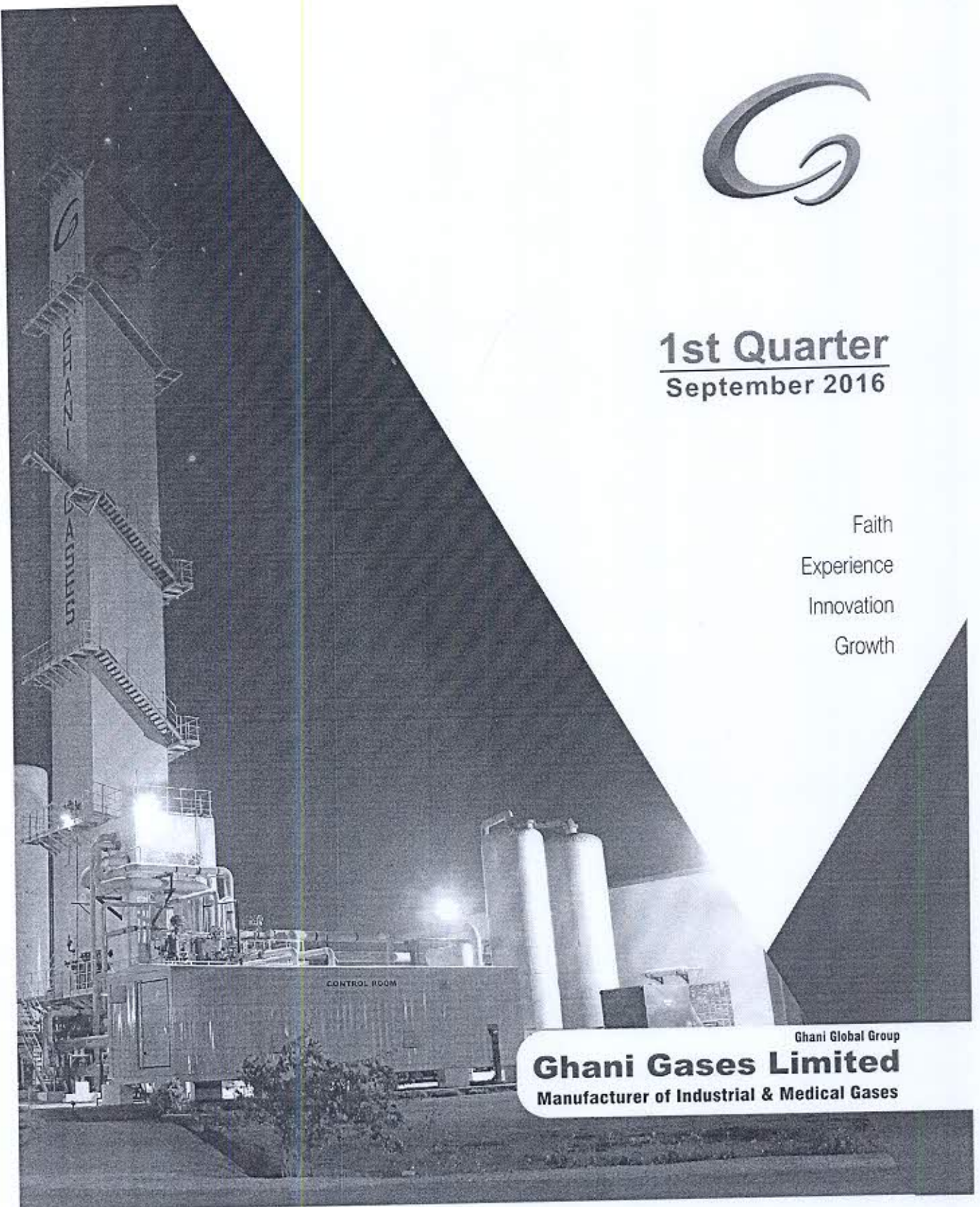




**1st Quarter**  
**September 2016**

Faith  
Experience  
Innovation  
Growth



Ghani Global Group

**Ghani Gases Limited**  
Manufacturer of Industrial & Medical Gases

## 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  
Farzand Ali

### 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-III

Main G.T. Road, Tarnol, Islamabad  
Email: sales.west@ghaniglobal.com

### REGIONAL MARKETING OFFICE

301-302, 3rd Floor Yousaf Chamber,  
KCHSU, Block 7/8, Near MCB Bank,  
Shar-e-Faisal Karachi.  
Phone: 021-34330595  
Email: sales.south@ghaniglobal.com

