

Faith
Experience
Innovation
Growth



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
Mahmood Ahmed
Farzin Khan
Hafiz Imran Lateef
Muhammad Ashraf Bawany

AUDIT COMMITTEE

Mahmood Ahmed Chairman
Masroor Ahmad Khan
Hafiz Imran Lateef

HUMAN RESOURCE & REMUNERATION AND COMPENSATION COMMITTEE

Hafiz Imran Lateef Chairman
Masroor Ahmad Khan
Mahmood Ahmed

KEY MANAGEMENT

Farzand Ali Company Secretary
Asim Mahmud Chief Financial Officer
Muhammad Nouman Head of Internal Audit
Sibtul Hassan Gilani Head of Procurement & Imports
Bilal Butt Head of Sales & Marketing
Abid Ameen Head of Plants

LEGAL ADVISOR

Asif Mahmood Khan, Advocate
DSK Law Firm, Lahore.

AUDITORS

ShineWing Hameed Chaudhri & Co.
Chartered Accountants
H.M. House, 7-Bank Square, Lahore.

BANKS

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

SHARE REGISTRAR

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

REGIONAL MARKETING OFFICE

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

REGISTERED/CORPORATE OFFICE

10-N, Model Town Ext, Lahore 54000, Pakistan
UAN: 111 GHANI 1 (442-641)
Fax: (092) 042-35160393
E-mail: info.gases@ghaniglobal.com
Website: www.ghaniglobal.com

DIRECTORS' REPORT

Dear Shareholders

Assalam-o-Alaikum Wa RehmatUllah Wa BarakatoH

The Directors of your Company are pleased to present the unaudited condensed interim financial statements of the Company for the half year ended December 31, 2022, along with review report of the Auditors thereon, in compliance with the requirements of Companies Act, 2017.

LISTING OF THE COMPANY AT PAKISTAN STOCK EXCHANGE

Pursuant to the sanction of Scheme of Arrangement for merger/amalgamation of G3 Technologies Limited (GTECH) with and into Ghani Chemical Industries Limited (GCIL) by the Honourable Lahore High Court, vide its order dated October 11, 2022, GTECH has been merged with and into GCIL. Through effect of this merger the Company has been listed on the Pakistan Stock Exchange Limited with effect from November 14, 2022.

FINANCIAL PERFORMANCE

A comparison of the key financial results of the Company for the half year ended December 31, 2022 versus the same period last year is as under:

Particulars	Rupees in '000' except EPS	
	December 2022	December 2021
Sales	2,484,048	2,704,356
Net Sales	2,123,848	2,414,265
Gross Profit	772,627	1,047,691
Distribution cost	(105,312)	(135,970)
Administrative expenses	(120,156)	(98,291)
Operating profit	662,894	869,165
Financial cost	(213,526)	(95,704)
Profit after taxation	254,212	559,399
Earnings per share (EPS)	0.53	1.51

During 1HFY22 (Jul-Dec), the net sales registered at PkR2.12bn down 12.02% versus the same period last year. Accordingly, the gross profit declined by 26.25%YoY to PkR772mn with a 7ppt reduction in gross margin to 36.4%. Through focus on efficiency the company was able to lead distribution cost lower by 22.54%YoY, however, the overall level of inflation in the economy led administrative expenses higher by 22.24%YoY. The operating profit of the Company declined by 23.73%. The hawkish stance by the SBP and subsequent upward revisions in policy rates led to a surge in financial charges which increased by 123.11%YoY. The combination of impacts discussed above led the bottom line net profit to decline by 54.55% for the half year ending Dec' 22.

PAYOUT TO THE SHAREHOLDERS

The Board of Directors of the Company have already declared and distributed 10% Bonus shares to the shareholders of the Company in their meeting held on November 21, 2022.

FUTURE PROSPECTS

The Company has already commenced the construction work for the setup of its 5th Air Separation Unit (ASU) Plant of 275 MTPD capacity for medical and industrial gases and import substitution for Calcium Carbide manufacturing plant at Hattar Economic Zone, KPK after obtaining the requisite approvals from the Environmental Protection Agency, Government of KPK. The Company has also obtained a load sanction from Peshawar Electricity Supply Company for 22MW electricity connection for

these projects. Letter of credits for import of plant and machinery have already been opened and Alhamdulillah complete Back Process of Medical & Industrial Gases manufacturing plant has been arrived and successfully cleared customs during January 2023. However, the project's cost has drastically increased and shipments of the remaining plant and machinery have been delayed due to the ongoing economic pressures leading to unpredictability regarding the US dollar PkR parity as well as outlook for the Country's FX reserves.

The Company has also decided to undertake the sale/export of its 110 TPD existing ASU manufacturing plant located at Phool Nagar, District Kasur to prospective buyers in the GCC region post completion of its 5th ASU plant in the Hattar Economic Zone.

REMUNERATION TO CEO AND WORKING DIRECTORS

Keeping in view the current macro-economic condition of the country, business environment and an austerity measures, the Chief Executive and two working Directors of the Company have voluntarily requested the Board to defer the matter for annual increase in their remuneration till market conditions begin to see improvement.

ACKNOWLEDGEMENTS

Indeed, all growth in the business of the Company was not possible without the Will and Blessings of ALMIGHTY ALLAH. 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.

For and behalf of Board of Directors



ATIQUE AHMAD KHAN
Chief Executive Officer



HAFIZ FAROOQ AHMAD
Director

Lahore

Dated: February 28, 2023


سی ای او اور ورکنگ ڈائریکٹرز کو معاوضہ


ملک کی موجودہ میکرو اکنامک حالت، کاروباری ماحول اور کفایت شعاری کے اقدامات کو مد نظر رکھتے ہوئے خود کمپنی کے چیف ایگزیکٹو اور دو ورکنگ ڈائریکٹرز نے بورڈ سے درخواست کی کہ وہ اپنے معاوضے میں سالانہ اضافے کے معاملے کو مارکیٹ کے حالات میں بہتری تک موخر کر دیں۔

اعتراف

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 کے لیے ان کا شکریہ ادا کرنا چاہتا ہے۔ ہم کمپنی کے ایگزیکٹوز، عملے اور کارکنوں کی لگن، محنت اور تندہی کو بھی ریکارڈ پر رکھنا چاہتے ہیں۔

بورڈ آف ڈائریکٹرز کی طرف سے


عنایت احمد خان (ڈائریکٹر)


حافظ فاروق احمد (چیف ایگزیکٹو آفیسر)

لاہور
مورخہ 28 فروری 2023ء

جولائی سے دسمبر 2022 کے دوران، آپ کی کمپنی کی خالص فروخت گزشتہ سال کی اسی مدت کے مقابلے میں 12.02% تک کم ہوگئی۔ اس کے مطابق، کمپنی کے مجموعی منافع میں گزشتہ سال کی اسی مدت کے مقابلے میں 26.25% کی کمی واقع ہوئی۔ تقسیم کی لاگت میں 22.54 فیصد کمی کی گئی تاہم انتظامی اخراجات میں گزشتہ سال کی اسی مدت کے مقابلے میں 22.24 فیصد اضافہ ہوا۔ کمپنی کے آپریٹو منافع میں 23.73% کی کمی ہوئی۔ مارک اپ کی شرح میں اضافے کی وجہ سے، کمپنی کی جانب سے اٹھائے گئے مالیاتی اخراجات میں گزشتہ سال کی اسی مدت کے مقابلے میں 123.11 فیصد کا زبردست اضافہ ہوا۔ ٹیکس کے بعد منافع میں 54.55% کی کمی ہوئی۔

