

Faith
Experience
Innovation
Growth



Ghani Chemical Industries Limited
Manufacturers of Medical / Industrial Gases & Chemicals

CORPORATE INFORMATION

BOARD OF DIRECTORS

Masroor Ahmad Khan	Chairman
Hafiz Farooq Ahmad	Chief Executive Officer
Atique Ahmad Khan	
Rabia Atique	
Muhammad Yahya	
Mahmood Ahmed	
Hafiz Imran Lateef	

KEY MANAGEMENT

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

LEGAL ADVISOR

Asif Mahmood Khan, Advocate
DSK Law Firm, Lahore.

AUDITORS

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

SHARE REGISTRAR

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

BANKS

Albaraka Bank Pakistan Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami (Pakistan) Limited
Dubai Islamic Bank Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metro Bank Limited
JS Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Soneri Bank Limited
The Bank of Punjab

REGIONAL MARKETING OFFICE

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

REGISTERED/CORPORATE OFFICE

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

DIRECTORS' REVIEW

Dear Shareholders

Assalam-o-Alaikum Wa RehmatUllah Wa BarakatoH

The directors of your Company (Ghani Chemical Industries Limited) are pleased to present the unaudited condensed interim financial statements of the Company for the nine months ended March 31, 2023, in compliance with the requirements of Companies Act, 2017.

FINANCIAL PERFORMANCE

A comparison of the key financial results (un-audited) of your Company for the nine months as well as the third quarter ended March 31, 2023, with the same periods of last year is presented as under:

Particulars	Nine (9) months ended Rupees in '000' except EPS		3 rd Quarter ended Rupees in '000' except EPS	
	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
Sales	3,706,324	3,587,971	1,222,276	883,615
Gross Profit	1,156,688	1,351,449	384,061	303,758
Distribution cost	151,258	212,016	45,946	76,046
Administrative expenses	165,833	125,133	45,677	28,842
Operating profit	1,019,041	1,069,847	356,147	200,682
Finance cost	285,792	155,307	72,266	59,603
Profit after taxation	425,534	673,714	171,322	114,315
Other comprehensive income:				
Surplus arisen upon revaluation of freehold land	-	955,997	-	955,977
Surplus arisen upon revaluation of leasehold land	-	373,498	-	373,498
Total comprehensive Income for the period	425,534	2,003,209	171,322	1,443,810
Earnings per share Restated (EPS) Rs.	0.89	1.69	0.36	0.28

Alhamdulillah, during the 3rd quarter ended March 31, 2023, the gross sales of your Company significantly increased by more than 38% as compared to similar period of last year. Gross profit also increased by more than 26% as compared to similar period of last year. Furthermore, the operating profit and profit after taxation increased by 77% and 50% respectively, as compared to same period of last year. Despite all prevailing adverse factors of national economy and drastic increase in KIBOR/Policy rate your Company succeeded to increase Profit after taxation by more than 49% and EPS by more than 28% for the 3rd quarter March 2023 as compared to same period of last year.

By the grace of Almighty Allah despite all prevailing adverse economic and business conditions, extra-ordinary increase in utilities, petroleum products and finance cost and devaluation in Pak Rupee, your Company honored all business commitments of honorable customers' especially health care segments and dedicated long-term pipeline project.

CONVERSION/MERGER OF CLASS B ORDINARY SHARES

In order to provide equal rights to Class B Ordinary shareholders of the Company, the shareholders of the Company in their Extraordinary General Meeting held on April 17, 2023 has granted approval for conversion/merger of 22,000,000 Class B Ordinary Shares of Rs. 10/- each with and into the Ordinary Shares of the Company at the conversion ratio of 1:1.

In compliance with the above approval, the board of directors of your Company has decided and communicated the time schedule to the PSX, CDC and the SECP for conversion of GCIL Class B Ordinary Shares into ordinary shares of the Company and delisting of GCIL Class B Ordinary Shares.