Chairman  
Chief Executive Officer  
Director  
Director  
Director  
Director  
Director  
Director

### HR & R COMMITTEE

Mian Zahid Said – Chairman  
Atique Ahmad Khan  
Ayesha Masroor  
Farzand Ali

### CHIEF FINANCIAL OFFICER

Asim Mahmud, FCA

### SHARE REGISTRAR

THK Associates (Pvt) Limited  
Ground Floor, State Life Building No. 3  
Dr. Ziauddin Ahmed Rd, Karachi-75530  
UAN: +92(021) 111-000-322

### LEGAL ADVISOR

DSK Law, Lahore

### BANKERS

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

### REGISTERED/CORPORATE OFFICE

10-N, Model Town Ext. Lahore-54000, Pakistan  
UAN: (042)111-ghani1(442-641)  
Phone: 042-35161424-5, Fax: 042-35160393  
Email: info@ghaniglobal.com  
Website: www.ghaniglobal.com  
www.ghanigases.com



## DIRECTORS' REPORT

Dear Members

**Assalam-o-Alaikum Wa RehmatUllah Wa Barakatoh**

The Directors of your Company are pleased to present the unaudited condensed interim financial statements of the Company for the first quarter ended September 30, 2016, in compliance with the requirements of Companies Ordinance, 1984.

### OVERVIEW OF THE ECONOMY

For almost five years, the predicament was described by the State Bank as 'low-growth, high-inflation' equilibrium. Along with this was a severe power crisis, brought on in large part by a severely constrained fiscal situation and low foreign exchange reserves. But in 2015, the tide began to change. Reserves reached historic highs, even if on the back of borrowed money. And inflation fell rapidly throughout the year, picking up slightly only in the closing days. As the tide turns, a window of opportunity opens up for the government in the year 2016, the first of its last two full years in power. The biggest stroke of luck came in the form of sharply dropping oil prices, which stabilized the current account even as exports and FDI fell. It also contributed in no small measure to the drop in inflation.

But the slide also brought in its wake unanticipated consequences that the government struggled to contain. More pointedly, the fiscal consequences of the slide in oil prices began to bite immediately following the first pass-throughs of the lower price, necessitating resort to extraordinary revenue measures such as a sharp hike in the GST rate and an assortment of miscellaneous surcharges, to offset the negative revenue impact of lower oil prices. So long as they were for the short term and meant to contain the immediate impact of a rapidly changing situation, these measures were fine.

Power-sector reforms do not appear to be advancing, and privatization appears to be stuck in limbo. Realizing the promise offered by improving macroeconomic fundamentals is the big opportunity offered by 2016. But the year will reveal whether that promise lives up to its transformative potential, or becomes just another short-term burst of unsustainable growth triggered by fortuitous, external developments of the sort that we have seen on many occasions in the past. 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 has decreased to Rs. 352.44 million against Rs. 376.99 million as compared with the same period of last year depicting decrease of 6.51% mainly due to slow activity in the other segments whereas there is increase in core business of the company i.e. industrial and liquid gases. Gross profit has increased in from Rs. 123.36 to Rs. 140.30 million if compared with the same period of last year and in terms of percentage there is improvement in gross profit rate to from 37.07% to 45.01%. There is increase in distribution cost and small increase in administrative expenses. Operating profit of your company has increased from Rs. 64.68 million to Rs.74.19 million as compared to last period. This period profit before taxation has decreased to Rs. 59.75 million against profit of Rs. 96.29 million as compared to the same period of last year (last period profit amount included the gain on sale of investments in shares of Ghani Global Glass Ltd., as associated company of Ghani Gases Ltd). The period under review profit after taxation is amounted to Rs. 13.89 million and earnings per share (EPS) Rs. 0.11 against the profit of Rs. 67.69 million and EPS of Rs. 0.87 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, 2016 with the same period last year is as under:

Particulars	Rupees in '000' except EPS			
	September 2016	September 2015	Variance	%
Sales	352,441	376,996	(24,555)	-6.51
Net Sales	311,743	332,789	(21,046)	-6.32
Gross Profit	140,300	123,362	16,938	13.73
- As %age of net sales	45.01%	37.07%		
Distribution cost	39,043	33,948	5,095	15.01
- As %age of net sales	12.52%	10.20%		
Administrative expenses	23,305	22,664	641	2.83
- As %age of net sales	7.48%	6.81%		
Operating Profit	74,190	64,681	9,509	14.70
Profit before taxation	59,755	96,290	(36,535)	-37.94
Net Profit	13,890	67,686	(53,796)	-79.48
Earnings per share	0.11	0.87	(0.76)	-87.36

### FUTURE PROSPECTS

ALHAMDULILLAH management of your company is seeing a continued recovery in core business in south and west region. To capture the projected increase in demand of industrial and medical gases in southern market, your company has decided to setup another 110 tons per day ASU plant at Port Qasim, Karachi, 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 company. We are proving to be most reliable supplier in the market without compromising on quality and safety. The management of your company has continuously 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.

Work on setup of another ASU plant at Port Qasim is in progress in accordance with the planned targets. On the other hand, subsidiary of your company (Ghani Chemical Industries (Pvt) Limited) is setting up calcium carbide manufacturing plant. For this purpose, land has been acquired and prerequisites for setup of a chemical project are under process. After completion of these ventures sales as well as profitability of your company are expected to be improve.

### ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors



**Atique Ahmad Khan**  
Chief Executive officer

Lahore  
October 31, 2016

## CONDENSED INTERIM BALANCE SHEET AS AT 30 SEPTEMBER 2016

	UN-AUDITED 30 SEPTEMBER 2016	AUDITED 30 June 2016
	(Rupees '000)	
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment		
Operating fixed assets	2,535,076	2,529,455
Assets subject to ijrah financing	151,280	152,851
Capital work in progress	90,545	79,409
	2,776,901	2,761,715
Intangible assets	70	70
Long term investment	47,500	500
Long term deposits and prepayments	69,269	68,909
	2,893,740	2,831,194
<b>Current assets</b>		
Stores, spare parts and loose tools	84,211	103,532
Stock in trade	88,396	26,282
Trade debts	352,664	406,397
Loans and advances	245,796	150,296
Trade deposits and short term prepayments	28,647	48,053
Balances with statutory authorities	24,580	24,076
Other receivables	56	1,759
Advance tax	183,372	220,593
Cash and bank balances	693,159	1,089,641
	1,700,881	2,070,629
<b>TOTAL ASSETS</b>	<b>4,594,621</b>	<b>4,901,823</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
Authorized share capital		
125,000,000 (June 2016: 125,000,000) ordinary shares of Rs. 10 each	1,250,000	1,250,000
Issued, subscribed and paid up share capital	1,247,813	1,247,813
Capital reserve - Share premium	535,067	535,067
Unappropriated profit	443,223	429,333
Loan from sponsors	466,200	501,200
<b>Total equity</b>	<b>2,692,303</b>	<b>2,713,413</b>
<b>Non-current liabilities</b>		
Long term financing	487,751	399,408
Liabilities against assets subject to ijrah financing	31,294	40,554
Long term security deposits	19,800	19,800
Deferred taxation	229,934	194,227
	768,779	653,989
<b>Current liabilities</b>		
Trade and other payables	136,680	296,823
Accrued profit on financing	26,321	24,733
Short term borrowings	211,441	431,034
Current portion of long term liabilities	748,939	734,807
Provision for taxation	10,158	47,024
	1,133,539	1,534,421
<b>Total liabilities</b>	<b>1,902,318</b>	<b>2,188,410</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,594,621</b>	<b>4,901,823</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