شیئر ہولڈرز کو ادائیگی

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز نے پہلے ہی 21 نومبر 2022 کو ہونے والی اپنی میٹنگ میں کمپنی کے شیئر ہولڈرز کو 10% بونس شیئرز کا اعلان اور تقسیم کر دیا ہے۔

مستقبل کے امکانات

کمپنی نے ماحولیاتی تحفظ سے منظوری حاصل کرنے کے بعد پہلے ہی طبی اور صنعتی گیسوں کے لیے MTPD275 صلاحیت کے اپنے 5 ویں ایئر سپریشن یونٹ (ASU) پلانٹ کے سیٹ اپ اور حطارا کنٹراکٹ زون، KPK میں درآمدی متبادل کیلشیم کاربائیڈ مینوفیکچرنگ پلانٹ کے لیے تعمیراتی کام شروع کر دیا ہے۔ کمپنی نے ان منصوبوں کے لیے 22 میگا واٹ بجلی کے کنکشن کے لیے پشاور الیکٹریٹی سپلائی کمپنی سے منظوری بھی حاصل کر لی ہے۔ پلانٹ اور مشینری کی درآمد کے لیٹر آف کریڈٹ پہلے ہی کھل چکے تھے اور الحمد للہ پلانٹ اور مشینری کی پہلی کھیپ آچکی ہے اور جنوری 2023 کے دوران کامیابی سے کلیئر ہوگئی ہے۔ تاہم، منصوبوں کی لاگت میں بہت زیادہ اضافہ ہوا اور باقی ماندہ پلانٹ اور مشینری کی ترسیل میں تاخیر ہوئی کیونکہ ملک میں جاری غیر متوقع کمی اور غیر ملکی کرنسی کے بحران کی وجہ سے۔

کمپنی نے حطارا کنٹراکٹ زون میں 5 ویں ASU پلانٹ کے سیٹ اپ کے بعد یہ بھی فیصلہ کیا ہے، کمپنی پھولنگر، ضلع قصور میں نصب کمپنی کے اپنے TPD 110 موجودہ ASU مینوفیکچرنگ پلانٹ میں سے ایک کو GCC خطے میں کسی ممکنہ خریدار کو فروخت/برآمد کرے گی۔

ڈائریکٹرز رپورٹ

پیارے شیئر ہولڈرز
السلام وعلیکم ورحمۃ اللہ وبرکات

آپ کی کمپنی (غنی کیمیکل سائنڈسٹریز لمیٹڈ) کے ڈائریکٹران کمینز ایکٹ 2017 کی تعمیل میں کمپنی کے تخفیف شدہ آڈٹ کے بغیر اور آڈیٹر کی جائزہ رپورٹ دوسری سہ ماہی کے حسابات بابت 31 دسمبر 2022 پیش کرنے میں خوشی محسوس کرتے ہیں۔

پاکستان اسٹاک ایکسچینج میں کمپنی کی فہرست بندی

معزز لاہور ہائی کورٹ، لاہور کی طرف سے G3 ٹیکنالوجیز لمیٹڈ (GTECH) کے غنی کیمیکل سائنڈسٹریز لمیٹڈ (GCIL) کے ساتھ انضمام/انضمام کی سکیم کی منظوری کے مطابق، 11 اکتوبر 2022 کو اپنے حکم نامے کے ذریعے، GTECH نے GCIL کے ساتھ اور اس میں ضم کر دیا گیا ہے اور اس کے نتیجے میں آپ کی کمپنی پاکستان اسٹاک ایکسچینج لمیٹڈ میں 14 نومبر 2022 سے درج ہو گئی ہے۔

مالیاتی کارکردگی

31 دسمبر 2022 کو ختم ہونے والے ششماہی کے لیے آپ کی کمپنی کے اہم مالیاتی نتائج کا گزشتہ سال کی اسی مدت کے ساتھ موازنہ حسب ذیل ہے:

Particulars	Rupees in '000' except EPS	
	December 2022	December 2021
Sales	2,484,048	2,704,356
Net Sales	2,123,848	2,414,265
Gross Profit	772,627	1,047,691
Distribution cost	(105,312)	(135,970)
Administrative expenses	(120,156)	(98,291)
Operating profit	662,894	869,165
Financial cost	(213,526)	(95,704)
Profit after taxation	254,212	559,399
Earnings per share (EPS)	0.53	1.51

**Independent Auditors' Review Report to the Members of
Ghani Chemical Industries Limited**

Report on Review of Unconsolidated Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Ghani Chemical Industries Limited** (the Company) as at December 31, 2022 and the related unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six months period then ended (here-in-after referred to as "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of unconsolidated condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2021 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2022.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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

LAHORE; FEBRUARY 28, 2023
UDIN: RR202210195KSAmPulwW

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



Unconsolidated Condensed Interim Statement of Financial Position as at December 31, 2022

		Dec. 31, 2022 Un-audited	June 30, 2022 Audited Re-stated
ASSETS	Note	Rupees in thousand	
Non-current assets			
Property, plant and equipment	5	5,956,652	6,077,314
Right of use assets		386,237	391,504
Intangible assets		1,234	2,714
Investments		75	75
Long term deposits		67,193	67,193
		<u>6,411,391</u>	<u>6,538,800</u>
Current assets			
Stores, spares and loose tools		372,793	246,754
Stock-in-trade		71,532	135,260
Trade debts	6	974,704	1,051,199
Loan and advances	7	1,772,826	484,990
Deposits, prepayments and other receivables	8	527,614	433,405
Short term investments - term deposit receipts		1,060,000	659,000
Sales tax refunds due from Government		7,777	23,861
Advance income tax		314,427	417,797
Cash and bank balances	9	962,970	855,168
		<u>6,064,643</u>	<u>4,307,434</u>
Non-current assets held for sale	10	52,250	678,879
Total assets		<u><u>12,528,284</u></u>	<u><u>11,525,113</u></u>
Equity and liabilities			
Share capital and reserves			
Authorised share capital	11	8,500,000	5,500,000
Issued, subscribed and paid-up share capital	12	5,001,879	4,347,163
Share premium	13	164,011	300,000
Revaluation surplus on freehold and leasehold land	14	0	298,727
Merger reserve	15	1,342,746	1,342,746
Unappropriated profit		1,570,365	1,316,153
Total equity		<u>8,079,001</u>	<u>7,604,789</u>
Non-current liabilities			
Long term finances	16	1,350,212	756,211
Redeemable capital	17	54,167	162,500
Long term security deposits		48,341	44,266
Lease liabilities		5,306	5,739
Deferred liabilities	18	553,712	456,314
		<u>2,011,738</u>	<u>1,425,030</u>
Current liabilities			
Trade and other payables	19	290,589	432,559
Accrued profit	20	131,736	83,198
Unclaimed dividend		491	491
Short term borrowings	21	1,573,701	1,364,564
Current portion of non-current liabilities	22	348,350	380,125
Provision for taxation	23	92,678	234,357
		<u>2,437,545</u>	<u>2,495,294</u>
Total liabilities		<u>4,449,283</u>	<u>3,920,324</u>
Contingencies and commitments	24		
Total equity and liabilities		<u><u>12,528,284</u></u>	<u><u>11,525,113</u></u>

