



Ghani Global Group

Faith

Experience

Innovation

Growth

ANNUAL REPORT 2023

Ghani Chemical Industries Limited

Manufacturers of Medical / Industrial Gases & Chemicals



CONTENTS

COMPANY OVERVIEW

- 02 Corporate Information
- 04 Vision & Mission
- 05 Corporate Social Responsibilities
- 06 SHEQ
- 07 Customers Satisfaction
- 08 Brief History
- 09 Customer Segments
- 10 Products & Services
- 12 Core Values
- 13 Geographical Presence
- 14 Memberships/Certifications

CORPORATE GOVERNANCE

- 15 Financial Highlight
- 18 Pattern of Shareholding
- 21 Pattern of Shareholding - Class B
- 24 Auditor's Review Report to the Members
- 25 Statement of Compliance

NOTICE & DIRECTORS REPORT

- 16 Notice of Annual General Meeting
- 23 Chairman's Review
- 28 Director's Report
- 42 Director's Report in Urdu

FINANCIAL STATEMENTS

- 44 Auditor's Report
- 50 Statement of Financial Position
- 51 Statement of Profit or Loss
- 52 Statement of Changes in Equity
- 53 Statement of Cash Flow
- 54 Notes to the Financial Statements

Form of Proxy (In English & Urdu)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Masroor Ahmad Khan
(Chairman)
Hafiz Farooq Ahmad
(Chief Executive Officer)
Atique Ahmad Khan
Rabia Atique
Muhammad 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

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

EXTERNAL AUDITORS

ShineWing Hameed Chaudhri & Co.
Chartered Accountants

SHARIAH ADVISOR (SUKUK)

Al Halal Shariah Advisors (Private) Limited

CREDIT RATING

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

LEGAL ADVISOR

Asif Mahmood Khan, Advocate
DSK Law Firm, Lahore.

REGISTERED/CORPORATE OFFICE

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

REGIONAL MARKETING OFFICE

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

MANUFACTURING PLANTS




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

SHARE REGISTRAR

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





VISION

-  We are committed to quality, service, value and honesty, with dedication to provide the very best products and to serve the nation and health care particularly and greater community at large.
-  Our organization believes in faith, experience, innovation and growth, and will strive to strengthen all in our employees, customers and business peers.
-  We always seek to cultivate trust and reputation in all business relationships, both large and small.

MISSION



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

CORPORATE SOCIAL RESPONSIBILITY



AS CORPORATE CITIZEN, WE/GCIL!

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

Safety

Health

Environment

Quality

SHEQ



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

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

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

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

CUSTOMER'S SATISFACTION



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

Customer First

BRIEF HISTORY

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

CUSTOMER SEGMENTS

Oil & Gas



Light & Medium Engineering Works



Chemical & Fertilizer



Research and Analysis



Ship Breaking & Scrap Cutting



Environment



Pharmaceutical



Merchandise Market



Health Care



Glass



Food & Beverage



Refineries



Metal Fabrication



Pulp & Paper



Steel & Iron Mills

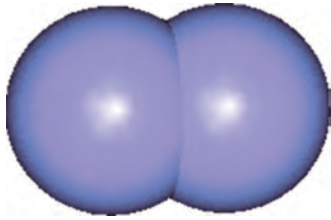


Livestock



GCIL! A Good solution for every situation...

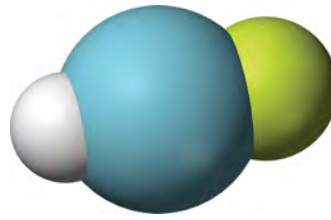
PRODUCTS & SERVICES



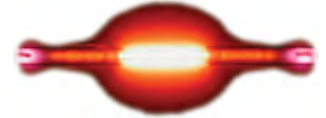
Liquid Oxygen



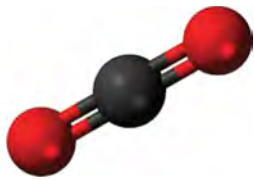
Liquid Nitrogen



Liquid Argon



Liquid Helium



Liquid CO₂



Dissolve Acetylene



Ethylene Ripener



Pain Relief Mixture



Industrial Gases Pipeline



Industrial Cryogenic /
Gases Cylinders



Calcium Carbide



Liquid Medical Oxygen



Compressed Medical Oxygen



Liquid Medical Cryogenic /
Gases Cylinders



Nitrous Oxide



Helium



Oxygen Therapy Equipment



Medical Gas Pipeline



Gas Handling Equipment



Gas Manifold



Gas Outlet Points



Aviation Oxygen



Gas Regulator



Compressed Air



Compressed Argon



Compressed Acetylene



Compressed Nitrogen



Compressed Oxygen



CO₂ Mixture



High Purity Gases



Lab Mixture Gas



Lamp Mixture Gas



Argon Mixture Gas



CO₂ Mig Wire

CORE VALUES



MEMBERSHIPS / CERTIFICATIONS

Memberships

KCCI - Karachi Chamber of Commerce & Industry

LCCI - Lahore Chamber of Commerce & Industry

HCCI - Haripur Chamber of Commerce & Industry

BQATI - Bin Qasim Association of Trade & Industry

PCMA - Pakistan Chemical Manufacturer Association

Certifications

ISO 9001: 2015 Quality Management System

ISO 14001: 2015 Environmental Management System

ISO 45001:2018 Occupational Health and Safety Management System

PS 4992: 2010 Halal Certification

FSSC 22000 Food Safety System Certification



FINANCIAL HIGHLIGHTS

	2023	2022	2021	2020	(Rs. in '000')
					2019
<u>Operating Performance</u>					
Sales	5,111,123	4,781,791	4,350,558	2,332,739	2,301,048
Gross profit	1,459,838	1,746,672	1,657,115	493,699	578,554
Operating profit	1,306,021	1,390,694	1,175,011	97,129	189,193
Other income	330,935	211,830	55,092	28,772	24,560
Profit/ (loss) before tax	931,639	1,163,912	966,746	(223,687)	(24,083)
Profit/ (loss) after tax	507,891	812,426	691,149	(160,831)	(64,669)
Total Comprehensive Income	1,005,169	2,199,944	691,149	(160,831)	(64,669)
Earning per share (EPS)	1.06	2.26	2.28	(1.22)	(0.562)
EPS based on comprehensive income	2.10	5.06	2.28	(1.22)	(0.562)
<u>Balance Sheet</u>					
		Restated			
Share capital	5,001,879	4,347,163	1,535,250	1,150,000	1,150,000
Accumulated profits/reserves	3,828,079	3,257,626	1,377,161	686,087	846,918
Non-current assets	7,777,715	6,351,335	4,198,105	4,035,482	3,409,163
Current assets	5,349,908	4,405,441	1,792,056	1,339,955	1,756,839
Non-current liabilities	1,987,754	1,425,030	1,344,090	1,422,596	1,143,812
Current liabilities	2,309,911	2,405,836	1,733,585	1,854,274	1,780,882
Right issue	-	6.51%	33.5%	-	-
Bonus issue	10%	120%	-	-	-

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 8th Annual General Meeting (AGM) of **Ghani Chemical Industries Limited** (the Company) will be held on Saturday, October 28, 2023, at 11:30 AM, at registered office of the Company, at 10-N, Model Town Ext., Lahore, to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2023 together with Directors' and Auditors' Reports thereon.

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

<https://www.ghaniglobal.com/annual-reports/>



2. To appoint Auditors of the Company for the year ending June 30, 2024 and to fix their remuneration. The retiring auditors' M/S ShineWing Hameed Chaudhri & Co., Chartered Accountants, being eligible, have offered themselves for reappointment.
3. Any other business with permission of the Chair.

By order of the Board

FARZAND ALI
Company Secretary

Place: **Lahore**
Dated: **October 05, 2023**

Notes:

1. BOOK CLOSURE

Share Transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from Saturday, October 21, 2023 to Saturday, October 28, 2023 (both days inclusive). Transfer received in order at the office of the share registrar

Corplink (Private) Limited

Wings Arcade, 1 - K, Commercial Model Town, Lahore 54000, Pakistan

Office: +92 42 35916714, +92 42 35916719, +92 42 35869037 Email: shares@corplink.com.pk

at the close of business on Friday, October 20, 2023 will be treated in time for the purpose of attendance in the AGM.

2. ATTENDANCE OF MEETING

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

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

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

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

Keeping precautionary measures regarding COVID-19, the Company intends to convene this AGM with minimal physical interaction of shareholders while ensuring compliance with the quorum requirements and requests the members to consolidate their attendance and voting at the AGM through proxies and/or video link.

The Company has made arrangements to ensure that all participants, including shareholders, can now participate in the AGM proceedings via video link. In order to attend the meeting through video link members are requested to share the below information at agmgcil23@ghaniglobal.com, for their appointment/registration and proxy verification by or before Saturday, October 21, 2023 as per below format.

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

Video link details and login credentials will be shared with those members whose registered emails containing all the particulars are received on or before Saturday, October 21, 2023.

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address agmgcil23@ghaniglobal.com.

3. CONVERSION OF PHYSICAL SHARES INTO THE BOOK ENTRY FORM

The SECP through its letter No. CSD/ED/Misc/2016- 639-640 dated March 26, 2021 has advised listed companies to adhere to provisions of Section 72 of the Companies Act, 2017 by replacing physical shares issued by them into book entry form.

The Members of the Company having physical folios / share certificates are requested to convert their shares from physical form into book-entry form as soon as possible. The Members may contact their Broker, CDC Participant or CDC Investor Account Service Provider for assistance in opening a CDS Account and subsequent conversion of the physical shares into book-entry form. It would facilitate the Members in many ways including safe custody of shares, avoidance of formalities required for the issuance of duplicate shares, etc. For further information and assistance, the Members may contact our Share Registrar, M/s. Corplink (Private) Limited.

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

The audited financial statements of the Company for the year ended June 30, 2023 have been made available on Company's website www.ghaniglobal.com in addition to annual and quarterly financial statements for the prior years.

Notwithstanding the above, the Company will provide hard copies of the audited financial statements, to any Member on their request, at their registered address, free of cost, within one (1) week of receiving such request.

5. CHANGE IN ADDRESS AND CNIC

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

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

PATTERN OF THE SHARE HOLDING

as at June 30, 2023

FORM - 34

NUMBER OF SHARES		NO OF SHAREHOLDERS	NUMBER OF SHARES HELD
From	To		
1	100	1608	77,196
101	500	2369	579,610
501	1,000	820	647,363
1,001	5,000	1664	4,296,421
5,001	10,000	593	4,351,607
10,001	15,000	224	2,776,642
15,001	20,000	161	2,827,050
20,001	25,000	92	2,103,131
25,001	30,000	72	1,996,649
30,001	35,000	60	1,976,865
35,001	40,000	31	1,180,168
40,001	45,000	23	986,754
45,001	50,000	28	1,361,978
50,001	55,000	13	693,265
55,001	60,000	12	690,705
60,001	65,000	12	756,040
65,001	70,000	16	1,069,414
70,001	75,000	10	725,181
75,001	80,000	11	858,455
80,001	85,000	13	1,071,928
85,001	90,000	3	258,500
90,001	95,000	2	190,000
95,001	100,000	19	1,879,525
100,001	105,000	8	821,440
105,001	110,000	6	655,500
110,001	115,000	5	563,576
115,001	120,000	3	352,660
120,001	125,000	8	984,845
125,001	130,000	4	509,320
130,001	135,000	4	528,394
135,001	140,000	2	278,000
145,001	150,000	1	147,345
155,001	160,000	1	155,650
160,001	165,000	10	1,646,897
165,001	170,000	2	333,720
170,001	175,000	3	515,860
175,001	180,000	4	715,410
180,001	185,000	6	1,098,790
185,001	190,000	1	189,750
190,001	195,000	3	577,770
195,001	200,000	6	1,191,030
200,001	205,000	1	205,000
210,001	215,000	3	642,400
225,001	230,000	1	226,876
230,001	235,000	2	465,630

235,001	240,000	2	478,340
240,001	245,000	1	241,910
245,001	250,000	4	1,000,000
250,001	255,000	2	503,140
255,001	260,000	3	777,926
260,001	265,000	4	1,048,148
285,001	290,000	1	285,085
295,001	300,000	1	300,000
305,001	310,000	1	305,350
310,001	315,000	1	314,000
320,001	325,000	1	320,490
325,001	330,000	1	330,000
335,001	340,000	1	336,820
340,001	345,000	1	342,500
360,001	365,000	1	363,000
365,001	370,000	1	369,765
375,001	380,000	1	380,000
380,001	385,000	1	384,350
415,001	420,000	1	418,500
420,001	425,000	1	424,380
445,001	450,000	1	450,000
450,001	455,000	1	450,350
495,001	500,000	2	999,400
515,001	520,000	1	517,575
520,001	525,000	1	523,380
555,001	560,000	1	558,965
570,001	575,000	2	1,145,350
590,001	595,000	1	594,000
620,001	625,000	1	621,000
695,001	700,000	1	700,000
715,001	720,000	1	718,500
725,001	730,000	2	1,458,800
815,001	820,000	1	815,265
895,001	900,000	1	900,000
960,001	965,000	1	964,109
985,001	990,000	1	986,960
995,001	1,000,000	1	1,000,000
1,015,001	1,020,000	1	1,020,000
1,055,001	1,060,000	1	1,056,000
1,205,001	1,210,000	2	2,420,000
1,215,001	1,220,000	1	1,218,470
1,305,001	1,310,000	1	1,308,225
1,535,001	1,540,000	1	1,538,190
2,125,001	2,130,000	1	2,125,200
2,445,001	2,450,000	1	2,450,000
2,495,001	2,500,000	1	2,500,000
2,545,001	2,550,000	1	2,550,000
2,705,001	2,710,000	1	2,706,350
3,295,001	3,300,000	1	3,300,000
5,275,001	5,280,000	1	5,280,000
5,995,001	6,000,000	1	6,000,000
11,100,001	11,105,000	1	11,100,395
86,520,001	86,525,000	1	86,521,490
276,605,001	276,610,000	1	276,605,983
		8,008	478,187,971

CATEGORIES OF SHARE HOLDERS

as at June 30, 2023

Categories of Shareholders	No. of Share Holders	Shares Held	Percentage
Directors, Chief Executive Officer and their Spouse(s) and Children	7	2,577,403	0.54
Associated Companies	3	371,817,473	77.76
Financial Institutions	3	175,404	0.04
Insurance Companies	3	73,098	0.02
Modaraba Companies	4	18,051	0.00
Mutual Funds	2	129,883	0.03
NIT & ICP	2	153,705	0.03
Leasing Companies	1	8,646	0.00
Individuals	7,939	92,806,046	19.41
Joint Stock Companies	40	4,298,462	0.90
Foreign Companies	1	100,650	0.02
Others	3	6,029,150	1.26
Shareholders holding 10% or more	2	366,537,473	76.65
Total (excluding shareholders holding 10% or more)	8,008	478,187,971	100.00

PATTERN OF THE SHARE HOLDING - CLASS B

as at June 30, 2023

FORM - 34

NUMBER OF SHARES		NO OF SHAREHOLDERS	NUMBER OF SHARES HELD
From	To		
1	100	23	1,111
101	500	32	10,522
501	1,000	16	13,624
1,001	5,000	20	46,056
5,001	10,000	8	65,304
10,001	15,000	4	55,477
15,001	20,000	1	15,848
20,001	25,000	2	45,511
25,001	30,000	1	26,500
35,001	40,000	1	40,000
40,001	45,000	1	44,022
45,001	50,000	2	100,000
50,001	55,000	1	52,500
55,001	60,000	1	58,153
60,001	65,000	3	189,578
75,001	80,000	1	79,500
85,001	90,000	2	180,000
95,001	100,000	1	98,000
100,001	105,000	1	104,402
190,001	195,000	1	193,000
605,001	610,000	1	607,000
770,001	775,000	1	774,719
795,001	800,000	1	800,000
3,885,001	3,890,000	1	3,889,424
4,115,001	4,120,000	1	4,115,500
10,390,001	10,395,000	1	10,394,249
		128	22,000,000

CATEGORIES OF SHARE HOLDERS - CLASS B

as at June 30, 2023

Categories of Shareholders	No. of Share Holders	Shares Held	Percentage
Directors, Chief Executive Officer and their Spouse(s) and Children	1	15,848	0.07
Modaraba Companies	2	14,509,749	65.95
Individuals	125	7,474,403	33.97
Shareholders holding 10% or more	2	18,399,173	83.63
Total (excluding shareholders holding 10% or more)	128	22,000,000	100.00

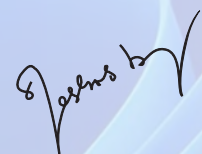
CHAIRMAN'S REVIEW

On Board's overall Performance u/s 192 of the Companies Act 2017

Ghani Chemical Industries Limited complies with all the requirements set out in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 with respect to the composition, procedures and meetings of the Board of Directors and its committees. As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors (the "Board") of Ghani Chemical Industries Limited (the "Company") is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company. Areas where improvements are required are duly considered and action plans are framed. For the purpose of Board evaluation, a comprehensive criteria has been developed. The Board has recently completed its annual self-evaluation for the year ended June 30, 2023 and I report that:

The overall performance of the Board measured on the basis of approved criteria for the year was satisfactory. The overall assessment as satisfactory is based on an evaluation of the following integral components, which have a direct bearing on Board's role in achievement of Company's objectives:

1. The Board remained updated with respect to periodic achievements of Company's objectives, goals, strategies and financial performance through review of reports from management, internal auditors and other consultants. As a result the Board was able to provide effective leadership to the Company;
2. Engagement in strategic planning: Board has a clear understanding of the stakeholders (shareholders, customers, employees, vendors, society at large) whom the Company serves. The Board has a strategic vision of how the organization should be evolving over the next three to five years. Further, the Board has spent sufficient time on strategy formulation and it has set annual goals and targets for the management in all major performance areas.
3. Diligence: The Board members diligently performed their duties and thoroughly reviewed, discussed and approved business strategies, corporate objectives, plans, budgets, financial statements and other reports. It received clear and succinct agendas and supporting written material in sufficient time prior to board and committee meetings. The board met frequently enough to adequately discharge its responsibilities.
4. Monitoring of organization's business activities: The Board remained updated with respect to achievement of Company's objectives, goals, strategies and financial performance through regular presentations by the management, internal and external auditors and other independent consultants. The Board provided appropriate direction and oversight on a timely basis.
5. Governance and Control Environment: The Board has effectively set the tone-at-the-top, by putting in place transparent and robust system of governance. This is reflected by setting up an effective control environment, compliance with best practices of corporate governance and by promoting ethical and fair behavior across the company.