ATIQUE AHMAD KHAN  
(CHIEF EXECUTIVE OFFICER)

Ghani Gases Limited

04

*Hafiz Farooq Ahmad*

HAFIZ FAROOQ AHMAD  
(DIRECTOR)



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016**

	Note	FOR THE PERIOD ENDED	
		30 SEPTEMBER 2016	30 SEPTEMBER 2015
		(Rupees '000)	
Gross Sales - Local		352,441	376,996
Less:			
Sales tax		40,698	44,207
Net sales		311,743	332,789
Cost of sales	9	171,443	209,427
Gross Profit		140,300	123,362
Distribution cost		39,043	33,948
Administrative expenses		23,305	22,664
Other operating expenses		3,762	2,069
		66,110	58,681
		74,190	64,681
Other income		7,024	60,919
		81,214	125,600
Finance cost		21,459	29,310
Profit before taxation		59,755	96,290
Taxation		45,865	28,604
Profit after taxation		13,890	67,686
Earnings per share - basic and diluted	10	Rs.0.11	Rs. 0.87

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

ATIQUE AHMAD KHAN  
(CHIEF EXECUTIVE OFFICER)

HAFIZ FAROOQ AHMAD  
(DIRECTOR)

1st Quarter September 2016

05

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016**

	Note	30 SEPTEMBER 2016 (Rupees '000)	30 SEPTEMBER 2015
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>			
Cash generated (used in) operations	11	(122,878)	(34,801)
Finance cost paid		(19,871)	(27,845)
Income tax paid		(9,803)	(23,371)
		(29,674)	(51,216)
<b>Net cash from/(used in) operating activities</b>		<b>(152,552)</b>	<b>(86,017)</b>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>			
Property, plant and equipment purchased		(36,940)	(43,673)
Proceeds from disposal of operating assets		1,800	-
Long term investments		(47,000)	45,133
Long term deposits		(360)	-
<b>Net cash used in investing activities</b>		<b>(82,500)</b>	<b>1,460</b>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>			
Long term financing - net		101,277	76,261
Loan from sponsors - net		(35,000)	4,005
Short term borrowings - net		(219,593)	39,636
Dividend paid		(51)	(24,879)
Long term security deposits payable		-	(1,500)
Liabilities against assets subject to ijarah financing - net		(8,062)	(12,290)
<b>Net cash from/(used in) financing activities</b>		<b>(161,429)</b>	<b>81,233</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(396,481)</b>	<b>(3,324)</b>
Cash and cash equivalents at the beginning of the period		1,089,640	226,738
<b>Cash and cash equivalents at the end of the period</b>		<b>693,159</b>	<b>223,414</b>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information

ATIQUE AHMAD KHAN  
(CHIEF EXECUTIVE OFFICER)

Ghani Gases Limited | 06

HAFIZ FAROOQ AHMAD  
(DIRECTOR)

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016**

	FOR THE PERIOD ENDED	
	30 SEPTEMBER 2016	30 SEPTEMBER 2015
	(Rupees '000)	
Net Profit for the Period	13,890	67,686
Other comprehensive income / (loss)	-	-
Total comprehensive income for the Period	<u>13,890</u>	<u>67,686</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