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



Atique Ahmad Khan

Chief Executive Officer



Asim Mahmud

Chief Financial Officer



Hafiz Farooq Ahmad

Director

Ghani Chemical Industries Limited

Unconsolidated Condensed Interim Statement of Profit or Loss & Other Comprehensive Income (Un-audited)

For the Quarter and Six Months Period Ended December 31, 2022

	Note	Six months period ended		Quarter ended	
		Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
		----- Rupees in thousand -----			
Sales	25	2,484,048	2,704,356	1,217,585	1,274,003
Less: sales tax	25	(360,200)	(290,091)	(169,782)	(141,279)
Sales - net		2,123,848	2,414,265	1,047,803	1,132,724
Cost of sales	26	(1,351,221)	(1,366,574)	(665,529)	(655,557)
Gross profit		772,627	1,047,691	382,274	477,167
Distribution cost	27	(105,312)	(135,970)	(22,881)	(73,071)
Administrative expenses	28	(120,156)	(98,291)	(79,615)	(68,332)
Other expenses	29	(38,981)	(60,267)	(23,428)	(43,684)
Other income	30	154,716	116,002	126,767	102,967
		(109,733)	(178,526)	843	(82,120)
Profit from operations		662,894	869,165	383,117	395,047
Finance cost	31	(213,526)	(95,704)	(109,101)	(51,421)
		449,368	773,461	274,016	343,626
Share of profit from an Associated Company		0	2,604	0	2,604
Profit before taxation		449,368	776,065	274,016	346,230
Taxation	32	195,156	216,666	142,514	86,932
Profit after taxation		254,212	559,399	131,502	259,298
Other comprehensive income					
Surplus arisen upon revaluation of:					
- freehold land		0	956,043	0	956,043
- leasehold land		0	373,498	0	373,498
		0	1,329,541	0	1,329,541
Total comprehensive income for the period		254,212	1,888,940	131,502	1,588,839
		----- Rupees -----			
Earnings per share (re-stated)		0.53	1.51	0.28	0.70

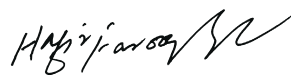
The annexed notes form an integral part of these unconsolidated condensed interim financial statements.



Atique Ahmad Khan
Chief Executive Officer



Asim Mahmud
Chief Financial Officer



Hafiz Farooq Ahmad
Director

Ghani Chemical Industries Limited

Unconsolidated Condensed Interim Statement of Changes in Equity (Un-audited)

For the Six Months Period Ended December 31, 2022

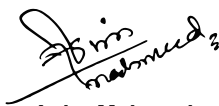
	Capital reserves			Revenue reserve - unappropriated profit	Total
	Share capital	Share premium	Revaluation surplus on freehold and leasehold land		

	----- Rupees in thousand -----					
Balance as at June 30, 2022 (Re-stated)	4,347,163	300,000	298,727	1,342,746	1,316,153	7,604,789
Proceeds from right shares issued during the period	220,000	0	0	0	0	220,000
Bonus shares issued during the period	434,716	(135,989)	(298,727)	0	0	0
Total comprehensive income for the period of six months ended December 31, 2022	0	0	0	0	254,212	254,212
Balance as at December 31, 2022 (un-audited)	<u>5,001,879</u>	<u>164,011</u>	<u>0</u>	<u>1,342,746</u>	<u>1,570,365</u>	<u>8,079,001</u>
Balance as at June 30, 2021 (audited)	1,535,250	913,951	0	0	463,285	2,912,486
Proceeds from right shares issued during the period	100,000	300,000	0	0	0	400,000
Bonus shares issued during the period	1,962,300	(913,951)	(1,030,768)	0	(17,581)	0
Total comprehensive income for the period of six months ended December 31, 2021	0	0	1,329,541	0	559,399	1,888,940
Balance as at December 31, 2021 (audited)	<u>3,597,550</u>	<u>300,000</u>	<u>298,773</u>	<u>0</u>	<u>1,005,103</u>	<u>5,201,426</u>

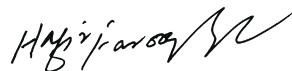
The annexed notes form an integral part of these unconsolidated condensed interim financial statements.



Atique Ahmad Khan
Chief Executive Officer



Asim Mahmud
Chief Financial Officer



Hafiz Farooq Ahmad
Director

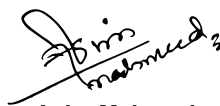
Ghani Chemical Industries Limited
Condensed Interim Statement of Cash Flows (Un-audited)
For the Six Months Period Ended December 31, 2022

	Six months period ended	
	Dec. 31,	Dec. 31,
	2022	2021
	(Rupees in thousand)	
Cash flows from operating activities		
Profit for the period - before taxation	449,368	776,065
Adjustments for non-cash charges and other items:		
Finance cost	213,526	95,704
Depreciation	83,582	72,953
Amortisation of intangible assets	1,480	1,481
Amortisation of right-of-use assets	5,267	3,512
Gain on disposal of operating fixed assets	(4,709)	(89,941)
Gain on sale of held-for-sale investments	(12,361)	0
Provision for Gas Infrastructure Development Cess	0	785
Payable balances written-back	0	(11,023)
Allowance for expected credit loss	5,000	0
Share of profit from an Associated Company	0	(2,604)
Amortisation of deferred income	(323)	(1,177)
Profit before working capital changes	740,830	845,755
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(126,039)	(82,797)
Stock-in-trade	63,728	51,176
Trade debts	71,495	(272,143)
Loans and advances	(1,287,836)	(424,109)
Deposits, prepayments and other receivables	(94,209)	(1,605)
Short term investments - term deposit receipts	(401,000)	0
Sales tax refunds due from Government	16,084	(12,671)
(Decrease) / increase in current liabilities:		
Trade and other payables	(141,969)	42,234
	(1,899,746)	(699,915)
Cash (used in) / generated from operations	(1,158,916)	145,840
Taxation - net	(136,067)	(84,009)
Net cash (used in) / generated from operating activities	(1,294,983)	61,831
Cash flows from investing activities		
Fixed capital expenditure	34,563	(254,866)
Proceeds from sale of operating fixed assets	7,225	128,029
Investments made	0	(398,793)
Proceeds from investments held-for-sale	638,990	0
Net cash generated from / (used in) investing activities	680,778	(525,630)
Cash flows from financing activities		
Proceeds from right issue	220,000	400,000
Long term finances	562,549	114,514
Redeemable capital - Sukuk (redeemed)	(108,333)	(108,334)
Lease liabilities	(433)	0
Long term security deposits - net	4,075	864
Short term borrowings	209,137	371,352
Finance cost paid	(164,988)	(85,809)
Net cash generated from financing activities	722,007	692,587
Net increase in cash and cash equivalents	107,802	228,788
Cash and cash equivalents at beginning of the period	855,168	63,418
Cash and cash equivalents at end of the period	962,970	292,206

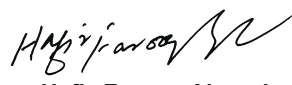
The annexed notes form an integral part of these unconsolidated condensed interim financial statements.



Atique Ahmad Khan
Chief Executive Officer



Asim Mahmud
Chief Financial Officer



Hafiz Farooq Ahmad
Director

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 279,905,984 (30 June, 2022: 251,459,985) ordinary shares of the Company representing 58.53% (June 30, 2022: 69.90%) of its paid-up capital as at December 31, 2022.