Masroor Ahmad Khan
Chairman, Board of Directors

Lahore
October 05, 2023

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

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **GHANI CHEMICAL INDUSTRIES LIMITED** (the Company) for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

Shinewing Hameed Chaudhri & Co.

**LAHORE; OCTOBER 05, 2023
UDIN: CR202310195ZYm9dnFVt**

**SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS**



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

Name of Company: Ghani Chemical Industries Limited
Year ended: June 30, 2023

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

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

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

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

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

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

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

iv. Female director: Ms. Rabia Atique

For a Board comprising of seven members, one-third equates to 2.33. Two independent directors have been appointed, hence it fulfills the requirement of minimum two (2) independent directors. Furthermore, the two independent directors have the requisite skills and knowledge to take independent decisions. However, fractional contained in one-third number (i.e., 0.33) is not rounded up as one (1), being less than 0.5.

Following three (3) casual vacancies occurred during the financial year 2022-23. The process of filling up the casual vacancies was completed within the stipulated time period as per the Act. The details are provided as under:-

Sr. #	Name of resigning Director	Category	Date of resignation	Name of new Director appointed	Date of appointment
1	Ms. Farzin Khan	Independent	29-04-23	Ms. Rabia Atique (Non-Executive)	29-04-23
2	Mr. Muhammad Ashraf Bawany	Executive	29-04-23	Mr. Muhammad Yahya (Non-Executive)	29-04-23

3	Mr. Mahmood Ahmad	Independent	12-06-23	Sheikh Muhammad Saleem Ahsan	12-06-23
---	-------------------	-------------	----------	------------------------------	----------

3. The directors have confirmed that none of them is serving as a director on more than seven (7) listed companies, including this company;
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Four (4) Directors out of seven (7) Directors have the prescribed certification under the Directors' Training Program. Furthermore, one (1) of the Directors is exempt from the directors training program by virtue of his education and experience as per regulations.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below.-

a) Audit & Risk Management Committee:

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

b) Human Resources & Remuneration and Compensation Committee:

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

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings of the Committees were as per following:-

- a) Audit & Risk Management Committee - Quarterly
- b) HR&R and Compensation Committee - Annually

15. The Board has set up an effective internal audit function/ or has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirements and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below (if applicable):

Regulation No. 19:

Remaining 03 members have acquired the director training program during September 2023.



(HAFIZ FAROOQ AHMAD)
Chief Executive Officer



(ATIQUE AHMAD KHAN)
Director

Lahore.
05-10-2023

DIRECTORS' REPORT

Dear Shareholders:

Assalam-o-Alaikum Wa RehmatUllah Wa Barakatoh!

The directors of your Company (Ghani Chemical Industries Limited) are pleased to present the audited financial statements of the Company for the year ended June 30, 2023, in compliance with the requirements of Companies Act, 2017.

OVERVIEW OF THE NATIONAL ECONOMY

The fiscal year 2023 posed significant challenges for Pakistan's economy, characterized by modest GDP growth compared to the previous year. Throughout FY 2023, Pakistan grappled with various economic crises, including global energy challenges, external debt burdens, flood disasters, inflationary pressures, and political uncertainty. In the early months of 2023, Pakistan faced severe economic stress but managed to regain stability through a USD 3 billion IMF Stand-By Arrangement (SBA) and financial aid from friendly nations. These inflows bolstered Pakistan's foreign exchange reserves, helping to maintain the exchange rate at 277.6 PKR/USD as of the end of June 2023.

Notably, the Current Account Deficit saw a remarkable reduction of 81% up to May 2023, driven by stringent import controls, shortages of foreign currency reserves, and a decrease in exports and remittances. Despite soaring to a peak of 38% in May 2023, inflation exhibited signs of moderation, with June's figures slowing down to 29.4%. Meanwhile, the overall average trading volumes for the KSE 100 index remained subdued throughout FY2023.

Due to political uncertainty and catastrophic floods, Pakistan faced unprecedented challenges during FY 22-23. The energy crises, infrastructure deficiencies, security concerns, significant depreciation of PKR against USD and trade imbalances are all legacy issues that cannot be overlooked. Furthermore, the Ukraine-Russia conflict substantially disrupted the global demand-supply balance, leading in a commodity super cycle and a slowing of global economic growth. The government's inability and thereafter delay in to finalize an agreement with the IMF aggravated the economy's problems.

According to the World Bank Pakistan's economy was expected to grow by only 2 percent in the fiscal year ended June 2023, and would increase to 3.2% in 2024.

PRINCIPLE ACTIVITY

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

FINANCIAL PERFORMANCE

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

By the grace of Almighty Allah despite all adverse factors, your Company succeeded to improve the sale/ turnover as compared to the last year. For the year ended June 2023, your Company closed the gross sale at Rs. 5,111 million mark as compared to last year end sales of Rs. 4,810 million showing the 6% increase in sales. Gross profit decreased from Rs. 1,749 million to Rs. 1,460 million due to considerable increase in electricity cost being the only raw material and major cost for manufacturing of medical and industrial gases. Distribution expenses decreased whereas administrative expenses has been increased in terms of percentage to sales from 7% to 4%, and 4% to 5%,

respectively. Despite all adverse economic factors your Company's operating profit is Rs. 1,306 million as compared to last year's operating profit of Rs. 1,436 million. Due to significant increase in interest rate, finance cost increased from Rs. 230 million to Rs. 374 million. Accordingly profit after taxation restricted to Rs. 508 million against Rs. 870 million in comparison with same period of last year. Earnings per share is Rs. 1.06 whereas during last year Company's Earnings per share was Rs. 2.26. In the result of revaluation of land, your Company succeeded to add Rs. 497 million (2022: Rs. 1,329 million) in financial results and accordingly total comprehensive income for the year is Rs. 1,005 million (2022: Rs. 2,200 million) and earning per share (EPS) is Rs. 2.10 (2022: Rs. 5.06).

A comparison of the key financial results of your Company for the year ended June 30, 2023 is as under:

Particulars	Rupees in '000' Except EPS		Variance	
	Jun-23	Jun-22	Rs. 000	%
Sales	5,111,123	4,809,826	301,297	6%
Sales – net	4,332,196	4,214,089	118,107	3%
Cost of sales	(2,872,358)	(2,464,634)	(407,724)	17%
Gross profit	1,459,838	1,749,455	(289,617)	-17%
Distribution cost	(193,425)	(303,967)	110,542	-36%
Administrative expenses	(215,623)	(187,363)	(28,260)	15%
Other expenses	(75,704)	(106,352)	30,648	-29%
Other income	330,935	285,121	45,814	16%
Profit from operations	1,306,021	1,436,894	(84,673)	-9%
Finance cost	(374,382)	(229,626)	(144,756)	63%
Share of profit of an associated company	-	18,047	(18,047)	100%
Profit before taxation	931,639	1,163,912	(232,273)	-20%
Taxation	(423,748)	(354,866)	(68,882)	19%
Profit after taxation	507,891	870,449	(362,558)	-42%
Surplus revaluation of land	497,278	1,329,495	(832,217)	-63%
Total comprehensive income for the year	1,005,169	2,199,944	(1,194,775)	-54%
Earnings per share (EPS) - restated	1.06	2.26	-	-
EPS based on comprehensive income - restated	2.10	5.06	-	-

By the grace of Almighty Allah your Company is managing its repayments against the long term loans timely. Return on capital employed has decreased from 15.91% to 12.07%. In financial, Current ratio of the company has also improved from 1.83 to 2.32. Debt equity ratio also improved from 35:65 to 32:68 ALHAMDULILLAH.

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 sector in Pakistan has been experiencing a decline. The deteriorating enterprise efficiency hampered overall economic growth. Higher cost of Production, Insufficient infrastructure, lower productivity, unfavorable environment for industrial growth, among others, have contributed to the decline in Pakistan's industrial sector. The consumption of industrial gases is often considered one of the indicator of a developing economy.

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.

MAJOR EVENTS

Setup of 4th ASU Plant:

During July 2022, your Company setup 100TPD ASU plant for manufacturing of Oxygen and Nitrogen gases at Port Qasim, Karachi to honour the commitments of a long-term supply agreement signed with Engro Polymer and Chemicals Limited.

Listing at PSX:

Your Company has been listed at Pakistan Stock Exchange Limited (PSX) on November 14, 2022 in the result of merger of G3 Technologies Limited (formerly Service Fabrics Limited) with and into the Company (Ghani Chemical Industries Limited) in pursuant to the scheme of compromises, arrangement and reconstruction sanctioned by the Honourable Lahore High Court, Lahore in petition no. C.O. 25797/2022.

Divestment of shareholdings in inactive subsidiaries:

In compliance with approval by the shareholders of your Company in their Extraordinary General Meeting held on December 20, 2022, your Company has divested its shareholdings in three inactive subsidiary companies; namely, 'A One Prefabs (Private) Limited', 'Awal Engineering (Private) Limited' and 'A One Batteries (Private) Limited' having nominal paid up capital of Rs. 25,000/- each. Your Company earned profit on disposal of this investment amounting to Rs.150,090/.

FUTURE PROSPECTS

New opportunities for industrial gases are being explored 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 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.

PAYOUT TO THE SHAREHOLDERS

The management of your Company strongly believes in passing on the return of investment to their shareholders. During the year under review, your Company paid 10% Bonus shares which were credited during December 2022.

STATUTORY AUDITORS OF THE COMPANY

The present auditors' M/s. SHINEWING Hameed Chaudhri & Co., Chartered Accountants will retire on conclusion of Annual General Meeting being held on October 28, 2023. As suggested by the Audit Committee, the Board of Directors has recommended their re-appointment as auditors of the Company for the year ending June 30, 2024.

SHARE PRICE TREND

On listing of your Company at PSX, share price of Rs. 10 each opened at Rs. 37.55 on November, 14 2022. Thereafter share price gone as low as Rs. 8.40 on June 21, 2023 and closed at Rs. 9.44 as on June 30, 2023.

STAFF RETIREMENT BENEFIT

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

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

Ghani Chemical Industries Limited has adopted the requirements of the Code of Corporate Governance set out by the Pakistan Stock Exchange Limited (PSX) in their Rule Book, relevant for the year ended June 30, 2023 and have been duly complied with.

STATEMENT OF COMPLIANCE

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

CODE OF CONDUCT

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

CONTRIBUTION TO NATIONAL EXCHEQUER

During the year under review Ghani Chemical Industries has contributed Rs. 641.3 million (2022 Rs. 527.4 million) in shape of taxes, duties and levies paid to central and provincial governments and local authorities.

AUDIT AND RISK MANAGEMENT COMMITTEE

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

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

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

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

HR&R AND COMPENSATION COMMITTEE

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

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

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

RELATIONS WITH STAKEHOLDERS

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

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

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

BOARD OF DIRECTORS

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

Description	Number of Directors
Male	06
Female	01
Total	07

Composition of directors:

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

The composition of the Board is as follows:-

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

Following three (3) casual vacancies occurred during the financial year 2022-23. The process of filling up the casual vacancies was completed within the stipulated time period as per the Act. The details are provided as under:-

Sr. #	Name of resigning Director	Category	Date of resignation	Name of new Director appointed	Date of appointment
1	Ms. Farzin Khan	Independent	29-04-23	Ms. Rabia Atique (Non-Executive)	29-04-2023
2	Mr. Muhammad Ashraf Bawany	Executive	29-04-23	Mr. Muhammad Yahya (Non-Executive)	29-04-2023
3	Mr. Mahmood Ahmad	Independent	12-06-23	Sheikh Muhammad Saleem Ahsan	12-06-2023

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

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

A total of five (5) meetings of the Board of Directors were held during the year ended June 30, 2023. Leave of absence was granted to the directors who could not attend some of the board meetings.

DURATION OF THE DIRECTORS

The present board of directors were elected in Annual General Meeting of the Company held on October 31, 2022 for a period of three years and shall retire on October 30, 2025.

BOARD EVALUATION:

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

The Board Evaluation of your Company was conducted by an independent external evaluator M/s Javed Chaudhry & Co. Chartered Accountants for the year ended June 30, 2023.

DIRECTORS' REMUNERATION

During the year under review aggregate amount of remuneration paid to the Chief Executive Officer and Executive Director is disclosed in Note No. 44 of the Audited Financial Statements of the Company.

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

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

RELATED PARTY TRANSACTIONS:

The Company has fully complied with the best practices on transfer pricing as contained in the listing regulation of stock exchange in Pakistan. The transactions with related parties were carried out at arm's length prices determined in accordance with the comparable uncontrolled prices method. During the year, the Company carried out transactions with its related parties. Details of these transactions are disclosed in financial statements attached therein (note 45). Details of related party transactions are placed before the Audit Committee, and upon recommendation of the Board Audit Committee, the same are placed before the Board of Directors for review and approval in accordance with regulatory requirements.

CHAIRMAN'S REVIEW

The chairman's review deals with the overall performance of the board and effectiveness of the role played by the board in achieving the company's objectives for the year ended June 30, 2023 in compliance with section 192 (4) of the Companies Act, 2017 is annexed.

PATTERN OF SHAREHOLDING

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

POST BALANCE SHEET EVENTS

No material changes or commitments affecting the financial position of the Company have occurred between the end of financial year of the Company and date of this report, except the conversion of 22,000,000 Class B Shares to Ordinary shares of the Company (Ghani Chemical Industries Limited).

