162,500) | (216,667) |
| Long term security deposits - net | | 21,045 | 4,825 |
| Short term borrowings | | 453,043 | (237,125) |
| Lease liabilities | | 69 | (432) |
| Finance cost paid | | (175,336) | (333,174) |
| Net cash generated from financing activities | | 1,533,333 | 45,577 |
| Net decrease in cash and cash equivalents | | (38,413) | (329,995) |
| Cash and cash equivalents - at beginning of the year | 18 | 525,173 | 855,168 |
| Cash and cash equivalents at end of the year | 18 | 486,760 | 525,173 |

The annexed notes 1 to 54 form an integral part of these consolidated financial statements.


 Hafiz Farooq Ahmad
 (Chief Executive Officer)


 Asim Mahmud
 (Chief Financial Officer)


 Atique Ahmad Khan
 (Director)

GHANI CHEMICAL INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1. LEGAL STATUS AND OPERATIONS

1.1 Ghani Chemical Industries Ltd. (GCIL) was incorporated in Pakistan as a private limited company on November 23, 2015 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and was converted into a public limited company on April 20, 2017. GCIL is principally engaged in manufacturing, sale and trading of medical & industrial gases and chemicals. The registered offices and head offices of GCIL and its Subsidiary Companies are situated at 10-N, Model Town Extension, Lahore whereas production facilities of GCIL are situated at Phool Nagar, District Kasur and Industrial Zone, Port Qasim, Karachi. GCIL's liaison office is situated in Sangjani, District Rawalpindi.

GCIL is a Subsidiary of Ghani Global Holdings Ltd. (GGHL- the Holding Company), which holds 279,905,983 (2023: 279,905,983) ordinary shares of GCIL representing 55.96% (2023: 58.53%) of its paid-up capital as at June 30, 2024.

As per the Scheme of Compromises, Arrangement and Reconstruction (the Scheme), as sanctioned by the Lahore High Court, Lahore on February 06, 2019, GGHL had transferred its manufacturing undertaking to GCIL on July 08, 2019 after the effective date.

1.2 Subsidiary Companies

(a) Ghani Gases (Pvt.) Ltd. (GGPL)

GGPL was incorporated in Pakistan under the Companies Act, 2017 (XIX of 2017) as a private limited company on May 18, 2020. The principal business of GGPL is to carry on the business of manufacturers, buyers, sellers, importers, exporters, dealers and traders of all types of gases including LPG and LNG for use in industries, hospitals, houses, factories and all types of chemicals including petro-chemicals and their derivatives and importers, exporters and manufacturers of and dealers in heavy chemicals, alkalis, acids, drugs, tannins, essences, pharmaceutical, surgical and scientific apparatus and materials.

GGPL is a wholly owned Subsidiary of GCIL, which holds 999,997 (2023: Nil) ordinary shares representing 99.99% (2023: Nil) of its paid-up capital as at June 30, 2024.

There is no financial and economic activity after incorporation of GGPL from May 18, 2020 till June 30, 2024.

(b) Ghani Power (Pvt.) Ltd. (GPPL)

1.3 GPPL was incorporated in Pakistan as a private limited company on March 15, 2024 under the Companies Act, 2017. The principal line of business of GPPL shall be to carry on all or any of the businesses of generating, purchasing, importing, transforming, converting, manufacturing, distributing, supplying, exporting and dealing in power, electricity, oil, gas, hydrocarbons, petrochemicals, petroleum solar, hydel power plants and petroleum products, asphalt, bituminous substances or services associated therewith and all other forms of energy and energy related products / services including all kinds of efficient use of energy and to perform all other acts which are necessary or incidental to the above businesses and related products. GPPL has not commenced its commercial operations till the reporting date.

GPPL is a wholly owned Subsidiary of GCIL, which holds 999,997 (2023: Nil) ordinary shares representing 99.99% (2023: Nil) of its paid-up capital as at June 30, 2024.

1.4 Merger of GTECH with and into GCIL

G3 Technologies Ltd. (GTECH - formerly Service Fabrics Ltd. - SFL) was incorporated in Pakistan on December 01, 1987 as a Public Limited Company under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017 on May 30, 2017). Name of SFL was changed to G3 Technologies Ltd. on November 17, 2021. The shares of GTECH were quoted on Pakistan Stock Exchange Ltd. GTECH was domiciled in Pakistan and its registered office was situated at 10-N, Model Town Extension, Lahore. GTECH had also changed its principal business from selling of fabrics to manufacturing and trading of chemicals.

The Board of Directors (the Board) of GTECH in their meeting held on April 14, 2022 has decided to merge GTECH with and into Ghani Chemical Industries Ltd. (GCIL - an Associated Company). The Board has also filed a petition before the Lahore High Court, Lahore (LHC) for sanctioning the Scheme of Merger after completion of all related formalities. The Board has also held Extraordinary General Meeting of GTECH on May 07, 2022 for approval of disinvestment of 22,000,000 ordinary shares of Ghani Chemical Industries Ltd. The LHC has approved the joint petition filed by GCIL and GTECH vide its order dated October 11, 2022.

The Court has specified December 31, 2021 as the effective date of merger. As a result of the merger, from and on the effective date:

(i) The undertaking of GTECH as at the effective date stood transferred to and vested in GCIL.

(ii) The transfer / vesting was subject to the existing charges / mortgages / hypothecation, if any. There were, however, no charges / mortgages / hypothecation registered on the assets of GTECH.

(iii) The moveable assets of GTECH were transferred and became property of GCIL as its integral part.

(iv) All the immovable assets and properties and other rights, connections including listing status with Pakistan Stock Exchange Ltd. (PSX) and CDS rights with Central Depository Company of Pakistan Ltd. (CDC) etc. of GTECH stood transferred in the name of GCIL on the effective date.

(v) All the liabilities of GTECH as at the effective date stood transferred and vested in GCIL so as to become as and from the effective date the debts, liabilities and obligations of GCIL.

(vi) All the assets of GTECH under the Scheme as at the effective date stood transferred to GCIL. This included properties of all kinds, moveable or immovable, tangible or intangible, leasehold property, stocks, receivables and book debts, advances, deposits, prepayments, investments, cash and bank balances.

(vii) All the legal proceedings instituted, causes, suits, appeals, petitions, revisions of whatever nature by or against GTECH in the Court of Law pending on the effective date would be continued, prosecuted and enforced by or against GCIL as if this Scheme had not been made. Such legal proceedings would stand transferred to GCIL.

(viii) All the banking, whether current, deposit, investment, saving and other accounts maintained in the name of GTECH stood transferred to GCIL.

(ix) Listing status of GTECH with PSX and eligibility status with CDC along with all privileges, rights and liabilities of GTECH with PSX and CDC stood transferred in the name of GCIL.

(x) All the utility licenses, connections, meters and other facilities for electricity, gas, water and telecommunications stood transferred to GCIL.

(xi) All the titles of land and other immovable property registered in the name of GTECH stood transferred to GCIL.

(xii) All the employment contracts and obligations there under of GTECH stood transferred to GCIL.

As a result of merger of GTECH with and into GCIL and on fulfilment of relevant requirements, GTECH was delisted from the Pakistan Stock Exchange Ltd. with effect from November 14, 2022. Trading in shares of GTECH was already suspended and the shares of surviving entity (GCIL) were issued to the shareholders of GTECH as per the swap ratio.

1.5 Accounting policy for merger

GCIL has adopted the following accounting policy that involves accounting for the assets and liabilities of GTECH using existing carrying values i.e. the values at the cut-off date:

(i) - the acquired assets and liabilities have been recorded at their existing carrying values (at the cut-off date).

(ii) - no goodwill has been recorded.

(iii) - the difference between consideration transferred and net of carrying amount of the assets and liabilities received from GTECH (at the cut-off date), after taking effect of any adjustments due to intercompany balances and investments, has been recognised within equity as merger reserve.

(iv) - any intercompany balances and investments have been eliminated.

1.6 Financial effect of merger based on reviewed financial statements of GTECH for the period of six months ended December 31, 2021

GCIL has acquired assets and assumed liabilities of GTECH as detailed below:

| | Carrying amounts as at December 31, 2021 Rupees in thousand |
|--|--|
| Assets | |
| Property, plant and equipment | 262,497 |
| Long term investments | 409,989 |
| Stores, spares and loose tools | 26,923 |
| Trade debts | 36,275 |
| Loans and advances | 10,081 |
| Tax refunds due from Government | 17,760 |
| Short term investments | 1,380,000 |
| Cash and bank balances | 47,235 |
| | <hr/> 2,190,760 |
| Trade and other payables | 95,715 |
| Unclaimed dividends | 491 |
| Taxation | 2,195 |
| | <hr/> 98,401 |
| Net assets acquired | <hr/> 2,092,359 |
| Share capital issued to shareholders of GTECH | (749,613) |
| Merger reserve (gain arisen upon merger of GTECH with and into GCIL) | <hr/> <hr/> 1,342,746 |

2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan 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 from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Accounting convention

These consolidated financial statements have been prepared under the historical cost convention, except where otherwise specifically stated.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of primary economic environment in which the Group operates. These consolidated financial statements are presented in Pak Rupees, which is the Group's functional currency. All financial information has been rounded-off to the nearest thousand of Rupees unless otherwise stated.

2.4 Critical accounting estimates, assumptions and judgments

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognised prospectively.

The areas where various assumptions and estimates are significant to the Group's financial statements or where judgment was exercised in application of accounting policies are as follows:

- Useful lives, residual values and depreciation method of property, plant and equipment.
- Provision for impairment of inventories.
- Allowance for expected credit loss.
- Impairment loss of non-financial assets other than inventories.
- Estimation of provisions.
- Estimation of contingent liabilities.
- Provisions for current taxation, minimum tax and final tax levies and recognition of deferred tax asset (for carried forward tax losses).

The revisions to accounting estimates, if any, are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future year if the revision affects both current and future years.

3. PRINCIPLES OF CONSOLIDATION

These consolidated financial statements have been prepared under the historical cost convention, except where otherwise specifically stated.

These consolidated financial statements include the financial statements of GCIL, GGPL and GPPL as at and for the year ended June 30, 2024. GCIL's direct interests in Subsidiary Companies as at June 30, 2024 were as follows:

| | 2024 |
|--------|--------------|
| | % |
| - GGPL | 99.99 |
| - GPPL | 99.99 |

Non-controlling interests are not calculated as both the Subsidiary Companies are virtually wholly owned.

Subsidiary is an entity over which GCIL has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether GCIL controls another entity. GCIL also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of GCIL's voting rights relative to the size and dispersion of holdings of other shareholders give GCIL the power to govern the financial and operating policies, etc.

Subsidiary is fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

All significant inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of Subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

4. CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

4.1 Standards and amendments to approved accounting standards that are effective and relevant

There are certain amendments and interpretations to the accounting and reporting standards, which are mandatory for accounting periods beginning on or after July 01, 2023. However, these do not have any significant impact on the Group's financial statements.

4.2 Standards and amendments to approved accounting standards that are not yet effective

There are standards and certain other amendments to the accounting and reporting standards that will be mandatory for the Group's annual accounting periods beginning on or after July 01, 2024. However, these are considered either not to be relevant or to have any significant impact on the Group's consolidated financial statements and operations and, therefore, have not been disclosed in these consolidated financial statements.

5. MATERIAL ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these consolidated financial statements are the same as those applied in the preparation of the unconsolidated financial statements of GCIL for the year ended June 30, 2023, except as detailed in note 5.1:

5.1 IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes (the Guidance) issued by ICAP

The Institute of Chartered Accountants of Pakistan (ICAP) has issued the aforementioned Guidance through Circular No. 07 / 2024 dated May 15, 2024. In light of the said Guidance, as the minimum taxes and final taxes are not calculated on the 'taxable income' as defined in IAS 12 (Income Taxes) but calculated on turnover or other basis (as per relevant sections of the Income Tax Ordinance, 2001 - the Ordinance); accordingly, minimum taxes and final taxes should be accounted for under IAS 37 (Provisions, contingent liabilities and contingent assets) / IFRIC 21 (Levies) as levies (though these are charged under tax law) and not under IAS 12 as income taxes. Based on the Guidance, the minimum taxes under the Ordinance are hybrid taxes, which comprise of a component within the scope of IAS 12 and a component within the scope of IFRIC 21.

The aforesaid Guidance has been applied retrospectively by GCIL and the comparative information has been restated, which has not affected current year or prior years' net sales, profit after taxes and levies, equity and cash flows. Impact as of July 01, 2022 is not material to these consolidated financial statements. In accordance with the requirements of IAS 1 (Presentation of financial statements), the balances as at June 30, 2023 have been restated and third statement of consolidated financial position as of July 01, 2022 has not been presented due to immaterial impact.

