



Ghani Global Group

Faith

Experience

Innovation

Growth

1ST QUARTER

September 30, **2023**

Ghani Chemical Industries Limited

Manufacturers of Medical / Industrial Gases & Chemicals



CORPORATE INFORMATION

BOARD OF DIRECTORS

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

MANAGEMENT TEAM

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

HEAD OF INTERNAL AUDIT

Muhammad Nouman

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.

SHARE REGISTRAR

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

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 Yahya

BANKERS

Albaraka Bank Pakistan Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah 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

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.

DIRECTORS' REVIEW

DEAR SHAREHOLDERS,

Assalam-o-Alaikum Wa RehmatUllah Wa BarakatoH

The directors of your Company (Ghani Chemical Industries Limited) are pleased to present the unaudited condensed interim financial statements of the Company for the first quarter ended September 30, 2023, in compliance with the requirements of Companies Act, 2017.

FINANCIAL PERFORMANCE

By the grace of Almighty Allah, despite all adverse economic factors during the period under review, your Company improved/enhanced the sales to Rs. 1,434 million from Rs. 1,353 million as compared with the same period of last year. Gross profit of the Company has increased to Rs. 441 million from Rs. 383 million as compared with the same period of last year. Distribution cost and administrative cost incurred during period is Rs. 43 million and Rs. 49 million whereas for the same period of last year it was Rs. 82 million and Rs. 54 million, respectively showing decrease in distribution and administrative expenses.

Despite increase in interest rate, finance cost with low short term borrowings, reduced to Rs. 103 million from Rs. 104 million as compared with the same period of last year. Accordingly, despite tremendous increase in gross and operating profits, your Company earned Profit after taxation amounting to Rs. 225 million as compared with the same period of last year which was Rs. 147 million. In the result Earnings per share is Rs. 0.46 whereas during the same period of last year, Company's Earnings per share was Rs. 0.34.

A comparison of the key financial results of your Company for the three months ended September 30, 2023 with the same period of last year is as under:

Particulars	Rupees in '000' Except EPS	
	September 2023	September 2022
Gross sales	1,434,270	1,353,088
Net sales	1,212,696	1,150,084
Gross profit	441,688	383,712
Distribution cost	(43,201)	(82,431)
Administrative expenses	(49,931)	(54,731)
Operating profit	430,543	314,726
Finance cost	(103,580)	(104,425)
Profit after taxation	225,987	147,459
Earnings per share	0.46	0.34

Despite numerous challenges, your Company maintained ongoing growth by capitalizing on market opportunities, particularly in the healthcare sector, as well as the long and medium term agreement in terms of both top line and bottom line growth attained and cost cutting side by side.

The country's healthcare market has been steadily growing to become one of the largest in terms of oxygen consumption.

The industrial gas market in Pakistan is an important sector that caters to various industries and manufacturing processes. It involves the production and supply of gases, such as oxygen nitrogen, Argon, and others in both gas and liquid forms.

Your Company supply these gases in a variety of sectors for applications like packing, cooling, cryogenic processing, cutting and welding, laboratory use, and more. Oil and gas, chemicals, petrochemicals, food and beverages, electricity generation, pulp and paper, electronics, water treatment, mining, and other major end-use sectors are examples.

FUTURE OUTLOOK

Your Company is exploring new opportunities for industrial gases in order to improve market penetration and volume.

In terms of manufacturing capacity, GCIL is the market leader, accounting for 35% of total volume in the country. We are the largest producer and supplier of medical and industrial gases in the North West region.

The setup of 5th ASU plant and an import substitute chemical project of your Company in Hattar Special Economic Zone are actively in process. These projects are expected to be in operation during the 1st quarter of 2024 Insha'Allah.

Economic recovery and political stability, as well as the reduction of inflationary pressures and the pursuit of sustainable and reasonable growth, would be critical in moving the country forward in the coming year.