ACKNOWLEDGMENT

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

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

On behalf of the Board



HAFIZ FAROOQ AHMAD
(Chief Executive Officer)



ATIQUE AHMAD KHAN
(Director)

Lahore
October 05, 2023

اعترافی بیانہ

ڈائریکٹرز اپنے معزز کسٹمرز جنہوں نے کمپنی پر اعتماد کیا ان کی تہہ دل سے قدر کرتی ہے۔ ہم اپنے ملازمین کی پیشہ ورانہ فرائض کی ادائیگی پر تہہ دل سے قدر کرتے ہیں اور بینکوں اور گورنمنٹ اداروں کے تعاون پر مشکور ہیں جن کی وجہ سے کمپنی اچھے رزلٹ دینے میں کامیاب ہوئی۔

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

بورڈ آف ڈائریکٹرز کی طرف سے

عقیق احمد خان
ڈائریکٹر

حافظ فاروق احمد
چیف ایگزیکٹو آفیسر

لاہور

10 اکتوبر 2023

ڈائریکٹرز کی مدت

موجودہ بورڈ آف ڈائریکٹرز کا انتخاب 31 اکتوبر 2022 کو ہونے والی کمپنی کی سالانہ جنرل میٹنگ میں تین سال کی مدت کے لیے کیا گیا اور وہ 30 اکتوبر 2025ء کو ریٹائر ہو جائیں گے۔

بورڈ کی تشخیص:

کوڈ آف کارپوریٹ گورننس (CCG) اور کمپنیز ایکٹ 2017 کے مطابق بورڈ، اس کی کمیٹیوں اور انفرادی ڈائریکٹرز کا جائزہ لیا گیا۔ بورڈ کو ذیلی کمیٹیوں یعنی آڈٹ اور رسک مینجمنٹ کمیٹی اور HR&R اور معاوضہ کمیٹی کی مدد حاصل ہے اور ان ذیلی کمیٹیوں نے CCG کی شرائط کے مطابق سال کے دوران میٹنگیں کیں۔ بورڈ آف ڈائریکٹرز کو اپنے فرائض کی انجام دہی میں معاونت کرنے میں ذیلی کمیٹیوں کے کلیدی کردار کو پہچاننا بھی ضروری ہے۔

آپ کی کمپنی کے بورڈ کی تشخیص 30 جون 2023 کو ختم ہونے والے سال کے لیے ایک آزاد بیرونی جائزہ کار میسرز جاوید چوہدری اینڈ کمپنی نے کی تھی۔

ڈائریکٹرز کا معاوضہ

زیر جائزہ سال کے دوران چیف ایگزیکٹو آفیسر اور ایگزیکٹو ڈائریکٹرز کو ادا کیے گئے معاوضے کی مجموعی رقم کمپنی کے آڈٹ شدہ مالیاتی بیانات کے نوٹ نمبر 44 میں ظاہر کی گئی ہے۔ سی ای او سمیت ایگزیکٹو ڈائریکٹرز کے معاوضے کا بورڈ آف ڈائریکٹرز سالانہ جائزہ لیتا ہے۔

بورڈ کے اجلاسوں میں شرکت کے لیے میٹنگ فیس کے علاوہ کوئی معاوضہ نہیں ہے۔ -/25,000 فی میٹنگ بورڈ کے غیر ایگزیکٹو اور آڈٹ ڈائریکٹرز کو ادا کی جاتی ہے۔

متعلقہ پارٹی لین دین:

کمپنی نے پاکستان میں اسٹاک ایکسچینج کے لسٹنگ ریگولیشن میں موجود ٹرانسفر پرائسنگ کے بہترین طریقوں کی مکمل تعمیل کی ہے۔ متعلقہ فریقوں کے ساتھ لین دین غیر کنٹرول شدہ قیمتوں کے تقابلی طریقہ کے مطابق طے شدہ بازو کی لمبائی کی قیمتوں پر کیا گیا تھا۔ سال کے دوران، کمپنی نے اپنے متعلقہ فریقوں کے ساتھ لین دین کیا۔ ان لین دین کی تفصیلات اس میں منسلک مالی بیانات میں ظاہر کی گئی ہیں (نوٹ 45)۔ متعلقہ فریق کے لین دین کی تفصیلات آڈٹ کمیٹی کے سامنے رکھی جاتی ہیں، اور بورڈ آڈٹ کمیٹی کی سفارش پر، انہیں ریگولیٹری تقاضوں کے مطابق جائزہ اور منظوری کے لیے بورڈ آف ڈائریکٹرز کے سامنے رکھا جاتا ہے۔

چیئرمین کے جائزہ رپورٹ

کمپنیز ایکٹ 2017 کی دفعہ (4) 192 کے تحت بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول کی خاطر بورڈ کے موثر کردار سے متعلق اختتامی سال 30 جون 2023 کیلئے چیئرمین کا جائزہ منسلک ہے۔

حصص داران کا پیٹرن

کمپنیز ایکٹ 2017 کی دفعہ (f) (2) 227 کے مطابق حصص داران کا پیٹرن منسلک ہے۔

پوسٹ بیلنس شیٹ کے واقعات

کمپنی کے مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی مادی تبدیلیاں یا وعدے نہیں ہوئے ہیں، سوائے 22,000,000 کلاس B حصص کو کمپنی (غنی کیمیکل انڈسٹریز لمیٹڈ) کے عام حصص میں تبدیل کرنے کے۔

بورڈ آف ڈائریکٹرز

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

تفصیل	ڈائریکٹران کی تعداد
مرد	06
خواتین	01
کل تعداد	07

ڈائریکٹران کی ساخت

تفصیل	ڈائریکٹران کی تعداد
آزاد ڈائریکٹرز	02
نان ایگزیکٹو ڈائریکٹرز	03
ایگزیکٹو ڈائریکٹرز	02
کل تعداد	07

بورڈ کی تشکیل

1. آزاد ڈائریکٹر شیخ محمد سلیم احسان

حافظ عمران لطیف

2. نان ایگزیکٹو ڈائریکٹر جناب مسرور احمد خان

جناب محمد بیگی

محترمہ رابعہ عتیق

حافظ فاروق احمد

جناب عتیق احمد خان

محترمہ رابعہ عتیق

3. ایگزیکٹو ڈائریکٹر

4. خاتون ڈائریکٹر

سال کے دوران مندرجہ ذیل تین اسامیاں واقع ہوئیں۔ اسامیوں کو پر کرنے کا عمل کمپنی ایکٹ 2017ء کے مطابق مقررہ مدت میں مکمل کیا گیا۔ تفصیلات درج ذیل ہیں۔

نمبر شمار	مستقفی ہونے والے ڈائریکٹر کا نام	قسم	استعفی کی تاریخ	نئے ڈائریکٹرز کے نام	درج ہونے کی تاریخ
1	محترمہ فرزین خان	آزاد ڈائریکٹر	29-04-23	محترمہ رابعہ عتیق	29-04-23
2	جناب محمد اشرف بوانی	ایگزیکٹو ڈائریکٹر	29-04-23	جناب محمد بیگی	29-04-23
3	جناب محمود احمد	آزاد ڈائریکٹر	12-06-23	شیخ محمد سلیم احسان	12-06-23

بورڈ کا چیئرمین نان ایگزیکٹو ڈائریکٹر میں سے ہے۔ بورڈ مینٹنگ کانٹریول مینٹنگ سے سات روز قبل بمعہ ورکنگ پیپرز ڈائریکٹرز کو ارسال کیا جاتا ہے۔

سال مختتمہ 30 جون 2023ء کے دوران ڈائریکٹرز کے کل پانچ (05) اجلاس میں غیر حاضر رہنے والے ڈائریکٹرز کو چھٹی کی اجازت دی گئی۔

کمیٹی کے ممبران کے نام یہ ہیں۔

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

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

ہیومن ریسورس اور معاوضہ کی کمیٹی

بورڈ نے ہیومن ریسورس اور معاوضہ کی کمیٹی تشکیل دی ہوئی ہے۔ یہ کمیٹی تین ممبران پر مشتمل ہے جن میں ایک غیر متعلقہ، ایک نان ایگزیکٹو اور ایک ایگزیکٹو ڈائریکٹر شامل ہیں۔

ہیومن ریسورس اور معاوضہ کمیٹی کے ممبران کے نام یہ ہیں۔

ڈائریکٹر کا نام	تخصیص	عہدہ
حافظ عمران لطیف	آزاد ڈائریکٹر	چیئر مین
رابعہ عتیق	نان ایگزیکٹو ڈائریکٹر	ممبر
حافظ فاروق احمد	ایگزیکٹو ڈائریکٹر	ممبر

سٹیک ہولڈرز سے تعلقات

غنی کیمیکل انڈسٹریز لمیٹڈ کسٹمرز، سپلائرز، بینکرز، ملازمین، سٹاک ایکسچینج، ایس ای سی پی اور دوسرے بزنس پارٹنرز سے باہمی تعلقات خوشگوار رکھنے میں پرعزم ہیں۔ الحمد للہ اس مدت کے دوران تمام اسٹیک ہولڈرز کے ساتھ تعلقات خوشگوار رہے ہیں۔

کارپوریٹ سماجی ذمہ داری

کمپنی کارپوریٹ شہری کی حیثیت سے پائیدار کاروباری طریقوں اور اس کی ذمہ داریوں کے لئے پرعزم ہے۔ ہم سمجھتے ہیں کہ کارپوریٹ سماجی ذمہ داری بنیادی طور پر کاروبار کو شفاف اور اخلاقی طریقے سے چلانے کے بارے میں ہے جو نہ صرف ہمارے تمام اسٹیک ہولڈرز کی قدر و قیمت میں اضافہ کرتی ہے بلکہ معاشرے کی فلاح و بہبود کو بڑھانے والے پروگراموں کی حمایت کرتی ہے۔ کمپنی کارپوریٹ سماجی ذمہ داری اور کارپوریٹ گورننس کی رہنمائی سے صحیح سمت میں گامزن ہے۔ کمپنی ایک صاف ستھرے ماحول کی حوصلہ افزائی کرتی ہے اور اپنے ماتحت کمپنیوں کو اس مقصد میں شامل ہونے کی ترغیب دیتی ہے۔ کمپنی اس بات کی حتمی الامکان کوشش کرتی ہے کہ کاروباری سرگرمیاں ماحول دوست ہوں اور معاشرے کے لئے نقصان دہ نہ ہوں۔

کمپنی کوشش کرتی ہے کہ وہ ایک بھروسہ مند کارپوریٹ ہستی کے طور پر پہچانی جائے ماحولیات اور معاشرے میں اپنی ذمہ داریوں کو احسن سے انجام دے۔ گزشتہ کئی سالوں سے، کمپنی ہر سال کمپنی کے ایک ملازم کو، جس کا انتخاب قریب اندزی کے ذریعے کیا جاتا ہے، حج کے لئے (کمپنی کے اخراجات پر تنخواہ کے ساتھ) بھیج رہی ہے۔ غنی کیمیکل انڈسٹریز کے قابل اعتماد کارپوریٹ ادارہ بننے کی کوشش کرتی ہے اور عام طور پر ماحول اور معاشرے کی ذمہ داری پوری کرتی ہے۔

شیئر ہولڈرز کو ادائیگی

آپ کی کمپنی کی انتظامیہ اپنے شیئر ہولڈرز کو سرمایہ کاری کی واپسی پر پختہ یقین رکھتی ہے۔ زیر نظر سال کے دوران، آپ کی کمپنی نے 10% بونس شیئرز ادا کیے جو دسمبر 2022 کے دوران جمع کیے گئے تھے۔

کمپنی کے قانونی آڈیٹرز

موجودہ آڈیٹرز کے میسرز شائن ونگ حمید چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس 28 اکتوبر 2023 کو ہونے والی سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے۔ جیسا کہ آڈٹ کمیٹی نے تجویز کیا، بورڈ آف ڈائریکٹرز نے سال 30 جون 2024 کے لیے کمپنی کے آڈیٹرز کے طور پر ان کی دوبارہ تقرری کی سفارش کی ہے۔

شیئر کی قیمت کا رجحان

پاکستان اسٹاک ایکسچینج میں آپ کی کمپنی کی لسٹنگ پر ہر ایک حصص کی قیمت 14 نومبر 2022 کو 35.55 روپے پر کھلی۔ اس کے بعد 21 جون 2023 کو حصص کی قیمت 8.40 روپے تک کم ہو گئی اور 30 جون 2023 کو 9.44 روپے پر بند ہوئی۔

عملے کی ریٹائرمنٹ فوائد

غنی کیمیکل انڈسٹریز لمیٹڈ اپنے ملازمین کے لیے ایک فنڈڈ، کنٹریبیوٹری پروویڈنٹ فنڈ اسکیم چلاتی ہے اور ملازمین کی تنخواہوں کی بنیاد پر ماہانہ بنیادوں پر فنڈ میں حصہ ڈالا جاتا ہے۔

کارپوریٹ گورننس کے کوڈ کے ساتھ تعمیل

غنی کیمیکل انڈسٹریز لمیٹڈ نے 30 جون 2023 کو ختم ہونے والے سال کے لیے متعلقہ کارپوریٹ گورننس (فہرست شدہ کمپنیاں) (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی ضروریات کو اپنایا ہے اور ان کی مناسب طریقے سے تعمیل کی گئی ہے۔ آزاد ڈائریکٹرز کی شمولیت کے بارے قوانین، نئے بورڈ آف ڈائریکٹرز کے الیکشن کے ساتھ مشروط کیے گئے ہیں۔

تعمیل کا بیانیہ

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

ضابطہ اخلاق

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

قومی خزانے میں حصہ

زیر جائزہ سال کے دوران غنی کیمیکل انڈسٹریز لمیٹڈ نے مرکزی اور صوبائی حکومتوں اور مقامی حکام کو ٹیکسوں، ڈیوٹیوں اور محصولات کی شکل میں 641.3 ملین روپے (2022 - 527.4 روپے ملین) کا حصہ ڈالا ہے۔

محاسبہ اور رسک مینجمنٹ کمیٹی

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

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 بائٹم لائن دونوں کی ترقی اور لاگت میں کمی کے ساتھ ساتھ جاری ترقی کو برقرار رکھا۔

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 شعبہ تنزیلی کا شکار ہے۔ انٹرنیشنل کی بگڑتی کارکردگی نے مجموعی اقتصادی ترقی میں رکاوٹ ڈالی۔ پیداوار کی زیادہ لاگت، ناکافی انفراسٹرکچر، کم پیداواری صلاحیت، صنعتی ترقی کے لیے ناسازگار ماحول سمیت دیگر نے پاکستان کے صنعتی شعبے میں زوال کا باعث بنا ہے۔ صنعتی گیسوں کی کھپت کو اکثر ترقی پذیر معیشت کے اشارے میں سے ایک سمجھا جاتا 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 پیکنگ، کولنگ، کرائیو جنیک، پروسیسنگ، کنگ اور ویلڈنگ، لیبارٹری کے استعمال، اور بہت کچھ کے لیے مختلف شعبوں میں فراہم کرتی ہے۔ تیل اور گیس، کیمیکل، پیٹرو کیمیکل، 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۔

چوتھے ASU پلانٹ کا قیام:

جولائی 2022 کے دوران، آپ کی کمپنی نے طویل مدتی فراہمی کے معاہدے کے وعدوں کو پورا کرنے کے لیے پورٹ قاسم، کراچی میں آکسیجن اور نائٹروجن گیسوں کی تیاری کے لیے ASU 100 TPD پلانٹ قائم کیا ہے۔

PSX پر لسٹنگ:

آپ کی کمپنی 14 نومبر 2022 کو G3 ٹیکنالوجیز لمیٹڈ (سابقہ سروس فیئر کس لمیٹڈ) کے غنی کیمیکل انڈسٹریز لمیٹڈ (کمپنی) کے ساتھ سمجھوتہ، انتظامات اور تعمیر نو کی معزز لاہور ہائی کورٹ، لاہور میں پیشین نمبر 25797/2022 کی منظوری کے نتیجے میں پاکستان اسٹاک ایکسچینج لمیٹڈ (PSX) میں لسٹ ہوئی۔

غیر فعال ذیلی اداروں میں حصص کی تقسیم:

20 دسمبر 2022 کو ہونے والے غیر معمولی اجلاس عام میں کمپنی کے شیئر ہولڈرز کی منظوری کی تعمیل میں، کمپنی نے اپنی شیئر ہولڈنگز کو تین غیر فعال ذیلی کمپنیوں میں تقسیم کر دیا ہے یعنی، اے ون پری فیبر (پرائیوٹ) لمیٹڈ، اول انجینئرنگ (پرائیوٹ) لمیٹڈ اور اے ون بیٹریز (پرائیوٹ) لمیٹڈ جن کا برائے نام 14.5 کروڑ روپے (25,000 روپے) ہے۔ آپ کی کمپنی نے اس سرمایہ کاری کے تصرف پر -/150,090 روپے کا منافع حاصل کیا۔

مستقبل کے امکانات

مارکیٹ میں رسائی اور حجم کو بہتر بنانے کے لیے صنعتی گیسوں کے لیے نئے مواقع تلاش کیے جا رہے ہیں۔

مینوفیکچرنگ کی صلاحیت کے لحاظ سے، GCIL مارکیٹ لیڈر ہے، جو ملک میں کل حجم کا 35% ہے۔ ہم شمال مغربی خطے میں طبی اور صنعتی گیسوں کے سب سے بڑے پروڈیوسر اور سپلائر ہیں۔

حطار اسپیشل اکنامک زون میں 5 ویں ASU پلانٹ کا سیٹ اپ اور آپ کی کمپنی کے امپورٹ متبادل کیمیکل پروجیکٹ پر کام جاری ہے۔ امید 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 بڑھنے کے لیے اہم ہوگی۔

