



1st Quarter
2017



Faith
Experience
Innovation
Growth

Ghani Gases Limited
Manufacturer of Industrial & Medical Gases

CONTENTS

CORPORATE INFORMATION

UNCONSOLIDATED FINANCIAL STATEMENTS

- 03 Directors' Report
- 07 Directors' Report In Urdu Language
- 08 Balance Sheet
- 09 Profit & Loss Account
- 10 Statement of Comprehensive Income
- 11 Statement of Changes In Equity
- 12 Cash Flow Statement
- 13 Notes to the Financial Information

CONSOLIDATED FINANCIAL STATEMENTS

- 19 Directors' Report
- 21 Financial Statement



CORPORATE INFORMATION

BOARD OF DIRECTORS

Masroor Ahmad Khan
Atique Ahmad Khan
Hafiz Farooq Ahmad
Mian Zahid Said
Ayesha Masroor
Rabia Atique
Saira Farooq
Farzand Ali

AUDIT COMMITTEE

Mian Zahid Said - Chairman
Masroor Ahmad Khan
Rabia Atique
Saira Farooq

COMPANY SECRETARY

Farzand Ali, FCS

AUDITORS

Rizwan & Company
Chartered Accountants
Member Firm of DFK International

GGL-I PLANT

52-K.M. Lahore Multan Road,
Phool Nagar Distt. Kasur
Ph: (042) 37006353-54, Fax: (042) 37006356
E-mail: ggl1plant@ghaniglobal.com

GGL-II PLANT

53-A, Chemical Area, Eastern Industrial Zone,
Port Qasim, Karachi.
Ph: (021) 34740540-41, Fax: (021) 34740542
E-mail: ggl2plant@ghaniglobal.com

GGL-SITE

Mian G.T. Road, Tarnol, Islamabad
E-mail: sales.west@ghaniglobal.com

LEGAL ADVISOR

DSK Law, Lahore

HR & R COMMITTEE

Mian Zahid Said - Chairman
Atique Ahmad Khan
Ayesha Masroor
Saira Farooq

Chairman
Chief Executive Officer
Director
Director
Director
Director
Director
Director
Director

CHIEF FINANCIAL OFFICER

Asim Mahmud, FCA

SHARE REGISTRAR

Vision Consulting Limited 1st Floor
3-C, LDA Flats, Lawrence Road LHR
Tel: 042-36375531, 36375339, Fax: 042-36312550

BANKERS

Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Bank Al Habib Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
Habib Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Standard Chartered Bank Limited
Summit Bank Limited
Soneri Bank Limited
The Bank of Punjab
The Bank of Khyber
United Bank Limited

REGIONAL MARKETING OFFICE

215, Block C, Gilshan-e-Jmal Near Al Hilal
Masjid, Rashid Minhas Road, Karachi.
Ph: (021) 34330595
E-mail: sales.south@ghaniglobal.com

REGISTERED/CORPORATE OFFICE

10-N, Model Town Ext. Lahore-54000, Pakistan
UAN: (042) 111-Ghani 1 (442-641)
Ph: (042) 35161424-5, Fax: (042) 35160393
E-mail: info@ghaniglobal.com
Web: www.ghaniglobal.com, www.ghanigases.com

DIRECTORS' REPORT

Dear Shareholders

Assalam-o-Alaikum Wa RehmatUllah Wa Barakatoh

The Directors of your Company are pleased to present the unconsolidated (un-audited) condensed interim financial statements of **GHANI GASES LIMITED** (the Company) for the first quarter ended September 30, 2017, in compliance with the requirements of Companies Act, 2017.

OVERVIEW OF THE NATIONAL ECONOMY

Growth accelerated, mainly on recovery in agriculture and stronger manufacturing. With higher global prices for oil and other commodities, inflation slightly exceeded the forecast. The projection for the current account deficit was surpassed by a wide margin because of a very large increase in imports. Foreign exchange reserves were drawn down to fill a financing gap. For FY2018, projections for growth and inflation are maintained, but the current account deficit is expected to exceed the earlier forecast again by a wide margin. The China Pak Economic Corridor (CPEC) is opening attractive avenues for investment emerging from economic cooperation between the two rising powers of Asia. With extensive roads, railways and energy infrastructure being laid down businessmen all around Pakistan are finding new opportunities that are worth their money and time.

FINANCIAL PERFORMANCE:

Your Company's sales during the period under review have increased to Rs. 488.46 million against Rs. 352.44 million as compared with the same period of last year depicting increase of 38.59% mainly due to increased activity and increase of market share.

Gross profit has increased from Rs. 140.30 to Rs. 183.25 million if compared with the same period of last year and in terms of percentage gross profit rate decreased from 37.51% to 39.81%.

There is increase in distribution cost and small increase in administrative expenses. Operating profit of your Company has increased from Rs. 81.21 million to Rs. 104.87 million as compared to last period.

This period profit before taxation has increased to Rs. 77.15 million against profit of Rs. 59.75 million as compared to the same period of last year.

The period under review profit after taxation is amounted to Rs. 35.44 million and earnings per share (EPS) Rs. 0.28 against the profit of Rs. 13.89 million and EPS of Rs. 0.11 if compared with the same period of last year.

A comparison of the key financial results of your Company for the period ended September 30, 2017 with the same period of last year is as under:

Particulars	Rupees in '000' except EPS			
	September 2017	September 2016	Variance	%
Sales	488,463	352,441	136,022	38.59
Net Sales	429,592	311,743	117,849	37.80
Gross Profit	183,254	140,300	42,954	30.62
- As %age of net sales	42.66%	45.01%		
Distribution cost	52,242	39,043	13,199	33.81
- As %age of net sales	12.16%	12.52%		
Administrative expenses	26,393	23,305	3,088	13.25
- As %age of net sales	6.14%	7.48%		
Operating Profit	104,869	81,214	23,615	29.13
Profit before taxation	77,145	59,755	17,390	29.10
Net Profit	35,444	13,890	21,554	155.18
Earnings per share	0.28	0.11	0.17	154.55

FUTURE PROSPECTS

ALHAMDULILLAH management of your Company is seeing a continued recovery in core business in south and west regions. To capture the projected increase in demand of industrial and medical gases in southern market, your Company has decided to setup another 100 tons per day ASU plant, by way of expansion plan.

In addition to above Company has also decided to setup a calcium carbide manufacturing plant under the umbrella of subsidiary of the Company. We are proving to be most reliable supplier in the market without compromising on quality and safety.

The management of your Company has continuous focused on BMR based on its experience, research and updating of technology. Further being the energy is the only raw material of the manufacturing of industrial and medical gases, the management of the Company has been looking for different means for un-interrupted and cheap energy solutions.