As per the Scheme of Compromises, Arrangement and Reconstruction, 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** The Board of Directors (the Board) of G3 Technologies Ltd. (GTECH) in their meeting held on April 14, 2022 has decided to merge GTECH with and into Ghani Chemical Industries Ltd. (an Associated Company). The Board has also decided to file a petition before the Lahore High Court (LHC), Lahore for sanctioning the Scheme of Merger after completion of all related formalities. The Board has also decided to hold 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.

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 Accounting Standard (IAS) 34, 'Interim financial reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards 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 the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended June 30, 2022. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

2.3 These condensed interim financial statements are un-audited and are being submitted to the members as required by section 237 of the Companies Act, 2017. The figures for the six months period ended December 31, 2022 have, however, been subjected to limited scope review by the external Auditors.

2.4 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.

2.5 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. Significant accounting policies

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of audited financial statements of the Company as at and for the year ended June 30, 2022.

3.1 Initial application of standards, amendments or an interpretation to existing standards

a) Standards, amendments and interpretations to accounting standards that are effective in the current period

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2023. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

4. Accounting estimates and judgements

The preparation of these condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of the 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 uncertainty were the same as those applied to the financial statements for the year ended June 30, 2022.

5. Property, plant and equipment	Un-audited Dec. 31, 2022	Audited June 30, 2022
Note	Rupees in thousand	
Operating fixed assets	5.1 5,871,594	5,869,303
Capital work-in-progress	5.2 85,058	208,011
	<u>5,956,652</u>	<u>6,077,314</u>
		Un-audited Dec. 31, 2022
5.1 Operating fixed assets - tangible		(Rupees in thousand)
Book value as at June 30, 2022		5,869,303
Add: additions made during the period		
- plant and machinery		11,193
- furniture and fixtures		3,477
- office equipment		499
- computers and accessories		980
- vehicles		72,240
		88,389
Book value of operating fixed assets sold		(2,516)
Depreciation charge for the period		(83,582)
Book value as at December 31, 2022		<u>5,871,594</u>
5.2 Capital work-in-progress		85,058
Plant and machinery		<u>85,058</u>
	Un-audited Dec. 31, 2022	Audited June 30, 2022
6. Trade debts - unsecured	Note Rupees in thousand	
Considered good	974,704	1,051,199
Considered doubtful	20,519	16,027
	<u>995,223</u>	<u>1,067,226</u>
Allowance for expected credit loss	6.1 (20,519)	(16,027)
	<u>974,704</u>	<u>1,051,199</u>
6.1 Allowance for expected credit loss		
Balance as at June 30, 2022	16,027	26,960
Charge for the period	5,000	6,381
Balances written-off during the period	(508)	(17,314)
Balance as at December 31, 2022	<u>20,519</u>	<u>16,027</u>

6.2 Trade debts include aggregate amount of Rs.24.318 million (June 30, 2022: Rs.136.766 million) receivable from Ghani Global Glass Ltd.(an Associated Company) and Rs.Nil (June 30, 2022: Rs.89.460 million due from G-3 Technologies Ltd. - an Associated Company) against supplies of industrial gases. Maximum amount due from Associated Companies at the end of any month during the period was Rs.136.156 million (June 30, 2022: Rs.226.227 million).

6.3 Receivables from the government institutions aggregate Rs.458.105 million as at December 31, 2022 (June 30, 2022: Rs.413.365 million).

7. Loans and advances - unsecured, considered good	Un-audited Dec. 31, 2022	Audited June 30, 2022
Note	Rupees in thousand	
Advances to:		
- employees against expenses	4,938	3,797
- employees against salaries	93	97
- suppliers and contractors	669,361	195,373
Due from related parties	597,153	272,164
Letters of credit	502,766	15,044
	1,774,311	486,475
Allowance for impairment	(1,485)	(1,485)
	1,772,826	484,990

7.1 The period end balance includes due from Ghani Global Glass Ltd. Amounting Rs. 590.417 million (June 30, 2022 Rs. 265.112 million)

7.2 Maximum amounts due from the related parties at the end of any month during the period was Rs.713.074 million (June 30, 2022: Rs. 274.791 million)

7.3 Maximum amount due from the Holding Company at the end of any month during the period was Rs.Nil (June 30, 2022: Rs.22.908 million).

	Un-audited Dec. 31, 2022	Audited June 30, 2022
	Rupees in thousand	
8. Deposits, prepayments and Other receivables		
Trade deposits	133,585	139,912
Prepayments	5,835	7,372
Bank guarantee margins	0	4,364
Profit receivable on term deposit receipts	11,264	15,707
Letters of credit margins	376,930	266,050
	<u>527,614</u>	<u>433,405</u>
9. Cash and bank balances		
Cash-in-hand	879	367
Cash at banks on:		
- current accounts	337,350	140,485
- deposit / saving accounts	624,741	714,316
	962,091	854,801
	<u>962,970</u>	<u>855,168</u>
10. Assets held-for-sale		
Leasehold land classified as held-for-sale	52,250	52,250
39,800,000 shares of G3 Technologies Ltd. (G Tech) classified as held-for-sale as at April 09, 2022	0	401,637
Less: 20,000,000 shares sold on April 19, 2022	0	(200,200)
	0	201,437
Investment in an associated company held by G Tech as held-for-sale	0	425,192
	<u>52,250</u>	<u>678,879</u>

11. Authorised share capital

The authorised share capital of the Company, during the period, has been 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.

12. Issued, subscribed and paid up share capital

12.1 The Company, during the period, has issued 43,471,634 ordinary shares of Rs.10 each as fully paid bonus shares in the proportion of 10 ordinary shares for every 100 ordinary shares held.

12.2 The Company, during the period, has issued 22,000,000 ordinary shares of Rs.10 each as Class B right shares.

12.3 The Company, during the period, has also issued 74,961,338 ordinary shares upon merger of G3 Technologies Ltd. with and into the Company.

	Un-audited Dec. 31, 2022	
		(Rupees in thousand)
13. Share premium		
Balance as at June 30, 2022		300,000
Less: premium utilised during the period upon issuance of bonus shares		(135,989)
Balance as at December 31, 2022		<u>164,011</u>
14. Revaluation surplus on freehold and leasehold land		
Balance as at June 30, 2022		298,727
Less: surplus utilised during the period upon issuance of bonus shares		(298,727)
Balance as at December 31, 2022		<u>0</u>
15. Merger reserve		
This represents gain arisen upon merger of G3 Technologies Ltd. with and into the Company.		
	Un-audited	Audited
	Dec. 31,	June 30,
	2022	2022
	Rupees in thousand	
16. Long term finances		
From banking companies - secured		
Diminishing Musharakah	2,191	3,103
Diminishing Musharakah	750	13,014
Diminishing Musharakah	299,983	354,525
Islamic Refinance Facility	16,000	39,186
Diminishing Musharakah (ITERF)	438,981	438,981
Diminishing Musharakah	283,176	0
Diminishing Musharakah	374,593	0
From Islamic Financial Institution - secured		
Diminishing Musharakah	5,188	9,504
Others		
From sponsoring directors - unsecured	52,000	52,000
	<u>1,472,862</u>	<u>910,313</u>
Current portion grouped under current liabilities	(122,650)	(154,102)
	<u>1,350,212</u>	<u>756,211</u>
17. Redeemable capital - sukuk		
Long term certificates	270,834	379,167
Current portion grouped under current liabilities	(216,667)	(216,667)
	<u>54,167</u>	<u>162,500</u>