In the consolidated statement of profit or loss for the year ended June 30, 2023, in terms of the requirements of IFRIC 21 / IAS 37 (the requirements), minimum tax and final tax aggregating Rs.151.817 million, which were previously presented as 'taxation' have now been reclassified as 'minimum and final tax levies'.

In the consolidated statement of financial position as at June 30, 2023, in terms of the aforementioned requirements, minimum tax aggregating Rs.160.709 million, which was previously presented as 'Taxation' has now been reclassified as 'Provision for tax levies'.

5.2 Property, plant and equipment

a) Owned

Measurement

Items of property, plant and equipment other than freehold and leasehold land are measured at cost less accumulated depreciation and impairment loss, if any. Freehold and leasehold land are stated at revalued amounts.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Normal repairs and maintenance costs are charged to consolidated statement of profit or loss as and when incurred.

Revaluation

Increases in the carrying amounts arising on revaluation of freehold and leasehold land are recognised, in consolidated statement of other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in statement of profit or loss, the increase is first recognised in consolidated statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognised in consolidated statement of other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to consolidated statement of profit or loss.

Depreciation

Depreciation is charged to consolidated statement of profit or loss using the reducing balance method. Depreciation on additions to property, plant and equipment is charged from the date on which the asset is acquired or capitalised, while no depreciation is charged from the date on which the asset is disposed-off.

De-recognition

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

Judgment and estimates

The useful lives, residual values and depreciation method are reviewed and adjusted, if appropriate, at each year-end. The effect of any change in estimates is accounted for on a prospective basis.

b) Right of use assets and related liabilities

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The extension and termination options are incorporated in determination of lease term only when the Group is reasonably certain to exercise these options.

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Group.

The lease liabilities are initially measured at the present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. At initial recognition, liabilities have been discounted using the Group's incremental borrowing rate. Lease payment includes fixed payments with annual increments. The lease liabilities are subsequently measured at amortised cost using the effective interest rate.

Right-of-use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use assets are depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The carrying amount of the right-of-use asset is reduced by impairment losses, if any.

c) Capital work-in-progress

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

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

5.3 Intangible assets - Software

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

Software is amortised using straight line method at the rate given in note 8.2 to these consolidated financial statements. Amortisation is charged to consolidated statement of profit or loss from the date on which the asset is available for use. Amortisation on additions is charged on pro-rata basis from the date on which asset is put to use, while for disposals, amortisation is charged upto the date of disposal.

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

5.4 Stores, spares and loose tools

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

5.5 Stock-in-trade

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

| Particulars | Mode of valuation |
|-----------------------------|---|
| - Raw and packing materials | At weighted average cost. |
| - Work-in-process | At weighted average manufacturing cost. |
| - Finished goods | At weighted average manufacturing cost. |
| - Items in transit | Cost comprise invoice values plus other charges incurred thereon. |

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

5.6 Trade and other receivables

Trade and other receivables are stated initially at fair value and subsequently measured at amortised cost. Allowance is made on the basis of lifetime expected credit losses that result from all possible default events over the expected life of the trade debts and other receivables. Bad debts are written-off when considered irrecoverable.

5.7 Loans, advances, prepayments and trade deposits

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

5.8 Cash and cash equivalents

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

5.9 Trade and other payables

Trade and other payables are initially measured at cost, which is the fair value of the consideration to be paid in future for goods and services, whether or not billed to the Group.

5.10 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently measured at amortised cost using the effective interest rate method.

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of that asset.

5.11 Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument. All the financial assets are derecognised at the time when the Group loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled or expired. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the consolidated statement of profit or loss.

a) Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- i) amortised cost where the effective interest rate method is applied;
- ii) fair value through profit or loss; and
- iii) fair value through other comprehensive income.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are either recorded in statement of profit or loss or other comprehensive income (OCI).

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Further, financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in consolidated statement of profit or loss.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicate that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Impairment of financial assets

The Group assesses on a historical as well as forward-looking basis, the expected credit loss (ECL) as associated with its trade debts. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the ECL model:

- Trade debts
- Bank balances

Simplified approach for trade debts

The Group recognises life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Recognition of loss allowance

The Group recognises an impairment gain or loss in the consolidated statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Write-off

The Group writes-off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Group may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written-off result in impairment gains.

b) Financial Liabilities

Classification, initial recognition and subsequent measurement

Financial liabilities are classified in the following categories:

- i) fair value through profit or loss; and
- ii) other financial liabilities.

The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in case of other financial liabilities also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

i) Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Group has not designated any financial liability upon recognition as being at fair value through profit or loss.

ii) Other financial liabilities

After initial recognition, other financial liabilities which are interest bearing subsequently measured at amortised cost, using the effective interest rate method. Gains and losses are recognised in consolidated statement of profit or loss for the year, when the liabilities are derecognised as well as through effective interest rate amortisation process.

Derecognition of financial liabilities

The Group derecognises financial liabilities when and only when the Group's obligations are discharged, cancelled or expired.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amount and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

5.12 Impairment of non-financial assets other than inventories

The assets that are subject to depreciation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the consolidated statement of profit or loss.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised. The Group recognises the reversal immediately in the consolidated statement of profit or loss.

5.13 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

- Revenue from sale of goods or rendering of services is recognised when performance obligations are satisfied by transferring control (i.e. at the time when deliveries are made or services are rendered) of a promised good or service to a customer, and control either transfers over time or at a point in time. Revenue from sale of goods and rendering of services is measured net of sales tax, returns and trade discounts.
- Dividend income is recognised when the Group's right to receive dividend is established, i.e. on the date of books closure of the investee company declaring the dividend.
- Gains and losses arising on disposal of investments are included in income in the year in which these are disposed-off.
- Return on bank deposits is recognised on time proportion basis using the effective rate of return.

Contract assets

Contract assets arise when the Group performs its performance obligations by transferring goods and services to a customer before the customer pays its consideration or before payment is due.

Contract liabilities

Contract liability is the obligation of the Group to transfer goods and services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods and services, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs its performance obligations under the contract.

5.14 Foreign currency transactions

Foreign currency transactions are recorded in Pak Rupees using the exchange rates prevailing at the date of transactions. Monetary assets and liabilities in foreign currencies are translated in Pak Rupees at the rates of exchange prevailing at the reporting date. Exchange gains and losses are taken to consolidated statement of profit or loss.

5.15 Taxation

Taxation comprises of current tax and deferred tax.

Income tax expense is recognised in the consolidated statement of profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any, in which case the tax amounts are recognised directly in other comprehensive income or equity.

(a) Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any. The charge for current year also includes adjustments where necessary, relating to prior years which arise from assessments framed / finalised during the year.

(b) Deferred

Deferred tax is recognised using the statement of financial position liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts appearing in the consolidated financial statements. Deferred tax liability is recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that temporary differences will reverse in the future and taxable income will be available against which the temporary differences can be utilised. Deferred tax is charged or credited to the consolidated statement of profit or loss.

Deferred tax asset and liability is measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

5.16 Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

5.17 Related party transactions

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

5.18 Provisions

Provisions are recognised when the Group has a present obligation, legal or constructive, as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, prices and conditions, and can take place many years in future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustment to the amount of previously recognised provision is recognised in the consolidated statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

5.19 Contingent liabilities

A contingent liability is disclosed when the Group

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

5.20 Employees' benefits

Defined contribution plan

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

Compensated absences

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

5.21 Segment reporting

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

Segment assets and liabilities include items directly attributable to segment as well as those that can be allocated on a reasonable basis. Segment assets consist primarily of property, plant & equipment, stores, spares & loose tools and stock-in-trade. Segment liabilities comprise of long term finances, lease liabilities, short term borrowings and trade & other payables.

On the basis of its internal reporting structure, GCIL has two reportable segments i.e. Industrial & Medical Gases and Industrial Chemicals.

5.22 Deferred income - government grant

Government grant is initially measured at fair value; after initial recognition, it is measured at amortised cost using the effective interest rate method.

5.23 Dividend and appropriation to reserves

Dividend distribution to GCIL's shareholders and appropriation to reserves are recognised in the period in which these are approved.

6. PROPERTY, PLANT AND EQUIPMENT

| | Note | 2024 | 2023 |
|-------------------------------------|------|--------------------|------------------|
| | | Rupees in thousand | |
| Operating fixed assets | 6.1 | 6,792,002 | 6,241,673 |
| Capital work-in-progress | 6.8 | 3,158,662 | 209,889 |
| Stores held for capital expenditure | | 618,222 | 758,607 |
| | | 10,568,886 | 7,210,169 |

6.1 Operating fixed assets - tangible

| | Freehold land | Leasehold land | Buildings | Plant and machinery | Furniture and fixtures | Office equipment | Computers | Vehicles | Total |
|--|---------------|----------------|-----------|---------------------|------------------------|------------------|-----------|----------|-----------|
| -----Rupees in thousand----- | | | | | | | | | |
| As at June 30, 2022 | | | | | | | | | |
| Cost / revaluation | 1,040,320 | 189,751 | 464,441 | 4,961,147 | 37,742 | 11,867 | 13,873 | 148,009 | 6,867,150 |
| Accumulated depreciation | 0 | 47 | 190,200 | 716,530 | 20,418 | 3,247 | 10,689 | 56,837 | 997,968 |
| Book value | 1,040,320 | 189,704 | 274,241 | 4,244,617 | 17,324 | 8,620 | 3,184 | 91,172 | 5,869,182 |
| Year ended June 30, 2023 | | | | | | | | | |
| Additions | 0 | 0 | 0 | 51,757 | 11,719 | 623 | 1,526 | 92,248 | 157,873 |
| Leasehold land transferred from held-for-sale category | 0 | 52,250 | 0 | 0 | 0 | 0 | 0 | 0 | 52,250 |
| Revaluation adjustments | 246,080 | 132,999 | 0 | 0 | 0 | 0 | 0 | 0 | 379,079 |
| Depreciation | 0 | 47 | 0 | 0 | 0 | 0 | 0 | 0 | 47 |
| Disposals: | | | | | | | | | |
| - cost / revaluation | 56,000 | 0 | 0 | 198 | 0 | 0 | 0 | 11,300 | 67,498 |
| - accumulated depreciation | 0 | 0 | 0 | (49) | 0 | 0 | 0 | (8,095) | (8,144) |
| | 56,000 | 0 | 0 | 149 | 0 | 0 | 0 | 3,205 | 59,354 |
| Depreciation charge for the year | 0 | 0 | 27,424 | 97,037 | 2,214 | 909 | 1,218 | 28,602 | 157,404 |
| Book value | 1,230,400 | 375,000 | 246,817 | 4,199,188 | 26,829 | 8,334 | 3,492 | 151,613 | 6,241,673 |
| Year ended June 30, 2024 | | | | | | | | | |
| Additions | 0 | 7,178 | 516 | 399,257 | 3,875 | 3,235 | 2,365 | 304,735 | 721,161 |
| Revaluation adjustments (note 6.2) | 123,040 | 51,662 | 0 | 0 | 0 | 0 | 0 | 0 | 174,702 |
| Disposals: | | | | | | | | | |
| - cost / revaluation | 0 | 0 | 0 | 53,573 | 0 | 544 | 0 | 147,463 | 201,580 |
| - accumulated depreciation | 0 | 0 | 0 | (2,062) | 0 | (283) | 0 | (30,133) | (32,478) |
| - cost | 0 | 0 | 0 | 51,511 | 0 | 261 | 0 | 117,330 | 169,102 |
| Depreciation charge for the year | 0 | 0 | 24,724 | 97,912 | 2,885 | 1,048 | 1,336 | 48,527 | 176,432 |
| Book value | 1,353,440 | 433,840 | 222,609 | 4,449,022 | 27,819 | 10,260 | 4,521 | 290,491 | 6,792,002 |
| As at June 30, 2023 | | | | | | | | | |
| Cost / revaluation | 1,230,400 | 375,000 | 464,441 | 5,012,706 | 49,461 | 12,490 | 15,399 | 228,957 | 7,388,854 |
| Accumulated depreciation | 0 | 0 | 217,624 | 813,518 | 22,632 | 4,156 | 11,907 | 77,344 | 1,147,181 |
| Book value | 1,230,400 | 375,000 | 246,817 | 4,199,188 | 26,829 | 8,334 | 3,492 | 151,613 | 6,241,673 |
| As at June 30, 2024 | | | | | | | | | |
| Cost / revaluation | 1,353,440 | 433,840 | 464,957 | 5,358,390 | 53,336 | 15,181 | 17,764 | 386,229 | 8,083,137 |
| Accumulated depreciation | 0 | 0 | 242,348 | 909,368 | 25,517 | 4,921 | 13,243 | 95,738 | 1,291,135 |
| Book value | 1,353,440 | 433,840 | 222,609 | 4,449,022 | 27,819 | 10,260 | 4,521 | 290,491 | 6,792,002 |
| 240,000 | | | | | | | | | |
| Depreciation rate (% - per annum) | | 50-100 years | 10% | Machine hours | 10% | 10% | 30% | 20% | |

6.2 GCIL, during May, 2024, has again carried-out revaluations of its freehold and leasehold land situated at :

- 52 - Km, Phool Nagar, District Kasur
- Mouza Parna, Phool Nagar, Tehsil Pattoki, District Kasur
- Plot Nos. 7 and 8, 9 to 12, B2, 13-24, B3, B4, Zone - B, Hattar.