ACKNOWLEDGEMENTS

The board of directors wishes to express their gratitude to valued shareholders, banks/financial Institutions, customers and suppliers for their continuous support, cooperation and patronage. We also wish to place on record the dedication, hard work and diligence of executives, staff and workers of the company. Needless to mention, all growth in the business of the company is not possible without will and blessings of ALMIGHTY ALLAH.

For and behalf of Board of Directors



HAFIZ FAROOQ AHMAD
(Chief Executive Officer)



ATIQUE AHMAD KHAN
(Director)

Lahore:

October 30, 2023

ملک کی صحت کی دیکھ بھال کی مارکیٹ آکسیجن کی کھپت کے لحاظ سے سب سے بڑی مارکیٹ میں سے ایک بننے کے لیے مسلسل بڑھ رہی ہے۔

پاکستان میں صنعتی گیس مارکیٹ ایک اہم شعبہ ہے جو مختلف صنعتوں اور مینوفیکچرنگ کے عمل کو پورا کرتا ہے۔ اس میں گیسوں کی پیداوار اور فراہمی شامل ہے، جیسے آکسیجن، نائٹروجن، آرگن، اور دیگر گیس اور مائع دونوں شکلوں میں۔

آپ کی کمپنی ان گیسوں کو بیکنگ، کولنگ، کرائیوینک، پروسیسنگ، کٹنگ اور ویلڈنگ، لیبارٹری کے استعمال، اور بہت کچھ کے لیے مختلف شعبوں میں فراہم کرتی ہے۔ تیل اور گیس، کیمیکل، پیٹروکیمیکل، خوراک اور مشروبات، بجلی کی پیداوار، گودا اور کاغذ، الیکٹرانکس، پانی کی صفائی، کان کنی، اور دیگر بڑے اختتامی استعمال کے شعبے اس کی مثالیں ہیں۔

مستقبل کے امکانات

آپ کی کمپنی مارکیٹ میں رسائی اور حجم کو بہتر بنانے کے لیے صنعتی گیسوں کے لیے نئے مواقع تلاش کر رہی ہے۔

خطار اسپیشل اکنامک زون میں 5 ویں ASU پلانٹ کا سیٹ اپ اور آپ کی کمپنی کے امپورٹ متبادل کیمیکل پروجیکٹ پر کام جاری ہے۔ توقع ہے کہ یہ منصوبے 2024 کی پہلی سہ ماہی کے دوران انشا اللہ شروع ہو جائیں گے۔

معاشی بحالی اور سیاسی استحکام کے ساتھ ساتھ مہنگائی کے دباؤ میں کمی اور پائیدار اور معقول ترقی کی جستجو آنے والے سال میں ملک کو آگے لے جانے کے لیے اہم ہوگی۔

اعترافات

درحقیقت کمپنی کے کاروبار میں تمام تر ترقی اللہ تعالیٰ کی مرضی اور برکت کے بغیر ممکن نہیں تھی۔ بورڈ آف ڈائریکٹرز قابل قدر شیئر ہولڈرز، بینکوں / مالیاتی اداروں، صارفین اور سپلائرز کے مسلسل تعاون، تعاون اور سرپرستی پر اظہار تشکر کرنا چاہتا ہے۔ ہم کمپنی کے تمام ایگزیکٹوز، عملے اور کارکنوں کی لگن، محنت اور تندرہی کو بھی ریکارڈ پر رکھنا چاہتے ہیں۔

عقیق احمد خان
(ڈائریکٹر)

Hafiz Farooq Ahmad
حافظ فاروق احمد
(چیف ایگزیکٹو آفیسر)

لاہور:

30 اکتوبر 2023ء

ڈائریکٹرز رپورٹ

پیارے شیئر ہولڈرز

السلام وعلیکم ورحمۃ اللہ وبرکات

آپ کی کمپنی (غنی کیمیکل انڈسٹریز لمیٹڈ) کے ڈائریکٹر کمینیز ایکٹ 2017 کے تقاضوں کی تعمیل کرتے ہوئے 30 ستمبر 2023 کو ختم ہونے والے سہ ماہی کے کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی گوشواروں کو پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالیاتی کارکردگی