  
**ATIQUE AHMAD KHAN**  
**(CHIEF EXECUTIVE OFFICER)**

  
**HAFIZ FAROOQ AHMAD**  
**(DIRECTOR)**



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016**

	Share capital	Share premium	Un-appropriated profit	Loan from sponsors	Total
	(Rupees '000)				
Balance as at 01 July 2015 - (audited)	742,746	30,000	341,627	1,027,969	2,142,342
Loan received during the period	-	-	-	4,005	4,005
Net profit for the period	-	-	67,686	-	67,686
Other comprehensive income for the period	-	-	-	-	-
Total Comprehensive income	-	-	67,686	-	67,686
Balance as at 30 September 2015 - (Un-audited)	742,746	30,000	409,313	1,031,974	2,214,033
Balance as at 01 July 2016 - (Audited)	1,247,813	535,067	429,333	501,200	2,713,413
Loan received / (Paid) during the period	-	-	-	(35,000)	(35,000)
Net profit for the year period	-	-	13,890	-	13,890
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income	-	-	13,890	-	13,890
Balance as at 30 September 2016 - (Un-audited)	1,247,813	535,067	443,223	466,200	2,692,303

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

ATIQUE AHMAD KHAN  
ATIQUE AHMAD KHAN  
(CHIEF EXECUTIVE OFFICER)  
(CHIEF EXECUTIVE OFFICER)

Ghani Gases Limited

08

Hafiz Farooq Ahmad  
HAFIZ FAROOQ AHMAD  
HAFIZ FAROOQ AHMAD  
(DIRECTOR)  
(DIRECTOR)

**SELECTED NOTES TO THE CONDENSED INTERIM  
FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016**

**1 THE COMPANY AND ITS OPERATIONS**

The Company was incorporated in Pakistan as a private limited company under the Companies Ordinance, 1984 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 & industrial gases and chemicals.

**2 BASIS OF PREPERATION**

**2.1 *Statement of compliance***

The condensed interim financial information 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 Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed.

This 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 30 June 2016.

**2.2 *Functional and presentation currency***

These financial statements are 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 01 July 2016 but are considered not to be relevant or 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 01 July 2016 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 ACCOUNTING POLICIES AND COMPUTATION METHODS**

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2016.

**4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of this condensed interim financial information in conformity with the approved accounting standards require the use of certain critical accounting estimates. It also requires the management to exercise its judgement 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 financial information, the significant judgements 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 financial statements of the Company for the year ended 30 June 2016.

		Un-audited 30 SEPTEMBER 2016	Audited 30 June 2016
		(Rupees '000)	
<b>5</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
	<b>Operating fixed assets</b>		
	Opening book value	2,529,455	2,293,837
	Additions & transfer during the period/year	25,855	306,717
	Deletions during the period/year	(1,962)	(4,150)
		2,553,348	2,596,404
	<b>Less:</b>		
	Depreciation charged for the period/year	18,272	66,949
		<u>2,535,076</u>	<u>2,529,455</u>
<b>5.1</b>	<b>Additions during the period/year</b>		
	Land - Freehold	-	2,200
	Building on freehold land	16	6,909
	Plant and machinery	23,250	283,440
	Furniture and fixtures	1,052	2,740
	Office equipments	34	1,331
	Computers	1,503	1,862
	Vehicles	-	8,235
		<u>25,855</u>	<u>306,717</u>
<b>5.2</b>	<b>Deletions during the period/year</b>		
	Vehicles	1,962	4,150
		<u>1,962</u>	<u>4,150</u>

**6 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL**

Un-audited 30 SEPTEMBER 2016 (NUMBER OF SHARES)	Audited 30 June 2016		Un-audited 30 SEPTEMBER 2016 (Rupees '000)	Audited 30 June 2016
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	18,116	18,116
<u>124,781,286</u>	<u>124,781,286</u>		<u>1,247,813</u>	<u>1,247,813</u>

**7 LONG TERM FINANCING**

Opening balance	1,095,717	641,715
Add: Addition/(Payments) during period / year	101,277	454,002
Closing balance	<u>1,196,994</u>	<u>1,095,717</u>
Less: Current portion shown under current liabilities	709,243	696,309
	<u>487,751</u>	<u>399,408</u>