		Un-audited	Audited
		Dec. 31, 2022	June 30, 2022
	Note	Rupees in thousand	
18. Deferred liabilities			
Gas infrastructure development cess		11,846	11,846
Deferred taxation	18.1	541,866	444,468
		<u>553,712</u>	<u>456,314</u>
18.1 Deferred taxation			
This is composed of the following:			
Taxable temporary differences arising in respect of accelerated tax depreciation allowances			
		825,648	782,628
Deductible temporary differences arising in respect of:			
- unused tax losses		(80,336)	(135,101)
- allowance for expected credit loss		(5,950)	(4,648)
- alternate corporate tax / minimum tax recoverable against normal tax charge in future years		(197,496)	(198,411)
		<u>(283,782)</u>	<u>(338,160)</u>
		<u>541,866</u>	<u>444,468</u>
19. Trade and other payables			
Trade creditors		129,063	134,560
Accrued liabilities		26,584	75,460
Contract liabilities - advances from customers		69,139	53,682
Due to Ghani Global Holdings Ltd.(the Holding Company)		954	32,465
Sales tax payable		0	44,161
Workers' (profit) participation fund		23,413	50,382
Workers' welfare fund		36,865	36,591
Payable to employees' provident fund		3	37
Withholding income tax		4,568	4,920
Others		0	301
		<u>290,589</u>	<u>432,559</u>
20. Accrued profit			
Profit accrued on:			
Long term finances		42,401	28,865
Redeemable capital - Sukuk		7,043	9,533
Short term borrowings		82,292	44,800
		<u>131,736</u>	<u>83,198</u>
21. Short term borrowings			
From banking companies - secured		1,559,185	1,351,927
Book overdraft - unsecured		14,516	12,637
		<u>1,573,701</u>	<u>1,364,564</u>

22. Current portion of non-current liabilities	Note	Un-audited Dec. 31, 2022 Rupees in thousand	Audited June 30, 2022
Long term finances	16	122,650	154,102
Redeemable capital	17	216,667	216,667
Lease liabilities		301	301
Gas Infrastructure Development Cess		8,732	8,732
Deferred income		0	323
		348,350	380,125
23. Provision for taxation - net			Un-audited Dec. 31, 2022 (Rupees in thousand)
Balance as at June 30, 2022			234,357
Add: provision made during the period:			
current			90,861
prior year			6,897
			97,758
			332,115
Less: payments / adjustments made against completed assessment			239,437
Balance as at December 31, 2022			92,678
24. Contingencies and commitments			
Contingencies			
24.1 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.			
24.2 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 is of the view that the case will be decided in favour of the Company.			
24.3 The 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.			
24.4 The un-availed funded and unfunded credit facilities from banks (other than loans from directors) as of reporting date were for Rs.708.160 million (June 30,2022: Rs.815.440 million). These limits include credit lines that are interchangeable and may be utilised for either funded facilities or unfunded facilities.			

24.5 Bank guarantees aggregating Rs.130.255 million (June 30, 2022: Rs.43.915 million) have been provided to various customers / institutions against supplies of products.

Commitments

24.6 Commitments in respect of letters of credit amounted to Rs.1,621.464 million as at December 31, 2022 (June 30, 2022: Rs.1,535.066 million).

24.7 Commitments for construction of buildings as at December 31, 2022 amounted Rs.150 million (June 30, 2022: Rs.100 million).

	Six months period ended	
	Dec. 31, 2022	Dec. 31, 2021
25. Sales	Rupees in thousand	
Gross sales - local		
Supplies	2,449,342	2,688,747
Services	34,706	15,609
	2,484,048	2,704,356
Sales tax / service tax	(360,200)	(290,091)
Net sales	2,123,848	2,414,265
26. Cost of sales		
Salaries, wages and other benefits	47,725	27,298
Fuel and power	788,331	866,221
Utilities	3,779	1,888
Consumable stores and spares	77,511	70,842
Rent, rates and taxes	504	672
Repair and maintenance	2,315	10,754
Communication	269	529
Travelling and vehicles' running	4,137	2,920
Insurance	3,358	4,155
Depreciation	68,953	63,874
Others	97,289	51,031
Cost of goods manufactured	1,094,171	1,100,184
Changes in finished goods		
Opening stock	135,260	101,481
Purchases	193,322	215,214
Closing stock	(71,532)	(50,305)
	257,050	266,390
	1,351,221	1,366,574

	Six months period ended	
	Dec. 31, 2022	Dec. 31, 2021
	Rupees in thousand	
27. Distribution cost		
Salaries, wages and other benefits	33,396	29,895
Transportation	50,576	81,202
Travelling, boarding, lodging and conveyance	1,088	1,595
Communication	225	377
Vehicles' running and maintenance	2,967	3,192
Rent, rates and taxes	2,802	2,836
Loading and unloading	355	398
Postage and courier	146	144
Repair and maintenance	129	265
Office expenses	376	562
Others	13,252	15,504
	105,312	135,970
28. Administrative expenses		
Salaries and other benefits	50,464	34,447
Communication	783	591
Electricity and other utilities	4,691	2,990
Rent, rates and taxes	3,216	3,393
Repair and maintenance	41	54
Travelling and conveyance	1,467	353
Vehicles' running and maintenance	2,601	1,420
Printing and stationery	3,500	772
Donation and charity	1,358	1,124
Fees and subscription	15,888	33,027
Advertisement	35	41
Insurance	2,391	1,384
Depreciation	14,629	9,079
Amortisation of right of use assets	5,267	3,512
Amortisation of intangible assets	1,480	1,481
Others	12,345	4,623
	120,156	98,291

	Six months period ended	
	Dec. 31, 2022	Dec. 31, 2021
	Rupees in thousand	
29. Other expenses		
Legal and professional	587	2,403
Allowance for expected credit loss	5,000	0
Auditors' remuneration	291	540
Workers' welfare fund	9,115	15,785
Workers' (profit) participation fund	23,988	41,539
	38,981	60,267
30. Other income		
Profit on bank deposits	79,532	1,724
Return on advances to Associated Companies	58,114	4,203
Payable balances written-back	0	11,023
Gain on forward foreign exchange contracts	0	7,934
Gain on sale of investments held-for-sale	12,361	0
Amortisation of deferred income	0	1,177
Gain on disposal of operating fixed assets	4,709	89,941
	154,716	116,002
31. Finance cost		
Finance cost on:		
- long term finances	44,344	25,748
- redeemable capital - Sukuk	25,806	23,356
- short term borrowings	140,418	42,322
- provision for Gas Infrastructure Development Cess	0	785
- advances received from an Associated Company	0	1,754
- lease liabilities	0	248
Bank charges and commission	2,958	1,491
	213,526	95,704
32. Taxation		
Current		
- for the period (note23)	90,861	
- prior year (note 23)	6,897	
Deferred (note 18.1)	97,398	
	195,156	

33. Transactions with related parties		Six months period ended	
		Dec. 31, 2022	Dec. 31, 2021
Relationship with related party	Nature of transaction	Rupees in thousand	
Holding Company	Commission against corporate guarantees	1,908	1,056
	Return on advances	0	387
Associated Company			
- Ghani Global Glass Ltd.			
	Sale of raw materials	80,129	88,008
	Return on advances given	40,513	3,815
	Sharing of expenses	179,733	242,741
Provident fund trust	Contribution paid	14,795	6,000

34. Segment reporting

34.1 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.