اللہ تعالیٰ کے فضل و کرم سے، زیر نظر مدت کے دوران تمام منفی معاشی عوامل کے باوجود، آپ کی کمپنی نے پچھلے سال کی اسی مدت کی فروخت کے مقابلے میں 1,353 ملین روپے سے بڑھا کر 1,434 ملین روپے تک پہنچا دیا۔ کمپنی کا مجموعی منافع گزشتہ سال کی اسی مدت کے مقابلے میں 383 ملین روپے سے بڑھ کر 441 ملین روپے ہو گیا ہے۔ اسی مدت کے دوران تقسیم کی لاگت 43 ملین روپے اور انتظامی اخراجات 49 ملین روپے ہے۔ جبکہ پچھلے سال اسی مدت کے دوران تقسیم کاری کی لاگت 82 ملین روپے اور انتظامی اخراجات 54 ملین روپے تھے، جو کہ کمی کو ظاہر کرتا ہے۔

شرح سود میں نمایاں اضافے کی وجہ سے، مالیاتی لاگت پچھلے سال کی اسی مدت کے مقابلے میں 104 ملین روپے سے کم ہو کر 103 ملین روپے ہو گئی۔ مجموعی اور آپریٹنگ منافع میں زبردست اضافے کے باوجود، آپ کی کمپنی نے بعد از ٹیکس 225 ملین روپے کا منافع کمایا جو کہ پچھلے سال اسی مدت کے مقابلے میں 147 ملین روپے تھا۔ کمپنی کی فی حصص آمدنی 0.46 روپے ہے جبکہ گزشتہ سال کی اسی مدت کے دوران فی حصص 0.34 روپے تھی۔

گزشتہ سال کی اسی مدت کے ساتھ 30 ستمبر 2023 کو ختم ہونے والے سہ ماہی کے لیے آپ کی کمپنی کے اہم مالیاتی نتائج کا موازنہ حسب ذیل ہے:


Particulars	Rupees in '000' Except EPS	
	September 2023	September 2022
Gross sales	1,434,270	1,353,088
Net sales	1,212,696	1,150,084
Gross profit	441,688	383,712
Distribution cost	(43,201)	(82,431)
Administrative expenses	(49,931)	(54,731)
Operating profit	430,543	314,726
Finance cost	(103,580)	(104,425)
Profit after taxation	225,987	147,459
Earnings per share	0.46	0.34

متعدد چیلنجوں کے باوجود، آپ کی کمپنی نے مارکیٹ کے مواقع سے فائدہ اٹھاتے ہوئے، خاص طور پر صحت کی دیکھ بھال کے شعبے میں، ساتھ ہی ساتھ طویل اور درمیانی مدت کے معاہدے کے ساتھ ساتھ اعلیٰ اور باٹم لائن دونوں طرح کی ترقی اور لاگت میں کمی کے ساتھ ساتھ جاری ترقی کو برقرار رکھا۔


GHANI CHEMICAL INDUSTRIES LIMITED
STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2023

		Un-audited September 30, 2023	Audited June 30, 2023
		Rupees in thousand	
ASSETS	Note		
Non-current assets			
Property, plant and equipment	5	7,331,638	7,210,169
Right of use assets		495,496	498,874
Intangible assets		1,479	1,479
Long term deposits		67,193	67,193
		7,895,806	7,777,715
Current assets			
Stores, spares and loose tools		374,320	313,845
Stock-in-trade		272,164	79,375
Trade debts		1,209,125	1,020,529
Loan and advances	6	1,868,924	1,582,155
Deposits, prepayments and other receivables		491,185	443,570
Tax refunds due from Government		38,010	34,230
Advance income tax		462,141	440,031
Short term Investment		868,000	911,000
Cash and bank balances		377,241	525,173
		5,961,110	5,349,908
Total assets		13,856,916	13,127,623
Equity and liabilities			
Share capital and reserves			
Share capital	7	5,001,879	5,001,879
Share premium		164,011	164,011
Revaluation surplus on freehold and leasehold land		497,278	497,278
Merged reserves		1,342,746	1,342,746
Unappropriated profit		2,050,031	1,824,044
Total equity		9,055,945	8,829,958
Non-current liabilities			
Long term finances	8	1,340,683	1,270,043
Long term security deposits		48,791	49,091
Lease liabilities		5,195	5,805
Deferred liabilities		689,119	662,815
		2,083,788	1,987,754
Current liabilities			
Trade and other payables	9	412,778	350,096
Contract liabilities - advances from customers		180,796	59,745
Accrued profit		171,927	122,787
Unclaimed dividend		491	491
Short term borrowings		1,264,228	1,127,439
Current portion of non-current liabilities		370,820	407,883
Taxation		316,143	241,470
		2,717,183	2,309,911
Total liabilities		4,800,971	4,297,665
Contingencies and commitments	10		
Total equity and liabilities		13,856,916	13,127,623