ACKNOWLEDGEMENTS

The board of directors of your Company wishes to express their gratitude to valued shareholders, banks/financial Institutions, customers and suppliers for their continuous support, cooperation and patronage.

We also wish to place on record the dedication, hard work and diligence of executives, staff and workers of the Company. Needless to mention, all growth in the business of the Company is not possible without will and blessings of ALMIGHTY ALLAH.

For and behalf of Board of Directors

Lahore

Dated: October 30, 2017



ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)



HAFIZ FAROOQ AHMAD
(DIRECTOR)

برکات اور مرضی کے بغیر ممکن نہیں۔



حافظ فاروق احمد

ڈائریکٹر



عتیق احمد خان

چیف ایگزیکٹو آفیسر

لاہور

مورخہ 30 اکتوبر 2017ء

اہم مالیاتی نتائج بابت مدت 30 ستمبر 2017ء کا موازنہ مندرجہ ذیل ہے

Particulars	Rupees in '000' except EPS			
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مستقبل کے امکانات

الحمد للہ آپ کی کمپنی اپنے بنیادی کاروبار میں جنوبی اور مغربی ریجن میں مسلسل اضافہ دیکھ رہی ہے۔ جنوبی مارکیٹ میں انڈسٹریل اور میڈیکل گیسز کی ڈیمانڈ میں متوقع اضافہ کے پیش نظر آپ کی کمپنی نے توسیعی منصوبہ بندی کے تحت 100 ٹن کا ASU پلانٹ لگانے کا فیصلہ کیا۔ اسکے علاوہ کمپنی کی ذیلی کمپنی کمپنیاں کاربائیڈ کی مینوفیکچرنگ کے لئے ایک پلانٹ لگا رہی ہے۔ کوالٹی اور سیفٹی سے سمجھوتہ کئے بغیر ہم نے مارکیٹ میں اپنے آپ کو ایک قابل اعتماد سپلائر کے طور پر منوایا ہے۔ آپ کی کمپنی اپنے تجربے، ریسرچ اور جدید ٹیکنالوجی متعارف کروا کر مسلسل BMR پر توجہ دے رہی ہے۔ انڈسٹریل اور میڈیکل گیسز کی پیداوار کے لئے انرجی ہی واحد خام مال ہے جسے بلا تعطل اور سستے ذرائع سے حاصل کرنے کے لئے آپ کی کمپنی مختلف آپشن پر غور کر رہی ہے۔

اعترافات

بورڈ آف ڈائریکٹرز اپنے شیئر ہولڈرز، بینک / فنانشل انسٹی ٹیوٹس، کسٹمرز اور سپلائرز کی مسلسل حمایت، تعاون اور سرپرستی پر شکر گزار ہیں۔ ہم اپنے اعلیٰ افسران، سٹاف اور ورکرز کی پیشہ ورانہ فرائض کی ادائیگی، سخت محنت اور جان فشانی کی قدر کرتے ہیں۔ یہاں یہ ذکر ضروری ہے کہ کمپنی کے کاروبار کی تمام ترقی اللہ تعالیٰ کی

ڈائریکٹرز رپورٹ

پیارے شیئر ہولڈرز

اسلام علیکم ورحمتہ اللہ وبرکات

آپ کی کمپنی غنی گیسز لمیٹڈ (کمپنی) کے ڈائریکٹران کمپنیز ایکٹ 2017ء کی تعمیل میں کمپنی کے غیر کیجا تخفیف شدہ آڈٹ کے بغیر پہلی سہ ماہی کے حسابات بابت 30 ستمبر 2017ء پیش کرنے میں خوشی محسوس کرتے ہیں۔

اکانومی کا جائزہ

ترقی میں تیز رفتاری خصوصاً زراعت میں بہتری اور مینوفیکچرنگ مضبوط ہو رہی ہے۔ عالمی سطح پر تیل اور دوسری کارآمد اشیاء کی قیمتوں میں اضافہ سے افراط زر میں کچھ اضافہ متوقع ہے۔ امپورٹ میں اضافہ کے باعث کرنٹ اکاؤنٹ کے خسارہ میں اضافہ ہوا ہے۔ فنانشل گیپ کو پورا کرنے کی وجہ سے غیر ملکی زرمبادلہ کے ذخائر میں کمی واقع ہوئی ہے۔ مالی سال 2018ء کے ترقی اور افراط زر کے احوال حاصل ہونے کی توقع ہے مگر کرنٹ اکاؤنٹ کے خسارہ میں مزید اضافہ ہوا ہے۔ ایشیاء کی دو ابھرتی ہوئی طاقتوں کے درمیان معاشی تعاون کی بدولت چائنہ پاکستان اکنامک کوریڈور (CPEC) سرمایہ کاری کے پرکشش مواقع فراہم کر رہا ہے۔ روڈ، ریلوے اور توانائی کے بنیادی ڈھانچے میں اضافے کے باعث پاکستان کی تمام بزنس کمیونٹی کے لیے رقم اور وقت کے استعمال کے پرکشش مواقع ہیں

مالیاتی کارکردگی

آپ کی کمپنی کی سیل گذشتہ عرصے کی نسبت 352.44 ملین روپے سے بڑھ کر 488.46 ملین روپے ہو گئی جو 38.59 فیصد زیادہ ہے۔ جسکی وجہ کاروباری سرگرمی اور مارکیٹ شیئر میں اضافہ ہے۔ پچھلے عرصے سے اگر موازنہ کیا جائے تو خالص منافع 140.30 ملین روپے سے بڑھ کر 183.25 ملین روپے ہو گیا اور اگر خالص منافع کو فیصد سے موازنہ کیا جائے تو 39.81 فیصد سے کم ہو کر 37.51 فیصد ہو گیا۔

تقسیم کاری کی لاگت میں اضافہ اور انتظامی اخراجات میں معمولی اضافہ ہوا۔ آپریٹنگ منافع 81.21 ملین روپے سے بڑھ کر 104.87 ملین روپے ہو گیا۔ اگر گذشتہ سال سے موازنہ کیا جائے تو اس مدت کے دوران قبل از ٹیکس منافع 59.75 ملین روپے سے بڑھ کر 77.15 ملین روپے ہو گیا۔ زیر جائزہ مدت کے دوران بعد از ٹیکس منافع 35.44 ملین روپے اور فی شیئر منافع 0.28 روپے رہا جبکہ پچھلے عرصے کے دوران یہ منافع 13.89 ملین روپے اور فی شیئر منافع 0.11 روپے تھا۔