The revaluation exercises have been carried-out by independent Valuers [Unicorn International Surveyors, 74-B , Gulberg II, Lahore.]. Freehold land has been revalued on the basis of present market values whereas leasehold land has been revalued on the basis of estimated prevailing lease rate. These revaluations have resulted in revaluation surplus aggregating Rs.174.702 million as worked-out below:

| | Rupees in thousand |
|--|-------------------------------|
| (a) Cost / revalued amount of freehold land as at May 07, 2024 | 1,230,400 |
| Revalued amount as at May 07, 2024 | 1,353,440 |
| Revaluation surplus arisen upon revaluation | <u><u>123,040</u></u> |
| (b) Cost / revalued amount of leasehold land as at May 07, 2024 | 382,178 |
| Revalued amount as at May 07, 2024 | 433,840 |
| Revaluation surplus arisen upon revaluation | <u><u>51,662</u></u> |
| (c) Had there been no revaluations, book value of freehold and leasehold land would have been Rs.76.463 million (2023: Rs.76.463 million) and Rs.200.991 million (2023: Rs.193.813 million) respectively as at June 30, 2024. | |
| (d) Based on the aforementioned revaluation reports, the forced sale values of the revalued freehold and leasehold land have been assessed at Rs.1,429.824 million (2023: Rs.1,284.320 million). | |

6.3 Particulars of operating fixed assets disposed-off during the year:

| Description | Cost | Accumulated depreciation | Book value | Sale proceeds | Gain/(loss) | Particulars of Purchaser |
|--|------------------|--------------------------|------------|---------------|-------------|---|
| | -----Rupees----- | | | | | Sold through negotiation |
| Items with individual net book value exceeding Rs. 500,000 each | | | | | | |
| Plant & machinery | | | | | | |
| Oxyfuel Plant Borosilicate | 53,547 | (2,061) | 51,486 | 70,000 | 18,514 | Ghani Global Glass Ltd. (a related party) |
| Vehicles | | | | | | |
| Toyota Camry Vehicle | 14,607 | (2,950) | 11,657 | 20,000 | 8,343 | Muhammad Asad Khan Niazi (a third party). |
| Honda Civic | 10,453 | 0 | 10,453 | 10,750 | 297 | Shehryar Ghazanfar (a third party). |
| Crown Majesta | 14,660 | (9,616) | 5,044 | 22,000 | 16,956 | Malik Shafique (a third party). |
| Land Cruiser | 47,523 | 0 | 47,523 | 56,800 | 9,277 | Muhammad Afzal (a third party). |
| Honda City | 1,930 | (1,325) | 605 | 3,675 | 3,070 | Mr. Shahid Ayub (employee). |
| Toyota Fortuner | 4,698 | (3,255) | 1,443 | 2,119 | 676 | Mr. Ashraf Bawany (Company Director). |
| Toyota Crown | 32,867 | 0 | 32,867 | 37,000 | 4,133 | Malik Shafique (a third party). |
| Honda Civic | 2,714 | (1,998) | 716 | 1,224 | 508 | Syed Sibtul Hassan Gilani (employee). |
| Mercedes Benz A 200 Sedan | 10,516 | (4,676) | 5,840 | 15,500 | 9,660 | Malik Shafique (a third party). |
| | 139,968 | (23,820) | 116,148 | 169,068 | 52,920 | |
| Aggregate value of items having individual book value not exceeding Rs. 500,000 each | | | | | | |
| Plant and machinery | 26 | (1) | 25 | 105 | 80 | |
| Vehicles | 7,495 | (6,313) | 1,182 | 4,056 | 2,874 | |
| Office equipment | 544 | (283) | 261 | 58 | (203) | |
| Total | 2024 | 201,580 | (32,478) | 169,102 | 243,287 | 74,185 |
| Total | 2023 | 67,498 | (8,144) | 59,354 | 66,823 | 7,469 |

6.4 Particulars of immovable property in the name of GCIL are as follows:

| Location | Usage of immovable property | Total Area | Covered Area |
|--|--------------------------------|---------------------------------|--------------|
| | | | In sq. ft. |
| - 52 - Km, Phool Nagar, District Kasur | Manufacturing facility (gases) | 113 Kanals 8 marlas and 90 feet | 67,031 |
| - Mouza Parna, Phool Nagar, Tehsil Pattoki, District Kasur | Industrial land | 83 Kanals and 9 Marlas | - |
| - Plot Nos. 7 and 8, 9 to 12, B2, 13-24, B3,B4, Zone - B, Hattar | Industrial land | 157.76 Kanals (19.72 Acres) | - |

6.5 As at June 30, 2024, plant and machinery include vacuum insulated evaporator tanks installed at various customers' sites for supply of gas products. These assets are secured against deposits as disclosed in note 24. Cost and book value of these vacuum insulated evaporator tanks were as follows:

| | Note | 2024 Rupees in thousand | 2023 |
|------------|------|----------------------------|---------|
| Cost | | 207,724 | 187,619 |
| Book value | | 159,953 | 144,602 |

6.6 Depreciation charge on operating fixed assets has been allocated as follows:

| | | | |
|-------------------------|----|----------------|----------------|
| Cost of sales | 34 | 120,959 | 122,162 |
| Administrative expenses | 36 | 55,473 | 35,242 |
| | | <u>176,432</u> | <u>157,404</u> |

6.7 Leasehold land rights located at Hattar under KPEZDMC is still under provisional allotment; therefore, at the reporting date, this has been carried as leasehold land.

6.8 **Capital work in progress** (plant and machinery) - at cost

| | Note | 2024 Rupees in thousand | 2023 |
|-----------------------------|------|----------------------------|----------------|
| Opening balance | | 209,889 | 20,667 |
| Additions during the year | 6.9 | 2,962,909 | 189,222 |
| Capitalised during the year | | (14,136) | 0 |
| Closing balance | | <u>3,158,662</u> | <u>209,889</u> |

6.9 These include expenditure aggregating Rs.1,516.179 million (2023: Rs.135.891 million) relating to installation of new plant (Liquid Air Separation Unit) and expenditure aggregating Rs.1,439.404 million (2023: Rs.61.242 million) relating to Calcium Carbide plant at Hattar, KPK.

6.10 During the year, borrowing cost at the rates ranging from 21.67% to 25.53% (2023: 17.96% to 23.44%) per annum amounting Rs.363.580 million (2023: Rs.74.143 million) has been included in the cost of plant and machinery.

7. **RIGHT OF USE ASSETS**

| | | | |
|-------------------------------|-----|----------------|----------------|
| Opening balance | | 500,000 | 400,283 |
| Revaluation increment | 7.1 | 63,107 | 118,152 |
| Revaluation adjustment - cost | | (13,107) | (18,435) |
| | | <u>550,000</u> | <u>500,000</u> |

Amortisation

| | | | |
|---|-----|----------------|----------------|
| Opening balance | | 1,126 | 8,779 |
| Revaluation adjustment - accumulated amortisation | | (13,107) | (18,435) |
| Amortised during the year | 7.4 | 14,332 | 10,782 |
| | | <u>2,351</u> | <u>1,126</u> |
| Closing balance | | <u>547,649</u> | <u>498,874</u> |

7.1 GCIL, during May, 2024, has again carried-out revaluation of leasehold land situated at Plot No. A-53, Chemical Area, East Industrial Zone, Port Qasim, Karachi with an area of 40 Kanals having covered area of 17,045 sq. ft. The revaluation exercise has been carried out by independent Valuers [Unicorn International Surveyors, 74-B, Gulberg II, Lahore]. Leasehold land has been revalued on the basis of present market rate of project land and it has resulted in revaluation surplus of Rs.63.107 million as worked-out below:

| | Rs. in thousand |
|--|-----------------|
| Carrying value of leasehold land as at May 07, 2024 | 486,893 |
| Revalued amount of leasehold land as at May 07, 2024 | 550,000 |
| Revaluation surplus arisen upon revaluation | <u>63,107</u> |

7.2 Had there been no revaluation, book value of leasehold land would have been Rs.24.724 million (2023: Rs.25.441 million).

7.3 Based on the aforementioned revaluation report dated May 07, 2024, the forced sale value of the revalued leasehold land has been assessed at Rs.440 million (2023: Rs.400 million).

7.4 Amortisation charge for the year on right of use assets has been calculated by using straight line method over the lease terms i.e. ranging from 40 to 50 years and grouped under administrative expenses.

8. INTANGIBLE ASSETS

| | Note | 2024 | 2023 |
|---------------------|------|--------------------|--------------|
| | | Rupees in thousand | |
| Software | 8.1 | 1,479 | 1,479 |
| Goodwill originated | 8.3 | 173 | 0 |
| | | <u>1,652</u> | <u>1,479</u> |

8.1 Software

Cost

Balance at year-end 14,808 14,808

Amortisation

| | | | |
|---------------------------|-----|---------------|---------------|
| Opening balance | | 13,329 | 12,094 |
| Amortised during the year | 8.2 | 0 | 1,235 |
| | | <u>13,329</u> | <u>13,329</u> |

Carrying value at year-end

1,479 1,479

8.2 No amortisation has been charged for the current year as carrying value represents 10% residual value (2023: amortisation was charged at the rate of 20% of cost and allocated to administrative expenses.)

8.3 Goodwill represents the difference between the cost of acquisition (fair value of the consideration paid) and the fair value of net identifiable assets acquired at the time of acquisition of Ghani Gasses (Pvt.) Ltd.

9. LONG TERM DEPOSITS - Considered good

Security deposits against:

| | | | |
|-----------------------------|-----|---------------|---------------|
| - utility bills | 9.1 | 64,873 | 64,873 |
| - rented premises | | 1,743 | 1,734 |
| - Ijarah finance facilities | | 0 | 586 |
| | | <u>66,616</u> | <u>67,193</u> |

9.1 These deposits are being held for an indefinite period with no fixed maturity date; therefore, have been carried at cost, as amortised cost is impractical to determine.

10. STORES, SPARES AND LOOSE TOOLS

| | | |
|-------------|----------------|----------------|
| Stores | 56,413 | 53,996 |
| Spare parts | 305,269 | 259,487 |
| Loose tools | 453 | 362 |
| | <u>362,135</u> | <u>313,845</u> |

11. STOCK IN TRADE

| | | |
|-----------------------------------|----------------|---------------|
| Finished goods - industrial gases | 79,595 | 64,057 |
| - industrial chemicals | 80,992 | 15,318 |
| | <u>160,587</u> | <u>79,375</u> |

| | | 2024 | 2023 |
|--|---|-------------------------|-------------------------|
| | | Rupees in thousand | |
| 12. TRADE DEBTS - Unsecured | Note | | |
| Considered good | 12.4 | 2,142,223 | 1,108,225 |
| Considered doubtful | | 24,856 | 19,856 |
| | | <u>2,167,079</u> | <u>1,128,081</u> |
| Allowance for expected credit loss | 12.1 | <u>(24,856)</u> | <u>(19,856)</u> |
| | | <u><u>2,142,223</u></u> | <u><u>1,108,225</u></u> |
| 12.1 Allowance for expected credit loss | | | |
| Opening balance | | 19,856 | 16,027 |
| Charge for the year | | 5,000 | 4,337 |
| Balances written-off during the year | | 0 | (508) |
| Closing balance | | <u>24,856</u> | <u>19,856</u> |
| 12.2 | Trade debts aggregating Rs.659.861 million (2023: Rs.396.069 million) were either past due or overdue but not impaired as allowance for expected credit loss. These balances relate to various customers, primarily Government organisations, with whom there was no recent history of default. The ageing analysis of these trade debts is as follows: | | |
| | Up to 1 month | 90,348 | 122,244 |
| | 31 to 60 days | 75,868 | 42,182 |
| | 61 to 90 days | 58,007 | 37,449 |
| | 91 to 180 days | 173,570 | 51,121 |
| | 181 to 365 days | 114,077 | 74,900 |
| | Above 365 days | 147,991 | 68,173 |
| | | <u>659,861</u> | <u>396,069</u> |
| 12.3 | Receivables from the government institutions aggregate Rs.659.861 million as at June 30, 2024 (2023: Rs.396.069 million) | | |
| 12.4 | The balance includes receivable from Ghani Global Glass Ltd. (a related party) amounting Rs.68.182 million as at June 30, 2024 (2023: Rs.87.696 million). | | |
| 13. LOAN AND ADVANCES | | | |
| | Unsecured, considered good | | |
| | - to employees against expenses | 4,107 | 4,853 |
| | - to employees against salaries | 2 | 92 |
| | - to suppliers and contractors | 149,515 | 205,691 |
| | Due from related parties | 1,122,278 | 778,635 |
| | Letters of credit | 61,831 | 506,673 |
| | | <u>1,337,733</u> | <u>1,495,944</u> |
| | Allowance for impairment | <u>(1,485)</u> | <u>(1,485)</u> |
| | | <u><u>1,336,248</u></u> | <u><u>1,494,459</u></u> |
| 13.1 Due from related parties | | | |
| | Ghani Global Glass Ltd. (GGGL) (including accrued mark-up and common allocation of expenses aggregating Rs.172.805 million (2023: Rs.43.155 million) | 1,019,397 | 778,363 |
| | Ghani Global Holdings Ltd. [the Holding Company of GCIL (including accrued mark-up aggregating Rs.5.581 million; 2023:Rs.Nil)] | 102,881 | 272 |
| | | <u>1,122,278</u> | <u>778,635</u> |