DIVESTMENT OF SUBSIDIARY COMPANIES

In compliance with the approval granted by shareholders of the Company in their Extraordinary General Meeting held on December 20, 2022, your Company has disinvested its shareholdings in its 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 in order to avoid unnecessary legal formalities for attachment and publication of consolidated accounts. After completion of all relevant formalities, shareholdings in these subsidiaries have been disinvested to M/s Masroor Ahmad Khan, Atique Ahmad Khan and Hafiz Farooq Ahmad at the rate of Rs.75,000 per company.

CHANGES IN BOARD OF DIRECTORS

After conclusion of normal business items of the board meeting held on April 29, 2023, the following directors of your Company resigned due to their personal reasons:

1. Ms. Farzin Khan
2. Muhammad Ashraf Bawany

To fill the casual vacancies the board of directors of your Company in above meeting have appointed the following persons as directors of the Company:

1. Ms. Rabia Atique
2. Mr. Muhammad Yahya

FUTURE PROSPECTS

Construction work is actively in process for setup of 275 MTPD capacity ASU plant for manufacturing of medical and industrial gases and import substitute Calcium Carbide manufacturing plant at Hattar Economic Zone. Due to extra-ordinary appreciation in US \$ and hike in local prices, cost of these projects have drastically increased. Alhamdulillah sanction letter for 22 MW electricity connection for these projects has received and work is actively in progress for setup of own grid station. Partial shipments of plant and machinery have already arrived and balance shipments are delayed due to prevailing foreign currency reserve conditions in the country. However, we are confident that despite all adverse factors these shipments will arrive during July 2023 and these projects will be on board by October 2023, Insha Allah.


To meet the ongoing increase in demand of liquid gases in the country, the Board of Directors of your Company has decided to defer/place on hold the export of one of its existing 110 TPD ASU plant of the Company installed at Phool Nagar, District Kasur, to GCC region.

To step forward the board of directors of your Company has decided to provide the services to Air Ghani LLC and will enter into Erection, Procurement and Commissioning (EPC) Agreement for setup of ASU Plant in Oman.

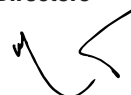
ACKNOWLEDGEMENTS

Indeed, all growth in the business of the Company was not possible without the Will and Blessings of ALMIGHTY ALLAH. The Board of Directors wishes to express gratitude to valued shareholders, banks/financial Institutions, customers and suppliers for their continuous support, cooperation and patronage. We also wish to place on record the dedication, hard work and diligence of all the executives, staff and workers of the Company.

For and behalf of Board of Directors



HAFIZ FAROOQ AHMAD
Chief Executive Officer



ATIQUE AHMAD KHAN
Director

Lahore
Dated: April 29, 2023

آرام دہ اسامیوں کو پُر کرنے کے لیے آپ کی کمپنی کے بورڈ آف ڈائریکٹرز نے مذکورہ میٹنگ میں درج ذیل افراد کو کمپنی کے ڈائریکٹرز کے طور پر مقرر کیا ہے:

1. محترمہ رابعہ عتیق 2. جناب محمد یحییٰ

مستقبل کے امکانات


حطارا کنامک زون میں طبی اور صنعتی گیسوں اور درآمدی متبادل کیمیا کار بائیڈ مینوفیکچرنگ پلانٹ کے لیے MTPD 275 صلاحیت کے ASU پلانٹ کے سیٹ اپ کے لیے تعمیراتی کام تیزی سے جاری ہے۔ امریکی ڈالر میں غیر معمولی اضافے اور مقامی قیمتوں میں اضافے کی وجہ سے ان منصوبوں کی لاگت میں زبردست اضافہ ہوا ہے۔ الحمد للہ ان منصوبوں کے لیے 22 میگا واٹ بجلی کے کنکشن کے لیے منظوری کا خط موصول ہو گیا ہے اور اپنے گریڈ سٹیشن کے قیام کے لیے کام تیزی سے جاری ہے۔ پلانٹ اور مشینری کی جزوی کھیپ پہلے ہی پہنچ چکی ہے اور غیر ملکی کرنسی کے موجودہ حالات کی وجہ سے توازن کی ترسیل میں تاخیر ہو رہی ہے۔ تاہم، ہمیں یقین ہے کہ تمام منفی عوامل کے باوجود یہ کھپیں جولائی 2023 میں پہنچ جائیں گی اور یہ منصوبے اکتوبر 2023 تک مکمل ہو جائیں گے۔