Condensed Interim Unconsolidated Balance Sheet

As at September 30, 2017

	Note	UN-AUDITED September 30, 2017	AUDITED June 30, 2017
(Rupees '000)			
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,949,213	2,939,108
Intangible assets		70	70
Long term investments		593,000	593,000
Long term deposits		57,656	57,756
		3,599,939	3,589,934
Current assets			
Stores, spares and loose tools		102,126	107,236
Stock in trade		24,040	37,740
Trade debts		486,168	529,520
Loans and advances		190,890	134,803
Trade deposits and prepayments		42,694	42,771
Tax refunds due from government		19,872	23,419
Other receivables		82	80
Advance income tax		274,400	265,336
Cash and bank balances		112,814	234,156
		1,253,086	1,375,061
		4,853,025	4,964,995
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 200,000,000 (June 2017: 200,000,000) ordinary shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid up share capital	6	1,247,813	1,247,813
Capital reserve - Share premium		535,067	535,067
Unappropriated profits		601,880	566,436
Loan from sponsors		445,100	638,500
Total equity		2,829,860	2,987,816
Non-current liabilities			
Long term financing	7	9,922	11,772
Redeemable capital - Sukuk		975,000	1,029,166
Long term security deposits		31,385	26,620
Deferred taxation		283,034	254,448
		1,299,341	1,322,006
Current liabilities			
Trade and other payables		120,761	105,675
Accrued profit on financing		20,464	16,535
Short term borrowings		311,000	273,000
Current portion of long term liabilities		227,699	229,179
Provision for taxation		43,900	30,784
		723,824	655,173
Total liabilities		2,023,165	1,977,179
CONTINGENCIES AND COMMITMENTS			
	8	-	-
TOTAL EQUITY AND LIABILITIES		4,853,025	4,964,995

The annexed notes from 1 to 17 form an integral part of this condensed interim unconsolidated financial information.


ATIQUE AHMAD KHAN
 (CHIEF EXECUTIVE OFFICER)


HAFIZ FAROOQ AHMAD
 (DIRECTOR)


ASIM MAHMUD
 (CHIEF FINANCIAL OFFICER)

Unconsolidated 1st Quarter 2017 **08**

Condensed Interim Unconsolidated Profit and Loss Account (un-audited)

For The First Quarter Ended September 30, 2017

	Note	FOR THE PERIOD ENDED	
		September 30, 2017	September 30, 2016
		(Rupees '000)	
Gross Sales - Local		488,463	352,441
Sales tax		(58,871)	(40,698)
Net sales		429,592	311,743
Cost of sales	9	(246,338)	(171,443)
Gross Profit		183,254	140,300
Distribution cost		(52,242)	(39,043)
Administrative expenses		(26,393)	(23,305)
Other operating expenses		(4,221)	(3,762)
		(82,856)	(66,110)
Other income		100,398	74,190
		4,471	7,024
		104,869	81,214
Finance cost		(27,724)	(21,459)
Profit before taxation		77,145	59,755
Taxation		(41,701)	(45,865)
Profit after taxation		35,444	13,890
Earnings per share			
- basic and diluted (in Rupees)	10	0.28	0.11

The annexed notes from 1 to 17 form an integral part of this condensed interim unconsolidated financial information.


ATIQUE AHMAD KHAN
 (CHIEF EXECUTIVE OFFICER)


HAFIZ FAROOQ AHMAD
 (DIRECTOR)


ASIM MAHMUD
 (CHIEF FINANCIAL OFFICER)

Condensed Unconsolidated Interim Statement of Comprehensive Income (un-audited)

For The First Quarter Ended September 30, 2017

	FOR THE PERIOD ENDED	
	September 30, 2017	September 30, 2016
	(Rupees '000)	
Net Profit for the period	35,444	13,890
Other comprehensive income	-	-
Total comprehensive income for the period	<u>35,444</u>	<u>13,890</u>

The annexed notes from 1 to 17 form an integral part of this condensed interim unconsolidated financial information.



ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)



HAFIZ FAROOQ AHMAD
(DIRECTOR)



ASIM MAHMUD
(CHIEF FINANCIAL OFFICER)

Condensed Interim Unconsolidated Statement of Changes In Equity (un-audited)

For The First Quarter Ended September 30, 2017

	Share capital	Share premium	Un-appropriated profit	Loan from sponsors	Total
	(Rupees '000)				
Balance as at July 01, 2016 - (audited)	1,247,813	535,067	429,333	501,200	2,713,413
Loan paid during the period	-	-	-	(35,000)	(35,000)
Total comprehensive income for the period	-	-	13,890	-	13,890
Balance as at September 30, 2016 - (Un-audited)	<u>1,247,813</u>	<u>535,067</u>	<u>443,223</u>	<u>466,200</u>	<u>2,692,303</u>
Balance as at July 01, 2017 - (audited)	1,247,813	535,067	566,436	638,500	2,987,816
Loan paid during the period	-	-	-	(193,400)	(193,400)
Total comprehensive income for the period	-	-	35,444	-	35,444
Balance as at September 30, 2017 - (Un-audited)	<u>1,247,813</u>	<u>535,067</u>	<u>601,880</u>	<u>445,100</u>	<u>2,829,860</u>

The annexed notes from 1 to 17 form an integral part of this condensed interim unconsolidated financial information.


ATIQUE AHMAD KHAN
 (CHIEF EXECUTIVE OFFICER)


HAFIZ FAROOQ AHMAD
 (DIRECTOR)


ASIM MAHMUD
 (CHIEF FINANCIAL OFFICER)

Condensed Interim Unconsolidated Cash Flow Statement (un-audited)

For The First Quarter Ended September 30, 2017

	Note	September 30, 2017	September 30, 2016
		(Rupees '000)	
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Cash generated from/ (used in) operations	11	161,455	(123,238)
Finance cost paid		(23,795)	(19,871)
Income tax paid		(9,063)	(9,803)
		(32,858)	(29,674)
Net cash from/(used in) operating activities		128,597	(152,912)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Property, plant and equipment purchased		(37,363)	(36,940)
Proceeds from disposal of property, plant and equipment		320	1,800
Long term investments		-	(47,000)
Net cash used in investing activities		(37,043)	(82,140)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Long term financing (repayment) / proceeds		(3,330)	101,277
Repayments of redeemable capital - Sukuk		(54,166)	-
Loan from sponsors		(193,400)	(35,000)
Short term financing		38,000	(219,593)
Dividend paid		-	(51)
Liabilities against assets subject to ijarah financing paid		-	(8,062)
Net cash used in financing activities		(212,896)	(161,429)
Net increase/(decrease) in cash and cash equivalents		(121,342)	(396,481)
Cash and cash equivalents at the beginning of the period		234,156	1,089,640
Cash and cash equivalents at the end of the period		112,814	693,159

The annexed notes from 1 to 17 form an integral part of this condensed interim unconsolidated financial information.