**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 30 June, 2016.

**8.2 Commitments**

**8.2.1** Commitment in respect of letter of credit amounted to Rupees 68.17 million (June 2016: Rupees 140.97 million).

**8.2.2** Commitment for construction of building as at balance sheet date amounted to Rupees 7.6 million (June 2016 : Rupees 8 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	
30 SEPTEMBER 2016	30 SEPTEMBER 2015
(Rupees '000)	
8,146	4,282
98,652	89,502
15,127	15,970
150	213
17,724	5,440
2,055	888
1,058	1,075
16,267	14,249
2,281	1,694
1,638	625
5,467	12,082
168,565	146,020
26,282	36,206
64,992	104,905
(88,396)	(77,704)
2,878	63,407
171,443	209,427

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
Working capital changes (Note 11.1)

(Un-Audited)	
Quarter ended	
30 SEPTEMBER 2016	30 SEPTEMBER 2015
(Rupees '000)	
59,755	96,290
19,793	18,444
21,459	29,310
162	-
(224,047)	(178,845)
(122,878)	(34,801)

**11.1 Working capital changes**

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

(Increase) / decrease in current assets:

Stores, spare parts and loose tools

Stock in trade

Trade debts

Loans and advances

Trade deposits and short term prepayments

Balance with statutory authorities

Other receivables

Increase/(decrease) in current liabilities

Trade and other payables

(Un-Audited)	
Quarter ended	
30 SEPTEMBER 2016	30 SEPTEMBER 2015
(Rupees '000)	
19,321	(7,640)
(62,114)	(41,498)
53,733	(12,665)
(95,500)	(90,717)
19,406	6,115
(504)	(1,461)
1,703	1
(63,955)	(147,865)
(160,092)	(30,980)
<u>(224,047)</u>	<u>(178,845)</u>

**12 RELATED PARTY TRANSACTIONS**

Transaction with related parties and associated undertakings are as follows:

**Name**

**Nature of transaction**

Associated companies / undertakings

Associated Companies

Supplies

Disposal of investment

Guarantee Charges

Services

Investment

Subsidiary Company

Staff Provident fund

Sponsors

Contribution

Loan received / (repaid)

(Un-Audited)	
Quarter ended	
30 SEPTEMBER 2016	30 SEPTEMBER 2015
(Rupees '000)	
16,505	1,082
-	(45,133)
650	650
3,000	-
47,500	-
3,187	3,457
(35,000)	4,005



13 SEGEMENT INFORMATION

Segment results are as follows:

	FOR THE PERIOD ENDED					
	30 SEPTEMBER 2016			30 SEPTEMBER 2015		
	Industrial and Medical Gases	Other Segments	Total	Industrial and Medical Gases	Other Segments	Total
	Rupees '000					
Net Sales	311,153	591	311,743	270,303	62,486	332,789
Cost of Sales	(170,978)	(464)	(171,443)	(163,150)	(46,277)	(209,427)
<b>CROSS PROFIT</b>	<b>140,175</b>	<b>127</b>	<b>140,300</b>	<b>107,153</b>	<b>16,209</b>	<b>123,362</b>
Distributions Cost	(39,007)	(36)	(39,043)	(33,617)	(331)	(33,948)
Administrative Expenses	(22,140)	(1,165)	(23,305)	(22,380)	(283)	(22,664)
	(61,147)	(1,201)	(62,348)	(55,998)	(614)	(56,612)
<b>Segment Profit</b>	<b>79,028</b>	<b>(1,074)</b>	<b>77,952</b>	<b>51,155</b>	<b>15,595</b>	<b>66,750</b>
Unallocated corporate expenses						
Other Operating Expenses			(3,762)			(2,069)
Other Income			7,024			60,919
			81,214			125,600
Finance Cost			(21,459)			(29,310)
<b>PROFIT BEFORE TAXATION</b>			<b>59,755</b>			<b>96,290</b>
Taxation			(45,865)			(28,604)
<b>PROFIT AFTER TAXATION</b>			<b>13,890</b>			<b>67,686</b>

14 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 31 October 2016.

15 GENERAL

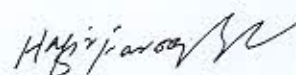
15.1 Figures have been rounded off to the nearest thousand of rupees.