ملک میں مانع گیسوں کی طلب میں مسلسل اضافے کو پورا کرنے کے لیے، آپ کی کمپنی کے بورڈ آف ڈائریکٹرز نے پھول نگر، ضلع قصور میں نصب کمپنی کے اپنے موجودہ ASUTPD 110 پلانٹ میں سے ایک کی برآمد کو ملتوی رکھنے کا فیصلہ کیا ہے۔، جی سی سی کے علاقے میں۔

اعتراف

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

بورڈ آف ڈائریکٹرز کی طرف سے


عتیق احمد خان (ڈائریکٹر)


حافظ فاروق احمد (چیف ایگزیکٹو آفیسر)

لاہور
مورخہ 29 اپریل 2023ء

اللہ تعالیٰ کے فضل و کرم سے تمام موجودہ معاشی اور کاروباری حالات، یوٹیلیٹیز، پیٹرولیم مصنوعات اور مالیاتی لاگت میں غیر معمولی اضافے اور پاک روپے کی قدر میں کمی کے باوجود، آپ کی کمپنی نے معزز صارفین کے تمام کاروباری وعدوں کو پورا کیا، خاص طور پر صحت کی دیکھ بھال کے طبقے اور طویل عرصے سے وقفے وقفے سے۔۔ مدتی پائپ لائن پروجیکٹ۔

کلاس B کے عام حصص کی تبدیلی / انضمام

کمپنی کے کلاس B کے عام حصص یافتگان کو مساوی حقوق فراہم کرنے کے لیے، کمپنی کے حصص یافتگان نے 17 اپریل 2023 کو منعقدہ اپنی غیر معمولی جنرل میٹنگ میں 22,000,000 کلاس B کے عام حصص کے تبادلوں / انضمام کی منظوری دی ہے۔ 10/- ہر ایک کمپنی کے عام حصص کے ساتھ اور 1:1 کے تبادلوں کے تناسب پر۔

مندرجہ بالا منظوری کی تعمیل میں، آپ کی کمپنی کے بورڈ آف ڈائریکٹرز نے فیصلہ کیا ہے اور PSX، CDC اور SECP کو GCIL کلاس B کے عام حصص کو کمپنی کے عام حصص میں تبدیل کرنے اور GCIL کلاس B کے عام حصص کو ڈی لسٹ کرنے کے لیے ٹائم شیڈول کا فیصلہ کیا ہے۔

ذیلی کمپنیوں کی تقسیم

20 دسمبر 2022 کو منعقدہ غیر معمولی جنرل میٹنگ میں کمپنی کے شیئر ہولڈرز کی طرف سے دی گئی منظوری کی تعمیل میں، آپ کی کمپنی نے اپنی تین غیر فعال ذیلی کمپنیوں میں اپنے شیئر ہولڈنگز کو ختم کر دیا ہے، یعنی؛ اے ون پریفیز (پرائیویٹ) لمیٹڈ، اول انجینئرنگ (پرائیویٹ) لمیٹڈ اور اے ون بیٹریز (پرائیویٹ) لمیٹڈ جن میں ہر ایک کا برائے نام ادا شدہ سرمایہ -/25,000 روپے ہے۔ اس ہر کمپنی کو غنی کیمیکل انڈسٹریز لمیٹڈ کے اکاؤنٹس کے ساتھ منسلک کرنے اور شائع کرنے کے لیے غیر ضروری قانونی طریقہ کار سے بچنے کے لیے۔ تمام متعلقہ رسمی کارروائیوں کی تکمیل کے بعد، ان ذیلی اداروں میں شیئر ہولڈنگز میسرز مسرور احمد خان، عتیق احمد خان اور حافظ فاروق احمد کو 75,000 روپے فی کمپنی کے حساب سے بیچ دیا ہے۔