ATIQUE AHMAD KHAN
 (CHIEF EXECUTIVE OFFICER)


HAFIZ FAROOQ AHMAD
 (DIRECTOR)


ASIM MAHMUD
 (CHIEF FINANCIAL OFFICER)

Selected Notes To The Condensed Interim Unconsolidated Financial Information (un-audited)

For The First Quarter Ended September 30, 2017

1 LEGAL STATUS AND OPERATIONS

Ghani Gases Limited ("the Company") was incorporated in Pakistan as a private limited company under the repealed Companies Ordinance, 1984 (Now the Companies Act, 2017) on November 19, 2007, converted into public limited company on February 12, 2008 and became listed on Pakistan Stock Exchange on January 05, 2010. The registered office of the company is situated at 10-N Model Town Extension, Lahore. The Company is engaged in the manufacturing, sale and trading of medical and industrial gases and chemicals.

2 STATEMENT OF COMPLIANCE

2.1 This condensed interim unconsolidated financial information of the Company has been prepared in accordance with the International Accounting Standard (IAS) 34 'Interim Financial Reporting' as applicable in Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP) and provisions of and directives issued under the repealed Companies Ordinance, 1984 (Now the Companies Act, 2017). In case where requirements differ, the provisions of or directives issued under the repealed Ordinance have been followed.

2.2 Functional and presentation currency

This condensed interim unconsolidated financial information is presented in Pak Rupees which is the functional and presentation currency for the Company.

2.3 Changes in standards, interpretations and amendments to published approved accounting standards and IFRS

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that became effective during the period and are mandatory for accounting periods beginning on or after January 01, 2017 but are considered not to be relevant or do not have any significant effect on the company's operations and are, therefore, not disclosed in this condensed interim financial information.

2.4 Standards, interpretations and amendments to published approved accounting standards and IFRS that are not yet effective

There are other amendments to the standards and new interpretations that are mandatory for accounting periods beginning on or after January 01, 2017 but are considered not to be relevant or do not have any significant effect on company's operations and are, therefore, not detailed in this condensed interim financial information.

3 BASIS OF PREPARATION

3.1 This condensed interim unconsolidated financial information do not include the information reported for annual financial statements and should be read in conjunction with the audited annual published financial statements for the year ended June 30, 2017.

3.2 The accounting policies and methods of computations adopted for the preparation of this condensed interim unconsolidated financial information are the same as applied in the preparation of the preceding audited annual published unconsolidated financial statements of the Company for the year ended June 30, 2017.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

During preparation of this condensed interim unconsolidated financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended June 30, 2017.

		Un-audited September 30, 2017	Audited June 30, 2017
		(Rupees '000)	
5	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	2,849,066	2,838,962
	Capital work in progress - at cost	100,147	100,146
		<u>2,949,213</u>	<u>2,939,108</u>
5.1	Operating fixed assets		
	Opening book value	2,838,962	2,529,455
	Additions & transfer during the period/year	37,362	397,166
	Deletions during the period/year	(231)	(3,426)
		<u>2,876,093</u>	<u>2,923,195</u>
	Less:		
	Depreciation charged for the period/year	27,027	84,233
		<u>2,849,066</u>	<u>2,838,962</u>
5.1.1	Additions during the period/year		
	Land - Freehold	10,640	-
	Building	647	153
	Plant and machinery	25,702	367,805
	Furniture and fixtures	109	3,125
	Office equipments	83	74
	Computers	83	2,671
	Vehicles	98	23,338
		<u>37,362</u>	<u>397,166</u>
5.1.2	Deletions during the period/year		
	Plant and machinery	231	760
	Vehicles	-	2,666
		<u>231</u>	<u>3,426</u>

6 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Un-audited September 30, 2017 (NUMBER OF SHARES)	Audited June 30, 2017		Un-audited September 30, 2017 (Rupees '000)	Audited June 30, 2017
122,956,711	122,956,711	Ordinary shares of Rupees 10 each fully paid in cash	1,229,567	1,229,567
13,000	13,000	Ordinary shares of Rupees 10 each issued for consideration other than cash	130	130
1,811,575	1,811,575	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	18,116	18,116
124,781,286	124,781,286		1,247,813	1,247,813

7 REDEEMABLE CAPITAL - SUKUK

Opening balance	1,245,833	-
Add: Addition/(Payments) during period / year	(54,166)	1,245,833
Closing balance	1,191,667	1,245,833
Less: Current portion shown under current liabilities	216,667	216,667
	975,000	1,029,166

The Company had issued Rated, Privately Placed and Secured Long Term Islamic Certificates (Sukuk) as instrument of redeemable capital under Section 120 of the repealed Companies Ordinance 1984 (Now the Companies Act, 2017) Rupees 1,300 million divided into 13,000 certificates of Rupees 100,000 each for a period of 6 years under an agreement dated December 22, 2016 for swapping of existing long term and short term financing facilities and business requirements. The said certificates are redeemable in 24 consecutive quarterly installments starting from February 03, 2017 and ending on February 03, 2023. Rental are payable on quarterly basis along with redemption of certificates. It carries profit rate of 3 months KIBOR plus 100 bps per annum (June 2017: 3 months KIBOR plus 100 bps per annum). These certificates are secured against first pari passu charge over present and future fixed assets of the Company inclusive of 20% margin.

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There are no material changes in contingencies as disclosed in the note to the financial statements for the year ended June 30, 2017.

8.2 Commitments

8.2.1 Commitment in respect of letter of credit amounted to Rupees 67.58 million (June 2017: Rupees 95.16 million).

8.2.2 Commitment for construction of building as at balance sheet date amounted to Rupees 9.2 million (June 2017 : Rupees 9.2 million)

8.2.3 Commitments for rentals under ijarah contracts amounted to Rupees 2.06 million (June 2017: Rupees 2.4 million)

9 COST OF SALES

Stores and spare parts consumed
 Fuel and power
 Salaries, wages and other benefits
 Communication
 Repair and maintenance
 Travelling, vehicle running and maintenance
 Insurance
 Depreciation
 Staff welfare
 Transportation
 Other factory overheads
 Cost of goods manufactured
 Finished goods:
 Opening stock
 Purchases
 Closing stock