- 13.2** Maximum amounts due from GGGL including mark-up at the end of any month during the year was Rs.1,087.578 million (2023: Rs.866.519 million).
- 13.3** Maximum amount due from the Holding Company, including mark-up, at the end of any month during the year was Rs.102.881 million (2023: Rs.0.272 million).
- 13.4** GCIL's shareholders, vide special resolution dated April 03, 2023 pursuant to the requirements of section 199 of the Companies Act, 2017, have authorised the Company to make investment upto Rs. 900 million in GGGL by way of advances and loans, as and when required by GGGL. The advances carry mark-up at the rate of 3 months KIBOR + 150 bps ; the effective mark-up rates charged by GCIL during the year ranged from 22.96% to 24.40% (2023 : 16.82% to 23.58%) per annum.
- 13.5** GCIL's shareholders, vide special resolution dated April 03, 2023 pursuant to the requirements of section 199 of the Companies Act, 2017, have authorised the Company to make investment upto Rs. 100 million in GGHL by way of advances and loans, as and when required by GGHL. The advances carry mark-up at the rate of 3 months KIBOR + 85 bps ; the effective mark-up rates charged by GCIL during the year ranged from 22.31% to 23.75% per annum.

| 14. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES | Note | 2024 | 2023 |
|--|---|---------------------------|-------------|
| | | Rupees in thousand | |
| Trade deposits | | 197,036 | 143,597 |
| Prepayments | | 10,442 | 9,512 |
| Bank profit receivable | | 811 | 4,244 |
| Letters of credit margins | | 4,136 | 0 |
| Advances to suppliers | | 9,216 | 0 |
| Advances to construction contractor | 14.1 | 178,379 | 75,879 |
| Other receivable | 14.2 | 190,338 | 210,338 |
| | | 590,358 | 443,570 |
| 14.1 | This represents advance made to Baig Construction Company against civil works for Hattar project. | | |
| 14.2 | This represents advance made to Digital Custodian Company Ltd. against sale of shares. | | |
| 15. TAX REFUNDS DUE FROM GOVERNMENT | | | |
| Sales tax refundable - net | | 93,841 | 34,230 |
| 16. ADVANCE INCOME TAX | | | |
| Opening balance | | 440,031 | 417,798 |
| Paid during the year | | 289,737 | 245,881 |
| Refunds received during the year | | (67,556) | 0 |
| | | 662,212 | 663,679 |
| Adjusted against income tax payable | | (240,217) | (223,648) |
| | | 421,995 | 440,031 |

| 17. SHORT TERM INVESTMENTS | Note | 2024 | 2023 |
|---|--|--------------------|------------------|
| | | Rupees in thousand | |
| Term deposit receipts | | <u>100,000</u> | <u>911,000</u> |
| 18. CASH AND BANK BALANCES | | | |
| Cash-in-hand | | 899 | 392 |
| Cash at banks on: | | | |
| - current accounts | | <u>218,223</u> | <u>233,583</u> |
| - saving and deposit accounts | 18.1 | <u>267,638</u> | <u>291,198</u> |
| | | <u>485,861</u> | <u>524,781</u> |
| | | <u>486,760</u> | <u>525,173</u> |
| 18.1 | These carry profit at the rates ranging from 0.60 to 19.50% (2023: 5.97% to 17.08%) per annum. | | |
| 19. SHARE CAPITAL | | | |
| 19.1 Authorised share capital | | | |
| 800,000,000 ordinary shares of Rs.10 each | | 8,000,000 | 8,000,000 |
| 50,000,000 Class B shares of Rs.10 each | | 500,000 | 500,000 |
| | 19.3 | <u>8,500,000</u> | <u>8,500,000</u> |
| 19.2 Issued, subscribed and paid up share capital | | | |
| 53,525,000 ordinary shares of Rs.10 each fully paid in cash | | 535,250 | 535,250 |
| 100,000,000 ordinary shares of Rs.10 each issued for consideration other than cash i.e. Scheme of Arrangement | | 1,000,000 | 1,000,000 |
| 10,000,000 ordinary shares issued as right shares of Rs.10 each fully paid in cash | | 100,000 | 100,000 |
| 239,701,600 ordinary shares of Rs.10 each issued as fully paid bonus shares | 19.4 | 2,397,016 | 2,397,016 |
| 74,961,338 ordinary shares of Rs.10 each issued upon merger of GTECH with and into GCIL | | 749,613 | 749,613 |
| 22,000,000 Class B shares of Rs.10 each | 19.5 | 0 | 220,000 |
| 22,000,000 Class B shares converted into ordinary shares of Rs.10 each | | 220,000 | 0 |
| | | <u>5,001,879</u> | <u>5,001,879</u> |

- 19.3** The authorised share capital of GCIL, during the preceding year, was increased from Rs.5.500 billion divided into 550,000,000 ordinary shares of Rs.10 each to Rs.8.500 billion divided into 800,000,000 ordinary shares of Rs.10 each and 50,000,000 Class B shares of Rs.10 each.
- 19.4** The balance includes 43,471,634 ordinary shares of Rs.10 each issued as fully paid bonus shares in the proportion of 10 ordinary shares for every 100 ordinary shares held during the preceding financial year.
- 19.5** GCIL, during the preceding year, had issued 22,000,000 class B shares at the rate of Rs.10 per share. This right issue was made at the rate of 8.8045 class B shares for every 100 existing ordinary shares. These class B shares have been converted into ordinary shares during the current financial year as per the conversion ratio of 1:1.

| 19.6 | Shares held by related parties | Note | 2024 | 2023 |
|-------------|---------------------------------------|-------------|---------------------------|--------------------|
| | | | (Number of Shares) | |
| | Ghani Global Holdings Ltd. | | 279,905,983 | 279,905,983 |
| | Ghani Products (Pvt.) Ltd. | | 91,911,490 | 86,631,490 |
| | | | 371,817,473 | 366,537,473 |

20. SHARE PREMIUM

| | 2024 | 2023 |
|--|----------------|----------------|
| Rupees in thousand | | |
| Opening balance | 164,011 | 300,000 |
| Less: premium utilised during the preceding year upon issuance of 434,716,338 bonus shares | 0 | (135,989) |
| Balance as at June 30, | 164,011 | 164,011 |

21. REVALUATION SURPLUS ON FREEHOLD AND LEASEHOLD LAND

| | | | |
|--|------------|----------------|----------------|
| Opening balance | | 497,278 | 298,727 |
| Surplus on revaluations of freehold and leasehold land carried-out during the year | 6.1 | 174,702 | 379,126 |
| Surplus on revaluations of leasehold land carried-out during the year | 7.1 | 63,107 | 118,152 |
| Less: surplus utilised during the preceding year upon issuance of 434,716,338 bonus shares | | 0 | (298,727) |
| Balance as at June 30, | | 735,087 | 497,278 |

| 22. LONG TERM FINANCES | Note | 2024 | 2023 |
|--|--|---------------------------|-----------|
| GCIL | | | |
| From banking companies - secured | | Rupees in thousand | |
| Diminishing Musharakah | 22.2 | 0 | 1,279 |
| Diminishing Musharakah | 22.3 | 750 | 750 |
| Diminishing Musharakah | 22.4 | 136,348 | 245,440 |
| Diminishing Musharakah and Islamic Refinance Facility | 22.5 | 2,286 | 11,429 |
| Diminishing Musharakah | 22.6 | 500,000 | 0 |
| Diminishing Musharakah (ITERF) | 22.7 | 330,159 | 395,835 |
| Long Term Islamic Finance Facility | 22.8 | 384,612 | 283,176 |
| Diminishing Musharakah | 22.9 | 499,993 | 499,993 |
| From Islamic Financial Institution - secured | | | |
| Diminishing Musharakah | 22.10 | 192,281 | 4,029 |
| Others | | | |
| From sponsoring directors - unsecured | 22.11 | 52,000 | 52,000 |
| | | 2,098,429 | 1,493,931 |
| Current portion grouped under current liabilities | | (457,893) | (223,888) |
| | | 1,640,536 | 1,270,043 |
| 22.1 | Balance at beginning of the year | 1,493,931 | 910,313 |
| | Availed during the year | 835,262 | 758,314 |
| | Repayments made during the year | (230,764) | (174,696) |
| | Balance at the end of the year | 2,098,429 | 1,493,931 |
| 22.2 | This represented Diminishing Musharakah facility having credit limit of Rs.10 million availed from a banking company for purchase of vehicles. The agreement tenor was 3 years and the balance was repayable in 36 instalments ending June, 2024. It carried profit at the rate of 3 months KIBOR + 1% and was secured against ownership of Musharakah assets jointly in the bank's and customer's name. | | |
| 22.3 | This represents Diminishing Musharakah facilities having credit limit of Rs.5.987 million and Rs.37.711 million availed from a banking company to finance machinery & equipment. The facilities were available upto July, 2022 and May, 2023 respectively. The facilities carried profit at the rate of 1 year KIBOR + 0.80% and 6 months KIBOR + 0.80% respectively. These facilities are secured against first pari passu charge of Rs.110 million over fixed assets, first specific charge of Rs.17.500 million over imported assets and equitable mortgage over land and buildings. These facilities have been matured during the preceding financial year and the management is negotiating with the bank for final settlement. | | |
| 22.4 | This represents Diminishing Musharakah facility having credit limit of Rs.450 million availed from a banking company to finance machinery and equipment; the facility tenor is 5 years including 1 year grace period. The balance is repayable in 16 equal quarterly instalments and carries profit at the rate of 3 months KIBOR + 1%. The facility is secured against pari passu charge with 25% margin aggregating Rs.600 million over all plant and machinery of GCIL. The banking company has allowed moratorium of one year under SBP BPRD circular no. 13/2020; accordingly, repayment has commenced from October, 2021. | | |

22.5**Diminishing Musharakah and Islamic refinance facility**

| | 2024 | 2023 |
|------------------------------|---------------------------|---------------|
| | Rupees in thousand | |
| Opening balance | 11,429 | 39,186 |
| Payment made during the year | (9,143) | (28,080) |
| Deferred income | 0 | 323 |
| | <u>2,286</u> | <u>11,429</u> |

This represents Diminishing Musharakah and Islamic refinance facility having credit limit of Rs.110 million under Islamic Refinance Scheme for payment of salaries and wages to workers and employees of GCIL to dampen the effect of Covid-19 for a period of 2.5 years including six months grace period. The outstanding balance of salary finance was fully repaid during the preceding year. The repayment of salary loan was made in 8 equal quarterly instalments after a grace period and commenced from January, 2021. It carried profit at the rate of 3%. The facility is secured against first pari passu charge of Rs.96 million over plant & machinery and personal guarantees of three sponsoring Directors of GCIL.

The year end balance represents Diminishing Musharakah facility to retire letter of credit of Oxy Fuel Plant and carries profit at the rate of 6 months KIBOR + 1%. The outstanding balance is fully repayable by July, 2024.

22.6 This represents long term Diminishing Musharakah finance facilities having credit limit of Rs.500 million availed from a banking company during November, 2023 for retirement of letters of credit established through other banks for import of Air Separation Plant (275 tons) or its components / equipment or to finance CAPEX related to Industrial & Medical Plant at Hattar Economic Zone. The finance facility carries profit at 3 months KIBOR + 1% and its tenor is six years inclusive of two years grace period. The finance facility is secured against charge of Rs.667 million over fixed assets (land, buildings, plant and machinery) of GCIL, cross corporate guarantee of Ghani Global Holdings Ltd. (the Holding Company) and personal guarantees of three sponsoring directors of GCIL.