ہے۔ مجموعی منافع، طبعی اور صنعتی گیسوں کی تیاری کے لیے صرف خام مال/ لاگت ہونے کی وجہ سے بجلی کی لاگت میں خاطر خواہ اضافے کی وجہ سے 1,749 ملین روپے سے کم ہو کر 1,460 ملین روپے رہ گیا ہے۔ تقسیم کے اخراجات میں کمی واقع ہوئی ہے جبکہ انتظامی اخراجات میں فی صد فروخت کے لحاظ سے بالترتیب 7% سے 4% اور 4% سے 5% تک اضافہ کیا گیا ہے۔ تمام منفی عوامل کے باوجود آپ کی کمپنی کا آپریٹنگ جون 2023 کو ختم ہونے والے سال میں منافع 1,306 ملین روپے ہے پچھلے سال کے آپریٹنگ منافع 1,436 ملین روپے کے مقابلے میں 130 ملین روپے کمی کو ظاہر کرتا ہے جو کہ 9% کی کمی ہے۔ شرح سود میں نمایاں اضافے کی وجہ سے، مالیاتی لاگت اس کے مطابق 230 ملین روپے سے بڑھ کر 374 ملین روپے ہو گئی ہے اس کے مطابق ٹیکس کے بعد منافع 508 ملین روپے کے مقابلے میں پچھلے سال کی اسی مدت کے مقابلے میں 870 ملین روپے ہو گیا ہے۔ نتیجے میں فی شیئر آمدنی 1.06 روپے ہے۔ جبکہ گزشتہ سال کے دوران کمپنی کی فی حصص آمدنی 2.26 روپے تھی۔ زمین کی دوبارہ تشخیص کے نتیجے میں، آپ کی کمپنی مالیاتی نتائج میں 497 ملین روپے (2022: 1,329 ملین روپے) کا اضافہ کرنے میں کامیاب ہو گئی۔ اور اس کے مطابق سال کے لیے کل جامع آمدنی 1,005 ملین (2022: 2,200 ملین روپے) ہے۔ اور فی شیئر آمدنی (EPS) 2.10 (2022: 5.06 روپے) ہے۔

30 جون 2023 کو ختم ہونے والے سال کے لیے آپ کی کمپنی کے اہم مالیاتی نتائج کا موازنہ حسب ذیل ہے:

Particulars	Rupees in '000' Except EPS		Variance	
	Jun-23	Jun-22	Rs. 000	%
Sales	5,111,123	4,809,826	301,297	6%
Sales – net	4,332,196	4,214,089	118,107	3%
Cost of sales	(2,872,358)	(2,464,634)	(407,724)	17%
Gross profit	1,459,838	1,749,455	(289,617)	-17%
Distribution cost	(193,425)	(303,967)	110,542	-36%
Administrative expenses	(215,623)	(187,363)	(28,260)	15%
Other expenses	(75,704)	(106,352)	30,648	-29%
Other income	330,935	285,121	45,814	16%
Profit from operations	1,306,021	1,436,894	(84,673)	-9%
Finance cost	(374,382)	(229,626)	(144,756)	63%
Share of profit of an Associated Company	-	18,047	(18,047)	100%
Profit before taxation	931,639	1,163,912	(232,273)	-20%
Taxation	(423,748)	(354,866)	(68,882)	19%
Profit after taxation	507,891	870,449	(362,558)	-42%
Surplus revaluation of land	497,278	1,329,495	(832,217)	-63%
Total comprehensive income for the year	1,005,169	2,199,944	(1,194,775)	-54%
Earnings per share (EPS) - restated	1.06	2.26	-	-
EPS based on comprehensive income	2.10	5.06	-	-

اللہ تعالیٰ کے فضل و کرم سے آپ کی کمپنی طویل مدتی قرضوں کی بروقت ادائیگیوں کا انتظام کر رہی ہے۔ سرمایہ کاری پر منافع 15.91% سے کم ہو کر 12.07% رہ گیا ہے۔ مالیاتی لحاظ سے کمپنی کا موجودہ تناسب بھی 1.83 سے بڑھ کر 2.32 ہو گیا ہے۔ قرض ایکویٹی کا تناسب بھی 65:35 سے بڑھ کر 68:32 ہو گیا الحمد للہ۔

ڈائریکٹرز رپورٹ

معزز حصص داران

السلام علیکم ورحمۃ اللہ وبرکاتہ

غنی کیمیکل انڈسٹریز لمیٹڈ کے ڈائریکٹران کمپنیز ایکٹ 2017 کے تصدیقات کے تحت سالانہ تنقیح شدہ اور غیر یکجا مالی حسابات برائے سال ختمہ 30 جون 2023 پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

قومی معیشت کا جائزہ

مالی سال 2023 نے پاکستان کی معیشت کے لیے اہم چیلنجز پیدا کئے، جس کی خصوصیت گزشتہ سال کے مقابلے میں معمولی GDP نمو ہے۔ پورے مالی سال 2023 کے دوران، پاکستان مختلف اقتصادی بحرانوں سے نبرد آزما رہا، جن میں توانائی کے عالمی چیلنجز، بیرونی قرضوں کے بوجھ، سیلاب کی تباہ کاریاں، مہنگائی کے دباؤ اور سیاسی غیر یقینی صورتحال شامل ہیں۔ 2023 کے ابتدائی مہینوں میں، پاکستان کو شدید معاشی تناؤ کا سامنا کرنا پڑا لیکن وہ IMF کے 3 ارب امریکی ڈالر کے اسٹیڈ بائی اریٹجمنٹ (SBA) اور دوست ممالک کی مالی امداد کے ذریعے استحکام دوبارہ حاصل کرنے میں کامیاب رہا۔ ان ترسیلات زر سے پاکستان کے زرمبادلہ کے ذخائر کو تقویت ملی، جس سے جون 2023ء کے آخر تک شرح مبادلہ USD / PKR 277.6 پر برقرار رکھنے میں مدد ملی۔

قابل ذکر بات یہ ہے کہ کرنٹ اکاؤنٹ خسارے میں مئی 2023 تک 81% کی نمایاں کمی دیکھی گئی، جو سخت درآمدی کنٹرول، غیر ملکی کرنسی کے ذخائر کی کمی، برآمدات اور ترسیلات زر میں کمی کی وجہ سے کارفرما ہے۔ مئی 2023 میں 38 فیصد کی بلندی تک بڑھنے کے باوجود، افراط زر نے اعتدال کے آثار ظاہر کیے، جون کے اعداد و شمار 29.4 فیصد تک کم ہو گئے۔ دریں اثنا، کے ایس ای 100 انڈیکس کے لیے مجموعی اوسط تجارتی حجم پورے مالی سال 2023 کے دوران کم رہا۔

سیاسی غیر یقینی صورتحال اور تباہ کن سیلاب کی وجہ سے پاکستان کو مالی سال 2022-23 کے دوران غیر معمولی چیلنجز کا سامنا کرنا پڑا۔ توانائی کے بحران، بنیادی ڈھانچے کی کمی، سیکورٹی کے خدشات، امریکی ڈالر کے مقابلے میں روپے کی قدر میں کمی اور تجارتی عدم توازن یہ تمام وراثتی مسائل ہیں جن کو نظر انداز نہیں کیا جاسکتا۔ مزید برآں، یوکرین-روس تنازعہ نے عالمی طلب اور رسد کے توازن کو کافی حد تک متاثر کیا، جس سے اجناس کے سپر سائیکل اور عالمی اقتصادی ترقی میں کمی واقع ہوئی۔ حکومت کی نااہلی اور اس کے بعد آئی ایم ایف کے ساتھ معاہدے کو حتمی شکل دینے میں تاخیر نے معیشت کی مشکلات کو مزید بڑھا دیا۔

ورلڈ بینک کے مطابق جون 2023ء کو ختم ہونے والے مالی سال میں پاکستان کی معیشت کی شرح نمو صرف 2 فیصد رہنے کی توقع تھی اور 2024 میں یہ بڑھ کر 3.2 فیصد ہو جائے گی۔

بنیادی سرگرمیاں

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

مالیاتی کارکردگی

الحمد للہ آپ کی کمپنی کی فروخت اور اختتامی نتائج کی کارکردگی میں پچھلے سال کی اسی مدت کے مقابلے میں کافی اضافہ ہوا ہے۔

اللہ تعالیٰ کے فضل و کرم سے تمام منفی عوامل کے باوجود، آپ کی کمپنی گزشتہ سال کے مقابلے فروخت/کاروبار کو بہتر بنانے میں کامیاب رہی۔ جون 2023 کو ختم ہونے والے سال کے لیے، آپ کی کمپنی نے مجموعی فروخت Rs. 5,111 ملین نشان پچھلے سال کے آخر میں فروخت کے مقابلے میں Rs. 4,810 ملین فروخت میں 6 فیصد اضافہ ظاہر کرتا



FINANCIAL STATEMENT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **GHANI CHEMICAL INDUSTRIES LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

S.No.	Key audit matters	How the matter was addressed in our audit
1.	<p>Merger of GTECH with and into the Company (notes 1.2 to 1.4)</p> <p>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 the Company.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> understood and analysed the accounting treatment of merger transaction in the light of relevant IFRSs;

S.No.	Key audit matters	How the matter was addressed in our audit
	<p>The merger of GTECH with and into the Company is considered a key audit matter due to the one-off nature of transaction, complexity of its settlement and accounting treatment in the financial statements.</p> <p>2. Revaluation of property, plant and equipment (notes 5.2 & 6)</p> <p>Under IAS 16 (Property, plant and equipment), the management carries its freehold land and leasehold land under revaluation model.</p> <p>Under the said model, if fair value can be measured reliably, an entity may carry all items of property, plant and equipment of a class at a revalued amount, which is the fair value of the items at the date of revaluation less any subsequent accumulated depreciation.</p>	<ul style="list-style-type: none"> - verified the relevant documentation relating to the merger transaction; - understood and evaluated the process of identifying the assets acquired and liabilities assumed; - checked the intercompany balances and transactions between GTECH and the Company to assess the accuracy and completeness of the elimination adjustments; - evaluated the internal controls in place for identifying, measuring, and recording the merger-related transactions and ensuring their accuracy; - reviewed the board of directors' minutes and resolutions related to the merger to ensure that the board had approved the transaction and that it was carried out in accordance with their directives; - ensured that merger was executed in compliance with the Court's Order; and - assessed the adequacy of the disclosures in the financial statements made by the Company with regard to the merger transaction as per the applicable accounting and reporting standards. <p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> - evaluated the competence, capabilities and objectivity of the independent external property valuation Expert engaged by the management as management Expert for valuation; - obtained understanding of the valuation process and techniques adopted by the valuation Expert to assess the reasonableness of the reports; - obtained the valuation reports of external valuation Expert and tested mathematical accuracy of the reports; and

S.No.	Key audit matters	How the matter was addressed in our audit
	<p>The Company's key operating / performance indicators including liquidity, gearing and finance cost are directly influenced by the additions to the portfolio of financing. Further, new financing arrangements entail additional financial and non-financial covenants for the Company to comply with.</p> <p>The significance of new financing obtained during the year along with the sensitivity of compliance with underlying financing covenants are considered a key area of focus during the audit and therefore, we have identified this as a key audit matter.</p>	<ul style="list-style-type: none"> - assessed the status of compliance with financing covenants and also inquired from the management with regard to their ability to ensure future compliance with the covenants; - checked on test basis the calculations of finance cost recognised in the statement of profit or loss; and - assessed the adequacy of disclosures made in respect of the long term financing obligations in the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Other Matters

- The financial statements of G3 Technologies Ltd. (GTECH - merged with the Company with effect from December 31, 2021) for the year ended June 30, 2022 and six months period ended December 31, 2021 were audited and reviewed by another Auditor who expressed un-modified opinions on those financial statements on October 04, 2022 and February 28, 2022 respectively.
- Corresponding figures in the annexed financial statements have been extracted from the audited financial statements of the Company and GTECH for the year ended June 30, 2022 and reviewed financial statements of GTECH for the six months period ended December 31, 2021 in view of the Court's Order dated October 11, 2022 sanctioning the scheme of merger with effect from December 31, 2021.

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

Shinewing Hameed Chaudhri & Co.


LAHORE; OCTOBER 05, 2023
UDIN: AR202310195HJW6fyk1P

SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

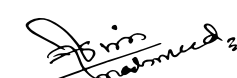
GHANI CHEMICAL INDUSTRIES LIMITED
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

ASSETS	Note	2023	Restated 2022
		Rupees in thousand	
Non-current assets			
Property, plant and equipment	5	7,210,169	5,889,849
Right of use assets	6	498,874	391,504
Intangible assets	7	1,479	2,714
Investments	8	0	75
Long term deposits	9	67,193	67,193
		<u>7,777,715</u>	<u>6,351,335</u>
Current assets			
Stores, spares and loose tools	10	313,845	246,754
Stock-in-trade	11	79,375	135,260
Trade debts	12	1,020,529	824,973
Loans and advances	13	1,582,155	809,222
Deposits, prepayments and other receivables	14	443,570	433,405
Tax refunds due from Government	15	34,230	23,861
Advance income tax	16	440,031	417,798
Short term investments	17	911,000	659,000
Cash and bank balances	18	525,173	855,168
		<u>5,349,908</u>	<u>4,405,441</u>
Non-current assets held-for-sale	19	0	678,879
		<u>13,127,623</u>	<u>11,435,655</u>
Total assets			
Equity and liabilities			
Share capital and reserves			
Share capital	20	5,001,879	4,347,163
Share premium	21	164,011	300,000
Revaluation surplus on freehold and leasehold land	22	497,278	298,727
Merger reserve	1.4	1,342,746	1,342,746
Unappropriated profit		1,824,044	1,316,153
		<u>8,829,958</u>	<u>7,604,789</u>
Non-current liabilities			
Long term finances	23	1,270,043	756,211
Redeemable capital - Sukuk	24	0	162,500
Long term security deposits	25	49,091	44,266
Lease liabilities	26	5,805	5,739
Deferred liabilities	27	662,815	456,314
		<u>1,987,754</u>	<u>1,425,030</u>
Current liabilities			
Trade and other payables	28	350,096	289,419
Contract liabilities - advances from customers		59,745	53,682
Accrued profit	29	122,787	83,198
Unclaimed dividend		491	491
Short term borrowings	30	1,127,439	1,364,564
Current portion of non-current liabilities	31	407,883	380,125
Taxation	32	241,470	234,357
		<u>2,309,911</u>	<u>2,405,836</u>
		<u>4,297,665</u>	<u>3,830,866</u>
Total liabilities			
Contingencies and commitments	33		
Total equity and liabilities		<u>13,127,623</u>	<u>11,435,655</u>

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



Hafiz Farooq Ahmad
(Chief Executive Officer)



Asim Mahmud
(Chief Financial Officer)



Atique Ahmad Khan
(Director)

GHANI CHEMICAL INDUSTRIES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

		2023	Restated 2022
	Note	Rupees in thousand	
Sales	34	5,111,123	4,809,826
Less: sales tax	34	(778,927)	(595,737)
Sales - net		<u>4,332,196</u>	<u>4,214,089</u>
Cost of sales	35	(2,872,358)	(2,464,634)
Gross profit		<u>1,459,838</u>	<u>1,749,455</u>
Distribution cost	36	(193,425)	(303,967)
Administrative expenses	37	(215,623)	(187,363)
Other expenses	38	(75,702)	(106,352)
Other income	39	330,934	285,121
		<u>(153,816)</u>	<u>(312,561)</u>
Profit from operations		<u>1,306,022</u>	<u>1,436,894</u>
Finance cost	40	(374,382)	(229,626)
		<u>931,640</u>	<u>1,207,268</u>
Share of profit of an Associated Company	41	0	18,047
Profit before taxation		<u>931,640</u>	<u>1,225,315</u>
Taxation	42	(423,749)	(354,866)
Profit after taxation		<u>507,891</u>	<u>870,449</u>
Other comprehensive income			
Surplus arisen upon revaluation of:			
- freehold land	5.2	246,080	955,997
- leasehold land	5.2 & 6.1	251,198	373,498
		<u>497,278</u>	<u>1,329,495</u>
Total comprehensive income for the year		<u><u>1,005,169</u></u>	<u><u>2,199,944</u></u>
		----- Rupees -----	
Earnings per share	43	<u>1.06</u>	<u>2.05</u>

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



Hafiz Farooq Ahmad
(Chief Executive Officer)