The annexed notes form an integral part of these condensed interim financial statements.


(Chief Executive Officer)


(Chief Financial Officer)


(Director)

GHANI CHEMICAL INDUSTRIES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

	Un-audited September 30, 2023	Un-audited September 30, 2022
Note	----- Rupees in '000 -----	
Sales	1,434,270	1,353,088
Less: sales tax	(221,574)	(203,004)
Sales - net	<u>1,212,696</u>	<u>1,150,084</u>
Cost of sales	(771,008)	(766,372)
Gross profit	<u>441,688</u>	<u>383,712</u>
Distribution cost	(43,201)	(82,431)
Administrative expenses	(49,931)	(54,731)
Other expenses	(24,581)	(21,737)
Other income	106,568	89,913
	<u>(11,145)</u>	<u>(68,986)</u>
Profit from operations	<u>430,543</u>	<u>314,726</u>
Finance cost	(103,580)	(104,425)
Profit before taxation	<u>326,963</u>	<u>210,301</u>
Taxation	100,976	62,842
Profit after taxation	<u>225,987</u>	<u>147,459</u>
Other comprehensive income	0	0
Total comprehensive income for the period	<u><u>225,987</u></u>	<u><u>147,459</u></u>
	----- Rupees -----	
Earnings per share re-stated	<u><u>0.46</u></u>	<u><u>0.34</u></u>

The annexed notes form an integral part of these condensed interim financial statements.


 (Chief Executive Officer)


 (Chief Financial Officer)


 (Director)

GHANI CHEMICAL INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

Share capital	Capital reserves			Revenue reserve - unappropriated profit / (accumulated loss)	Total
	Share premium	Revaluation surplus on freehold and leasehold land	Merged reserves		

----- 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
Total comprehensive income for the period ended September 30, 2022	0	0	0	0	147,459	147,459
Balance as at September 30, 2022 (un-audited)	4,347,163	300,000	298,727	1,342,746	1,463,612	7,752,248
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 period ended September 30, 2023	0	0	0	0	225,987	225,987
Balance as at period September 30, 2023 (un-audited)	5,001,879	164,011	497,278	1,342,746	2,050,031	9,055,945

The annexed notes form an integral part of these condensed interim financial statements.


 (Chief Executive Officer)


 (Chief Financial Officer)


 (Director)


GHANI CHEMICAL INDUSTRIES LIMITED
STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