بورڈ آف ڈائریکٹرز میں تبدیلی

29 اپریل 2023 کو منعقدہ بورڈ آف ڈائریکٹرز کے اجلاس کے معمول کے مطابق کاروبار کے اختتام کے بعد، آپ کی کمپنی کے درج ذیل ڈائریکٹرز نے اپنی ذاتی وجوہات کی بنا پر استعفیٰ دے دیا:

1. محترمہ فرزین خان
2. جناب محمد اشرف باوانی

ڈائریکٹرز کی جائزہ رپورٹ

پیارے شیئر ہولڈرز

السلام وعلیکم ورحمۃ اللہ وبرکات

آپ کی کمپنی (غنی کیمیکل انڈسٹریز لمیٹڈ) کے ڈائریکٹر کمینیز ایکٹ 2017 کے تقاضوں کی تعمیل کرتے ہوئے 31 مارچ 2023 کو ختم ہونے والے نو مہینوں کے کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی گوشواروں کو پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالیاتی کارکردگی

الحمد للہ، 31 مارچ 2023 کو ختم ہونے والی تیسری سہ ماہی کے دوران، آپ کی کمپنی کی مجموعی فروخت میں گزشتہ سال کی اسی مدت کے مقابلے میں 38 فیصد سے زیادہ کا نمایاں اضافہ ہوا ہے۔ مجموعی منافع میں بھی گزشتہ سال کی اسی مدت کے مقابلے میں 26 فیصد سے زیادہ اضافہ ہوا۔ مزید برآں، آپریٹنگ منافع اور ٹیکس لگانے کے بعد منافع میں بالترتیب 77% اور 50% کا اضافہ ہوا، جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں ہے۔ قومی معیشت کے تمام مروجہ منفی عوامل اور KIBOR / پالیسی کی شرح میں زبردست اضافے کے باوجود آپ کی کمپنی نے گزشتہ سال کی اسی مدت کے مقابلے میں 2023 کی تیسری سہ ماہی میں ٹیکس کے بعد منافع میں 49% سے زیادہ اور EPS میں 28% سے زیادہ اضافہ کرنے میں کامیابی حاصل کی۔

Particulars	Nine (9) months ended Rupees in '000' except EPS		3 rd Quarter ended Rupees in '000' except EPS	
	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
Sales	3,706,324	3,587,971	1,222,276	883,615
Gross Profit	1,156,688	1,351,449	384,061	303,758
Distribution cost	151,258	212,016	45,946	76,046
Administrative expenses	165,833	125,133	45,677	28,842
Operating profit	1,019,041	1,069,847	356,147	200,682
Finance cost	285,792	155,307	72,266	59,603
Profit after taxation	425,534	673,714	171,322	114,315
Other comprehensive income:				
Surplus arisen upon revaluation of freehold land	-	955,997	-	955,977
Surplus arisen upon revaluation of leasehold land	-	373,498	-	373,498
Total comprehensive Income for the period	425,534	2,003,209	171,322	1,443,810
Earnings per share Restated (EPS) Rs.	0.89	1.69	0.36	0.28

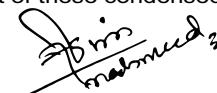
GHANI CHEMICAL INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