15.2 In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim balance sheet comprise of balances as per the annual audited financial statements of the Company for the year ended 30 June 2016 and the corresponding figures in the condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of other comprehensive income and condensed interim statement of changes in equity comprise of balances of comparable period as per the condensed interim financial information of the Company for the first quarter ended 30 September 2015.

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

ATIQUÉ AHMAD KHAN  
(CHIEF EXECUTIVE OFFICER)

Ghani Gases Limited | 14



HAFIZ FAROOQ AHMAD  
(DIRECTOR)



**Consolidated  
Financial Statements**





## CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AS AT 30 SEPTEMBER 2016

	UN-AUDITED 30 SEPTEMBER 2016	AUDITED 30 June 2016
Note	(Rupees '000)	
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,580,190	2,529,455
Operating fixed assets	151,280	152,851
Assets subject to ijarah financing	90,545	79,409
Capital work in progress	2,822,015	2,761,715
	70	70
Intangible assets	69,269	68,909
Long term deposits and prepayments	2,891,354	2,830,694
<b>Current assets</b>		
Stores, spare parts and loose tools	84,211	103,532
Stock in trade	88,396	26,282
Trade debts	352,664	406,397
Loans and advances	245,796	150,296
Trade deposits and short term prepayments	28,647	48,053
Balances with statutory authorities	24,580	24,076
Other receivables	56	1,759
Advance tax	185,270	220,593
Cash and bank balances	693,519	1,090,018
	1,703,139	2,071,006
<b>TOTAL ASSETS</b>	<b>4,594,493</b>	<b>4,901,700</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
Authorized share capital	1,250,000	1,250,000
125,000,000 (June 2016: 125,000,000) ordinary shares of Rs. 10 each	1,247,813	1,247,813
Issued, subscribed and paid up share capital	535,067	535,067
Capital reserve - Share premium	443,064	429,180
Unappropriated profit	466,200	501,200
Loan from sponsors	2,692,144	2,713,260
<b>Total equity</b>	<b>2,692,144</b>	<b>2,713,260</b>
<b>Non-current liabilities</b>		
Long term financing	487,751	399,408
Liabilities against assets subject to ijarah financing	31,294	40,554
Long term security deposits	19,800	19,800
Deferred taxation	229,934	194,227
	768,779	653,989
<b>Current liabilities</b>		
Trade and other payables	136,712	296,853
Accrued profit on financing	26,321	24,733
Short term borrowings	211,441	431,034
Current portion of long term liabilities	748,939	734,807
Provision for taxation	10,157	47,024
	1,133,570	1,534,451
<b>Total liabilities</b>	<b>1,902,349</b>	<b>2,188,440</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,594,493</b>	<b>4,901,700</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	-	-

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.


ATIQUE AHMAD KHAN  
(CHIEF EXECUTIVE OFFICER)

HAFIZ FAROOD AHMAD  
(DIRECTOR)

**CONDENSED CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016**

	Note	FOR THE PERIOD ENDED	
		30 SEPTEMBER 2016	30 SEPTEMBER 2015
		(Rupees '000)	
Gross Sales - Local		352,441	376,996
Less:			
Sales tax		40,698	44,207
Net sales		311,743	332,789
Cost of sales	9	171,443	209,427
Gross Profit		140,300	123,362
Distribution cost		39,043	33,948
Administrative expenses		23,312	22,664
Other operating expenses		3,762	2,069
		66,117	58,681
		74,183	64,681
Other income		7,024	60,919
		81,207	125,600
Finance cost		21,459	29,310
Profit before taxation		59,748	96,290
Taxation		45,864	28,604
Profit after taxation		13,884	67,686
Earnings per share - basic and diluted	10	Rs. 0.11	Rs0.87

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

  
**ATIQUE AHMAD KHAN**  
 (CHIEF EXECUTIVE OFFICER)

  
**HAFIZ FAROOQ AHMAD**  
 (DIRECTOR)

1st Quarter September 2016

17



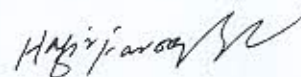
**CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016**