22.7

(a) This represents Diminishing Musharakah facility having credit limit of Rs.439 million under State Bank of Pakistan (SBP) ITERF Scheme to finance capital expenditure requirements related to procuring Gaseous Air Separation Unit (ASU); draw down has been allowed in multiple tranches. The facility tenor is 8 years including 2 years grace period; repayment will be made in 24 quarterly instalments and commenced from May, 2023. It carries profit at SBP rate + 4% per annum. The facility is secured against exclusive charge over operating fixed assets (excluding land and buildings) of the new unit for Rs.625 million, first pari passu charge of Rs.625 million over all present and future fixed assets of GCIL, personal guarantees of sponsoring directors of GCIL and assignment of receivables.

(b) As the above finance is below market rate of mark-up, this has been initially measured at its fair value i.e. the present value of the future cash flows discounted at prevailing market mark-up rate. The difference between the fair value of the finances on initial recognition and the amount received has been accounted for as Government grant.

(c) GCIL, during the preceding year, has recorded Rs.33.679 million as Government grant on finances obtained at below market rate of mark-up as per the requirements of IAS 20 (Accounting for government grants and disclosure of government assistance).

(d) GCIL has adhered to the terms of the grant; hence, this is being amortised at average borrowing cost rate of GCIL. An amount of Rs. 7.486 million (2023:Rs.8.824 million) has been recognised in the current's year consolidated statement of profit or loss in this regard and this amount has been adjusted against finance cost for the year.

22.8 This Long Term Islamic Finance Facility (LTIFF) has been obtained during the preceding year from a banking company. The facility has a credit limit of Rs.500 million and has been obtained to meet CAPEX requirements of GCIL; the facility tenor is 6 years including one year grace period. The balance is repayable in 20 equal quarterly instalments ending December, 2028. It carries profit at the rate of 3 months KIBOR + 1.50%. The facility is secured against first pari passu hypothecation charge of Rs.667 million over all present and future fixed assets of GCIL inclusive of 25% margin.

22.9 This represents Diminishing Musharakah facility obtained during the preceding year having credit limit of Rs.500 million. The facility has been availed from a banking company to finance project at Hattar for setting up an additional manufacturing plant of medical and industrial gases; the facility tenor is six years including 1.5 years grace period. The balance is repayable in 18 equal quarterly instalments ending December, 2028. It carries profit at the rate of 3 months KIBOR + 0.90%. The facility is secured against first pari passu / joint pari passu charge over all existing and future fixed assets of GCIL with 25% margin and personal guarantees of three sponsoring directors.

22.10 These Islamic finance facilities carry profit at the rates ranging from 3 to 6 months KIBOR + 1%. These Islamic finance facilities having credit limit of Rs.260 million (2023: Rs.51.275 million) are secured against ownership of Musharakah assets in favour of a financial institution. These finance facilities are repayable in monthly instalments ending November, 2026. These finance facilities are secured against ownership of vehicles in the name of financial institution and post dated cheques of all instalments.

22.11 These loans have been provided by sponsoring Directors to meet capital expenditure requirements of GCIL and are repayable after 5 years at the discretion of the lenders. Profit rates on these loans range from 1 month KIBOR and profit is payable on monthly basis.

| | 2024 |
|---|--------------------|
| 23. REDEEMABLE CAPITAL - Sukuk | Rupees 000' |
| Opening balance as at June 30, 2023 | 162,500 |
| Sukuk certificates redeemed during the year | (162,500) |
| Sukuk certificates issued during the year | 800,000 |
| Closing balance as at June 30, 2024 | 800,000 |

23.1 GCIL had issued rated, privately placed and secured long term Islamic Certificates (Sukuk) as instrument of redeemable capital under section 120 of the Companies Ordinance, 1984 (now the Companies Act, 2017) amounting Rs.1,300 million divided into 13,000 certificates of Rs.100,000 each for a period of 6 years under an agreement dated November 15, 2016 for swapping of financing facilities and to meet business requirements. These certificates were redeemable in 24 consecutive quarterly instalments commenced from February 03, 2017 and ended on February 03, 2024. Rentals were payable on quarterly basis along with redemption of certificates. These carried profit rate of 3 months KIBOR plus 1%. These certificates were secured against first pari passu charge over present and future fixed assets of GCIL to the extent of Rs.1,625 million. The banking company had allowed moratorium of one year; consequently, repayment of instalments for the months of May, 2020 to February, 2021 were deferred for one year. The balance of these Sukuk Certificates was fully redeemed during the current year.

23.2 GCIL, during the year, has issued rated, privately placed and secured long term Islamic Certificates (Sukuk) as instrument of redeemable capital under section 66 of the Companies Act, 2017 (Issue of securities and redeemable capital not based on interest) upto Rs.800 million for a period of 6 years under an agreement dated December 13, 2022 to finance capital expenditure requirements at Hattar Industrial Estate, Hattar, which includes plants, machinery, spares and auxiliary equipment, etc. Principal will be repaid in 16 consecutive quarterly instalments after expiry of 24 months from the date of last disbursement i.e. January 16, 2024. These carry profit at the rate of 3 months KIBOR plus 1.25% with no floor and no cap. These certificates are secured against first pari passu charge over present and future fixed assets of GCIL inclusive of 25% margin.

24. LONG TERM SECURITY DEPOSITS

These security deposits have been utilised for the purpose of the business of GCIL in accordance with written agreements. These represent amounts received from the customers on installation of certain equipment and may be used in ordinary course of GCIL's business under the provisions of section 217 of the Companies Act, 2017. GCIL, during the year, has received deposits aggregating Rs.23.370 million and repaid / adjusted deposits aggregating Rs.2.325 million.

| 25. LEASE LIABILITIES | 2024 | 2023 |
|---|---------------------------|-------------|
| | Rupees in thousand | |
| Lease liabilities | 6,190 | 6,121 |
| Less: current portion grouped under current liabilities | 332 | 316 |
| | 5,858 | 5,805 |
| 25.1 Movement of lease liabilities | | |
| Balance at beginning of the year | 6,121 | 6,040 |
| Profit charge for the year | 532 | 513 |
| Payment made during the year | (463) | (432) |
| Balance at end of the year | 6,190 | 6,121 |
| Maturity analysis of undiscounted lease payments | | |
| Payable upto one year | 332 | 316 |
| Payable between one to five years | 1,924 | 1,832 |
| Payable after five years | 27,670 | 28,126 |
| | 29,926 | 30,274 |

25.2 Amortisation for the year on right of use assets has been calculated by straight line method over the lease terms i.e. ranging from 40 to 50 years and grouped under administrative expenses. Right of use assets represent leasehold land, which is located at 53 - A, Industrial Zone, Bin Qasim, Karachi with an area of 40 kanals having covered area of 217,800 sq. ft.

| 26. DEFERRED LIABILITIES | Note | 2024 Rupees in thousand | 2023 |
|-------------------------------------|------|----------------------------|----------------|
| Gas infrastructure development cess | 26.1 | 0 | 7,991 |
| Deferred income - Government grant | 26.2 | 11,107 | 17,369 |
| Deferred taxation | 26.4 | 821,747 | 637,456 |
| | | <u>832,854</u> | <u>662,816</u> |

26.1 Gas Infrastructure Development Cess (GIDC)

| | | |
|---|-----------------|--------------|
| Balance at year-end | 21,684 | 20,578 |
| Interest against provision for GIDC | 699 | 1,106 |
| Closing liability based on present value | <u>22,383</u> | 21,684 |
| Current portion grouped under current liabilities | <u>(22,383)</u> | (13,693) |
| | <u>0</u> | <u>7,991</u> |

The Supreme Court of Pakistan (SCP), during the financial year ended June 30, 2021, had decided the appeal against consumers upholding the vires of Gas Infrastructure Development Cess (GIDC) Act, 2015 through its judgment dated August 13, 2020. The review petition was filed against the judgment, wherein the SCP provided some relief by increasing the time period for recovery of GIDC from 24 instalments to 48 instalments. The review application, however, was dismissed.

GCIL has filed a constitutional petition before the Lahore High Court (LHC) challenging the imposition of GIDC amount of Rs.22.638 million. The order of the writ petition was not in favour of GCIL, which was challenged in ICA before the LHC.

GCIL had recorded provision for GIDC, which was grouped under trade and other payables during the financial year ended June 30, 2020. This amount was classified as non-current liability at its value, by discounting future estimated cash flows using risk free rate of return i.e. 8.60%. This resulted in income of Rs.3.540 million, which was grouped in other income during the financial year ended June 30, 2021.

26.2 Deferred income - Government grant

| | | | |
|---|------|----------------|---------------|
| Balance at beginning of the year | 26.3 | 24,855 | 323 |
| Amortised during the year | | (7,486) | (323) |
| | | <u>17,369</u> | 0 |
| Government grant recognised during the year | 22.7 | 0 | 33,679 |
| Amortised during the year | 22.7 | 0 | (8,824) |
| | | 0 | 24,855 |
| Current portion grouped under current liabilities | | <u>(6,262)</u> | (7,486) |
| | | <u>11,107</u> | <u>17,369</u> |

26.3

(a) In response to COVID-19, the State Bank of Pakistan (SBP) through Circular No. 6 of 2020, has introduced a Refinance Scheme for payment of wages and salaries to the workers and employees of business concerns. The Refinance Scheme has been managed through Participating Financial Institutions (PFIs) and funded by SBP. Borrowers obtained loans from PFIs to ease their cash flow constraints and thereby avoid layoffs. The benefit of a government loan at a below-market rate of interest has been treated as a government grant. The loan has been measured in accordance with IFRS 9 (Financial Instruments). The benefit of the below market rate of interest has been measured as the difference between the initial carrying value of loan determined in accordance with IFRS 9 and the proceeds received. The benefit has been accounted for and presented as deferred grant in accordance with IAS 20. The deferred grant has been amortised at average borrowing cost rate of GCIL; an amount of Rs.7,486 thousand (2023: Rs.9,147 thousand) has been recognised in the current year consolidated statement of profit or loss in this regard.

(b) Also refer contents of note 22.7

26.4 Deferred taxation

| | Note | 2024 Rupees in thousand | 2023 |
|---|------|----------------------------|-----------------------|
| This is composed of the following: | | | |
| Taxable temporary difference arising in respect of accelerated tax depreciation allowances | | 955,952 | 861,808 |
| Deductible temporary differences arising in respect of: | | | |
| - unused tax losses | | 0 | (19,989) |
| - allowance for expected credit loss | | (7,639) | (5,758) |
| - alternate corporate tax / minimum tax recoverable against normal tax charge in future years | | (126,566) | (198,605) |
| | | <u>(134,205)</u> | <u>(224,352)</u> |
| | | <u>821,747</u> | <u>637,456</u> |

27. TRADE AND OTHER PAYABLES

| | | | |
|--------------------------------------|------|-----------------------|-----------------------|
| Trade creditors | | 59,888 | 252,910 |
| Bills payable | 27.1 | 87,400 | 0 |
| Accrued liabilities | | 83,882 | 24,419 |
| Workers' (profit) participation fund | 27.2 | 10,047 | 18,328 |
| Workers' welfare fund | 27.3 | 65,078 | 46,764 |
| Payable to employees' provident fund | | 0 | 13 |
| Withholding taxes | | 7,443 | 7,661 |
| Other payables | | 67 | 0 |
| | | <u>313,805</u> | <u>350,095</u> |

27.1 These are secured against term deposit receipts as disclosed in note 17.

| 27.2 Workers' (profit) participation fund | Note | 2024 | 2023 |
|--|-------------|---------------------------|-------------|
| | | Rupees in thousand | |
| Opening balance | | 18,328 | 50,382 |
| Paid during the year | | (77,265) | (82,088) |
| Allocation for the year | | 68,984 | 50,034 |
| Closing balance | | 10,047 | 18,328 |
| 27.3 Workers' welfare fund | | | |
| Opening balance | | 46,764 | 36,591 |
| Adjusted during the year | | (7,900) | (8,840) |
| Charge for the year | | 26,214 | 19,013 |
| Closing balance | | 65,078 | 46,764 |

28. CONTRACT LIABILITIES

GCIL, during the year, has recognised revenue aggregating Rs.30.439 million out of the contract liabilities balance outstanding at beginning of the year.

29. ACCRUED PROFIT

Profit accrued on :

| | | | |
|------------------------------|--|----------------|---------|
| - long term finances | | 245,323 | 65,485 |
| - redeemable capital - Sukuk | | 38,072 | 6,148 |
| - short term borrowings | | 52,725 | 51,154 |
| | | 336,120 | 122,787 |

30. SHORT TERM BORROWINGS

GCIL

| | | | |
|--------------------------------------|-------------|------------------|-----------|
| From banking companies - secured | 30.1 | 1,570,488 | 1,127,439 |
| Temporary book overdraft - unsecured | 30.2 | 9,994 | 0 |
| | | 1,580,482 | 1,127,439 |

30.1 These finances have been obtained under profit arrangements and are secured against charge on present and future current assets, personal guarantees of sponsoring directors of GCIL, corporate guarantees of the Ghani Global Holdings Ltd. (the Holding Company) and lien over import documents. These form part of total credit funded facilities of Rs.1,650 million (2023: Rs.1,450 million). The rates of profit range from 18.65% to 24.43% (2023: 11.58% to 23.88%) per annum. These facilities are expiring on various dates by January, 2025.