		March 31, 2023	June 30, 2022 Re-stated
ASSETS	Note	Rupees in thousand	
Non-current assets			
Property, plant and equipment	5	5,930,384	5,889,849
Right of use assets		383,604	391,504
Intangible assets		493	2,714
Investments		-	75
Long term deposits		67,193	67,193
		<u>6,381,674</u>	<u>6,351,335</u>
Current assets			
Stores, spares and loose tools		798,778	246,754
Stock-in-trade		65,790	135,260
Trade debts		979,810	1,051,199
Loan and advances		1,961,428	672,457
Deposits, prepayments and other receivables		422,988	433,405
Short term Investment		200,000	659,000
Tax refunds due from Government		-	23,861
Advance income tax		361,743	417,797
Cash and bank balances		1,115,477	855,167
		<u>5,906,014</u>	<u>4,494,900</u>
Non-current assets held for sale		52,250	678,878
Total assets		<u>12,339,938</u>	<u>11,525,113</u>
Equity and liabilities			
Share capital and reserves			
Share capital	6	5,001,879	4,347,163
Share premium		164,011	300,000
Revaluation surplus on freehold and leasehold land		-	298,727
Merged reserves		1,342,746	1,342,746
Unappropriated profit / (accumulated loss)		1,741,687	1,316,153
Total equity		<u>8,250,323</u>	<u>7,604,789</u>
Non-current liabilities			
Long term finances	7	1,180,510	756,211
Redeemable capital - Sukuk		-	162,500
Long term security deposits		49,091	44,266
Lease liabilities		5,306	5,739
Deferred liabilities		606,833	456,314
		<u>1,841,740</u>	<u>1,425,030</u>
Current liabilities			
Trade and other payables		643,784	432,559
Accrued profit		100,122	83,198
Unclaimed dividend		491	491
Short term borrowings		848,157	1,364,564
Current portion of non-current liabilities		487,416	380,125
Taxation		167,905	234,357
		<u>2,247,875</u>	<u>2,495,294</u>
Total liabilities		<u>4,089,615</u>	<u>3,920,324</u>
Contingencies and commitments	8		
Total equity and liabilities		<u>12,339,938</u>	<u>11,525,113</u>

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



Hafiz Farooq Ahmad
Chief Executive Officer



Asim Mahmud
Chief Financial Officer

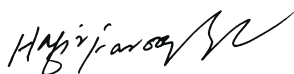


Atique Ahmad Khan
Director

GHANI CHEMICAL INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Nine months period ended		Quarter ended		
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
Note	----- Rupees in '000 -----				
Sales	3,706,324	3,587,971	1,222,276	883,615	
Less: sales tax	(557,392)	(414,602)	(197,192)	(124,511)	
Sales - net	3,148,932	3,173,369	1,025,084	759,104	
Cost of sales	(1,992,244)	(1,821,920)	(641,023)	(455,346)	
Gross profit	1,156,688	1,351,449	384,061	303,758	
Distribution cost	(151,258)	(212,016)	(45,946)	(76,046)	
Administrative expenses	(165,833)	(125,133)	(45,677)	(26,842)	
Other expenses	(60,269)	(72,680)	(21,288)	(12,413)	
Other income	239,713	128,227	84,997	12,225	
	(137,647)	(281,602)	(27,914)	(103,076)	
Profit from operations	1,019,041	1,069,847	356,147	200,682	
Finance cost	(285,792)	(155,307)	(72,266)	(59,603)	
Profit before taxation	733,249	914,540	283,881	141,079	
Share of profit from associated company	-	6,334	-	3,730	
Profit before taxation	733,249	920,874	283,881	144,809	
Taxation	(307,715)	(247,160)	(112,559)	(30,494)	
Profit after taxation	425,534	673,714	171,322	114,315	
Other comprehensive income					
Surplus arisen upon revaluation of freehold land	-	955,997	-	955,997	
Surplus arisen upon revaluation of leasehold land	-	373,498	-	373,498	
	-	1,329,495	-	1,329,495	
Total comprehensive income for the year	425,534	2,003,209	171,322	1,443,810	
Earnings per share Restated	9	0.89	1.66	0.36	0.28

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



Hafiz Farooq Ahmad
Chief Executive Officer



Asim Mahmud
Chief Financial Officer



Atique Ahmad Khan
Director

GHANI CHEMICAL INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

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

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

Balance as at June 30, 2021	1,535,250	913,951	-	-	463,285	2,912,486
Proceeds from right shares issued during the period	-	-	-	-	-	-
	100,000	300,000	-	-	-	400,000
Total comprehensive income for the period ended March 31, 2022	-	-	1,329,495	-	673,714	2,003,209
Bonus shares issued during the period	1,962,300	(913,951)	(1,030,768)	-	(17,581)	-
Balance as at March 31, 2022	3,597,550	300,000	298,727	-	1,119,418	5,315,695
Balance as at June 30, 2022 restated	4,347,163	300,000	298,727	1,342,746	1,316,153	7,604,789
Proceeds from right shares issued during the period	220,000	-	-	-	-	220,000
Total comprehensive income for the period ended March 31, 2023	-	-	-	-	425,534	425,534
Bonus shares issued during the period	434,716	(135,989)	(298,727)	-	-	-
Balance as at period March 31, 2023	5,001,879	164,011	-	1,342,746	1,741,687	8,250,323