Asim Mahmud
(Chief Financial Officer)



Atique Ahmad Khan
(Director)

GHANI CHEMICAL INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Capital reserves			Revenue reserve unappropriated profit	Total	
	Share capital	Share premium	Revaluation surplus on freehold and leasehold land			Merger reserve
----- Rupees in thousand -----						
Balance as at June 30, 2021	1,535,250	913,951	0	0	463,285	2,912,486
Transactions with owners:						
- Proceeds from right shares issued	100,000	300,000	0	0	0	400,000
- Bonus shares issued	1,962,300	(913,951)	(1,030,768)	0	(17,581)	0
Total comprehensive income for the year ended June 30, 2022	0	0	1,329,495	0	870,449	2,199,944
Gain arisen under the scheme of merger (note 1.4)	0	0	0	1,342,746	0	1,342,746
Shares issued upon merger of GTECH with and into the Company	749,613	0	0	0	0	749,613
Balance as at June 30, 2022 - Restated	4,347,163	300,000	298,727	1,342,746	1,316,153	7,604,789
Transactions with owners:						
- Proceeds from right shares issued	220,000	0	0	0	0	220,000
- Bonus shares issued	434,716	(135,989)	(298,727)	0	0	0
Total comprehensive income for the year ended June 30, 2023	0	0	497,278	0	507,891	1,005,169
Balance as at June 30, 2023	<u>5,001,879</u>	<u>164,011</u>	<u>497,278</u>	<u>1,342,746</u>	<u>1,824,044</u>	<u>8,829,958</u>

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



Hafiz Farooq Ahmad
(Chief Executive Officer)



Asim Mahmud
(Chief Financial Officer)



Atique Ahmad Khan
(Director)

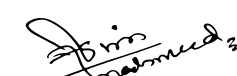
GHANI CHEMICAL INDUSTRIES LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30,2023

	2023	2022
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year - before taxation	931,640	1,225,315
Adjustments for non-cash charges and other items:		
Finance cost	374,382	229,626
Depreciation	157,404	137,698
Amortisation of intangible assets	1,235	2,962
Amortisation of right-of-use assets	10,782	8,779
Gain on disposal of operating fixed assets	(7,469)	(149,409)
Credit balances written back	0	(14,295)
Advance against leasehold land at Hattar	0	(15,000)
Share of profit of an Associated Company	0	(18,047)
Allowance for expected credit loss	4,337	6,381
Profit before working capital changes	1,472,311	1,414,010
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(67,091)	8,637
Stock-in-trade	55,885	(33,779)
Trade debts	(199,893)	(107,726)
Loan and advances	(772,933)	(663,574)
Deposits, prepayments and other receivables	(10,165)	(292,298)
Short term investments	(252,000)	721,000
Tax refunds due from Government	(10,369)	1,011
Increase / (decrease) in trade and other payables	66,786	(25,433)
	(1,189,780)	(392,162)
Cash generated from operations	282,531	1,021,848
Income tax paid	(245,881)	(150,518)
Net cash generated from operating activities	36,650	871,330
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(1,105,749)	(991,035)
Proceeds from sale of operating fixed assets	66,823	377,799
Proceeds from sale of long term and held-for-sale investments - net	626,704	(198,593)
Net cash used in investing activities	(412,222)	(811,829)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of right shares	220,000	400,000
Long term finances	608,150	163,803
Redeemable capital - Sukuk (redeemed)	(216,667)	(216,667)
Long term security deposits - net	4,825	(7,756)
Short term borrowings	(237,125)	527,547
Lease liabilities	(432)	(287)
Finance cost paid	(333,174)	(181,626)
Net cash generated from financing activities	45,577	685,014
Net (decrease) / increase in cash and cash equivalents	(329,995)	744,515
Cash and cash equivalents - at beginning of the year	855,168	63,418
Cash and cash equivalents acquired upon merger of G3 Technologies Ltd.	0	47,235
Cash and cash equivalents at end of the year	525,173	855,168

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



Hafiz Farooq Ahmad
(Chief Executive Officer)



Asim Mahmud
(Chief Financial Officer)



Atique Ahmad Khan
(Director)

GHANI CHEMICAL INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. LEGAL STATUS AND OPERATIONS

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

The Company is a Subsidiary of Ghani Global Holdings Ltd., which holds 279,905,983 (2022:251,459,985) ordinary shares of the Company representing 58.53% (2022: 69.90%) of its paid-up capital as at June 30, 2023.

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

1.2 Merger of GTECH with and into GCIL

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.3 Accounting policy for merger

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

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

(ii) - no goodwill has been recorded.

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

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

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Accounting convention

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

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates, assumptions and judgments

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

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

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

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

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

3. INITIAL APPLICATION OF STANDARDS, AMENDMENTS OR INTERPRETATIONS TO EXISTING STANDARDS

The following amendments and interpretations to published accounting and reporting standards that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

3.1 Amendments and interpretations to accounting and reporting standards that became effective in the current year

There were certain amendments and interpretations to published accounting and reporting standards that are applicable for the financial year beginning on July 01, 2022 but does not have any significant impact on the Company's financial reporting and therefore, have not been disclosed in these financial statements.

3.2 Standards and amendments to accounting and reporting standards that are not yet effective and have not been early adopted by the Company

There is a standard and certain amendments to accounting and reporting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on July 01, 2022. The standard and amendments are not expected to have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Property, plant and equipment

a) Owned

Measurement

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

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

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

Revaluation

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

Depreciation

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

De-recognition

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

Judgment and estimates

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

b) Right of use assets and related liabilities

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

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

The lease liabilities are initially measured at the present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. At initial recognition, liabilities have been discounted using the Company's incremental borrowing rate of 8.50% (2022: 8.50%). Lease payment includes fixed payments with annual increments. The lease liabilities are subsequently measured at amortised cost using the effective interest rate.

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

c) Capital work-in-progress

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

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

4.2 Intangible assets - Software

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

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

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

4.3 Investments Subsidiaries

Investments in Subsidiaries are carried at cost less impairment loss, if any. Gain / loss on sale of investments is included in statement of profit or loss. Bonus shares are accounted for by increase in number of shares without any change in value.

At each reporting date, the Company reviews the carrying amounts of the investments in Subsidiaries to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of impairment loss, if any. In making an estimate of recoverable amount of these investments, the management considers future dividend stream and the net assets value of these investments. Impairment losses are recognised as expense in the statement of profit or loss.

Investments in Subsidiaries, that suffered an impairment, are reviewed for possible reversal of impairment at each reporting date. Impairment losses recognised in the statement of profit or loss on investments in Subsidiaries are reversed through the statement of profit or loss.

Associated Companies

Investments in Associated Companies are accounted for by using equity basis of accounting, under which the investments in Associated Companies are initially recognised at cost and the carrying amounts are increased or decreased to recognise the Company's share of profit or loss of the Associated Companies after the date of acquisition. The Company's share of profit or loss of the Associated Companies is recognised in the Company's profit or loss. Distributions received from Associated Companies reduce the carrying amount of investments. Adjustments to the carrying amounts are also made for changes in the Company's proportionate interest in the Associated Companies arising from changes in the Associated Companies' equity that have not been recognised in the Associated Companies' profit or loss. The Company's share of those changes is recognised directly in equity of the Company.

The carrying amount of investments is tested for impairment, by comparing its recoverable amount (higher of value in use and fair value less cost to sell) with its carrying amount and loss, if any, is recognised in profit or loss.

4.4 Stores, spares and loose tools

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

4.5 Stock-in-trade

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

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

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

4.6 Trade and other receivables

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

4.7 Loans, advances, prepayments and trade deposits

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

4.8 Cash and cash equivalents

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

4.9 Trade and other payables

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

4.10 Borrowings and borrowing costs

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

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

4.11 Financial instruments

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

a) Financial assets

Classification

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

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

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

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

Recognition and derecognition

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

Measurement

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

Definition of default

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

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

Impairment of financial assets

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

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

- Trade debts
- Bank balances

Simplified approach for trade debts

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

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

Recognition of loss allowance

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

Write-off

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

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

b) Financial Liabilities

Classification, initial recognition and subsequent measurement

Financial liabilities are classified in the following categories:

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

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

i) Fair value through profit or loss

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

ii) Other financial liabilities

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

Derecognition of financial liabilities

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

Offsetting of financial assets and financial liabilities

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

4.12 Impairment of non-financial assets other than inventories

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

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

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

4.13 Revenue recognition

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

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

Contract assets

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

Contract liabilities

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

4.14 Foreign currency transactions

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

4.15 Taxation

Taxation comprises of current tax and deferred tax.

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

(a) Current

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

(b) Deferred

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

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

4.16 Earnings per share

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

4.17 Related party transactions

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

4.18 Provisions

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

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

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

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

4.19 Contingent liabilities

A contingent liability is disclosed when the Company

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

4.20 Employees' benefits

Defined contribution plan

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

Compensated absences

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

4.21 Segment reporting

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

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

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

4.22 Deferred income - government grant

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

4.23 Dividend and appropriation to reserves

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

5. PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
		Rupees in thousand	
Operating fixed assets	5.1	6,241,673	5,869,182
Capital work-in-progress	5.9	209,889	20,667
Stores held for capital expenditure		758,607	0
		7,210,169	5,889,849

	Freehold land	Leasehold land	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Computers	Vehicles	Total
-----Rupees in thousand-----									
As at June 30, 2021									
Cost	103,304	133,770	322,872	4,109,704	35,644	7,102	12,323	105,801	4,830,520
Accumulated depreciation	0	47	174,012	643,613	18,570	2,715	9,629	57,566	906,152
Book value	103,304	133,723	148,860	3,466,091	17,074	4,387	2,694	48,235	3,924,368
Year ended June 30, 2022									
Additions	0	0	141,569	1,047,721	2,098	4,765	1,550	83,452	1,281,155
Land acquired upon merger of GTECH (note 1.2)	0	126,000	0	0	0	0	0	0	126,000
Revaluation adjustments	907,857	48,140	0	0	0	0	0	0	955,997
Transfer adjustments	29,159	(29,159)	0	0	0	0	0	0	0
Leasehold land classified as held-for-sale	0	(52,250)	0	0	0	0	0	0	(52,250)
Disposals:									
- cost	0	36,750	0	196,278	0	0	0	41,244	274,272
- accumulated depreciation	0	0	0	(32,413)	0	0	0	(13,469)	(45,882)
	0	36,750	0	163,865	0	0	0	27,775	228,390
Depreciation charge for the year	0	0	16,188	105,330	1,848	532	1,060	12,740	137,698
Book value	1,040,320	189,704	274,241	4,244,617	17,324	8,620	3,184	91,172	5,869,182
Year ended June 30, 2023									
Additions	0	0	0	51,757	11,719	623	1,526	92,248	157,873
Leasehold land transferred from held-for-sale category	0	52,250	0	0	0	0	0	0	52,250
Revaluation adjustments	246,080	132,999	0	0	0	0	0	0	379,079
Depreciation	0	47	0	0	0	0	0	0	47
Disposals:									
- cost / revaluation	56,000	0	0	198	0	0	0	11,300	67,498
- accumulated depreciation	0	0	0	(49)	0	0	0	(8,095)	(8,144)
- cost	56,000	0	0	149	0	0	0	3,205	59,354
Depreciation charge for the year	0	0	27,424	97,037	2,214	909	1,218	28,602	157,404
Book value	1,230,400	375,000	246,817	4,199,188	26,829	8,334	3,492	151,613	6,241,673
As at June 30, 2022									
Cost / revaluation	1,040,320	189,751	464,441	4,961,147	37,742	11,867	13,873	148,009	6,867,150
Accumulated depreciation	0	47	190,200	716,530	20,418	3,247	10,689	56,837	997,968
Book value	1,040,320	189,704	274,241	4,244,617	17,324	8,620	3,184	91,172	5,869,182
As at June 30, 2023									
Cost / revaluation	1,230,400	375,000	464,441	5,012,706	49,461	12,490	15,399	228,957	7,388,854
Accumulated depreciation	0	0	217,624	813,518	22,632	4,156	11,907	77,344	1,147,181
Book value	1,230,400	375,000	246,817	4,199,188	26,829	8,334	3,492	151,613	6,241,673
240,000									
Depreciation rate (% - per annum)		50-100 years	10%	Machine hours	10%	10%	30%	20%	

5.2 The Company, during June, 2023, has again carried-out revaluations of its freehold and leasehold land situated at :

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

The revaluation exercises have been carried-out by independent Valuers [Unicorn International Surveyors, 74-B , Gulberg II, Lahore.]. Freehold land has been revalued on the basis of present market values whereas leasehold land has been revalued on the basis of estimated prevailing lease rate. These revaluations have resulted in revaluation surplus aggregating Rs.379.126 million as worked-out below:

	Rupees in thousand
(a) Cost / revalued amount of freehold land as at June 19, 2023	984,320
Revalued amount as at June 19, 2023	1,230,400
Revaluation surplus arisen upon revaluation	246,080
(b) Cost / revalued amount of leasehold land as at June 19, 2023	63,751
Carrying value of leasehold land acquired upon merger of GTECH	126,000
Leasehold land classified as held for sale as at June 30, 2022 transferred to Property, Plant and Equipment during the current year	52,250
Elimination of accumulated depreciation on leasehold land	(47)
	241,954
Revalued amount as at June 19, 2023	375,000
Revaluation surplus arisen upon revaluation	133,046
(c) Had there been no revaluations, book value of freehold and leasehold land would have been Rs.76.463 million (2022: Rs.132.463 million) and Rs.193.813 million (2022: Rs.15.610 million) respectively as at June 30, 2022.	
(d) Based on the aforementioned revaluation reports, the forced sale values of the revalued freehold and leasehold land have been assessed at Rs.1,284.320 million (2022: Rs.883.256 million).	

5.3 The Company, during the preceding year, had classified its leasehold land located at Hattar, Industrial Land, Plot Nos. 7, 8, 13 to 18 and B3 as held-for-sale under IFRS - 5 (Non-current assets held-for-sale and discontinued operations). Management intended to sell this land within the next twelve months. However, during the current financial year, the management has changed its intention and decided to reclassify this land under Property, Plant and Equipment.

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

Description	Cost / revaluation	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Particulars of Purchaser
----- Rupees in thousand -----						Sold through negotiation to:
Freehold land (7 kanals)	56,000	0	56,000	55,300	(700)	Newtech Industries (Pvt.) Ltd. GT Road , Sector D -15 , Islamabad.
Plant and machinery	198	(49)	149	350	201	Sold to two parties.
Vehicles						
Toyota Camry	5,298	(3,069)	2,229	6,500	4,271	Muhammad Shafique.
Suzuki Bolan	754	(476)	278	700	422	Shaheen Insurance Company I-8, Markaz, Islamabad.
Suzuki Swift	1,314	(1,123)	191	595	404	Muhammad Naveed.
Honda City	1,725	(1,457)	268	778	510	Muhammad Naveed.
Honda Civic	2,209	(1,970)	239	2,600	2,361	Mr. Maaz Amjad.
	<u>11,300</u>	<u>(8,095)</u>	<u>3,205</u>	<u>11,173</u>	<u>7,968</u>	
Total	2023	<u>67,498</u>	<u>(8,144)</u>	<u>59,354</u>	<u>66,823</u>	<u>7,469</u>
Total	2022	<u>274,272</u>	<u>(45,882)</u>	<u>228,390</u>	<u>377,799</u>	<u>149,409</u>

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

Location	Usage of immovable property	Total Area	Covered Area
			In sq. ft.
- 52 - Km, Phool Nagar, District Kasur	Manufacturing facility (gases)	113 Kanals 8 marlas and 90 feet	67,031
- Mouza Parna, Phool Nagar, Tehsil Pattoki, District Kasur	Industrial land	83 Kanals and 9 Marlas	-
- Plot Nos. 7 and 8, 9 to 12, B2, 13-24, B3,B4, Zone - B, Hattar	Industrial land	150 Kanals (18.75 Acres)	-

5.6 As at June 30, 2023, plant and machinery include vacuum insulated evaporator tanks installed at various customers' sites for supply of gas products. These assets are secured against deposits as disclosed in note 25. Cost and book value of these vacuum insulated evaporator tanks were as follows:

	2023	2022
	Rupees in thousand	
Cost	187,619	200,802
Book value	144,602	156,334

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

Cost of sales	122,162	118,313
Administrative expenses	35,242	19,385
	<u>157,404</u>	<u>137,698</u>

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

	Note	2023 Rupees in thousand	2022
5.9 Capital work in progress (plant and machinery) - at cost			
Opening balance		20,667	146,604
Additions during the year	5.10	189,222	921,784
Capitalised during the year		0	(1,047,721)
Closing balance		<u>209,889</u>	<u>20,667</u>
5.10 These include expenditure aggregating Rs.135.891 million (2022: Rs.20.667 million) relating to installation of new plant (Gaseous Air Separation Unit) and expenditure aggregating Rs.61.242 million relating to Calcium Carbide plant at Hattar, KPK.			
5.11 During the year, borrowing cost at the rates ranging from 17.96% to 23.44% per annum amounting Rs.74.143 million (2022: Rs.14.682 million) has been included in the cost of plant and machinery.			
6. RIGHT OF USE ASSETS			
Opening balance		400,283	31,689
Revaluation increment	6.1	118,152	373,498
Revaluation adjustment - cost		(18,435)	(5,187)
Lease reassessment		0	283
		<u>500,000</u>	<u>400,283</u>
Amortisation			
Opening balance		8,779	5,187
Revaluation adjustment - accumulated amortisation		(18,435)	(5,187)
Amortised during the year	6.4	10,782	8,779
		1,126	8,779
Closing balance		<u>498,874</u>	<u>391,504</u>

6.1 The Company, during June, 2023, has again carried-out revaluation of leasehold land situated at Plot No. A-53, Chemical Area, East Industrial Zone, Port Qasim, Karachi with an area of 40 Kanals having covered area of 17,045 sq. ft. The revaluation exercise has been carried out by independent Valuers [Unicorn International Surveyors, 74-B, Gulberg II, Lahore]. Leasehold land has been revalued on the basis of present market rate of project land and it has resulted in revaluation surplus of Rs.118.152 million as worked-out below:

	Rs. in thousand
Carrying value of leasehold land as at June 19, 2023	381,848
Revalued amount of leasehold land as at June 19, 2023	500,000
Revaluation surplus arisen upon revaluation	<u>118,152</u>
6.2 Had there been no revaluation, book value of leasehold land would have been Rs.25.441 million as at June 30, 2023; (2022: Rs.26.114 million)	
6.3 Based on the aforementioned revaluation report dated June 19, 2023, the forced sale value of the revalued leasehold land has been assessed at Rs.400 million (2022: Rs.320 million)	
6.4 Amortisation charge for the year on right of use assets has been calculated by using straight line method over the lease terms i.e. ranging from 40 to 50 years and grouped under administrative expenses.	