30.2 This temporary book overdraft has arisen due to issuance of cheques for amounts in excess of balance in a bank account.

| 31. CURRENT PORTION OF NON-CURRENT LIABILITIES | Note | 2024 Rupees in thousand | 2023 |
|--|------|----------------------------|----------------|
| Long term finances | 22 | 457,893 | 223,888 |
| Redeemable capital - Sukuk | 23 | 0 | 162,500 |
| Lease liabilities | 25 | 332 | 316 |
| Gas Infrastructure Development Cess | 26.1 | 22,383 | 13,693 |
| Deferred income | 26.2 | 6,262 | 7,486 |
| | | 486,870 | 407,883 |

32. CONTINGENCIES AND COMMITMENTS

Contingencies

- 32.1** GCIL has filed two separate constitutional petitions on February 15, 2009 before the Lahore High Court (the LHC), Lahore on the ground that GCIL was not required to pay any advance tax on electricity bills due to huge carried forward tax losses and available refunds. The LHC has granted stay orders upon furnishing of bank guarantees in favour of LESCO amounting Rs.3.140 million. The outcome of the cases is pending and the management is hopeful that matter shall be decided in favour of GCIL.
- 32.2** During the financial year ended June 30, 2020, GCIL has filed a writ petition before the Sindh High Court, Karachi against Federation of Pakistan owing to dispute between K-Electric regarding origination bill including amount of Rs.35.858 million in lieu of Industrial Support Package (ISPA). As per order of the Sindh High Court dated May 05, 2020; GCIL has submitted post-dated cheques of the involved amount to the Court for further proceeding of the matter. The management during the current financial year, has made payment of the disputed amount to K-Electric.
- 32.3** The Tax Department has filed references before the Lahore High Court against the orders passed by the Appellate Tribunal in favour of GCIL for the Tax Years 2011 and 2014. The references are pending adjudication.
- 32.4** Punjab Revenue Authority vide show cause notice dated March 28, 2024 has raised demands aggregating Rs.101.944 million under section 49 of the Punjab Sales Tax on Services Act, 2012 and the Rules made there under. GCIL has filed a writ petition before the Lahore High Court; the petition is pending adjudication.
- 32.5** GCIL has filed a petition before the Supreme Court of Pakistan (SCP) against imposition of the Fuel Price Adjustment & Quarterly Tariff Adjustment. Based on GCIL's legal advisors certificate, total amount related to GCIL is Rs.225.019 million on the basis of actual consumption of electricity. GCIL has prayed to SCP to suspend the judgment of the Islamabad High Court dated June 26, 2024. The petition filed before the SCP is pending adjudication.
- 32.6** GCIL has filed a writ petition against imposition of FC-Surcharge amounting Rs.14.178 million before the Lahore High Court (LHC). The petition filed before LHC is pending adjudication.
- 32.7** The un-availed funded and unfunded credit facilities from banks (other than loans from directors) as of reporting date were for Rs.567.880 million (2023: Rs.403.840 million). These limits include credit lines that are interchangeable and may be utilised for either funded facilities or unfunded facilities.
- 32.8** Bank guarantees aggregating Rs.186.858 million (2023: Rs.133.670 million) have been provided to various customers / institutions against supplies of products.

Commitments

32.9 Commitments in respect of letters of credit amounted to Rs.147.783 million as at June 30, 2024 (2023: Rs.1,943.721 million).

32.10 Commitments for construction of buildings as at June 30, 2024 amounted Rs.150 million (2023: Rs.200 million).

| 33. SALES | Note | 2024 | 2023 |
|--|-------------|---------------------------|-------------------------|
| | | Rupees in thousand | |
| Local | | | |
| Gross sales | | | |
| Supplies | | 6,269,968 | 5,052,441 |
| Services | | 59,510 | 58,682 |
| | | <u>6,329,478</u> | <u>5,111,123</u> |
| Sales / service tax | | <u>(957,472)</u> | <u>(778,927)</u> |
| | | 5,372,006 | 4,332,196 |
| Export | | | |
| Services | | 65,381 | 0 |
| | | <u>5,437,387</u> | <u>4,332,196</u> |
| 34. COST OF SALES | | | |
| Salaries, wages and other benefits | 34.1 | 136,302 | 101,093 |
| Fuel and power | | 2,772,920 | 1,742,201 |
| Utilities | | 7,091 | 6,919 |
| Consumable stores and spares | | 97,988 | 146,283 |
| Rent, rates and taxes | | 1,125 | 927 |
| Repair and maintenance | | 6,144 | 6,747 |
| Communication | | 495 | 606 |
| Travelling and vehicles' running | | 6,894 | 8,731 |
| Insurance | | 9,533 | 7,607 |
| Depreciation | 6.6 | 120,959 | 122,162 |
| Inadmissible sales tax (input), freight and others | | 21,120 | 35,789 |
| Cost of goods manufactured | | <u>3,180,571</u> | <u>2,179,065</u> |
| Changes in finished goods | | | |
| Opening stock | | 79,375 | 135,260 |
| Purchases | | 725,517 | 637,408 |
| Closing stock | 11 | (160,587) | (79,375) |
| | | <u>644,305</u> | <u>693,293</u> |
| | | <u>3,824,876</u> | <u>2,872,358</u> |

34.1 These include Rs.7.204 million (2023: Rs.4.937 million) in respect of retirement benefits.

| 35. DISTRIBUTION COSTS | | 2024 | 2023 |
|---|-------------|---------------------------|-------------|
| | Note | Rupees in thousand | |
| Salaries, wages and other benefits | 35.1 | 62,767 | 65,262 |
| Transportation | | 48,335 | 84,144 |
| Traveling, boarding, lodging and conveyance | | 1,581 | 1,581 |
| Communication | | 482 | 432 |
| Vehicles' running and maintenance | | 11,251 | 10,838 |
| Rent, rates and taxes | | 2,057 | 4,560 |
| Loading and unloading | | 693 | 702 |
| Postage and courier | | 293 | 296 |
| Repair and maintenance | | 163 | 206 |
| Office expenses | | 1,333 | 731 |
| Others | | 15,730 | 24,673 |
| | | 144,685 | 193,425 |

35.1 These include Rs.4.356 million (2023: Rs.4.552 million) in respect of retirement benefits.

36. ADMINISTRATIVE EXPENSES

| | | | |
|-------------------------------------|-------------|----------------|---------|
| Salaries and other benefits | 36.1 | 90,570 | 92,856 |
| Communication | | 2,364 | 1,542 |
| Electricity and other utilities | | 11,037 | 8,895 |
| Rent, rates and taxes | | 6,900 | 6,348 |
| Repair and maintenance | | 74 | 298 |
| Traveling and conveyance | | 366 | 1,624 |
| Vehicles' running and maintenance | | 9,502 | 5,036 |
| Printing and stationery | | 4,092 | 5,134 |
| Donations and charity | | 1,765 | 2,273 |
| Fees and subscription | | 14,254 | 18,858 |
| Advertisement | | 0 | 35 |
| Insurance | | 7,420 | 5,334 |
| Depreciation | 6.6 | 55,473 | 35,242 |
| Amortisation of right of use assets | 7 | 14,332 | 10,782 |
| Amortisation of intangible assets | 8 | 0 | 1,235 |
| Others | | 25,206 | 20,131 |
| | | 243,355 | 215,623 |

36.1 These include Rs.5.559 million (2023: Rs.5.448 million) in respect of retirement benefits.

| 37. OTHER EXPENSES | Note | 2024 | 2023 |
|--|------|--------------------|----------------|
| | | Rupees in thousand | |
| Legal and professional (other than Auditors) | | 952 | 955 |
| Allowance for expected credit loss | 12.1 | 5,000 | 4,337 |
| Auditors' remuneration: | | | |
| - statutory audit fees | | 1,006 | 858 |
| - half yearly review | | 231 | 220 |
| - other certifications | | 569 | 285 |
| | | 1,806 | 1,363 |
| Workers' (profit) participation fund | 27.2 | 68,984 | 50,034 |
| Workers' welfare fund | 27.3 | 26,214 | 19,013 |
| Others | | 123 | 0 |
| | | 103,079 | 75,702 |
| 38. OTHER INCOME | | | |
| Profit on bank deposits | | 129,937 | 153,064 |
| Return on advances to Associated Companies | | 209,311 | 115,444 |
| Gain on sale of investment in GTECH | | 0 | 12,361 |
| Gain on sale of long term investments | | 0 | 150 |
| Gain on disposal of operating fixed assets | 6.3 | 74,185 | 7,469 |
| Takaful claim received | | 0 | 2,960 |
| Compensation charges recovered from a customer due to short lifting of chemical supplies | | 110,958 | 39,255 |
| Commission related to services work at an hospital | | 20,903 | 0 |
| Miscellaneous | | 5,927 | 231 |
| | | 551,221 | 330,934 |
| 39. FINANCE COST | | | |
| Finance cost on: | | | |
| - long term finances | | 95,989 | 88,772 |
| - redeemable capital - Sukuk | | 12,941 | 46,290 |
| - short term borrowings | | 265,914 | 229,111 |
| - lease liabilities | | 532 | 513 |
| | | 375,376 | 364,686 |
| Interest against provision for Gas Infrastructure and Development Cess | | 699 | 1,106 |
| Bank charges and commission | | 13,293 | 8,590 |
| | | 389,368 | 374,382 |

| | | | |
|---|-------------|---------------------------|----------------|
| 40. MINIMUM AND FINAL TAX LEVIES | | 2024 | 2023 |
| | Note | Rupees in thousand | |
| For the year | | 210,174 | 160,709 |
| Prior years | | 615 | (8,892) |
| | | 210,789 | 151,817 |

| | | | |
|---------------------|-------------|----------------|----------------|
| 41. TAXATION | | | |
| For the year | | 103,647 | 78,944 |
| Prior years | | (51) | 0 |
| | | 103,596 | 78,944 |
| Deferred | 26.4 | 184,291 | 192,988 |
| | | 287,887 | 271,932 |

41.1 Returns filed by GCIL upto the tax year 2023 have been assessed under the self assessment scheme envisaged in section 120 of the Income Tax Ordinance, 2001 (the Ordinance).

41.2 Tax charge reconciliation - GCIL

| | | | |
|---|--|-------------|---------------------------|
| Numerical reconciliation between the tax expense as per accounting profit with taxable income | | 2024 | Rupees in thousand |
| Profit before taxation, minimum and final tax levies | | | <u>1,284,483</u> |
| Tax expense as per accounting profit at the rate of 29% | | | 372,500 |
| Impact of super tax at the rate of 10% | | | 103,647 |
| Impact of minimum tax and final tax levies | | | (16,883) |
| Effect of prior year tax | | | 564 |
| Adjustment of alternate corporate tax | | | 72,039 |
| Impact of admissible / inadmissible expenses | | | (52,788) |
| Adjustment of unused tax losses | | | 19,989 |
| Others | | | (392) |
| Total taxation, minimum and final tax levies expense | | | <u>498,676</u> |

41.3 No numeric tax rate reconciliation is presented in these consolidated financial statements for the financial year ended June 30, 2023 as GCIL was mainly liable to pay tax due under sections 4C (Super tax on high earning persons) and 113C (Alternative Corporate Tax) of the Ordinance.

42. COMBINED EARNINGS PER SHARE

| | | | |
|---|--|---------------------------|-------------|
| There is no dilutive effect on earnings per share of GCIL, which is based on: | | 2024 | 2023 |
| | | Rupees in thousand | |
| Profit after taxation attributable to equity holders of GCIL | | 784,569 | 507,891 |
| | | (Number of shares) | |
| Weighted average number of ordinary shares in issue during the year | | 497,122,398 | 478,187,972 |
| | | ----- Rupees ----- | |
| Combined earnings per share - basic | | 1.58 | 1.06 |

43. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the consolidated financial statements for remuneration, allowances including all benefits to the chief executive, directors and executives of GCIL were as follows:

| <u>Description</u> | 2024 | | | 2023 | | |
|-----------------------------|------------------------------|---------------|---------------|-----------------|---------------|---------------|
| | Chief Executive | Director | Executives | Chief Executive | Director | Executives |
| | -----Rupees in thousand----- | | | | | |
| Managerial remuneration | 17,408 | 17,408 | 39,243 | 17,408 | 17,408 | 24,887 |
| Medical | 696 | 696 | 1,306 | 696 | 1,741 | 995 |
| Provident fund contribution | 1,450 | 1,450 | 3,269 | 1,450 | 1,450 | 2,073 |
| | <u>19,554</u> | <u>19,554</u> | <u>43,818</u> | <u>19,554</u> | <u>20,599</u> | <u>27,955</u> |
| No. of persons | 1 | 1 | 13 | 1 | 1 | 8 |

43.1 The chief executive and directors of GCIL have been provided with free use of GCIL maintained cars in accordance with their entitlement. Some of the executives have also been provided with GCIL maintained cars as per their terms of employment.