	Un-audited September 30, 2023	Un-audited September 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
(Rupees in thousand)		
Profit for the period - before taxation	326,963	210,301
Adjustments for non-cash charges and other items:		
Finance cost	103,580	104,425
Depreciation	39,512	42,547
Amortisation of intangible assets	0	740
Amortisation of right-of-use assets	3,378	2,633
Gain on disposal of operating fixed assets	167	(4,693)
Gain on forward foreign exchange contract	(449)	0
Profit before working capital changes	473,151	355,953
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(60,475)	(28,996)
Stock-in-trade	(192,789)	(38,378)
Trade debts	(188,596)	(205,710)
Loan and advances	(286,769)	(863,701)
Deposits, prepayments and other receivables	(47,615)	231,464
Short term Investment	43,000	0
Tax refunds due from Government	(3,780)	(21,044)
(Decrease) / increase in current liabilities:		
Contract liabilities - advances from customers	121,051	0
Trade and other payables	63,171	(81,613)
	(552,802)	(1,007,978)
Cash used in operations	(79,651)	(652,025)
Income tax (paid)/ refund received - net	(22,110)	(56,301)
Net cash used in operating activities	(101,761)	(708,326)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(161,251)	(73,705)
Proceeds from sale of operating fixed assets	103	7,200
Non-current assets held for sale	0	201,437
Net cash (used in) / generated from investing activities	(161,148)	134,932
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances	87,596	(55,464)
Redeemable capital - Sukuk (redeemed)	(54,167)	(54,166)
Long term security deposits - net	(300)	1,855
Short term borrowings	136,789	649,765
Lease Liabilities	(463)	(433)
Finance cost paid	(54,478)	(85,103)
Net cash generated from financing activities	114,977	456,454
Net decrease in cash and cash equivalents	(147,932)	(116,940)
Cash and cash equivalents at the beginning of the period	525,173	499,863
Cash and cash equivalents at the end of the period	377,241	382,923

The annexed notes form an integral part of these condensed interim financial statements.


(Chief Executive Officer)


(Chief Financial Officer)


(Director)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

1. LEGAL STATUS AND OPERATIONS

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 (30 June, 2023:279,905,983 ordinary shares of the Company representing 58.53% (June 30, 2023: 58.53%) of its paid-up capital as at reporting date.

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.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

- International 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.

- 2.1.2** These interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended June 30, 2023. The accounting policies and methods of computations adopted for the preparation of these interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended June 30, 2023. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last annual financial statements.

2.2 BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared under the historical cost convention except property, plant and equipment at revalued amounts assessed by an independent valuer.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These condensed interim financial statements are presented in Pak Rupees, which is also the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise stated.

3. STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS, INTERPRETATIONS AND GUIDELINES THAT ARE EFFECTIVE IN THE CURRENT PERIOD

Certain standards, amendments and interpretations to IFRSs are effective for accounting periods beginning on July 01, 2023 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed financial statements.

3.1 ACCOUNTING POLICIES

All the accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2023.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements for the year ended June 30, 2023.

5. PROPERTY, PLANT AND EQUIPMENT

		Un-audited June 30, 2023	Audited June 30, 2023
	Note	Rupees in thousand	
Operating fixed assets	5.1	6,219,731	6,241,673
Capital work-in-progress	5.2	353,300	209,889
Stores held for Capitalization		758,607	758,607
		<u>7,331,638</u>	<u>7,210,169</u>
5.1 Operating fixed assets - tangible			
Opening book value		6,241,673	5,869,182
Add: addition during the period / year	5.1.1	17,839	157,873
Less: book value of the disposals	5.1.2	(269)	(59,354)
Add: book value of the held for sale		0	52,250
Add: surplus on revaluation		0	379,126
		<u>6,259,243</u>	<u>6,399,077</u>
Less: depreciation charged during the period / year		(39,512)	(157,404)
Closing book value		<u>6,219,731</u>	<u>6,241,673</u>
5.1.1 Addition during the period / year			
Plant and machinery		14,657	51,757
Building		399	0
Furniture and fixtures		697	11,719
Office equipments		1,163	623
Computers		437	1,526
Vehicles		486	92,248
		<u>17,839</u>	<u>157,873</u>
5.1.2 Disposals during the period / Year			
Land		0	56,000
Plant and machinery		8	149
Vehicles		0	3,205
Office equipment		261	0
		<u>269</u>	<u>59,354</u>
5.1.3 Surplus on revaluation			
Land - Freehold		0	246,080
Land - Leasehold		0	133,046
		<u>0</u>	<u>379,126</u>
5.2 Capital work in progress plant and machinery- at cost			
Opening balance		209,889	20,667
Additions during the year		143,411	189,222
Closing balance		<u>353,300</u>	<u>209,889</u>