7. INTANGIBLE ASSETS	Note	2023	2022
		Rupees in thousand	
Cost			
Balance at year-end		14,808	14,808
Amortisation			
Opening balance		12,094	9,132
Amortised during the year		1,235	2,962
		13,329	12,094
Carrying value at year-end		1,479	2,714

7.1 Amortisation has been charged at the rate of 20% of cost and has been allocated to administrative expenses.

8. INVESTMENTS - At cost

Wholly owned Subsidiary Companies

A-One Prefabs (Pvt.) Ltd. (APL) 2,497 ordinary shares of Rs. 10 each	8.1	0	25
Awal Engineering (Pvt.) Ltd. (AEL) 2,497 ordinary shares of Rs. 10 each	8.2	0	25
A-One Batteries (Pvt.) Ltd. (ABL) 2,497 ordinary shares of Rs. 10 each	8.3	0	25
		0	75

8.1 APL was incorporated in Pakistan as a private limited company on May 18, 2020 under the Companies Act, 2017.

8.2 AEL was incorporated in Pakistan as a private limited company on May 18, 2020 under the Companies Act, 2017.

8.3 ABL was incorporated in Pakistan as a private limited company on May 29, 2020 under the Companies Act, 2017.

8.4 These investments, during the year, have been sold against consideration of Rs.225 thousand to three directors of the Company.

9. LONG TERM DEPOSITS - Considered good

Security deposits against:	Note	2023	2022
		Rupees in thousand	
- utility bills	9.1	64,873	64,873
- rented premises		1,734	1,734
- Ijarah finance facilities		586	586
		67,193	67,193

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

10. STORES, SPARES AND LOOSE TOOLS

Stores	53,996	34,928
Spare parts	259,487	211,467
Loose tools	362	359
	313,845	246,754

	2023	2022
	Rupees in thousand	
11. STOCK IN TRADE		
Finished goods - industrial gases	64,057	41,063
- industrial chemicals	15,318	10,489
Carrying value of stock in trade acquired upon merger of GTECH with and into the Company	0	83,708
	<u>79,375</u>	<u>135,260</u>
12. TRADE DEBTS - Unsecured		
Considered good	1,020,529	1,038,599
Considered doubtful	19,856	16,027
	<u>1,040,385</u>	<u>1,054,626</u>
Allowance for expected credit loss	(19,856)	(16,027)
	<u>1,020,529</u>	<u>1,038,599</u>
Less:		
- elimination of receivable from GTECH upon merger	0	(89,460)
- balance transferred to Loans and Advances upon merger	0	(136,766)
Add: carrying value of trade debts acquired upon merger of GTECH with and into the Company	0	12,600
	<u>1,020,529</u>	<u>824,973</u>
12.1 Allowance for expected credit loss		
Opening balance	16,027	26,960
Charge for the year	4,337	6,381
Balances written-off during the year	(508)	(17,314)
Closing balance	<u>19,856</u>	<u>16,027</u>
12.2 Trade debts aggregating Rs.396.069 million (2022: Rs.413.365 million) were either past due or overdue but not impaired as allowance for expected credit loss. These balances relate to various customers, primarily Government organisations, with whom there was no recent history of default. The ageing analysis of these trade debts is as follows:		
Up to 1 month	122,244	130,254
31 to 60 days	42,182	44,242
61 to 90 days	37,449	32,119
91 to 180 days	51,121	75,379
181 to 365 days	74,900	43,337
Above 365 days	68,173	88,034
	<u>396,069</u>	<u>413,365</u>

12.3 Receivables from the government institutions aggregate Rs.396.069 million as at June 30, 2023 (2022: Rs.413.365 million)

	Note	2023 Rupees in thousand	2022
13. LOAN AND ADVANCES			
Unsecured, considered good			
- to employees against expenses		4,853	3,734
- to employees against salaries		92	97
- to suppliers and contractors		205,691	195,373
Due from related parties	13.1	866,331	272,164
Letters of credit		506,673	15,044
		1,583,640	486,412
Allowance for impairment		(1,485)	(1,485)
		1,582,155	484,927
Balances transferred from GTECH upon merger:			
- advances to employees		0	63
- advances against purchase of vehicles		0	184,488
- advances against long term assets		0	2,856
- due from Ghani Global Glass Ltd. (GGGL)	13.5	0	136,766
- Others		0	122
		1,582,155	809,222
13.1 Due from related parties			
Ghani Engineering (Pvt.) Ltd.		0	806
Ghani Products (Pvt.) Ltd.		0	3,288
Ghani Global Foods Ltd.		0	424
Air Ghani (Pvt.) Ltd.		0	237
A One Prefabs (Pvt.) Ltd.		0	25
A One Batteries (Pvt.) Ltd.		0	25
Awal Engineering (Pvt.) Ltd.		0	25
Kilowatt Labs Technologies Ltd.		0	2,222
Ghani Global Glass Ltd.	13.2	866,059	265,112
Ghani Global Holdings Ltd.		272	0
		866,331	272,164
13.2 Maximum amounts due from the related parties at the end of any month during the year was Rs.866.519 million (2022: Rs.274.791 million)			
13.3 Maximum amount due from the Holding Company at the end of any month during the year was Rs.0.272 million (2022: Rs.22.908 million).			
13.4 Advances to related parties carry return at the rate of 3 months KIBOR + 150 bps. (2022: 3 months KIBOR + 85 bps)			
13.5 Balance due from GGGL as at June 30, 2022 amounting Rs.136.766 million grouped under trade debts as at June 30, 2022 in the financial statements of GTECH has been reclassified and grouped under loans and advances in the current year's financial statements.			

14. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	2023 Rupees in thousand	2022
Trade deposits		143,597	139,912
Prepayments		9,512	7,372
Bank guarantee margins		0	4,364
Bank profit receivable		4,244	0
Letters of credit margins		0	266,050
Other receivable		286,217	0
		<u>443,570</u>	<u>417,698</u>
Balance transferred from GTECH upon merger:			
- profit receivable on term deposit receipts		0	15,707
		<u>443,570</u>	<u>433,405</u>
15. TAX REFUNDS DUE FROM GOVERNMENT			
Sales tax refundable - net		34,230	0
Balance transferred from GTECH upon merger:			
- sales tax refundable - net		0	23,861
		<u>34,230</u>	<u>23,861</u>
16. ADVANCE INCOME TAX			
Opening balance		417,798	427,550
Paid during the year		245,881	222,600
Refunds received during the year		0	(75,665)
		<u>663,679</u>	<u>574,485</u>
Adjusted against income tax payable		(223,648)	(167,000)
		<u>440,031</u>	<u>407,485</u>
Balance of advance tax transferred to GCIL upon merger of GTECH		0	10,313
Closing balance		<u>440,031</u>	<u>417,798</u>
17. SHORT TERM INVESTMENTS			
Term deposits receipts (TDRs)		911,000	0
Balance transferred from GTECH upon merger:			
- TDRs		0	659,000
		<u>911,000</u>	<u>659,000</u>
18. CASH AND BANK BALANCES			
Cash-in-hand		392	367
Cash at banks on:			
- current accounts		233,583	139,819
- deposit accounts	18.1	291,198	359,677
		<u>524,781</u>	<u>499,496</u>
Balances transferred from GTECH upon merger:			
- current accounts		0	666
- deposit accounts		0	354,639
		<u>525,173</u>	<u>855,168</u>

18.1 These carry profit at the rates ranging from 5.97% to 17.08% (2022: 2.75% to 8.50%) per annum.

19. ASSETS HELD-FOR-SALE	Note	2023	2022
		Rupees in thousand	
Leasehold land classified as held-for-sale	5.3	0	52,250
39,800,000 shares of G3 Technologies Ltd. classified as held-for-sale as at April 09,2022	8	0	401,637
Less: 20,000,000 shares sold on April 19, 2022		0	(200,200)
		0	201,437
Investments in an Associated Company held by GTECH classified as held-for-sale		0	425,192
		0	678,879
20. SHARE CAPITAL			
20.1 Authorised share capital			
800,000,000 (2022: 550,000,000) ordinary shares of Rs.10 each	20.3	8,000,000	5,500,000
50,000,000 Class B shares of Rs.10 each		500,000	0
		8,500,000	5,500,000
20.2 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 (2022: 10,000,000) ordinary shares issued as right shares of Rs.10 each fully paid in cash		100,000	100,000
239,701,600 (2022:196,230,000) ordinary shares of Rs.10 each issued as fully paid bonus shares	20.4	2,397,016	1,962,300
74,961,338 ordinary shares of Rs.10 each issued upon merger of GTECH with and into the Company		749,613	749,613
22,000,000 Class B shares of Rs.10 each	20.5	220,000	0
		5,001,879	4,347,163

20.3 The authorised share capital of the Company, during the year, 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.

20.4 The Company, during the year, 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.

20.5 The Company, during the year, has issued 22,000,000 class B shares at the rate of Rs.10 per share. This right issue has been made at the rate of 8.8045 class B shares for every 100 existing ordinary shares.

20.6 Shares held by related parties

	2023	2022
	(Number of Shares)	
Ghani Global Holdings Ltd.	279,905,983	251,459,985
Ghani Products (Pvt.) Ltd.	86,631,490	78,755,900
	366,537,473	330,215,885

21. SHARE PREMIUM

	2023	2022
Note	Rs. in thousand	
Opening balance	300,000	0
Share premium originated upon issuance of 100 million ordinary shares to Ghani Global Holdings Ltd.	0	913,951
Premium originated during the preceding year upon issuance of 10 million ordinary shares at premium of Rs.30 per share	0	300,000
Less: premium utilised during the year upon issuance of 434,716,338 (2022: 196,230,000) bonus shares	(135,989)	(913,951)
Balance as at June 30,	164,011	300,000

22. REVALUATION SURPLUS ON FREEHOLD AND LEASEHOLD LAND

Opening balance	298,727	0
Surplus on revaluations carried-out during the year	497,278	1,329,495
Less: surplus utilised during the year upon issuance of 434,716,338 (2022:196,230,000) bonus shares	(298,727)	(1,030,768)
Balance as at June 30,	497,278	298,727

23. LONG TERM FINANCES	Note	2023 Rs. in thousand	2022
From banking companies - secured			
Diminishing Musharakah	23.2	1,279	3,103
Diminishing Musharakah	23.3	750	13,014
Diminishing Musharakah	23.4	245,440	354,525
Diminishing Musharakah and Islamic Refinance Facility	23.5	11,429	39,186
Diminishing Musharakah (ITERF)	23.6	395,835	438,981
Long Term Islamic Finance Facility	23.7	283,176	0
Diminishing Musharakah	23.8	499,993	0
From Islamic Financial Institution - secured			
Diminishing Musharakah	23.9	4,029	9,504
Others			
From sponsoring directors - unsecured	23.10	52,000	52,000
		1,493,931	910,313
Current portion grouped under current liabilities		(223,888)	(154,102)
		1,270,043	756,211
23.1	Balance at beginning of the year	910,313	744,657
	Availed during the year	783,169	336,443
	Repayments made during the year	(174,696)	(170,787)
	Balance at the end of the year	1,518,786	910,313
23.2	This represents Diminishing Musharakah facility having credit limit of Rs.10 million availed from a banking company for purchase of vehicles. The agreement tenor is 3 years and the balance is repayable in 36 instalments ending June, 2024. It carries profit at the rate of 3 months KIBOR + 1% and is secured against ownership of Musharakah assets jointly in the bank's and customer's name.		
23.3	This represents Diminishing Musharakah facilities having credit limit of Rs.5.987 million (2022: Rs.5.987 million) and Rs.37.711 million (2022: Rs.37.711) million availed from a banking company to finance machinery & equipment. The facilities are available upto July, 2022 and May, 2023 respectively. The facilities carry profit at the rate of 1 year KIBOR + 0.80% and 6 months KIBOR + 0.80% respectively. These facilities are secured against first pari passu charge of Rs.110 million over fixed assets, first specific charge of Rs.17.500 million over imported assets and equitable mortgage over land and buildings. These facilities have been matured during the current year and the management is negotiating with the bank for final settlement.		
23.4	This represents Diminishing Musharakah facility having credit limit of Rs.450 million (2022: Rs.450 million) availed from a banking company to finance machinery and equipment; the facility tenor is 5 years including 1 year grace period. The balance is repayable in 16 equal quarterly instalments and carries profit at the rate of 3 months KIBOR + 1%. The facility is secured against pari passu charge with 25% margin aggregating Rs.600 million over all plant and machinery of the Company. The banking company has allowed moratorium of one year under SBP BPRD circular no. 13/2020; accordingly, repayment has commenced from October, 2021.		

23.5 Diminishing Musharakah and Islamic refinance facility

	2023	2022
	Rupees in thousand	
Opening balance	39,186	84,392
Payment made during the year	(28,080)	(47,059)
Deferred income	323	1,853
	<u>11,429</u>	<u>39,186</u>

This represents Diminishing Musharakah and Islamic refinance facility having credit limit of Rs.110 million under Islamic Refinance Scheme for payment of salaries and wages to workers and employees of the Company to dampen the effect of Covid-19 for a period of 2.5 years including six months grace period. The outstanding balance of salary finance has been fully repaid during the year. The year end balance represents Diminishing Musharakah facility to retire letter of credit of Oxy Fuel Plant and carries profit at the rate of 6 months KIBOR + 1%. The facility will be fully repaid by July, 2024. The repayment of salary loan has been made in 8 equal quarterly instalments after a grace period and commenced from January, 2021. It carried profit at the rate of 3%. The facility is secured against first pari passu charge of Rs.96 million over plant & machinery and personal guarantees of three sponsoring Directors of the Company.