34.2 Segment results were as follows:

	Six months ended December 31, 2022			Six months ended December 31, 2021		
	Industrial and Medical Gases	Industrial Chemicals	Total	Industrial and Medical Gases	Industrial Chemicals	Total
----- Rupees in thousand -----						
Net sales	1,751,399	372,449	2,123,848	2,175,641	238,624	2,414,265
Cost of sales	(993,621)	(357,600)	(1,351,221)	(1,127,343)	(239,231)	(1,366,574)
Gross profit / (loss)	757,778	14,849	772,627	1,048,298	(607)	1,047,691
Distribution cost	(102,153)	(3,159)	(105,312)	(131,891)	(4,079)	(135,970)
Administrative expenses	(114,148)	(6,008)	(120,156)	(93,376)	(4,915)	(98,291)
	(216,301)	(9,167)	(225,468)	(225,267)	(8,994)	(234,261)
Segment profit / (loss)	541,477	5,682	547,159	823,031	(9,601)	813,430
Unallocated corporate expenses						
Other expenses			(38,981)			(60,267)
Other income			154,716			116,002
			662,894			869,165
Finance cost			(213,526)			(95,704)
Share of profit from Associate			0			2,604
Profit before taxation			449,368			776,065
Taxation			(195,156)			(216,666)
Profit after taxation			254,212			559,399

	As at December 31, 2022			As at December 31, 2021		
	Industrial and Medical Gases	Industrial Chemicals	Total	Industrial and Medical Gases	Industrial Chemicals	Total
	----- Rupees in thousand -----					
Segment assets	9,168,095	30,018	9,198,113	6,350,027	102,845	6,452,872
Unallocated assets			3,330,171			2,301,972
Total assets			12,528,284			8,754,844
Segment liabilities	2,038,993	11,171	2,050,164	2,004,498	4,101	2,008,599
Unallocated liabilities			2,399,119			1,544,819
Total liabilities			4,449,283			3,553,418

- 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.
- Transfers between business segments are recorded at cost. There were no inter segment transfers during the period .
- The Company's customer base is diverse with no single customer accounting for more than 10% of the net sales.

35. Financial risk management

35.1. Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow 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, 2022.

There have been no changes in the risk management department or in any risk management policies since the year ended June 30, 2022.

35.2. Fair value estimation

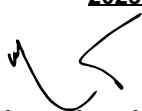
During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities. Further, there were no reclassifications of financial assets.

36. Corresponding figures

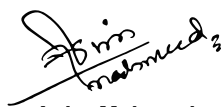
The comparative unconsolidated condensed interim statement of financial position presented in these unconsolidated condensed interim financial statements has been extracted from the audited unconsolidated financial statements of the Company and G3 Technologies Ltd. for the year ended June 30, 2022, whereas the comparative unconsolidated condensed interim statement of profit or loss & other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows have been extracted from the un-audited unconsolidated condensed interim financial statements for the period ended December 31, 2021.

37. Date of authorisation for issue

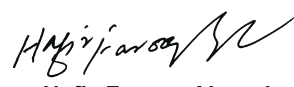
These unconsolidated condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on **February 28, 2023**.



Atique Ahmad Khan
Chief Executive Officer



Asim Mahmud
Chief Financial Officer



Hafiz Farooq Ahmad
Director

GHANI CHEMICAL INDUSTRIES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022

		December 31, 2022	Restated June 30, 2022
	Note	Rupees in thousand	
ASSETS			
Non-current assets			
Property, plant and equipment	3	5,956,652	5,889,849
Right of use assets		386,237	391,504
Intangible assets		1,234	2,714
Long term deposits		67,193	67,193
		<u>6,411,316</u>	<u>6,351,260</u>
Current assets			
Stores, spares and loose tools		372,793	246,754
Stock-in-trade		71,532	135,260
Trade debts		974,704	1,051,199
Loan and advances		1,772,751	688,089
Deposits, prepayments and other receivables		527,627	417,698
Short term Investment		1,060,000	659,000
Tax refunds due from Government		7,777	23,861
Advance income tax		314,427	417,797
Cash and bank balances		963,045	855,242
		<u>6,064,656</u>	<u>4,494,900</u>
Non-current assets held for sale		52,250	678,878
Total assets		<u>12,528,222</u>	<u>11,525,038</u>
Equity and liabilities			
Share capital and reserves			
Share capital	4	5,001,879	4,347,163
Share premium		164,011	300,000
Revaluation surplus on freehold and leasehold land		-	298,727
Merged reserves		1,342,746	1,342,746
Unappropriated profit		1,570,207	1,315,995
Total equity		<u>8,078,843</u>	<u>7,604,631</u>
Non-current liabilities			
Long term finances	5	1,350,214	756,211
Redeemable capital - Sukuk		54,167	162,500
Long term security deposits		48,341	44,266
Lease liabilities		5,306	5,739
Deferred liabilities		553,712	456,314
		<u>2,011,740</u>	<u>1,425,030</u>
Current liabilities			
Trade and other payables		290,684	432,642
Accrued profit		131,736	83,198
Unclaimed dividend		491	491
Short term borrowings		1,573,700	1,364,564
Current portion of non-current liabilities		348,350	380,125
Taxation		92,678	234,357
		<u>2,437,639</u>	<u>2,495,377</u>
Total liabilities		<u>4,449,379</u>	<u>3,920,407</u>
Contingencies and commitments	6		
Total equity and liabilities		<u>12,528,222</u>	<u>11,525,038</u>

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


Atique Ahmad Khan
Chief Executive Officer



Asim Mahmud
Chief Financial Officer


Hafiz Farooq Ahmad
Director

GHANI CHEMICAL INDUSTRIES LIMITED
**COSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

	Six months period ended		Quarter ended		
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	
Note	----- Rupees in '000 -----				
Sales	2,484,048	2,704,356	1,217,585	1,274,003	
Less: sales tax	(360,200)	(290,091)	(169,782)	(141,279)	
Sales - net	2,123,848	2,414,265	1,047,803	1,132,724	
Cost of sales	(1,351,221)	(1,366,574)	(665,529)	(655,557)	
Gross profit	772,627	1,047,691	382,274	477,167	
Distribution cost	(105,312)	(135,970)	(22,881)	(73,071)	
Administrative expenses	(120,156)	(98,291)	(79,615)	(68,209)	
Other expenses	(38,981)	(60,267)	(23,428)	(43,684)	
Other income	154,716	116,002	126,767	102,967	
	(109,733)	(178,526)	843	(81,997)	
Profit from operations	662,894	869,165	383,117	395,170	
Finance cost	(213,526)	(95,704)	(109,101)	(51,544)	
Profit before taxation	449,368	773,461	274,016	343,626	
Share of loss from associated company	-	2,604	-	2,604	
Profit before taxation	449,368	776,065	274,016	346,230	
Taxation	195,156	216,666	142,514	86,932	
Profit after taxation	254,212	559,399	131,502	259,298	
Other comprehensive income					
Surplus arisen upon revaluation of freehold land	0	955,997		955,997	
Surplus arisen upon revaluation of leasehold land	0	373,498		373,498	
	0	1,329,495	0	1,329,495	
Total comprehensive income for the period	254,212	1,888,894	131,502	1,588,793	
Attributable to:					
- Equity holders of the Holding Company	254,212	1,888,894	131,502	1,588,793	
- Non-controlling interest	0	0	0	0	
	254,212	1,888,894	131,502	1,588,793	
	----- Rupees -----				
Combined earnings per share (re-stated)	7	0.53	1.51	0.28	0.70