(Un-Audited)		
Quarter ended		
September 30, 2017	September 30, 2016	
(Rupees '000)		
	8,146	
5,710	98,652	
161,062	15,127	
14,968	150	
190	17,724	
7,445	2,055	
839	1,058	
1,447	16,267	
23,671	2,281	
1,940	1,638	
1,374	5,467	
8,968	168,565	
227,614		
37,740	26,282	
5,024	64,992	
(24,040)	(88,396)	
18,724	2,878	
246,338	171,443	
<hr/>		
10 EARNING PER SHARE - BASIC AND DILUTED		
There is no dilutive effect on the basic earnings per share.		
11 CASH GENERATED FROM/ (USED IN) OPERATIONS		
Profit before taxation	77,145	59,755
Adjustments to reconcile profit to net cash provided by operating activities		
Depreciation	27,027	19,793
Finance cost	27,724	21,459
(Gain) / Loss on disposal of assets	(89)	162
	54,662	41,414
Cash flows from operating activities before working capital changes	131,807	101,169
Cash flows from working capital changes		
(Increase) / decrease in current assets:		
Stores, spare and loose tools	5,110	19,321
Stock in trade	13,700	(62,114)
Trade debts	43,352	53,733
Loans and advances	(56,087)	(95,500)
Trade deposits and prepayments	77	19,406
Tax refunds due from government	3,547	(504)
Other receivables	(2)	1,703
Increase/(decrease) in current liabilities		
Trade and other payables	15,086	(160,092)
Increase/(decrease) in long term deposits		
Long term deposits receivable	100	(360)
Long term security deposit payable	4,765	-
Cash flows generated from/(used in) working capital changes	29,648	(224,407)
	161,455	(123,238)

12 RELATED PARTY TRANSACTIONS

Transaction with related parties and associated undertakings are as follows:

Name	Nature of transaction	(Un-Audited)	
		Quarter ended	
		September 30, 2017	September 30, 2016
(Rupees '000)			
Associated companies / undertakings			
Associated Companies	Supplies	5,171	16,505
	Guarantee Charges	650	650
	Services	3,000	3,000
Subsidiary Company	Investment	-	47,500
	Staff Provident fund Sponsors	Contribution	4,489
	Loan received / (repaid)	(193,400)	(35,000)

13 SEGEMENT INFORMATION

Segment results are as follows:

	FOR THE PERIOD ENDED					
	SEPTEMBER 30, 2017			SEPTEMBER 30, 2016		
	Industrial and Medical Gases	Other Segments	Total	Industrial and Medical Gases	Other Segments	Total
Rupees '000-						
Net Sales	429,030	562	429,592	311,153	591	311,743
Cost of Sales	(245,906)	(432)	(246,338)	(170,978)	(464)	(171,443)
GROSS PROFIT	183,124	130	183,254	140,175	127	140,300
Distributions Cost	(52,204)	(38)	(52,242)	(39,007)	(36)	(39,043)
Administrative Expenses	(25,073)	(1,320)	(26,393)	(22,140)	(1,165)	(23,305)
	(77,277)	(1,358)	(78,635)	(61,147)	(1,201)	(62,348)
Segment Profit	105,847	(1,228)	104,619	79,028	(1,074)	77,952
<i>Unallocated corporate expenses</i>						
Other Operating Expenses			(4,221)			(3,762)
Other Income			4,471			7,024
			104,869			81,214
Finance Cost			(27,724)			(21,459)
PROFIT BEFORE TAXATION			77,145			59,755
Taxation			(41,701)			(45,865)
PROFIT AFTER TAXATION			35,444			13,890

14 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended June 30, 2017.

15. FAIR VALUE ESTIMATION

IFRS - 13 requires fair value measurement disclosures using following three levels fair value hierarchy that reflects the significance of the inputs used in measuring fair value of financial instruments.

Information about fair value hierarchy and assets classified under the hierarchy is as follows:

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

The Company has no items to report in these levels.

There were no changes in valuation techniques during the period. The carrying values of all financial assets and liabilities reflected in this condensed interim unconsolidated financial information approximate their fair values.

The carrying amounts of financial assets and liabilities as at September 30, 2017 and as at June 30, 2017 approximate their fair values.

16. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved by the Board of Directors of the Company and authorized for issue on October 30, 2017.

16.1 Post Balance Sheet Event

The Board of Directors in their meeting held on October 02, 2017 have proposed bonus issue at 6% amounting to Rs. 74.87 million out of share premium account, approved in the annual general meeting on October 28, 2017, in respect of the year ended June 30, 2017. The condensed interim financial statements for the first quarter ended September 30, 2017 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

17. GENERAL

17.1 Figures have been rounded off to the nearest thousand of rupees.

17.2 In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim unconsolidated balance sheet comprise of balances as per the annual audited financial statements of the Company for the year ended June 30, 2017 and the corresponding figures in the condensed interim unconsolidated profit and loss account, condensed interim unconsolidated cash flow statement, condensed interim unconsolidated statement of other comprehensive income and condensed interim unconsolidated statement of changes in equity comprise of balances of comparable period as per the condensed interim unconsolidated financial information of the Company for the first quarter ended September 30, 2016.

17.3 Corresponding figures have been rearranged or reclassified, wherever necessary, for the purpose of comparison.



ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)



HAFIZ FAROOQ AHMAD
(DIRECTOR)



ASIM MAHMUD
(CHIEF FINANCIAL OFFICER)

DIRECTORS' REPORT

Dear Shareholders

Assalam-o-Alaikum Wa RehmatUllah Wa Barakatoh

The Directors of your Company are pleased to present the condensed interim consolidated (un-audited) financial statements of **GHANI GASES LIMITED** (the Company) for the first quarter ended September 30, 2017, in compliance with the requirements of Companies Act, 2017.

The consolidated financial statements have been prepared by consolidating the financial performance, assets and liabilities of Ghani Gases Limited (holding company) and its subsidiary namely Ghani Chemical Industries Limited.

OVERVIEW OF THE ECONOMY

Growth accelerated, mainly on recovery in agriculture and stronger manufacturing. With higher global prices for oil and other commodities, inflation slightly exceeded the forecast. The projection for the current account deficit was surpassed by a wide margin because of a very large increase in imports. Foreign exchange reserves were drawn down to fill a financing gap. For FY2018, projections for growth and inflation are maintained, but the current account deficit is expected to exceed the earlier forecast again by a wide margin. The China Pak Economic Corridor (CPEC) is opening attractive avenues for investment emerging from economic cooperation between the two rising powers of Asia. With extensive roads, railways and energy infrastructure being laid down businessmen all around Pakistan are finding new opportunities that are worth their money and time.

PERFORMANCE

The subsidiary is in the process of setting up a chemical project for manufacturing of import substitute Calcium Carbide and allied products. Land for this purpose has been acquired in Hattar Economic Zone. Work for leveling, filling and back filling of land has been completed and work on construction of boundary wall is in progress. Financial close is expected shortly. Civil construction work is planning to commence by November 2017.

Holding company Ghani Gases Limited has so far invested Rs. 143 million in this subsidiary in shape of equity out of total approved investment of Rs. 360 million.