23.6

- (a) This represents Diminishing Musharakah facility having credit limit of Rs.439 million under State Bank of Pakistan (SBP) ITERF Scheme to finance capital expenditure requirements related to procuring Gaseous Air Separation Unit (ASU); draw down has been allowed in multiple tranches. The facility tenor is 8 years including 2 years grace period; repayment will be made in 24 quarterly instalments and commenced from May, 2023. It carries profit at SBP rate + 4% per annum. The facility is secured against exclusive charge over operating fixed assets (excluding land and buildings) of the new unit for Rs.625 million, first pari passu charge of Rs.625 million over all present and future fixed assets of the Company, personal guarantees of sponsoring directors of the Company and assignment of receivables.
- (b) As the above finances are below market rate of mark-up, these have been initially measured at their fair value i.e. the present value of the future cash flows discounted at prevailing market mark-up rate. The difference between the fair value of the finances on initial recognition and the amount received has been accounted for as Government grant.
- (c) The Company, during the year, has recorded Rs.33.679 million as Government grant on finances obtained at below market rate of mark-up as per the requirements of IAS 20 (Accounting for government grants and disclosure of government assistance).
- (d) The Company has adhered to the terms of the grant; hence, this has been amortised at average borrowing cost rate of the Company, i.e. 7.35% per annum. An amount of Rs.8.824 million has been recognised in the current's year statement of profit or loss in this regard and this amount has been adjusted against finance cost for the year.

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

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

23.9 These Islamic finance facilities carry profit at the rates ranging from 6 months KIBOR + 1% to 3 months KIBOR + 1.25% (2022: 6 months KIBOR + 1% to 3 months KIBOR + 1.25%). These Islamic finance facilities having credit limit of Rs.51.275 million (2022: Rs.51.275 million) are secured against ownership of Musharakah assets in favour of a financial institution. These finance facilities are repayable in monthly instalments ending July, 2024. These finance facilities are secured against ranking charge over plant & machinery, ownership of vehicles in the name of financial institution and personal guarantees of the Directors.

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

24. REDEEMABLE CAPITAL - Sukuk

	2023	2022
	Rupees in thousand	
Long term certificates	162,500	379,167
Current portion grouped under current liabilities	(162,500)	(216,667)
	0	162,500

24.1 The Company had issued rated, privately placed and secured long term Islamic Certificates (Sukuk) as instrument of redeemable capital under section 120 of the Companies Ordinance, 1984 (now the Companies Act, 2017) amounting Rs.1,300 million divided into 13,000 certificates of Rs.100,000 each for a period of 6 years under an agreement dated November 15, 2016 for swapping of financing facilities and to meet business requirements. These certificates are redeemable in 24 consecutive quarterly instalments commenced from February 03, 2017 and ending on February 03, 2024. Rentals are payable on quarterly basis along with redemption of certificates. These carry profit rate of 3 months KIBOR plus 1%. These certificates are secured against first pari passu charge over present and future fixed assets of the Company to the extent of Rs.1,625 million. The banking company had allowed moratorium of one year; consequently, repayment of instalments for the months of May, 2020 to February, 2021 were deferred for one year.

25. LONG TERM SECURITY DEPOSITS

These security deposits have been utilised for the purpose of the business in accordance with written agreements. These represent amounts received from the customers on installation of certain equipment and may be used in ordinary course of the Company's business under the provisions of section 217 of the Company's Act, 2017.

26. LEASE LIABILITIES	Note	2023	2022
		Rs. in thousand	
Lease liabilities		6,121	6,040
Less: current portion grouped under current liabilities		316	301
		<u>5,805</u>	<u>5,739</u>
26.1 Movement of lease liabilities			
Balance at beginning of the year		6,040	5,548
Lease reassessment		0	283
Interest charge for the year		513	496
Payment made during the year		(432)	(287)
Balance at end of the year		<u>6,121</u>	<u>6,040</u>
Maturity analysis of undiscounted lease payments			
Payable upto one year		316	301
Payable between one to five years		1,832	1,745
Payable after five years		28,126	28,526
		<u>30,274</u>	<u>30,572</u>
26.2	Amortisation for the year on right of use assets has been calculated by straight line method over the lease terms i.e. ranging from 40 to 50 years and grouped under administrative expenses. Right of use assets represent leasehold land, which is located at 53 - A, Industrial Zone, Bin Qasim, Karachi with an area of 40 kanals having covered area of 217,800 sq. ft.		
27. DEFERRED LIABILITIES			
Gas infrastructure development cess	27.1	7,991	11,846
Deferred income - Government grant	27.2	17,369	0
Deferred taxation	27.4	637,455	444,468
		<u>662,815</u>	<u>456,314</u>
27.1 Gas Infrastructure Development Cess (GIDC)			
Balance at year-end		20,578	19,098
Interest against provision for GIDC		1,106	1,480
Closing liability based on present value		21,684	20,578
Current portion grouped under current liabilities		(13,693)	(8,732)
		<u>7,991</u>	<u>11,846</u>

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

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

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

27.2 Deferred income - Government grant	Note	2023	2022
		Rs. in thousand	
Balance at beginning of the year	27.3	323	2,176
Amortised during the year		(323)	(1,853)
		0	323
Government grant recognised during the year	23.6	33,679	0
Amortised during the year	23.6	(8,824)	0
		24,855	0
Current portion grouped under current liabilities		(7,486)	(323)
		17,369	0

27.3 In response to COVID-19, the State Bank of Pakistan (SBP) through Circular No. 6 of 2020, has introduced a Refinance Scheme for payment of wages and salaries to the workers and employees of business concerns. The Refinance Scheme has been managed through Participating Financial Institutions (PFIs) and funded by SBP. Borrowers obtained loans from PFIs to ease their cash flow constraints and thereby avoid layoffs. The benefit of a government loan at a below-market rate of interest has been treated as a government grant. The loan has been measured in accordance with IFRS 9 (Financial Instruments). The benefit of the below market rate of interest has been measured as the difference between the initial carrying value of loan determined in accordance with IFRS 9 and the proceeds received. The benefit has been accounted for and presented as deferred grant in accordance with IAS 20. The deferred grant has been amortised at average borrowing cost rate of the Company, i.e. 8.50% (2022:8.50%) per annum; an amount of Rs.323 thousand (2022: Rs.1,853 thousand) has been recognised in the current year statement of profit or loss in this regard.

27.4 Deferred taxation

This is composed of the following:

Taxable temporary differences arising in respect of accelerated tax depreciation allowances	861,808	782,628
Deductible temporary differences arising in respect of:		
- unused tax losses	(19,989)	(135,101)
- allowance for expected credit loss	(5,758)	(4,648)
- alternate corporate tax / minimum tax recoverable against normal tax charge in future years	(198,605)	(198,411)
	(224,352)	(338,160)
	637,456	444,468

28. TRADE AND OTHER PAYABLES	Note	2023 Rs. in thousand	2022
Trade creditors		252,910	44,700
Accrued liabilities		24,419	73,767
Due to Ghani Global Holdings Ltd. (the Holding Company)		0	32,465
Due to G3 Technologies Ltd. (an Associated Company)		0	360,900
Sales tax payable		0	44,161
Workers' (profit) participation fund	28.1	18,328	50,382
Workers' welfare fund	28.2	46,764	36,591
Payable to employees' provident fund		13	37
Withholding income tax		7,662	3,431
		350,096	646,434
Balances transferred from GTECH upon merger:			
- trade creditors		0	89,860
- accrued liabilities		0	1,694
- zakat payable		0	301
- withholding income tax		0	1,489
Less:			
- elimination of intercompany balances:			
payable by GTECH		0	(89,459)
payable by GCIL		0	(360,900)
		350,096	289,419
28.1 Workers' (profit) participation fund			
Opening balance		50,382	36,764
Paid during the year		(82,088)	(48,738)
Allocation for the year		50,034	62,356
Closing balance		18,328	50,382
28.2 Workers' welfare fund			
Opening balance		36,591	19,625
Adjusted during the year		(8,840)	(6,730)
Charge for the year		19,013	23,696
Closing balance		46,764	36,591
29. ACCRUED PROFIT			
Profit accrued on :			
- long term finances		65,485	28,865
- redeemable capital - Sukuk		6,148	9,533
- short term borrowings		51,154	44,800
		122,787	83,198

	Note	2023 Rs. in thousand	2022
30. SHORT TERM BORROWINGS			
From banking companies - secured		1,127,439	1,351,927
Temporary book overdraft - unsecured	30.2	0	12,637
		<u>1,127,439</u>	<u>1,364,564</u>
30.1	These finances have been obtained under profit arrangements and are secured against joint pari passu hypothecation charge on present and future current assets, personal guarantees of sponsoring directors of the Company and corporate guarantees of the Holding Company. These form part of total credit funded facilities of Rs.1,450 million (2022: Rs.1,815 million). The rates of profit range from 11.58% to 23.88% (2022: 8.20% to 16.54%) per annum. These facilities are expiring on various dates by January 31, 2024.		
30.2	This temporary book overdraft had arisen due to issuance of cheques for amounts in excess of balance in a bank account.		
31. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Long term finances	23	223,888	154,102
Redeemable capital - Sukuk	24	162,500	216,667
Lease liabilities	26	316	301
Gas Infrastructure Development Cess	27.1	13,693	8,732
Deferred income	27.2	7,486	323
		<u>407,883</u>	<u>380,125</u>
32. TAXATION			
Provision for taxation of the Company as at June 30,		241,470	228,781
Balance transferred from GTECH upon merger		0	5,576
		<u>241,470</u>	<u>234,357</u>
33. CONTINGENCIES AND COMMITMENTS			
Contingencies			
33.1	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.		
33.2	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.		

- 33.3** 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.
- 33.4** The un-availed funded and unfunded credit facilities from banks (other than loans from directors) as of reporting date were for Rs.403.840 million (2022: Rs.815.440 million). These limits include credit lines that are interchangeable and may be utilised for either funded facilities or unfunded facilities.
- 33.5** Bank guarantees aggregating Rs.133.670 million (2022: Rs.43.915 million) have been provided to various customers / institutions against supplies of products.

Commitments

- 33.6** Commitments in respect of letters of credit amounted to Rs.1,943.721 million (2022: Rs.1,535.066 million).
- 33.7** Commitments for construction of buildings as at June 30, 2023 amounted Rs.200 million; (2022:Rs.100 million).

34. SALES

	Note	2023 Rupees in thousand	Restated 2022
Gross sales - local			
Supplies		5,052,441	4,743,782
Services		58,682	38,009
Adjustment arisen upon merger of GTECH	34.1	0	28,035
		5,111,123	4,809,826
Sales / service tax		(778,927)	(591,065)
Adjustment arisen upon merger of GTECH	34.1	0	(4,672)
		(778,927)	(595,737)
Net sales		4,332,196	4,214,089

- 34.1** This represents sales pertaining to the period from January 01, 2022 to June 30, 2022, which have been extracted from the reviewed financial statements of GTECH for the six months period ended December 31, 2021 and audited financial statements of GTECH for the year end June 30, 2022.

As per order of the Lahore High Court, GTECH was merged with and into the Company with effect from December 31, 2021; however, the Court order was received during October, 2022.

As GTECH has not ceased its operations during the period from January 01, 2022 to June 30, 2022, the aforementioned adjustments have been incorporated in these financial statements.

		2023	Restated 2022
		Rupees in thousand	
35. COST OF SALES	Note		
Salaries, wages and other benefits	35.1	101,093	70,857
Fuel and power		1,742,201	1,509,497
Utilities		6,919	4,835
Consumable stores and spares		146,283	124,110
Rent, rates and taxes		927	1,324
Repair and maintenance		6,747	12,285
Communication		606	880
Travelling and vehicles' running		8,731	6,662
Insurance		7,607	7,698
Depreciation	5.7	122,162	118,313
Inadmissible sales tax (input), freight and others		35,789	65,542
Cost of goods manufactured		<u>2,179,065</u>	<u>1,922,003</u>
Changes in finished goods			
Opening stock:			
- GCIL		51,552	101,481
- GTECH		83,708	0
Purchases		637,408	472,122
Closing stock	11	(79,375)	(51,552)
		<u>693,293</u>	<u>522,051</u>
Adjustment arisen upon merger of GTECH (note 34.1)		0	20,580
		<u><u>2,872,358</u></u>	<u><u>2,464,634</u></u>

35.1 These include Rs.4.937 million (2022: Rs.4.022 million) in respect of retirement benefits.

36. DISTRIBUTION COSTS

Salaries, wages and other benefits	36.1	65,262	63,216
Transportation		84,144	192,406
Traveling, boarding, lodging and conveyance		1,581	3,091
Communication		432	684
Vehicles' running and maintenance		10,838	5,741
Rent, rates and taxes		4,560	4,921
Loading and unloading		702	844
Postage and courier		296	273
Repair and maintenance		206	2,654
Office expenses		731	699
Others		24,673	29,438
		<u>193,425</u>	<u>303,967</u>

36.1 These include Rs.4.552 million (2022: Rs.4.200 million) in respect of retirement benefits.

		2023	Restated 2022
		Rupees in thousand	
37. ADMINISTRATIVE EXPENSES	Note		
Salaries and other benefits	37.1	92,856	65,264
Communication		1,542	1,333
Electricity and other utilities		8,895	6,762
Rent, rates and taxes		6,348	6,137
Repair and maintenance		298	937
Traveling and conveyance		1,624	717
Vehicles' running and maintenance		5,036	3,661
Printing and stationery		5,134	2,416
Donations and charity		2,273	3,273
Fees and subscription		18,858	24,239
Advertisement		35	297
Insurance		5,334	3,552
Depreciation	5.7	35,242	19,385
Amortisation of right of use assets	6	10,782	8,779
Amortisation of intangible assets	7	1,235	2,962
Others		20,131	13,580
		215,623	163,294
Adjustment arisen upon merger of GTECH (note 34.1)		0	24,069
		215,623	187,363
37.1	These include Rs.5.448 million (2022: Rs.4.997 million) in respect of retirement benefits.		
38. OTHER EXPENSES			
Legal and professional (other than Auditors)		955	5,689
Allowance for expected credit loss	12.1	4,337	6,381
Loss on sale of held-for-sale investments		0	948
Auditors' remuneration:			
- statutory audit		858	726
- special audit assignment		0	577
- half yearly review		220	0
- other certifications		285	175
		1,363	1,478
Workers' welfare fund	28.2	19,013	23,696
Workers' (profit) participation fund	28.1	50,034	62,356
		75,702	100,548
Adjustment arisen upon merger of GTECH (note 34.1)		0	5,804
		75,702	106,352

	Note	2023 Rupees in thousand	Restated 2022
39. OTHER INCOME			
Profit on bank deposits		153,064	9,362
Return on advances to Associated Companies		115,444	11,044
Credit balances written back		0	14,295
Advance against leasehold land at Hattar		0	15,000
Gain on forward exchange contracts		0	7,949
Gain on sale of investment in GTECH		12,361	0
Gain on sale of long term investments		150	0
Gain on disposal of operating fixed assets	5.4	7,469	149,409
Indenting commission		0	2,950
Takaful claim received		2,960	0
Compensation charges recovered from Engro Polymer and Chemicals Ltd. due to short lifting of chemical supplies		39,255	0
Miscellaneous		231	1,821
		330,934	211,830
Adjustment arisen upon merger of GTECH (note 34.1)		0	73,291
		330,934	285,121
40. FINANCE COST			
Finance cost on:			
- long term finances		88,772	54,219
- redeemable capital - Sukuk		46,290	49,462
- short term borrowings		229,111	118,113
- Interest against provision for Gas Infrastructure and Development Cess		1,106	1,480
- mark-up on advances received from an associated company		0	1,988
- lease liabilities		513	496
Bank charges and commission		8,590	3,868
		374,382	229,626
41. SHARE OF PROFIT OF ASSOCIATED COMPANY			
GCIL		0	2,844
Adjustment arisen upon merger of GTECH (note 34.1)		0	15,203
		0	18,047

42. TAXATION	Note	2023	Restated 2022
		Rupees in thousand	
Current			
- for the year		239,653	228,781
- prior years		(8,892)	(3,990)
		<u>230,761</u>	<u>224,791</u>
Deferred	27.4	192,988	126,695
		<u>423,749</u>	<u>351,486</u>
Adjustment arisen upon merger of GTECH (note 34.1)		0	3,380
		<u>423,749</u>	<u>354,866</u>

42.1 Returns filed by the Company upto the tax year 2022 have been assessed under the self assessment scheme envisaged in section 120 of the Income Tax Ordinance, 2001 (the Ordinance).

42.2 No numeric tax rate reconciliation is presented in these financial statements as the Company for the current and preceding year is mainly liable to pay tax due under sections 4C (Super tax on high earning persons) and 113C (Alternative Corporate Tax) of the Ordinance.