43.2 Meeting fees aggregating Rs.1,225 thousand (2023:Rs.425 thousand) were paid to 5 (2023:5) directors of GCIL for attending Board meetings during the year.

44. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of Holding and Associated Companies, directors of the Group, key management personnel and staff retirement benefit fund. The Group in the normal course of business carries out transactions with various related parties. Details of related parties with whom the Group has transacted along with relationship and transactions, other than those which have been disclosed in these consolidated financial statements, were as follows:

| Name of related party | Relationship |
|--|--|
| - Ghani Global Holdings Ltd. | Holding Company |
| - Ghani Global Glass Ltd. | Associated Company - common directorship |
| - Kilowatt Labs Technologies Ltd. | -do- |
| - Air Ghani (Pvt.) Ltd. | -do- |
| - Ghani Global Foods (Pvt.) Ltd. | -do- |
| - Ghani Products (Pvt.) Ltd. | -do- |
| - Ghani Engineering (Pvt.) Ltd. | -do- |
| - A-One Prefabs (Pvt.) Ltd. | -do- |
| - A-One Batteries (Pvt.) Ltd. | -do- |
| - Ghani Industrial Complex (Pvt.) Ltd. | -do- |
| - Kaya Projects (Pvt.) Ltd. | -do- |
| - G3 Fintech (Pvt.) Ltd. | -do- |
| - Mr. Masroor Ahmad Khan | Director/ shareholder |
| - Mr. Atique Ahmad Khan | -do- |
| - Hafiz Farooq Ahmad | -do- |
| - Provident Fund Trust | Employees' retirement fund |

44.1 Transactions with related parties

| Relationship with related party | Nature of transaction | 2024 | 2023 |
|---|---|---------------------------|-------------|
| | | Rupees in thousand | |
| Holding Company | Commission against corporate guarantees | 9,037 | 3,958 |
| | Return on advances given | 10,179 | 0 |
| | Purchases | 0 | 19,099 |
| Associated Company | | | |
| - Ghani Global Glass Ltd. | Sales | 60,767 | 192,743 |
| | Sale of fixed assets | 82,600 | 0 |
| | Return on advances given | 199,131 | 114,858 |
| | Expenses shared | 182,208 | 496,316 |
| Other Associated Companies | Return on advances given | 0 | 586 |
| Key management personnel (directors) | Purchase of shares | 100 | 0 |
| | Sale of investment | 0 | 75 |
| Employees' provident fund trust | Contribution paid | 34,238 | 29,875 |

45. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

| Financial instruments by category | 2024 | 2023 | |
|--|------------------|---------------------------|--|
| | | Rupees in thousand | |
| Financial assets - at amortised cost | | | |
| Long term deposits | 66,616 | 67,193 | |
| Trade debts | 2,167,079 | 1,128,081 | |
| Trade deposits and bank profit | 197,847 | 147,841 | |
| Bank balances | 485,861 | 524,781 | |
| | 2,917,403 | 1,867,896 | |
| Financial liabilities - at amortised cost | | | |
| Long term finances | 2,098,429 | 1,493,931 | |
| Redeemable capital - Sukuk | 800,000 | 162,500 | |
| Long term security deposits | 70,136 | 49,091 | |
| Lease liabilities | 6,190 | 6,121 | |
| Gas Infrastructure Development Cess | 22,383 | 21,684 | |
| Trade and other payables | 231,237 | 277,329 | |
| Accrued profit | 336,120 | 122,787 | |
| Short term borrowings | 1,580,482 | 1,127,439 | |
| | 5,144,977 | 3,260,882 | |

45.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried-out by the Group's finance departments under policies approved by the board of directors. The Group's finance departments evaluate financial risks based on principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity, provided by the board of directors.

45.2 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: currency risk, interest rate risk and price risk.

(a) Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. GCIL is exposed to currency risk on import of plant & machinery, stores & spares and stock-in-trade. GCIL exposure to foreign currency risk at the reporting date was as follows:

| | Rupees | EUR € | CNY ¥ | U.S.\$ |
|--------------------------------------|--------------------------------|--------------|---------------|---------------|
| | ----- in thousand ----- | | | |
| 2024 | | | | |
| Funded | | | | |
| Bills payable | 87,400 | 0 | 0 | 314 |
| Unfunded | | | | |
| Outstanding letters of credit | 147,783 | 17 | 35 | 508 |
| Total exposure | 235,183 | 17 | 35 | 822 |
| 2023 | | | | |
| Unfunded | | | | |
| Outstanding letters of credit | 1,943,721 | 111 | 20,195 | 3,861 |

The following significant exchange rates have been applied:

| | Average rate | | Reporting date rate | |
|------------------|---------------------|-------------|----------------------------|-------------|
| | 2024 | 2023 | 2024 | 2023 |
| EUR € to Rupee | 299.26 | 260.58 | 297.92 | 313.30 |
| CNY ¥ to Rupee | 38.26 | 35.68 | 38.35 | 39.73 |
| U.S. \$ to Rupee | 277.07 | 248.11 | 278.59 | 286.60 |

Sensitivity analysis

As at June 30, 2024, if Rupee had strengthened / devalued by 10% against U.S.\$ with all other variables held constant, profit before taxation for the current year would have been higher / lower by Rs.8.748 million mainly as a result of net foreign exchange gain / loss on translation of foreign currency financial liabilities.

(b) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market profit rates. At the reporting date, the profit rate profile of the Group's profit bearing financial instruments is as follows:

| | 2024 | 2023 | 2024 | 2023 |
|-----------------------------------|--|--|------------------|------------------|
| | Effective rates per annum | | Carrying amount | |
| Fixed rate instruments | Rupees in thousand | | | |
| Cash at banks on deposit accounts | 0.60% to 19.50% | 5.97% to 17.08% | <u>267,638</u> | <u>291,198</u> |
| Variable rate instruments | | | | |
| Long term finances | SBP rate +4% & 3 to 6 months KIBOR + 1 % to 1.5% | SBP rate + 3 months to 1 year KIBOR + 1% | <u>2,098,429</u> | <u>1,493,931</u> |
| Redeemable capital - Sukuk | 3 months KIBOR + 1.25% | 3 months KIBOR + 1% | <u>800,000</u> | <u>162,500</u> |
| Lease liabilities | 8.50% | 8.50 to 8.85% | <u>6,190</u> | <u>6,121</u> |
| Short term borrowings | 18.65% to 24.43% | 11.58% to 23.88% | <u>1,570,488</u> | <u>1,127,439</u> |

Fair value sensitivity analysis for fixed rate instruments

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

Fair value sensitivity analysis for variable rate instruments

At June 30, 2024, if profit rate on variable rate financial liabilities had been 1% higher / lower with all other variables held constant, profit before taxation for the year would have been lower / higher by Rs.44.751 million (2023: Rs.27.900 million) mainly as a result of higher profit rates.

(c) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instruments or its issuer or factors affecting all similar financial instruments traded in the market. The Group is not exposed to any significant price risk.

45.3 Credit risk exposure and concentration of credit risk

Credit risk represents the risk of a loss if the counter party fails to discharge its obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the credit worthiness of counterparties.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Group's performance to developments affecting a particular industry.

Credit risk primarily arises from trade debts and balances with banks. To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other relevant factors. Where considered necessary, advance payments are obtained from certain parties. The management has set a maximum credit period of 30 days to reduce the credit risk. Credit risk on bank balances is limited as the counter parties are banks with reasonably high credit ratings.

In respect of other counter parties, due to the Group's long standing business relationship with them, management does not expect non-performance by these counter parties on their obligations to the Group.

Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2024 along with comparative is tabulated below:

| | 2024 | 2023 |
|--------------------------------|---------------------------|-------------------------|
| | Rupees in thousand | |
| Long term deposits | 66,616 | 67,193 |
| Trade debts | 2,167,079 | 1,128,081 |
| Trade deposits and bank profit | 197,847 | 147,841 |
| Bank balances | 485,861 | 524,781 |
| | <u>2,917,403</u> | <u>1,867,896</u> |

Out of the total financial assets credit risk is concentrated in trade debts and balances with banks as they constitute 91% (2023: 88%) of the total financial assets. GCIL's exposure to credit risk in respect of trade debts other than Government parties is influenced mainly by the individual characteristics of each customer. GCIL establishes an allowance for expected credit loss that represents its estimate of incurred losses in respect of trade debts except for Government parties.

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

Trade debts of GCIL are not exposed to significant credit risk as GCIL trades with credit worthy customers. Trade debts except for Government parties aggregating Rs.1,507.218 million (2023: Rs.681.812 million) are past due of which Rs.24.856 million (2023: Rs.19.856 million) have been impaired. Required allowance as determined by management as per IFRS 9 - Financial instruments has been made in these consolidated financial statements.

Credit risk on bank balances is limited as the counter parties are banks with reasonably high credit ratings.

Bank balances

The credit quality of Group's bank balances can be assessed with reference to external credit ratings assigned to them as follows :

| | Rating | | Rating agency | 2024 | 2023 |
|---------------------------------------|------------|-----------|---------------|--------------------|---------|
| | Short term | Long term | | Rupees in thousand | |
| Bank Alfalah Ltd. | A1+ | AAA | PACRA | 95,015 | 63,199 |
| The Bank of Punjab | A1+ | AA+ | PACRA | 14,764 | 168 |
| Allied Bank Ltd. | A1+ | AAA | PACRA | 4,165 | 333 |
| Askari Bank Ltd. | A1+ | AA+ | PACRA | 194 | 118,341 |
| Bank Islami Pakistan Ltd. | A1 | AA- | PACRA | 2,072 | 772 |
| Dubai Islamic Bank (Pakistan) Ltd. | A1+ | AA | VIS | 46,180 | 0 |
| Faysal Bank Ltd. | A1+ | AA | PACRA | 2,231 | 1,383 |
| JS Bank Ltd. | A1+ | AA | PACRA | 262 | 515 |
| National Bank of Pakistan | A1+ | AAA | PACRA | 36,013 | 42,208 |
| Habib Metropolitan Bank Ltd. | A1+ | AA+ | PACRA | 54,893 | 206,576 |
| MCB Bank Ltd. | A1+ | AAA | PACRA | 12 | 12 |
| Al-Baraka Bank (Pakistan) Ltd. | A1 | A+ | VIS | 37,114 | 3,343 |
| Habib Bank Ltd. | A1+ | AAA | VIS | 20,219 | 12,930 |
| Meezan Bank Ltd. | A1+ | AAA | VIS | 69,890 | 71,131 |
| Soneri Bank Ltd. | A1+ | AA- | PACRA | 2,536 | 2,252 |
| Bank Al Habib Ltd. | A1+ | AAA | PACRA | 116 | 1,517 |
| The Bank of Khyber | A1 | A+ | VIS | 100,135 | 101 |
| United Bank Ltd. | A1+ | AAA | VIS | 50 | 0 |
| | | | | 485,861 | 524,781 |

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach is to ensure, as far as possible, to always have sufficient liquidity to meet its liabilities when due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and ensuring the availability of adequate credit facilities. The Group's treasury departments aim at maintaining flexibility in funding by keeping committed credit lines available.