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



Hafiz Farooq Ahmad
Chief Executive Officer



Asim Mahmud
Chief Financial Officer



Atique Ahmad Khan
Director

GHANI CHEMICAL INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	March 31, 2023	March 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year - before taxation	733,249	920,874
Adjustments for non-cash charges and other items:		
Finance cost	285,792	155,307
Depreciation	116,064	103,888
Amortisation of intangible assets	2,221	2,221
Amortisation of right-of-use assets	7,900	6,480
Gain on disposal of operating fixed assets	(7,470)	(95,402)
Provision for Gas Infrastructure and Development Cess	-	785
Share of profit from associated company	-	(6,334)
Allowance for expected credit loss	5,000	-
Amortisation of deferred income	(323)	(1,575)
Profit before working capital changes	<u>1,142,433</u>	<u>1,086,244</u>
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(552,024)	(262,764)
Stock-in-trade	69,470	(79,621)
Trade debts	66,389	(218,700)
Loan and advances	(1,288,971)	(343,245)
Deposits, prepayments and other receivables	10,417	(28,124)
Short term Investment	459,000	-
Tax refunds due from Government	24,749	(30,178)
(Decrease) / increase in current liabilities:		
Trade and other payables	210,375	313,729
	<u>(1,000,595)</u>	<u>(648,903)</u>
Cash generated from / (used in) operations	<u>141,838</u>	<u>437,341</u>
Income tax paid - net	(167,594)	(57,225)
Net cash (used in) / generated from operating activities	<u>(25,756)</u>	<u>380,116</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(215,953)	(482,267)
Proceeds from sale of operating fixed assets	66,824	213,050
Investments made	75	(398,793)
Non-current assets held for sale	626,628	-
Net cash generated from / (used in) investing activities	<u>477,574</u>	<u>(668,010)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease liabilities	(433)	-
Long term finances	531,913	163,795
Redeemable capital - Sukuk (redeemed)	(162,500)	(162,501)
Long term security deposits - net	4,825	(8,236)
Short term borrowings	(516,407)	508,098
Proceeds from issue of right issue	220,000	400,000
Finance cost paid	(268,906)	(133,107)
Net cash (used in) / generated from financing activities	<u>(191,508)</u>	<u>768,049</u>
Net increase in cash and cash equivalents	<u>260,310</u>	<u>480,155</u>
Cash and cash equivalents at the beginning of the period	<u>855,167</u>	<u>63,418</u>
Cash and cash equivalents at the end of the period	<u><u>1,115,477</u></u>	<u><u>543,573</u></u>

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



Hafiz Farooq Ahmad
Chief Executive Officer



Asim Mahmud
Chief Financial Officer



Atique Ahmad Khan
Director

GHANI CHEMICAL INDUSTRIES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

1. LEGAL STATUS AND OPERATIONS

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

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

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

- 1.1. The Board of Directors (the Board) of G3 Technologies Ltd. (GTECH) in their meeting held on April 14, 2022 has decided to merge GTECH with and into Ghani Chemical Industries Ltd. (an Associated Company). The Board had also decided to file a petition before the Lahore High Court (LHC), Lahore for sanctioning the Scheme of Merger after completion of all related formalities. The Board also decided to hold Extraordinary General Meeting of GTECH on May 07, 2022 for approval of disinvestment of 22,000,000 ordinary shares of Ghani Chemical Industries Ltd. The LHC has approved the Joint Petition filed by the Company and GTECH vide its order dated October 11, 2022.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

2.3 Basis of measurement

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

2.4 Functional and presentation currency

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

3. Significant accounting policies

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

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

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

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

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

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

4. Accounting estimates and judgements

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

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended June 30, 2022.