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


Atique Ahmad Khan
Chief Executive Officer


Asim Mahmud
Chief Financial Officer


Hafiz Farooq Ahmad
Director

GHANI CHEMICAL INDUSTRIES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022


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, 2021	1,535,250	913,951	0	0	463,285	2,912,486
Proceeds from right shares issued during the period	100,000	300,000	0	0	0	400,000
Total comprehensive income for the period ended December 31, 2021	0	0	1,329,495	0	559,399	1,888,894
Bonus shares issued during the period	1,962,300	(913,951)	(1,030,768)	0	(17,581)	0
Balance as at December 31, 2021	3,597,550	300,000	298,727	0	1,005,103	5,201,380
Balance as at June 30, 2022 restated	4,347,163	300,000	298,727	1,342,746	1,315,995	7,604,631
Proceeds from right shares issued during the period	220,000	0	0	0	0	220,000
Total comprehensive income for the period ended December 31, 2022	0	0	0	0	254,212	254,212
Bonus shares issued during the period	434,716	(135,989)	(298,727)	0	0	0
Balance as at period December 31, 2022	5,001,879	164,011	0	1,342,746	1,570,207	8,078,843

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


Atique Ahmad Khan
Chief Executive Officer


Asim Mahmud
Chief Financial Officer



Hafiz Farooq Ahmad
Director

GHANI CHEMICAL INDUSTRIES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

	December 31, 2022	December 31, 2021
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year - before taxation	449,372	776,065
Adjustments for non-cash charges and other items:		
Finance cost	213,526	95,704
Depreciation	83,582	72,953
Amortisation of intangible assets	1,480	1,481
Amortisation of right-of-use assets	5,267	3,512
Gain on disposal of operating fixed assets	(4,709)	(89,941)
Provision for Gas Infrastructure and Development Cess	-	785
Payable balances written-back	-	(11,023)
Allowance for expected credit loss	5,000	-
Amortisation of deferred income	(323)	(1,177)
Profit before working capital changes	753,195	848,359
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(126,039)	(82,797)
Stock-in-trade	63,728	51,176
Trade debts	71,495	(272,143)
Loan and advances	(723,762)	(424,109)
Deposits, prepayments and other receivables	(109,929)	(1,605)
Short term Investment	(401,000)	-
Tax refunds due from Government	16,084	(12,671)
(Decrease) / increase in current liabilities:		
Trade and other payables	(502,824)	42,234
	(1,712,247)	(699,915)
Cash generated from operations	(959,052)	148,444
Income tax paid - net	(136,067)	(84,009)
Net cash generated from operating activities	(1,095,119)	64,435
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(152,902)	(254,866)
Proceeds from sale of operating fixed assets	7,225	128,029
Investments made	-	(401,397)
Non-current assets held for sale	626,628	-
Net cash generated from / (used in) investing activities	480,951	(528,234)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease liabilities	(433)	-
Long term finances	562,552	114,514
Redeemable capital - Sukuk (redeemed)	(108,333)	(108,334)
Long term security deposits - net	4,075	864
Short term borrowings	209,136	371,352
Proceeds from issue of right issue	220,000	400,000
Finance cost paid	(165,026)	(85,809)
Net cash generated from financing activities	721,971	692,587
Net increase in cash and cash equivalents	107,803	228,788
Cash and cash equivalents at the beginning of the period	855,242	63,418
Cash and cash equivalents at the end of the period	963,045	292,206

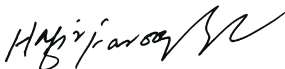
The annexed notes form an integral part of these condensed interim consolidated financial statements.


Atique Ahmad Khan

Chief Executive Officer


Asim Mahmud

Chief Financial Officer



Hafiz Farooq Ahmad

Director

GHANI CHEMICAL INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

1. LEGAL STATUS AND OPERATIONS

Ghani Chemical Industries Limited (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, 2022: 251,459,985 ordinary shares of the Company representing 58.53% (June 30, 2022: 69.90%) of its paid-up capital as at December 31, 2022.

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.

1.1. Subsidiary Companies of GCIL

(a) A One Batteries (Pvt.) Ltd. {AOBL}

AOBL was incorporated in Pakistan under the Companies Act, 2017 as a private limited Company on May 29, 2020. The principal activity of AOBL is to carry on the business as manufacturer, assemblers, processors, producers, fabricators, suppliers, dealers, traders, importers and exporters of all types of batteries.

The registered office and head office of AOBL are situated at 10-N, Model Town Extension, Lahore.

AOBL has not commenced its commercial operations till the reporting date.

(b) Awal Engineering (Pvt.) Ltd. {AEL}

AEL was incorporated in Pakistan under the Companies Act, 2017 as a private limited company on May 18, 2020. The registered office of AEL is situated at 10-N, Model Town Extension, Lahore. The principal business of AEL is to manufacture and repair turbines, compressors and rotors parts. AEL has not commenced its commercial operations till the reporting date.

(c) A One Prefabs (Pvt.) Ltd. {AOPL}

AOPL was incorporated in Pakistan under the Companies Act, 2017 as a private limited Company on May 18, 2020. The principal activity of AOPL is to carry on the business of manufacture, fabricate, import, export and trading of all kinds of building materials.

The registered office and head office of AOPL are situated at 10-N, Model Town Extension, Lahore.

AOPL has not commenced its commercial operations till the reporting date.

2. STATEMENT OF COMPLIANCE

These consolidated 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 Accounting Standard (IAS) 34, 'Interim financial reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and
- 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 the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1. Accounting convention

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

2.2 Functional and presentation currency

Items included in the consolidated interim condensed financial statements are measured using the currency of the primary economic environment in which the Group operates. These interim consolidated condensed 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.

2.3 BASIS OF PREPARATION

These consolidated condensed interim financial statements do not include the information reported for annual financial statements and should be read in conjunction with the audited annual published consolidated financial statements for the year ended June 30, 2022.

- 2.4. The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Group for the year ended June 30, 2022.

2.5 Critical accounting estimates, assumptions and judgments

The preparation of these consolidated condensed interim financial statements in conformity with the approved accounting standards require the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these consolidated condensed interim financial statements, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Group for the year ended June 30, 2022.