Since the subsidiary has not commenced any operational activities, sales, gross profit and distribution expenses of both the companies (holding and subsidiary) in consolidated accounts remain unchanged as are reported in unconsolidated condensed interim un-audited financial statements of Ghani Gases Limited (holding company).

The administrative expenses, profit before taxation and profit after tax have been consolidated to Rs.26.407 million, Rs.70.460 million and Rs.28.759 million respectively whereas in unconsolidated financial statements these figures are Rs.26.393 million, Rs.77.145 million and Rs.35.444 million respectively. The decrease in profitability in consolidated financial statements are due to share of loss from associated company (Ghani Global Glass Limited).

Consolidated earnings per share (EPS) has also decreased to Rs. 0.23 if compared with unconsolidated earnings per share Rs. 0.28.

ACKNOWLEDGMENT

The board of directors wishes to express their gratitude to valued shareholders, banks/financial Institutions, customers and suppliers for their continuous support, cooperation and patronage.

The board of directors wishes to express their gratitude to valued shareholders, banks/financial Institutions, customers and suppliers for their continuous support, cooperation and patronage.

For and behalf of Board of Directors



ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)



HAFIZ FAROOQ AHMAD
(DIRECTOR)

Lahore

Dated: October 30, 2017

Condensed Interim Consolidated Balance Sheet

As at September 30, 2017

		UN-AUDITED September 30, 2017	AUDITED June 30, 2017
	Note	(Rupees '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,084,570	3,058,562
Intangible assets		70	70
Long term investments		430,174	436,859
Long term deposits		57,656	57,756
		3,572,470	3,553,247
Current assets			
Stores, spares and loose tools		102,126	107,236
Stock in trade		24,040	37,740
Trade debts		486,168	529,520
Loans and advances		192,080	135,403
Trade deposits and prepayments		42,694	42,771
Tax refunds due from government		19,962	23,419
Other receivables		82	80
Advance income tax		276,303	267,237
Cash and bank balances		124,426	262,303
		1,267,881	1,405,709
		4,840,351	4,958,956
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 200,000,000 (June 2017: 200,000,000) ordinary shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid up share capital	6	1,247,813	1,247,813
Capital reserve - Share premium		535,067	535,067
Unappropriated profits		580,920	552,161
Loan from sponsors		446,300	639,700
Attributable to equity holders of the holding company		2,810,100	2,974,741
Non - Controlling interests		6,999	6,999
Total equity		2,817,099	2,981,740
Non-current liabilities			
Long term financing		9,922	11,772
Redeemable capital - Sukuk	7	975,000	1,029,166
Long term security deposits		31,385	26,620
Deferred taxation		283,034	254,448
		1,299,341	1,322,006
Current liabilities			
Trade and other payables		120,848	105,712
Accrued profit on financing		20,464	16,535
Short term borrowings		311,000	273,000
Current portion of long term liabilities		227,699	229,179
Provision for taxation		43,900	30,784
		723,911	655,210
Total liabilities		2,023,252	1,977,216
CONTINGENCIES AND COMMITMENTS			
	8	-	-
TOTAL EQUITY AND LIABILITIES		4,840,351	4,958,956

The annexed notes from 1 to 17 form an integral part of this condensed interim consolidated financial information.


ATIQUÉ AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)


HAFIZ FAROOQ AHMAD
(DIRECTOR)


ASIM MAHMUD
(CHIEF FINANCIAL OFFICER)

Condensed Interim Consolidated Profit and Loss Account (un-audited)

For The First Quarter Ended September 30, 2017

	Note	FOR THE PERIOD ENDED	
		September 30, 2017	September 30, 2016
		(Rupees '000)	
Gross Sales - Local		488,463	352,441
Sales tax		(58,871)	(40,698)
Net sales		429,592	311,743
Cost of sales	9	(246,338)	(171,443)
Gross Profit		183,254	140,300
Distribution cost		(52,242)	(39,043)
Administrative expenses		(26,407)	(23,312)
Other operating expenses		(4,221)	(3,762)
		(82,870)	(66,117)
		100,384	74,183
Other income		4,485	7,024
		104,869	81,207
Finance cost		(27,724)	(21,459)
Share of loss from associate		(6,685)	-
Profit before taxation		70,460	59,748
Taxation		(41,701)	(45,864)
Profit after taxation		28,759	13,884
Attributable to:			
Owners of the Holding Company		28,759	13,884
Non - Controlling interests		-	-
		28,759	13,884
Earnings per share			
- basic and diluted (in Rupees)	10	0.23	0.11

The annexed notes from 1 to 17 form an integral part of this condensed interim consolidated financial information.


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ASIM MAHMUD
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Condensed Interim Consolidated Statement of Comprehensive Income (un-audited)

For The First Quarter Ended September 30, 2017

	FOR THE PERIOD ENDED	
	September 30, 2017	September 30, 2016
	(Rupees '000)	
Net Profit for the period	28,759	13,884
Other comprehensive income	-	-
Total comprehensive income for the period	<u>28,759</u>	<u>13,884</u>
Attributable to:		
Owners of the Holding Company	28,759	13,884
Non - Controlling interests	-	-
	<u>28,759</u>	<u>13,884</u>

The annexed notes from 1 to 17 form an integral part of this condensed interim consolidated financial information.



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Condensed Interim Consolidated Statement of Changes In Equity (un-audited)

For The First Quarter Ended September 30, 2017

	Share capital	Share premium	Un-appropriated profit	Loan from sponsors	Total	Non - Controlling interests	Total
	(Rupees '000)						
Balance as at July 01, 2016 - (audited)	1,247,813	535,067	429,180	501,200	2,713,260	-	2,713,260
Loan paid during the period	-	-	-	(35,000)	(35,000)	-	(35,000)
Total comprehensive income for the period	-	-	13,884	-	13,884	-	13,884
Balance as at September 30, 2016 - (Un-audited)	<u>1,247,813</u>	<u>535,067</u>	<u>443,064</u>	<u>466,200</u>	<u>2,692,144</u>	<u>-</u>	<u>2,692,144</u>
Balance as at July 01, 2017 - (audited)	1,247,813	535,067	552,161	639,700	2,974,741	6,999	2,981,740
Loss attributable to non - controlling interest for the period	-	-	-	-	-	-	-
Loan paid during the period	-	-	-	(193,400)	(193,400)	-	(193,400)
Total comprehensive income for the period	-	-	28,759	-	28,759	-	28,759
Balance as at September 30, 2017 - (Un-audited)	<u>1,247,813</u>	<u>535,067</u>	<u>580,920</u>	<u>446,300</u>	<u>2,810,100</u>	<u>6,999</u>	<u>2,817,099</u>

The annexed notes from 1 to 17 form an integral part of this condensed interim consolidated financial information.