43. EARNINGS PER SHARE

There is no dilutive effect on earnings per share of the Company, which is based on:

Profit after taxation attributable to ordinary shareholders

2023	Restated 2022
Rupees in thousand	
<u>507,891</u>	<u>870,449</u>

(Number of shares)

Weighted average number of ordinary shares in issue during the year

Restated
<u>423,861,693</u>

----- Rupees -----

Restated

Earnings per share - basic

<u>1.06</u>	<u>2.05</u>
-------------	-------------

44. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

Description	2023			2022		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	-----Rupees in thousand-----					
Managerial remuneration	17,408	17,408	24,887	17,408	21,008	30,889
Medical	696	1,741	995	696	1,885	1,236
Provident fund contribution	1,450	1,450	2,073	1,450	1,750	2,573
	<u>19,554</u>	<u>20,599</u>	<u>27,955</u>	<u>19,554</u>	<u>24,643</u>	<u>34,698</u>
No. of persons	1	1	8	1	2	10

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

44.2 No meeting fee was paid to the directors for attending Board meetings during the current and preceding years.

45. TRANSACTIONS WITH RELATED PARTIES

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

Name of related party	Relationship
- Ghani Global Holdings Ltd.	Parent Company
- Ghani Global Glass Ltd.	Associated Company - common directorship
- Kilowatt Labs Technologies Ltd.	-do-
- Air Ghani (Pvt.) Ltd.	-do-
- Ghani Global Foods (Pvt.) Ltd.	-do-
- Ghani Products (Pvt.) Ltd.	-do-
- Ghani Engineering (Pvt.) Ltd.	-do-
- A-One Prefabs (Pvt.) Ltd.	-do-
- Awal Engineering (Pvt) Ltd.	-do-
- A-One Batteries (Pvt.) Ltd.	-do-
- Mr. Masroor Ahmad Khan	Director/ shareholder
- Mr. Atique Ahmad Khan	-do-
- Hafiz Farooq Ahmad	-do-
- Provident Fund Trust	Employees' retirement fund

45.1 Transactions with related parties

Relationship with related party	Nature of transaction	2023 Rupees in thousand	2022
Holding Company	Commission against corporate guarantees	3,958	2,744
	Return on advances given	0	387
	Purchases	19,099	54,925
Associated Company - Ghani Global Glass Ltd.	Sales	192,743	110,250
	Sale of fixed assets	0	116,401
	Return on advances given	114,858	6,768
	Return on advances	0	1,988
	Expenses shared	496,316	470,723
Other Associated Companies	Return on advances given	586	3,889
	Key management personnel (directors)		
	Sale of vehicle	0	30,000
	Sale of investment	75	0
Employees' provident fund trust			
	Contribution paid	29,875	26,436

46. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial instruments by category

	2023	Restated 2022
	Rupees in thousand	
Financial assets		
At amortised cost		
Long term deposits	67,193	67,193
Trade debts	1,040,385	1,054,626
Trade deposits, bank profit and other receivables	143,597	144,276
Bank balances	524,781	854,801
	<u>1,775,956</u>	<u>2,120,896</u>
Financial liabilities		
At amortised cost		
Long term finances	1,493,931	910,313
Redeemable capital - Sukuk	162,500	379,167
Long term security deposits	49,091	44,266
Lease liabilities	6,121	6,040
Gas Infrastructure Development Cess	21,684	20,578
Trade and other payables	277,329	118,466
Accrued profit	122,787	83,198
Short term borrowings	1,127,439	1,364,564
	<u>3,260,882</u>	<u>2,926,592</u>

46.1 Financial Risk Factors

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

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

46.2 Market risk

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

(a) Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company is exposed to currency risk on import of stores & spares and stock-in-trade mainly denominated in U.S. \$. The Company is not exposed to foreign currency risk as at June 30, 2023 and June 30, 2022 as it has no foreign currency funded financial instrument at the respective reporting dates.

(b) Profit rate risk

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

	2023	2022	2023	2022
	Effective rates per annum		Carrying amount	
			Rupees in thousand	
Fixed rate instruments				
Cash at banks on deposit accounts	5.97% to 17.08%	2.75% to 8.5%	291,198	714,316
Variable rate instruments				
Long term finances	SBP rate + 3 months to 1 year KIBOR + 1%	SBP rate + 3 months to 1 year KIBOR + 1%	1,493,931	910,313
Redeemable capital - Sukuk	3 months KIBOR + 1%	3 months KIBOR + 1%	162,500	379,167
Lease liabilities	8.50 to 8.85%	8.50 to 8.85%	6,121	6,040
Short term borrowings	11.58% to 23.88%	8.20% to 16.54%	1,127,439	1,351,927

Fair value sensitivity analysis for fixed rate instruments

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

Fair value sensitivity analysis for variable rate instruments

At June 30, 2023, if profit rate on variable rate financial liabilities had been 1% higher / lower with all other variables held constant, profit before taxation for the year would have been lower / higher by Rs.27.900 million (2022: Rs.26.474 million) mainly as a result of higher profit rates.

(c) Price risk

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

46.3 Credit risk exposure and concentration of credit risk

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

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

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

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

Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2023 along with comparative is tabulated below:

	2023	Restated 2022
	Rupees in thousand	
Long term deposits	67,193	67,193
Trade debts	1,040,385	1,054,626
Trade deposits, bank profit and other receivables	143,597	144,276
Bank balances	524,781	854,801
	1,775,956	2,120,896

Out of the total financial assets credit risk is concentrated in trade debts and balances with banks as they constitute 88% (2022: 89%) of the total financial assets. The Company's exposure to credit risk in respect of trade debts other than Government parties is influenced mainly by the individual characteristics of each customer. The Company establishes an allowance for expected credit loss that represents its estimate of incurred losses in respect of trade debts except for Government parties.

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

Trade debts of the Company are not exposed to significant credit risk as the Company trades with credit worthy customers. Trade debts except for Government parties aggregating Rs.681.812 million (2022: Rs.641.261 million) are past due of which Rs.19.856 million (2022: Rs.16.027 million) have been impaired. Required allowance as determined by management as per IFRS 9 - 'Financial instruments - recognition and measurement' has been made in these financial statements.

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

Bank balances

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

	Rating		Rating agency	2023	2022
	Short term	Long term		Rupees in thousand	
Bank Alfalah Ltd.	A1+	AA+	PACRA	63,199	1,467
The Bank of Punjab	A1+	AA+	PACRA	168	1,029
Allied Bank Ltd.	A1+	AAA	PACRA	333	4,042
Askari Bank Ltd.	A1+	AA+	PACRA	118,341	90,353
BankIslami Pakistan Ltd.	A1	A+	PACRA	772	3,490
Dubai Islamic Bank (Pakistan) Ltd.	A-1+	AA	VIS	0	70
Faysal Bank Ltd.	A1+	AA	PACRA	1,383	440
JS Bank Ltd.	A-1+	AA-	PACRA	515	108
National Bank of Pakistan	A-1+	AAA	VIS	42,208	40,075
Habib Metropolitan Bank Ltd.	A1+	AA+	PACRA	206,576	272,980
MCB Bank Ltd.	A1+	AAA	PACRA	12	12
Al-Baraka Bank (Pakistan) Ltd.	A1	A	PACRA	3,343	11,513
Habib Bank Ltd.	A-1+	AAA	VIS	12,930	51,287
Meezan Bank Ltd.	A-1+	AAA	VIS	71,131	18,596
Soneri Bank Ltd.	A1+	AA-	PACRA	2,252	3,976
Bank Al Habib Ltd.	A1+	AAA	PACRA	1,517	9
The Bank of Khyber	A1	A	PACRA	101	49
				524,781	499,496
Balances of GTECH:					
The Bank of Punjab				0	4,431
Al-Baraka Bank (Pakistan) Ltd.				0	47,099
Bank Alfalah Ltd.				0	302,371
Habib Metropolitan Bank Ltd.				0	741
Habib Bank Ltd.				0	663
				524,781	854,801

Liquidity risk

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

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

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

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

Year ended June 30, 2023

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

Year ended June 30, 2022

Long term finances	910,313	874,605	198,233	237,391	438,981
Redeemable capital - Sukuk	379,167	438,715	263,395	175,320	0
Long term security deposits	44,266	44,266	0	44,266	0
Lease liabilities	6,040	30,572	301	1,745	28,526
Gas Infrastructure					
Development Cess	20,578	22,638	11,319	11,319	0
Trade and other payables	118,466	118,466	118,466	0	0
Accrued profit	83,198	83,198	83,198	0	0
Short term borrowings	1,364,564	1,536,724	1,536,724	0	0
	2,926,592	3,149,184	2,211,636	470,041	467,507

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

47. CAPITAL RISK MANAGEMENT

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

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The Company also monitors capital using a gearing ratio, which is net debt comprising of profit bearing long term & short term finances and lease liabilities less cash & bank balances. Capital signifies equity as shown in the statement of financial position plus net debt. The gearing ratio as at June 30, 2023 and June 30, 2022 is as follows:

	2023	Restated 2022
	Rupees in thousand	
Total debt	2,789,991	2,660,084
Cash and bank balances	(525,173)	(855,168)
Net debt	2,264,818	1,804,916
Share capital	5,001,879	4,347,163
Share premium	164,011	300,000
Revaluation surplus on freehold land and leasehold land	497,278	298,727
Merger reserve	1,342,746	1,342,746
Unappropriated profit	1,824,044	1,316,153
Equity	8,829,958	7,604,789
Capital	11,094,776	9,409,705
Gearing ratio (Net debt / (Net debt + Equity))	20.41%	19.18%

48. SEGMENT REPORTING

48.1 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.

48.2 Segment results were as follows:

	----- Year ended -----					
	Year ended June 30, 2023			Year ended June 30, 2022		
	Industrial and Medical Gases	Industrial Chemicals	Total	Industrial and Medical Gases	Industrial Chemicals	Total
	----- Rupees in thousand -----					
Net sales	3,484,521	847,675	4,332,196	3,655,555	558,534	4,214,089
Cost of sales	(2,161,144)	(711,214)	(2,872,358)	(1,964,711)	(499,923)	(2,464,634)
Gross profit	1,323,377	136,461	1,459,838	1,690,844	58,611	1,749,455
Distribution cost	(187,622)	(5,803)	(193,425)	(294,848)	(9,119)	(303,967)
Administrative expenses	(204,842)	(10,781)	(215,623)	(179,198)	(8,165)	(187,363)
	(392,464)	(16,584)	(409,048)	(474,046)	(17,284)	(491,330)
Segment profit	930,913	119,877	1,050,790	1,216,798	41,327	1,258,125
Unallocated corporate expenses						
Other expenses			(75,702)			(106,352)
Other income			330,934			285,121
			1,306,022			1,436,894
Finance cost			(374,382)			(229,626)
Share of profit from Associate			0			18,047
Profit before taxation			931,640			1,225,315
Taxation			(423,749)			(354,866)
Profit after taxation			507,891			870,449

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

	As at June 30, 2023			As at June 30, 2022		
	Industrial and Medical Gases	Industrial Chemicals	Total	Industrial and Medical Gases	Industrial Chemicals	Total
	----- Rupees in thousand -----					
Segment assets	9,716,828	55,031	9,771,859	8,139,512	127,999	8,267,511
Unallocated assets			3,355,764			3,168,144
Total assets			13,127,623			11,435,655
Segment liabilities	1,996,996	3,554	2,000,550	2,209,940	4,535	2,214,475
Unallocated liabilities			2,297,115			1,616,391
Total liabilities			4,297,665			3,830,866

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

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

48.5 One (2022: Nil) of the Company's customers having sales aggregating Rs.1,334,526 thousand contributed towards 26.11% of the Company's gross sales.

49. PLANT CAPACITY AND ACTUAL PRODUCTION

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

	2023	2022
	----- Cubic Meter -----	
Industrial and medical gases		
Production at normal capacity - gross	98,846,964	78,897,955
Production at normal capacity - net of normal losses	90,939,207	72,713,628
Actual production - net of normal losses	58,483,480	59,318,060
Efficiency achieved	<u>64%</u>	<u>82%</u>

49.1 Under-utilisation

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

50. Disclosure Requirements for All Shares Islamic Index

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

	2023		2022	
	Carried under		Carried under	
	Non - Sharia arrangements	Sharia arrang- ements	Non - Sharia arrangements	Sharia arrang- ements
	----- Rupees in thousand -----			
Loans and advances obtained as per Islamic mode				
Long term financing	0	1,677,926	0	1,298,836
Short term borrowings	0	1,127,439	0	1,364,564
Bank balances - current and deposits	0	524,781	0	854,801
Profit earned from bank deposits	0	153,064	0	9,362
Revenue earned	0	4,332,196	0	4,214,089
Profit paid	0	364,173	0	221,794

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

	2023	2022
	(Number)	
51. NUMBER OF EMPLOYEES		
Total number of employees at the year-end	<u>309</u>	<u>309</u>
Average number of employees during the year	<u>317</u>	<u>308</u>

52. DISCLOSURES RELATING TO PROVIDENT FUND

The Company operates funded contributory provident fund scheme for all its permanent and eligible employees. The following information is based on the audited financial statements for the year ended June 30, 2023 and June 30, 2022.

		2023	2022
		Rupees in thousand	
(i) Size of the Fund - total assets		<u>72,411</u>	<u>155,708</u>
(ii) Cost of investments made	52.1	<u>15,521</u>	<u>77,718</u>
(iii) Percentage of investments made		<u>21.43%</u>	<u>49.91%</u>
(iv) Fair value of investments		<u>15,521</u>	<u>77,718</u>

52.1 Cost of investments is as follows:

Investments in listed equity collective investment schemes / mutual funds / debt securities and money markets	<u>15,521</u>	<u>77,718</u>
---	---------------	---------------

53. CORRESPONDING FIGURES

Corresponding figures have been extracted from the audited financial statements of the Company and G 3 Technologies Ltd. (GTECH) for the year ended June 30, 2022 and reviewed financial statements of GTECH for the six months period ended December 31, 2021.

54. DATE OF AUTHORISATION FOR ISSUE

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



Hafiz Farooq Ahmad
(Chief Executive Officer)



Asim Mahmud
(Chief Financial Officer)



Atique Ahmad Khan
(Director)



GHANI CHEMICAL INDUSTRIES LIMITED

8th Annual General Meeting

FORM OF PROXY

I/We _____

of _____

being a member of GHANI CHEMICAL INDUSTRIES LIMITED _____

_____ hereby appoint _____

of _____

failing him _____

as my / our Proxy to attend act and vote for me/us on my/our behalf at Annual General Meeting of the members of the Company to be held at Lahore on Saturday, October 28, 2023 at 11:30 AM and at any adjournment(s) thereof.

Signed this _____ day of October 2023.

Sign by the said Member

Signed in the presence of:

1. Signature: _____

Name: _____

Address: _____

CNIC/Passport No. _____

2. Signature: _____

Name: _____

Address: _____

CNIC/Passport No. _____

Information required		For Member (Shareholder)	For Proxy	For alternate Proxy (*)
			(If member)	
Number of shares held				
Folio No.				
CDC Account No.	Participant I.D.			
	Account No.			

Affix
Revenue
Stamp of
Rs.5/

(*) Upon failing of appointed Proxy.

غنی کیمیکل انڈسٹریز لمیٹڈ



آٹھواں سالانہ اجلاس عام / پراکسی فارم برائے

میں مسٹی/مسماة _____ ساکن _____

ضلع _____ بحیثیت ممبر غنی کیمیکل انڈسٹریز لمیٹڈ، مسٹی/مسماة _____

ساکن _____ کو بطور مختار (پراکسی) مقرر کرتا ہوں تاکہ وہ میری جگہ اور میری طرف سے

کمپنی کے سالانہ اجلاس عام جو بتاریخ ہفتہ 28 اکتوبر 2023 صبح 11:30 بجے کمپنی کے رجسٹرڈ آفس لاہور میں منعقد ہو رہا ہے اور اس کے کسی ملتوی شدہ اجلاس میں ووٹ ڈالے۔

آج بروز _____ بتاریخ _____ اکتوبر 2023ء کو دستخط کئے گئے۔

دستخط ممبر

گواہان:

1. دستخط: _____ نام: _____ پتہ: _____ شناختی کارڈ / پاسپورٹ نمبر: _____
2. دستخط: _____ نام: _____ پتہ: _____ شناختی کارڈ / پاسپورٹ نمبر: _____

پانچ روپے
مالیت کے رسیدی
ٹکٹ پر دستخط

ضرورت معلومات	رکن کے لئے (شیر ہولڈر)	پراکسی کے لئے (اگر رکن ہے)	متبادل پراکسی کے لئے (*)
حصص کی تعداد			
فولیو نمبر			
سی۔ ڈی۔ سی اکاؤنٹ نمبر	پارٹنیشن آئی۔ ڈی		
	اکاؤنٹ نمبر		

(*) مقرر کردہ پراکسی کی ناکامی پر