Financial liabilities in accordance with their contractual maturities are presented below:

| Particulars | Carrying amount | Contractual cash flows | Less than 1 year | Between 1 and 5 years | More than 5 years |
|---------------------------------|------------------|------------------------|------------------|-----------------------|-------------------|
| ----- Rupees in thousand ----- | | | | | |
| Year ended June 30, 2024 | | | | | |
| Long term finances | 2,098,429 | 2,688,886 | 630,059 | 2,058,827 | 0 |
| Redeemable capital - Sukuk | 800,000 | 1,428,089 | 136,399 | 1,125,626 | 166,064 |
| Long term security deposits | 70,136 | 70,136 | 0 | 70,136 | 0 |
| Lease liabilities | 6,190 | 29,926 | 332 | 1,924 | 27,670 |
| Gas Infrastructure | | | | | |
| Development Cess | 22,383 | 22,638 | 22,638 | 0 | 0 |
| Trade and other payables | 231,237 | 231,237 | 231,237 | 0 | 0 |
| Accrued profit | 336,120 | 336,120 | 336,120 | 0 | 0 |
| Short term borrowings | 1,580,482 | 1,918,765 | 1,918,765 | 0 | 0 |
| | 5,144,977 | 6,725,797 | 3,275,550 | 3,256,513 | 193,734 |
| Year ended June 30, 2023 | | | | | |
| Long term finances | 1,493,931 | 1,242,696 | 320,449 | 922,247 | 0 |
| Redeemable capital - Sukuk | 162,500 | 181,390 | 181,390 | 0 | 0 |
| Long term security deposits | 49,091 | 49,091 | 0 | 49,091 | 0 |
| Lease liabilities | 6,121 | 30,274 | 316 | 1,832 | 28,126 |
| Gas Infrastructure | | | | | |
| Development Cess | 21,684 | 22,638 | 16,978 | 5,660 | 0 |
| Trade and other payables | 277,329 | 277,329 | 277,329 | 0 | 0 |
| Accrued profit | 122,787 | 122,787 | 122,787 | 0 | 0 |
| Short term borrowings | 1,127,439 | 1,376,008 | 1,376,008 | 0 | 0 |
| | 3,260,882 | 3,302,213 | 2,295,257 | 978,830 | 28,126 |

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

46. CAPITAL RISK MANAGEMENT

The Group's prime objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares. The Group also monitors capital using a gearing ratio, which is net debt comprising of profit bearing long term & short term finances and lease liabilities less cash & bank balances. Capital signifies equity as shown in the consolidated statement of financial position plus net debt. The gearing ratio as at June 30, 2024 and June 30, 2023 is as follows:

| | 2024 | 2023 |
|--|--------------------------|--------------------------|
| | Rupees in thousand | |
| Total debt | 4,485,101 | 2,789,991 |
| Cash and bank balances | (486,760) | (525,173) |
| Net debt | <u>3,998,341</u> | <u>2,264,818</u> |
| Share capital | 5,001,879 | 5,001,879 |
| Share premium | 164,011 | 164,011 |
| Revaluation surplus on freehold land and leasehold land | 735,087 | 497,278 |
| Merger reserve | 1,342,746 | 1,342,746 |
| Unappropriated profit | 2,608,613 | 1,824,044 |
| Equity | <u>9,852,336</u> | <u>8,829,958</u> |
| Capital | <u><u>13,850,677</u></u> | <u><u>11,094,776</u></u> |
| Gearing ratio (Net debt / (Net debt + Equity)) | 28.87% | 20.41% |

47. SEGMENT REPORTING

47.1 GCIL has following two strategic divisions which are its reportable segments. Following summary describes the operations of each reportable segments:

a) Industrial Chemicals

This segment covers business of trading of chemicals.

b) 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 and 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.

47.2 Segment results of GCIL were as follows:

| | Year ended June 30, 2024 | | | Year ended June 30, 2023 | | |
|--|------------------------------|----------------------|-------------|------------------------------|----------------------|-------------|
| | Industrial and Medical Gases | Industrial Chemicals | Total | Industrial and Medical Gases | Industrial Chemicals | Total |
| ----- Rupees in thousand ----- | | | | | | |
| Net sales | 4,722,622 | 714,765 | 5,437,387 | 3,484,521 | 847,675 | 4,332,196 |
| Cost of sales | (3,158,648) | (666,228) | (3,824,876) | (2,161,144) | (711,214) | (2,872,358) |
| Gross profit | 1,563,974 | 48,537 | 1,612,511 | 1,323,377 | 136,461 | 1,459,838 |
| Distribution cost | (140,344) | (4,341) | (144,685) | (187,622) | (5,803) | (193,425) |
| Administrative expenses | (229,966) | (12,103) | (242,069) | (204,842) | (10,781) | (215,623) |
| | (370,310) | (16,444) | (386,754) | (392,464) | (16,584) | (409,048) |
| Segment profit | 1,193,664 | 32,093 | 1,225,757 | 930,913 | 119,877 | 1,050,790 |
| Unallocated corporate expenses | | | | | | |
| Other expenses | | | (103,015) | | | (75,702) |
| Other income | | | 551,108 | | | 330,934 |
| | | | 1,673,850 | | | 1,306,022 |
| Finance cost | | | (389,367) | | | (374,382) |
| Profit before taxation, minimum and final tax levies | | | 1,284,483 | | | 931,640 |
| Minimum and final tax levies | | | (210,789) | | | (151,817) |
| Taxation | | | (287,887) | | | (271,932) |
| Profit after taxation | | | 785,807 | | | 507,891 |

The segment assets and liabilities at the reporting date for the year-end were as follows:

| | As at June 30, 2024 | | | As at June 30, 2023 | | |
|--------------------------------|------------------------------|----------------------|------------|------------------------------|----------------------|------------|
| | Industrial and Medical Gases | Industrial Chemicals | Total | Industrial and Medical Gases | Industrial Chemicals | Total |
| ----- Rupees in thousand ----- | | | | | | |
| Segment assets | 11,059,252 | 2,131,890 | 13,191,142 | 9,677,936 | 93,923 | 9,771,859 |
| Unallocated assets | | | 3,689,495 | | | 3,355,764 |
| Total assets | | | 16,880,637 | | | 13,127,623 |
| Segment liabilities | 2,498,456 | 603,459 | 3,101,915 | 1,996,996 | 3,554 | 2,000,550 |
| Unallocated liabilities | | | 3,925,148 | | | 2,297,115 |
| Total liabilities | | | 7,027,063 | | | 4,297,665 |

47.3 All the non-current assets of GCIL at the reporting date were located within Pakistan. Depreciation expense mainly relates to industrial and medical gases segment.

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

47.5 One (2023: One) of GCIL's customers having sales aggregating Rs.1,389,545 thousand (2023: Rs.1,334,526 thousand) contributed towards 21.73% (2023: 26.11%) of GCIL's gross sales.

48. PLANT CAPACITY AND ACTUAL PRODUCTION

The following normal production capacity has been worked-out on the basis of daily triple shift basis of GCIL:

| | 2024 | 2023 |
|--|-------------------------|------------|
| | ----- Cubic Meter ----- | |
| Industrial and medical gases | | |
| Production at normal capacity - gross | 98,846,964 | 98,846,964 |
| Production at normal capacity - net of normal losses | 90,939,207 | 90,939,207 |
| Actual production - net of normal losses | 55,469,935 | 58,483,480 |
| Efficiency achieved | 61% | 64% |

48.1 Under-utilisation

Under-utilisation of available capacity is due to unavoidable / abnormal shutdowns and repair and maintenance of plant & machinery.

49. Disclosure Requirements for All Shares Islamic Index

Following information has been disclosed as required under Paragraph 10 of item VI and item VII of Part I of the 4th Schedule to the Companies Act, 2017 relating to "All Shares Islamic Index".

| | Note | 2024 | | 2023 | |
|--------------------------------------|-----------|--------------------------------|---------------------|---------------------------|---------------------|
| | | Carried under | | Carried under | |
| | | Non - Sharia arrangements | Sharia arrangements | Non - Sharia arrangements | Sharia arrangements |
| | | ----- Rupees in thousand ----- | | | |
| Long term financing | 22 & 23 | 0 | 2,898,429 | 0 | 1,656,431 |
| Lease liabilities | 25 | 0 | 6,190 | 0 | 6,121 |
| Short term borrowings | 30 | 0 | 1,570,488 | 0 | 1,127,439 |
| Accrued profit | 29 | 0 | 336,120 | 0 | 122,787 |
| Short term investments and loans | 13.1 & 17 | 0 | 1,043,892 | 0 | 1,646,480 |
| Bank balances - current and deposits | 18 | 0 | 485,861 | 0 | 524,781 |
| Profit earned from bank deposits | 38 | 0 | 129,937 | 0 | 153,064 |
| Profit earned on short term loans | 38 | 0 | 209,311 | 0 | 115,444 |
| Revenue earned | 33 | 0 | 6,394,859 | 0 | 5,111,123 |
| Profit on Islamic mode of financing | 39 | 0 | 375,376 | 0 | 364,686 |

The Group has banking relationship with Islamic windows of conventional banking system as well as Shariah compliant banks only.

50. NUMBER OF EMPLOYEES (GCIL)

| | 2024 | 2023 |
|---|------------|------------|
| | (Number) | |
| Total number of employees at the year-end | 357 | 309 |
| Average number of employees during the year | 332 | 317 |

51. DISCLOSURES RELATING TO PROVIDENT FUND

GCIL operates funded contributory provident fund scheme for all its permanent and eligible employees. The following information is based on the audited financial statements for the year ended June 30, 2024 and June 30, 2023.

| | | 2024 | 2023 |
|---|------|--------------------|---------------|
| | | Rupees in thousand | |
| (i) Size of the Fund - total assets | | <u>82,257</u> | <u>71,461</u> |
| (ii) Cost of investments made | 51.1 | <u>0</u> | <u>15,521</u> |
| (iii) Percentage of investments made | | <u>0.00%</u> | <u>21.72%</u> |
| (iv) Fair value of investments | | <u>0</u> | <u>15,521</u> |
| 51.1 Cost of investments is as follows: | | | |
| Investments in listed equity collective investment schemes / mutual funds / debt securities and money markets | | <u>0</u> | <u>15,521</u> |

52. EVENT AFTER THE REPORTING DATE

The Board of directors of GCIL, in their meeting held on July 11, 2024, have decided to carve out Calcium Carbide and related products 'Project located at Hattar Special Economic Zone (the Project)' from GCIL. The Project stand transferred / carved out at its fair value to be determined by a registered Valuer / Chartered Accountants firm to a Company to be formed for this purpose.

53. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison; significant re-classifications / re-statements made in these consolidated financial statements have been detailed in note 5.1.

54. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on _____ by the board of directors of GCIL.



Hafiz Farooq Ahmad
 (Chief Executive Officer)



Asim Mahmud
 (Chief Financial Officer)



Atique Ahmad Khan
 (Director)



GHANI CHEMICAL INDUSTRIES LIMITED

9th Annual General Meeting

FORM OF PROXY

I/We _____

of _____

being a member of GHANI CHEMICAL INDUSTRIES LIMITED _____

_____ hereby appoint _____

of _____

failing him _____

as my / our Proxy to attend act and vote for me/us on my/our behalf at Annual General Meeting of the members of the Company to be held at Lahore on Saturday, October 26, 2024 at 11:00 AM and at any adjournment(s) thereof.

Signed this _____ day of October 2024.

Sign by the said Member

Signed in the presence of:

1. Signature: _____

Name: _____

Address: _____

CNIC/Passport No. _____

2. Signature: _____

Name: _____

Address: _____

CNIC/Passport No. _____

| Information required | | For Member (Shareholder) | For Proxy | For alternate Proxy (*) |
|-----------------------|---------------------|-----------------------------|-------------|----------------------------|
| | | | (If member) | |
| Number of shares held | | | | |
| Folio No. | | | | |
| CDC Account No. | Participant I.D. | | | |
| | Account No. | | | |

Affix
Revenue
Stamp of
Rs.5/

(*) Upon failing of appointed Proxy.

غنی کیمیکل انڈسٹریز لمیٹڈ



نواں سالانہ اجلاس عام / پراکسی فارم برائے

میں مسٹی/مسماة _____ ساکن

ضلع _____ بحیثیت ممبر غنی کیمیکل انڈسٹریز لمیٹڈ، مسٹی/مسماة _____

ساکن _____ کو بطور مختار (پراکسی) مقرر کرتا ہوں تاکہ وہ میری جگہ اور میری طرف سے

کمپنی کے سالانہ اجلاس عام جو تاریخ 26 اکتوبر 2024 بروز ہفتہ صبح 11:00 بجے کمپنی کے رجسٹرڈ آفس لاہور میں منعقد ہو رہا ہے اور اس کے کسی ملٹوی شدہ اجلاس میں ووٹ ڈالے۔

آج بروز _____ تاریخ _____ اکتوبر 2024ء کو دستخط کئے گئے۔

دستخط ممبر

گواہان:

1. دستخط: _____ نام: _____ پتہ: _____ شناختی کارڈ/ پاسپورٹ نمبر: _____
2. دستخط: _____ نام: _____ پتہ: _____ شناختی کارڈ/ پاسپورٹ نمبر: _____

پانچ روپے
مالیت کے رسیدی
ٹکٹ پر دستخط

| ضرورت معلومات | رکن کے لئے (شیر ہولڈر) | پراکسی کے لئے (اگر رکن ہے) | متبادل پراکسی کے لئے (*) |
|---------------------------|---------------------------|-------------------------------|-----------------------------|
| حصص کی تعداد | | | |
| فولیو نمبر | | | |
| سی۔ ڈی۔ سی اکاؤنٹ نمبر | پارٹنیشنپٹ آئی۔ ڈی | | |
| | اکاؤنٹ نمبر | | |

(*) مقرر کردہ پراکسی کی ناکامی پر