		Un-audited June 30, 2023	Audited June 30, 2023
		Rupees in thousand	
6. LOAN AND ADVANCES - Unsecured, considered good	Note		
Advances to:			
- employees against expenses		4,659	4,853
- employees against salaries		92	92
- suppliers and contractors		358,780	205,691
Due from related parties	6.1.	853,388	866,331
Letters of credit		653,491	506,673
		<u>1,870,410</u>	<u>1,583,640</u>
Allowance for impairment		(1,486)	(1,485)
		<u>1,868,924</u>	<u>1,582,155</u>
6.1. Ghani Global Holdings Ltd.		0	272
Ghani Global Glass Ltd.		853,388	866,059
		<u>853,388</u>	<u>866,331</u>
7. SHARE CAPITAL			
7.1 Authorised share capital			
8000,000,000 (June 30, 2023: 8000,000,000) ordinary shares of Rs.10 each		<u>8,000,000</u>	<u>8,000,000</u>
50,000,000 (June 30, 2023: 50,000,000) Class B shares of Rs.10 each		<u>500,000</u>	<u>500,000</u>
		<u>8,500,000</u>	<u>8,500,000</u>
7.2 Issued, subscribed and paid up share capital			
53,525,000 (June 30, 2023: 53,525,000) ordinary shares of Rs.10 each fully paid in cash		535,250	535,250
100,000,000 (June 30, 2023: 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 (June 30, 2023: 10,000,000) ordinary shares right shares of Rs.10 each fully paid		100,000	100,000
239,701,600 (June 30, 2023: 239,701,600) ordinary shares of Rs.10 each issued as fully paid bonus shares		2,397,016	2,397,016
74,961,338 (June 30, 2023,74,961,338) ordinary shares of Rs.10 each issued upon merger of GTECH with and into the Company		749,613	749,613
Conversion of 22,000,000 ordinary shares issued as right Class b shares into ordinary shares of Rs.10 each fully paid (June 30,2023 22,000,000 B class shares		220,000	220,000
		<u>5,001,879</u>	<u>5,001,879</u>
7.3 Shares held by related parties		(Number of Shares)	
Ghani Global Holdings Ltd.		279,905,983	279,905,983
Ghani Products (Pvt.) Ltd.		86,631,490	86,631,490
		<u>366,537,473</u>	<u>366,537,473</u>

		Un-audited June 30, 2023	Audited June 30, 2023
8. LONG TERM FINANCES			
From banking companies - secured	Note	Rupees in thousand	
Diminishing Musharakah		1,581,527	1,493,931
Current portion grouped under current liabilities		(240,844)	(223,888)
		<u>1,340,683</u>	<u>1,270,043</u>
9. TRADE AND OTHER PAYABLES			
Trade creditors		289,298	252,910
Accrued liabilities		25,642	24,419
Workers' (profit) participation fund		35,897	18,328
Workers' welfare fund		53,440	46,764
Payable to employees' provident fund		4,083	13
Withholding income tax		4,418	7,662
		<u>412,778</u>	<u>350,096</u>

10. CONTINGENCIES AND COMMITMENTS

Contingencies

10.1 The company has filed a writ petition in Honorable Lahore High Court against LESCO for fuel price adjustment (FPA) and quarter tariff adjustment (QTR) charged in the utility bills. Honorable Lahore High Court disposed of the writ petition by declaring that the demand of Fuel Price Adjustment, Quarter Tariff Adjustment, Change of status of tariff from Industrial to Commercial by the NEPRA not constituted fully under section 3 of the NEPRA Act, 1997 is illegal, without lawful authority and coram non judge, having no legal effects to the Company dated 21 February 2023. Whereas LESCO has filed a petition in Supreme Court of Pakistan against the decision of Honorable Lahore High Court and the Supreme Court of Pakistan has refer the case to NEPRA, where the case in pending adjudication. Our Legal counsel is confident that company has strong grounds to win the case in its favor. The financial impact of the case was Rs. 147.704 million.