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Condensed Interim Consolidated Cash Flow Statement (un-audited)

For The First Quarter Ended September 30, 2017

	September 30, 2017	September 30, 2016
	(Rupees '000)	
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Cash generated from/ (used in) operations	160,826	(123,243)
Finance cost paid	(23,796)	(19,871)
Income tax paid	(9,065)	(11,702)
	(32,861)	(31,573)
Net cash from/(used in) operating activities	127,965	(154,816)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Property, plant and equipment purchased	(53,267)	(82,053)
Proceeds from disposal of property, plant and equipment	320	1,800
Net cash used in investing activities	(52,947)	(80,253)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Long term financing (repayment) / proceeds	(3,330)	101,277
Repayments of redeemable capital - Sukuk	(54,166)	-
Loan from sponsors	(193,400)	(35,000)
Short term financing	38,000	(219,593)
Dividend paid	-	(51)
Liabilities against assets subject to ijarah financing paid	-	(8,062)
Net cash used in financing activities	(212,896)	(161,429)
Net increase/(decrease) in cash and cash equivalents	(137,878)	(396,498)
Cash and cash equivalents at the beginning of the period	262,304	1,090,017
Cash and cash equivalents at the end of the period	124,426	693,519

The annexed notes from 1 to 17 form an integral part of this condensed interim consolidated financial information.


ATIQUÉ AHMAD KHAN
 (CHIEF EXECUTIVE OFFICER)


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 (DIRECTOR)


ASIM MAHMUD
 (CHIEF FINANCIAL OFFICER)

Selected Notes To The Condensed Interim Consolidated Financial Information (un-audited)

For The First Quarter Ended September 30, 2017

1 THE GROUP AND ITS OPERATIONS

The group consists of:

Holding Company - Ghani Gases Limited

Subsidiary Company - Ghani Chemical Industries Limited

Ghani Gases Limited

Ghani Gases Limited ("the Company") was incorporated in Pakistan as a private limited company under the repealed Companies Ordinance, 1984 (Now the Companies Act, 2017) on November 19, 2007, converted into public limited company on February 12, 2008 and became listed on Pakistan Stock Exchange on January 05, 2010. The registered office of the company is situated at 10-N Model Town Extension, Lahore. The Company is engaged in the manufacturing, sale and trading of medical and industrial gases and chemicals.

Ghani Chemical Industrie Limited

Ghani Chemical Industries Limited was incorporated in Pakistan as a private limited company on November 23, 2015 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017), converted into public limited company on April 20, 2017. The principal activity of the Company is trading and manufacturing of chemical products and industrial raw materials. The Company has not started its commercial operations yet. Ghani Gases Limited has 95.33% ownership in Ghani Chemical Industries Limited.

2 STATEMENT OF COMPLIANCE

2.1 This consolidated condensed interim financial information of the group has been prepared in accordance with the International Accounting Standard (IAS) 34 'Interim Financial Reporting' as applicable in Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP) and provisions of and directives issued under the repealed Companies Ordinance, 1984 (Now the Companies Act, 2017). In case where requirements differ, the provisions of or directives issued under the repealed Ordinance have been followed.

2.2 Functional And Presentation Currency

This consolidated condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency for the Group.

2.3 Changes in standards, interpretations and amendments to published approved accounting standards and IFRS

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that became effective during the period and are mandatory for accounting periods beginning on or after January 01, 2017 but are considered not to be relevant or do not have any significant effect on the Group's operations and are, therefore, not disclosed in this condensed interim financial information.

2.4 Standards, interpretations and amendments to published approved accounting standards and IFRS that are not yet effective

There are other amendments to the standards and new interpretations that are mandatory for accounting periods beginning on or after January 01, 2017 but are considered not to be relevant or do not have any significant effect on Group's operations and are, therefore, not detailed in this condensed interim financial information.

3 BASIS OF PREPARATION

- 3.1** This consolidated condensed interim financial information do not include the information reported for annual financial statements and should be read in conjunction with the audited annual published financial statements for the year ended June 30, 2017.
- 3.2** The accounting policies and methods of computations adopted for the preparation of this consolidated condensed interim financial information are the same as applied in the preparation of the preceding audited annual published consolidated statements of the Group for the year ended June 30, 2017.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

During preparation of this consolidated condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Group for the year ended June 30, 2017.

		Un-audited September 30, 2017	Audited June 30, 2017
		(Rupees '000)	
5	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	5.1 2,983,445	2,957,732
	Capital work in progress - at cost	101,125	100,830
		<u>3,084,570</u>	<u>3,058,562</u>
5.1	Operating fixed assets		
	Opening book value	2,957,732	2,529,455
	Additions & transfer during the period/year	5.1.1 52,972	515,936
	Deletions during the period/year	5.1.2 (231)	(3,426)
		<u>3,010,473</u>	<u>3,041,965</u>
	Less:		
	Depreciation charged for the period/year	27,028	84,233
		<u>2,983,445</u>	<u>2,957,732</u>
5.1.1	Additions during the period/year		
	Land - Freehold	26,250	118,770
	Building	647	153
	Plant and machinery	25,702	367,805
	Furniture and fixtures	109	3,125
	Office equipments	83	74
	Computers	83	2,671
	Vehicles	98	23,338
		<u>52,972</u>	<u>515,936</u>
5.1.2	Deletions during the period/year		
	Plant and machinery	231	760
	Vehicles	-	2,666
		<u>231</u>	<u>3,426</u>

6 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Un-audited September 30, 2017 (NUMBER OF SHARES)	Audited June 30, 2017		Un-audited September 30, 2017 (Rupees '000)	Audited June 30, 2017
122,956,711	122,956,711	Ordinary shares of Rupees 10 each fully paid in cash	1,229,567	1,229,567
13,000	13,000	Ordinary shares of Rupees 10 each issued for consideration other than cash	130	130
1,811,575	1,811,575	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	18,116	18,116
124,781,286	124,781,286		1,247,813	1,247,813

7 REDEEMABLE CAPITAL - SUKUK

Opening balance	1,245,833	-
Add: Addition/(Payments) during period / year	(54,166)	1,245,833
Closing balance	1,191,667	1,245,833
Less: Current portion shown under current liabilities	216,667	216,667
	975,000	1,029,166

The Holding Company had issued Rated, Privately Placed and Secured Long Term Islamic Certificates (Sukuk) as instrument of redeemable capital under Section 120 of the repealed Companies Ordinance 1984 (Now the Companies Act, 2017) Rupees 1,300 million divided into 13,000 certificates of Rupees 100,000 each for a period of 6 years under an agreement dated December 22, 2016 for swapping of existing long term and short term financing facilities and business requirements. The said certificates are redeemable in 24 consecutive quarterly installments starting from February 03, 2017 and ending on February 03, 2023. Rental are payable on quarterly basis along with redemption of certificates. It carries profit rate of 3 months KIBOR plus 100 bps per annum (June 2017: 3 months KIBOR plus 100 bps per annum). These certificates are secured against first pari passu charge over present and future fixed assets of the Holding Company inclusive of 20% margin.