5. PROPERTY, PLANT AND EQUIPMENT		Un-audited March 31, 2023	Audited June 30, 2022
	Note	Rupees in thousand	
Operating fixed assets	5.1	5,804,580	5,869,182
Capital work-in-progress	5.2	125,804	20,667
		<u>5,930,384</u>	<u>5,889,849</u>
5.1 Operating fixed assets - tangible			
Opening book value		5,869,182	3,924,368
Add: addition during the period / year	5.1.1	110,816	1,407,155
Less: book value of the disposals	5.1.2	(59,354)	(228,390)
Less: book value of the held for sale		-	(52,250)
Add: surplus on revaluation		-	955,997
		<u>5,920,644</u>	<u>6,006,880</u>
Less: depreciation charged during the period / year		(116,064)	(137,698)
Closing book value		<u>5,804,580</u>	<u>5,869,182</u>
5.1.1 Addition during the period / year			
Plant and machinery		18,622	1,047,721
Land		-	126,000
Building		-	141,569
Furniture and fixtures		6,736	2,098
Office equipment's		511	4,765
Computers		1,216	1,550
Vehicles		83,731	83,452
		<u>110,816</u>	<u>1,407,155</u>
5.1.2 Book value of disposals during the period / Year			
Plant and machinery		149	163,865
Vehicles		3,205	27,775
Land - Leasehold		56,000	36,750
		<u>59,354</u>	<u>228,390</u>
5.2 Capital work in progress - at cost			
Plant and machinery	5.3	125,804	20,667
		<u>125,804</u>	<u>20,667</u>

	Un-audited March 31,	Audited June 30,
5.3 Plant and machinery		
Opening balance	20,667	146,604
Additions during the year	105,137	921,482
Capitalized during the year	-	(1,047,419)
Closing balance	<u>125,804</u>	<u>20,667</u>
6. SHARE CAPITAL		
6.1 Authorized share capital		
800,000,000 (June 30, 2022: 550,000,000) ordinary shares of Rs.10 each	<u>8,000,000</u>	5,500,000
50,000,000 (June 30, 2022: Nil) Class B shares of Rs.10 each	500,000	-
	<u>8,500,000</u>	<u>5,500,000</u>
6.2 Issued, subscribed and paid up share capital		
53,525,000 (June 30, 2022: 53,525,000) ordinary shares of Rs.10 each fully paid in cash	535,250	535,250
100,000,000 (June 30, 2022: 100,000,000) ordinary shares of Rs.10 each issued for consideration other than cash i.e. Scheme of Arrangement	1,000,000	1,000,000
10,000,000 ordinary shares issued as right shares of Rs.10 each fully paid	100,000	100,000
43,471,634 (June 30, 2022: 196,230,000) ordinary shares of Rs.10 each issued as fully paid bonus shares	2,397,016	1,962,300
74,961,338, Ordinary shares of Rs.10 each issued for consideration other than cash under Scheme of compromises, arrangement and reconstruction	<u>749,613</u>	749,613
Total Issued, subscribed and paid up share capital of ordinary shares	<u>4,781,879</u>	4,347,163
22,000,000 ordinary shares issued as right Class b shares of Rs.10 each fully paid	<u>220,000</u>	-
Total Issued, subscribed and paid up share capital	<u>5,001,879</u>	<u>4,347,163</u>

	Un-audited March 31, 2023	Audited June 30, 2022
6.3 Shares held by related parties		
Ghani Global Holdings Ltd.	279,905,983	251,459,985
Ghani Products (Pvt.) Ltd.	86,631,490	79,055,900
	366,537,473	330,515,885

7. LONG TERM FINANCES

	Un-audited March 31, 2023	Audited June 30, 2022
From banking companies - secured Diminishing Musharakah	Rupees in thousand 1,442,226	910,313
Current portion grouped under current liabilities	(261,716)	(154,102)
	1,180,510	756,211

8. CONTINGENCIES AND COMMITMENTS

Contingencies

- 8.1 There are no material changes in contingencies as disclosed in the note to the financial statements for the year ended June 30, 2022.