3. PROPERTY, PLANT AND EQUIPMENT

		December 31, 2022	June 30, 2022
	Note	Rupees in thousand	
Operating fixed assets	3.1	5,871,594	5,869,182
Capital work-in-progress	3.2	85,058	20,667
		5,956,652	5,889,849
3.1 Operating fixed assets - tangible			
Opening book value		5,869,182	3,924,368
Add: addition during the period / year	3.1.1	88,510	1,407,155
Less: book value of the disposals	3.1.2	(2,516)	(228,390)
Less: book value of the held for sale		0	(52,250)
Add: surplus on revaluation		0	955,997
		5,955,176	6,006,880
Less: depreciation charged during the period / year		(83,582)	(137,698)
Closing book value		5,871,594	5,869,182
3.1.1 Addition during the period / year			
Plant and machinery		11,193	1,047,721
Land		0	126,000
Building		0	141,569
Furniture and fixtures		3,477	2,098
Office equipments		499	4,765
Computers		1,101	1,550
Vehicles		72,240	83,452
		88,510	1,407,155

	December 31. 2022	June 30, 2022
	Rupees in thousand	
3.1.2 Disposals during the period / Year		
Plant and machinery	9	163,865
Vehicles	2,507	27,775
Land - Leasehold	0	36,750
	<u>2,516</u>	<u>228,390</u>
3.1.3 Surplus on revaluation		
Land - Freehold	0	907,857
Land - Leasehold	0	48,140
	<u>0</u>	<u>955,997</u>
3.2 Capital work in progress - at cost		
Plant and machinery	3.4 85,058	20,667
	<u>85,058</u>	<u>20,667</u>
3.3 Civil works		
Opening balance	0	27,687
Additions during the year	0	113,882
Capitalised during the year	0	(141,569)
Closing balance	<u>0</u>	<u>0</u>
3.4 Plant and machinery		
Opening balance	20,667	146,604
Additions during the year	64,391	921,482
Capitalised during the year	0	(1,047,419)
Closing balance	<u>85,058</u>	<u>20,667</u>
4. SHARE CAPITAL		
4.1 Authorised share capital		
800,000,000 (Jun3 30, 2022: 550,000,000) ordinary shares of Rs.10 each	8,000,000	5,500,000
50,000,000 (Jun3 30, 2022: Nil) Class B shares of Rs.10 each	500,000	0
	<u>8,500,000</u>	<u>5,500,000</u>
4.2 Issued, subscribed and paid up share capital		
53,525,000 (2022: 53,525,000) ordinary shares of Rs.10 each fully paid in cash	535,250	535,250
100,000,000 (2022: 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	100,000	100,000
43,471,634 (2022: 196,230,000) ordinary shares of Rs.10 each issued as fully paid bonus shares	2,397,016	1,962,300
74,961,338, Ordinary shares of Rs.10 each issued for consideration other than cash under Scheme of compromises, arrangement and reconstruction	749,613	749,613
Total Issued, subscribed and paid up share capital of ordinary shares	<u>4,781,879</u>	<u>4,347,163</u>
22,000,000 ordinary shares issued as right Class b shares of Rs.10 each fully paid in cash	220,000	0
Issued, subscribed and paid up share capital of ordinary shares	<u>5,001,879</u>	<u>4,347,163</u>

	December 31, 2022	June 30, 2022
4.3 Shares held by related parties	(Number of Shares)	
Ghani Global Holdings Ltd.	279,905,983	251,459,985
Ghani Products (Pvt.) Ltd.	86,631,490	79,055,900
	<u>366,537,473</u>	<u>330,515,885</u>

	Note	December 31, 2022	June 30, 2021
5. LONG TERM FINANCES		Rupees in thousand	
From banking companies - secured Diminishing Musharakah		1,472,864	910,313
Current portion grouped under current liabilities		(122,650)	(154,102)
		<u>1,350,214</u>	<u>756,211</u>

6. CONTINGENCIES AND COMMITMENTS

Contingencies

- 6.1 There are no any material changes in contingencies as disclosed in the note to the financial statements for the year ended June 30, 2022.
- 6.2 The un-availed funded and unfunded credit facilities from banks (other than loans from directors) as of reporting date were for Rs.708.16 million (June 30,2022: Rs.815.440 million). These limits include credit lines that are interchangeable and may be utilised for either funded facilities or unfunded facilities.
- 6.3 Bank guarantees aggregating Rs.130.255 million (June 30,2022: Rs.43.915 million) have been provided to various customers / institutions against supplies of products.

Commitments

- 6.4 Commitments in respect of letters of credit amounted to Rs.1,621.464 million (June 30, 2022: Rs.1,535.066 million).
- 6.5 Commitments for construction of buildings as at December 31, 2022 amounted Rs.150 million; (June 30, 2022:Rs. 100 million).

7. EARNINGS / (LOSS) PER SHARE

	December 31, 2022	December 31, 2021
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>254,212</u>	<u>559,399</u>
	(Number of shares)	
Weighted average number of ordinary shares in issue during the year	<u>478,187,930</u>	Restated <u>370,421,169</u>
	----- Rupees -----	
Earnings per share - basic	<u>0.53</u>	<u>1.51</u>

8. 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.	Wholly owned Subsidiary
- Awal Engineering (Pvt) Ltd.	-do-
- A-One Batteries (Pvt.) Ltd.	-do-
- Provident Fund Trust	Employees' retirement fund

8.1 Transactions with related parties

Relationship with related party	Nature of transaction	December 31,	December 31,
		2022	2021
		Rupees in thousand	
Holding Company	Commission against corporate guarantee	1,908	1,056
	Return on advances	0	387
Associated Company - Ghani Global Glass	Sale of raw material	80,129	88,008
	Return on advances given	40,513	3,815
	Sharing of expenses	179,733	242,741
Provident fund trust	Contribution paid	14,795	6,000

9. Financial risk management

9.1 Financial risk factors

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

These consolidated 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 Group's financial statements as at and for the year ended June 30, 2022.

There have been no changes in the risk management department or in any risk management policies since the year ended June 30, 2022.

9.2 Fair value estimation

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities. Further, there were no reclassifications of financial assets.

10. SEGMENT REPORTING

10.1 The group 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.

10.2 Segment results were as follows:

	Six months ended December 31, 2022			Six months ended December 31, 2021		
	Industrial and Medical Gases	Industrial Chemicals	Total	Industrial and Medical Gases	Industrial Chemicals	Total
	----- Rupees in thousand -----					
Net sales	1,751,399	372,449	2,123,848	2,175,641	238,624	2,414,265
Cost of sales	(993,621)	(357,600)	(1,351,221)	(1,127,343)	(239,231)	(1,366,574)
Gross profit / (loss)	757,778	14,849	772,627	1,048,298	(607)	1,047,691
Distribution cost	(102,153)	(3,159)	(105,312)	(131,891)	(4,079)	(135,970)
Administrative expenses	(114,148)	(6,008)	(120,156)	(93,376)	(4,915)	(98,291)
	(216,301)	(9,167)	(225,468)	(225,267)	(8,994)	(234,261)
Segment profit / (loss)	541,477	5,682	547,159	823,031	(9,601)	813,430
Unallocated corporate expenses						
Other expenses			(38,981)			(60,267)
Other income			154,716			116,002
			662,894			869,165
Finance cost			(213,526)			(95,704)
Share of profit from Associate			0			2,604
Profit before taxation			449,368			776,065
Taxation			(195,156)			(216,666)
Profit after taxation			254,212			559,399

11. CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, due merger of G3 Technologies Ltd. within the parent Company. So it has considered necessary, for the purposes of comparison and better presentation.

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the consolidated condensed interim statement of financial position comprise of balances as per the consolidated annual audited financial statements of the Company for the year ended June 30, 2022 and the corresponding figures in the consolidated condensed interim profit and loss account, consolidated condensed interim cash flow statement, consolidated condensed interim statement of other comprehensive income and consolidated condensed interim statement of changes in equity comprise of balances of comparable period as per the consolidated condensed interim financial statements of the Group for the period ended December 31, 2021.

12. DATE OF AUTHORISATION FOR ISSUE

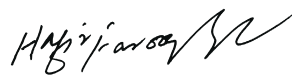
These consolidated condensed interim financial statements were approved and authorised for issue in Board of Directors meeting held on **February 28, 2023**.



Atique Ahmad Khan
Chief Executive Officer



Asim Mahmud
Chief Financial Officer



Hafiz Farooq Ahmad
Director



Ghani Global Group

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