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There are no material changes in contingencies as disclosed in the note to the financial statements for the year ended June 30, 2017.

8.2 Commitments

8.2.1 Commitment in respect of letter of credit amounted to Rupees 67.58 million (June 2017: Rupees 95.16 million).

8.2.2 Commitment for construction of building as at balance sheet date amounted to Rupees 9.2 million (June 2017 : Rupees 9.2 million)

8.2.3 Commitments for rentals under ijarah contracts amounted to Rupees 2.06 million (June 2017: Rupees 2.4 million)

9 COST OF SALES

Stores and spare parts consumed
Fuel and power
Salaries, wages and other benefits
Communication
Repair and maintenance
Travelling, vehicle running and maintenance
Insurance
Depreciation
Staff welfare
Transportation
Other factory overheads
Cost of goods manufactured
Finished goods:
Opening stock
Purchases
Closing stock

(Un-Audited)	
Quarter ended	
September 30, 2017	September 30, 2016
(Rupees '000)	
5,710	8,146
161,062	98,652
14,968	15,127
190	150
7,445	17,724
839	2,055
1,447	1,058
23,671	16,267
1,940	2,281
1,374	1,638
8,968	5,467
227,614	168,565
37,740	26,282
5,024	64,992
(24,040)	(88,396)
18,724	2,878
246,338	171,443

10. EARNING PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share.

11 CASH GENERATED FROM/ (USED IN) OPERATIONS

Profit before taxation

Adjustments to reconcile profit to net cash provided by operating activities

Depreciation

Finance cost

(Gain) / Loss on disposal of assets

Share of loss from associate

Cash flows from operating activities before working capital changes

Cash flows from working capital changes

(Increase) / decrease in current assets:

Stores, spare and loose tools

Stock in trade

Trade debts

Loans and advances

Trade deposits and prepayments

Tax refunds due from government

Other receivables

Increase/(decrease) in current liabilities

Trade and other payables

Increase/(decrease) in long term deposits

Long term deposits receivable

Long term security deposit payable

Cash flows generated from/(used in) working capital changes

12 RELATED PARTY TRANSACTIONS

Transaction with related parties and associated undertakings are as follows:

<u>Name</u>	<u>Nature of transaction</u>		
<i>Associated companies / undertakings</i>			
Associated Companies	Supplies	5,171	16,505
	Guarantee Charges	650	650
	Services	3,000	3,000
	Purchase of land	-	42,560
Staff Provident fund Sponsors	Contribution	4,489	3,187
	Loan received / (repaid)	(193,400)	(35,000)

(Un-Audited)	
Quarter ended	
September 30, 2017	September 30, 2016
(Rupees '000)	
70,460	59,748
27,028	19,793
27,724	21,459
(89)	162
6,685	-
61,348	41,414
131,808	101,162
5,110	19,321
13,700	(62,114)
43,352	53,733
(56,677)	(95,500)
77	19,406
3,457	(504)
(2)	1,703
15,136	(160,090)
100	(360)
4,765	-
29,018	(224,405)
160,826	(123,243)

13 SEGEMENT INFORMATION

Segment results are as follows:

	FOR THE PERIOD ENDED					
	SEPTEMBER 30, 2017			SEPTEMBER 30, 2016		
	Industrial and Medical Gases	Other Segments	Total	Industrial and Medical Gases	Other Segments	Total
	Rupees '000					
Net Sales	429,030	562	429,592	311,153	591	311,743
Cost of Sales	(245,906)	(432)	(246,338)	(170,978)	(464)	(171,443)
GROSS PROFIT	183,124	130	183,254	140,175	127	140,300
Distributions Cost	(52,204)	(38)	(52,242)	(39,007)	(36)	(39,043)
Administrative Expenses	(25,087)	(1,320)	(26,407)	(22,146)	(1,166)	(23,312)
	(77,291)	(1,358)	(78,649)	(61,153)	(1,202)	(62,355)
Segment Profit	105,833	(1,228)	104,605	79,022	(1,075)	77,945
<i>Unallocated corporate expenses</i>						
Other Operating Expenses			(4,221)			(3,762)
Other Income			4,485			7,024
			104,869			81,207
Finance Cost			(27,724)			(21,459)
Share of loss from associate			(6,685)			-
PROFIT BEFORE TAXATION			70,460			59,748
Taxation			(41,701)			(45,864)
PROFIT AFTER TAXATION			28,759			13,884

14. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Group for the year ended June 30, 2017.

15. FAIR VALUE ESTIMATION

IFRS - 13 requires fair value measurement disclosures using following three levels fair value hierarchy that reflects the significance of the inputs used in measuring fair value of financial instruments.

Information about fair value hierarchy and assets classified under the hierarchy is as follows:

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

The Company has no items to report in these levels.

There were no changes in valuation techniques during the period. The carrying values of all financial assets and liabilities reflected in this condensed interim unconsolidated financial information approximate their fair values.

The carrying amounts of financial assets and liabilities as at September 30, 2017 and as at June 30, 2017 approximate their fair values.

16. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved by the Board of Directors of the Holding Company and authorized for issue on October 30, 2017.

16.1 Post Balance Sheet Event

The Board of Directors in their meeting held on October 02, 2017 have proposed bonus issue at 6% amounting to Rs. 74.87 million out of share premium account, approved in the annual general meeting on October 28, 2017, in respect of the year ended June 30, 2017. The condensed interim financial statements for the first quarter ended September 30, 2017 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

17. GENERAL

17.1 Figures have been rounded off to the nearest thousand of rupees.

17.2 In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim consolidated balance sheet comprise of balances as per the annual audited financial statements of the Group for the year ended June 30, 2017 and the corresponding figures in the condensed interim consolidated profit and loss account, condensed interim consolidated cash flow statement, condensed interim consolidated statement of other comprehensive income and condensed interim consolidated statement of changes in equity comprise of balances of comparable period as per the condensed interim consolidated financial information of the Group for the first quarter ended September 30, 2016.

17.3 Corresponding figures have been rearranged or reclassified, wherever necessary, for the purpose of comparison.



ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)



HAFIZ FAROOQ AHMAD
(DIRECTOR)



ASIM MAHMUD
(CHIEF FINANCIAL OFFICER)