Commitments

- 8.2 Commitments in respect of letters of credit amounted to Rs.1,915.360 million (June 30, 2022: Rs.1,535.066 million).
- 8.3 Commitments for construction of buildings as at reporting amounted Rs.300 million (June 30, 2022: Rs.100 million).

9. EARNINGS PER SHARE

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

	March 31, 2023	March 31, 2022
	Rupees in thousand	
Profit after taxation attributable to ordinary shareholders	425,534	673,714
	(Number of shares)	
Weighted average number of ordinary shares in issue during the year	478,187,971	Restated 405,819,024
	----- Rupees -----	
Earnings per share - basic	0.89	1.66

10. TRANSACTIONS WITH RELATED PARTIES

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

Name of related party	Relationship
- Ghani Global Holdings Ltd.	Parent Company
- Ghani Global Glass Ltd.	Associated Company
- Mr. Masroor Ahmad Khan	Director/ shareholder
- Mr. Atique Ahmad Khan	-do-
- Hafiz Farooq Ahmad	-do-
- Provident Fund Trust	Employees' retirement fund

10.1 Transactions with related parties

Relationship with related party	Nature of transaction	March 31, 2023	March 31, 2022
		Rupees in thousand	
Holding Company	Commission against corporate guarantee	2,808	1,633
	Return on advances	-	387
	Purchases	-	30,418
Associated Company	Sale of raw material	95,707	49,596
	Return on advances given	71,703	1,012
	Return on advance received	-	1,988
	Sharing of expenses	312,430	369,779
Provident fund trust	Contribution paid	22,604	19,184

11. SEGMENT REPORTING

11.1 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.

11.2 Segment results were as follows:

	Nine months ended March 31, 2023			Nine months ended March 31, 2022		
	Industrial and Medical Gases	Industrial Chemicals	Total	Industrial and Medical Gases	Industrial Chemicals	Total
----- Rupees in thousand -----						
Net sales	2,612,296	536,636	3,148,932	2,846,147	327,222	3,173,369
Cost of sales	(1,533,486)	(458,758)	(1,992,244)	(1,496,983)	(324,937)	(1,821,920)
Gross profit / (loss)	1,078,810	77,878	1,156,688	1,349,164	2,285	1,351,449
Distribution cost	(143,695)	(7,563)	(151,258)	(205,656)	(6,360)	(212,016)
Administrative expenses	(152,566)	(13,267)	(165,833)	(118,876)	(6,257)	(125,133)
	(296,261)	(20,830)	(317,091)	(324,532)	(12,617)	(337,149)
Segment profit / (loss)	782,549	57,048	839,597	1,024,632	(10,332)	1,014,300
Unallocated corporate expenses						
Other expenses			(60,269)			(72,680)
Other income			239,713			128,227
			1,019,041			1,069,847
Finance cost			(285,792)			(155,307)
Share of profit of associated company			-			6,334
Profit before taxation			733,249			920,874
Taxation			(307,715)			(247,160)
Profit after taxation			425,534			673,714

11.3 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.

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

12. Financial risk management

12.1. Financial risk factors

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

These condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's financial statements as at and for the year ended June 30, 2022.

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

12.2. Fair value estimation

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

13. Corresponding figures

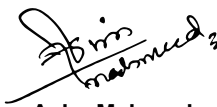
The comparative condensed interim statement of financial position presented in these condensed interim financial statements has been extracted from the audited unconsolidated financial statements of the Company and G3 Technologies Ltd. for the year ended June 30, 2022, whereas the comparative condensed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

14. Date of authorization for issue

These condensed interim financial statements were approved and authorized for issue by the Board of Directors of the Company on April 29, 2023.



Hafiz Farooq Ahmad
Chief Executive Officer



Asim Mahmud
Chief Financial Officer



Atique Ahmad Khan
Director



Ghani Global Group

Corporate Office:

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