10.2 There are no any material changes in contingencies as disclosed in the note to the financial statements for the year ended June 30, 2023.

Commitments

10.3 Commitments in respect of letters of credit amounted to Rs.1,932.66 million (June 30, 2023: Rs.1,943.21 million)

10.4 Commitments for construction of buildings as at September 30, 2023 amounted Rs.250 million; (June 30,2023:Rs.200 million).

11. EARNINGS PER SHARE

	September 30, 2023	September 30, 2022
There is no dilutive effect on earnings per share of the Company, which is based on:	Rupees in thousand	
Profit after taxation attributable to ordinary shareholders	<u>225,987</u>	<u>147,459</u>
	(Number of shares)	
Weighted average number of ordinary shares in issue during the period	<u>487,992,320</u>	<u>Restated 434,716,338</u>
	----- Rupees -----	
Earnings per share - basic	<u>0.46</u>	<u>0.34</u>

12. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of Holding Company 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 Global Glass Ltd.	Associated Company
- Mr. Masroor Ahmad Khan	Director/ shareholder
- Mr. Atique Ahmad Khan	-do-
- Hafiz Farooq Ahmad	-do-
- A-One Prefabs (Pvt.) Ltd.	Associated Company
- Awal Engineering (Pvt) Ltd.	-do-
- A-One Batteries (Pvt.) Ltd.	-do-
- Provident Fund Trust	Employees' retirement fund

12.1 Transactions with related parties

Relationship with related party	Nature of transaction	September 30, 2023	September 30, 2022
		Rupees in thousand	
Holding Company	Commission against corporate guarantee	1,800	954
Associated Company			
- Ghani Global Glass	Sale	15,754	59,050
	Sales of fixed assets		
	Return on advances given	47,883	17,288
	Sharing of expenses	209,303	54,216
Provident fund trust	Contribution paid	7,679	7,372

13. SEGMENT REPORTING

13.1 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.

	Period ended 30, 2023			Period ended 30, 2022		
	Industrial and Medical Gases	Industrial Chemicals	Total	Industrial and Medical Gases	Industrial Chemicals	Total
----- Rupees in thousand -----						
Net sales	1,099,208	113,488	1,212,696	969,978	180,106	1,150,084
Cost of sales	(672,003)	(99,005)	(771,008)	(605,152)	(161,220)	(766,372)
Gross profit / (loss)	427,205	14,483	441,688	364,826	18,886	383,712
Distribution cost	(41,905)	(1,296)	(43,201)	(79,958)	(2,473)	(82,431)
Administrative expenses	(47,434)	(2,497)	(49,931)	(52,704)	(2,027)	(54,731)
	(89,339)	(3,793)	(93,132)	(132,662)	(4,500)	(137,162)
Segment profit / (loss)	337,866	10,690	348,556	232,164	14,386	246,550
Unallocated corporate expenses						
Other expenses			(24,581)			(24,581)
Other income			106,568			106,568
			430,543			430,543
Finance cost			(103,580)			(103,580)
Profit before taxation			326,963			326,963
Taxation			(100,976)			(100,976)
Profit after taxation			225,987			225,987

14. FINANCIAL RISK MANAGEMENT

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

These condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's financial statements as at and for the year ended June 30, 2023.

There have been no changes in the risk management department or in any risk management policies since the year ended June 30, 2023.

FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

Given below is the analysis of financial instruments, carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

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

15. CORRESPONDING FIGURES

The comparative condensed interim statement of financial position presented in these condensed interim financial statements has been extracted from the audited financial statements of the Company for the year ended June 30, 2023, whereas the comparative condensed interim statement of profit or loss & other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been extracted from the un-audited condensed interim financial statements for the period ended September 30, 2022.

16. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **October 30, 2023** by the board of directors of the Company.



(Chief Executive Officer)



(Chief Financial Officer)



(Director)



Ghani Global Group

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