	Note	30 SEPTEMBER 2016	30 SEPTEMBER 2015
		(Rupees '000)	
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>			
Cash generated (used in) operations	11	(122,883)	(34,801)
Finance cost paid		(19,871)	(27,845)
Income tax paid		(11,702)	(23,371)
		(31,573)	(51,216)
<b>Net cash from/(used in) operating activities</b>		(154,456)	(86,017)
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>			
Property, plant and equipment purchased		(82,053)	(43,673)
Proceeds from disposal of operating assets		1,800	-
Long term investments		-	45,133
Long term deposits		(360)	-
<b>Net cash used in investing activities</b>		(80,613)	1,460
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>			
Long term financing - net		101,277	76,261
Loan from sponsors - net		(35,000)	4,005
Short term borrowings - net		(219,593)	39,636
Dividend paid		(51)	(24,879)
Long term security deposits payable		-	(1,500)
Liabilities against assets subject to ijarah financing - net		(8,062)	(12,290)
<b>Net cash from/(used in) financing activities</b>		(161,429)	81,233
<b>Net increase/(decrease) in cash and cash equivalents</b>		(396,498)	(3,324)
<b>Cash and cash equivalents at the beginning of the period</b>		1,090,017	226,738
<b>Cash and cash equivalents at the end of the period</b>		693,519	223,414

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

ATIQUE AHMAD KHAN  
(CHIEF EXECUTIVE OFFICER)

Ghani Gases Limited | 18



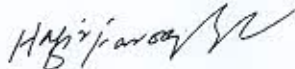
HAFIZ FAROOQ AHMAD  
(DIRECTOR)

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016 (UN-AUDITED)**

	FOR THE PERIOD ENDED	
	30 SEPTEMBER 2016	30 SEPTEMBER 2015
	(Rupees '000)	
Net Profit for the Period	13,884	67,686
Other comprehensive income / (loss)	-	-
Total comprehensive income for the Period	<u>13,884</u>	<u>67,686</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

  
**ATIQUE AHMAD KHAN**  
 (CHIEF EXECUTIVE OFFICER)

  
**HAFIZ FAROOQ AHMAD**  
 (DIRECTOR)



**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016 (UN-AUDITED)**

	Share capital	Share premium	Un-appropriated profit	Loan from sponsors	Total
	(Rupees '000)				
Balance as at 01 July 2015 - (audited)	742,746	30,000	341,627	1,027,969	2,142,342
Loan received during the period	-	-	-	4,005	4,005
Net profit for the period	-	-	67,686	-	67,686
Other comprehensive income for the period					-
Total Comprehensive income	-	-	67,686	-	67,686
Balance as at 30 September 2015 - (Un-audited)	742,746	30,000	409,313	1,031,974	2,214,033
Balance as at 01 July 2016 - (Audited)	1,247,813	535,067	429,180	501,200	2,713,260
Loan received / (Paid) during the period	-	-		(35,000)	(35,000)
Net profit for the period	-	-	13,884		13,884
Other comprehensive income for the period					-
Total comprehensive income	-	-	13,884		13,884
Balance as at 30 September 2016 - (Un-audited)	1,247,813	535,067	443,064	466,200	2,692,144

The annexed notes from 1 to-15 form an integral part of these condensed interim financial information.

ATIQUE AHMAD KHAN  
(CHIEF EXECUTIVE OFFICER)

  
 HAFIZ FAROOQ AHMAD  
(DIRECTOR)

**SELECTED NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016**

**1 THE GROUP AND ITS OPERATIONS**

The group consists of:

**Holding Company**

Ghani Gases Ltd.

**Subsidiary Company**

Ghani Chemical Industries (Private) Limited

**Ghani Gases Limited**

The Company was incorporated in Pakistan as a private limited company under the Companies Ordinance, 1984 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 & industrial gases and chemicals.

**Ghani Chemical Industries (Private) Limited**

Ghani Chemical Industries (Private) Limited, wholly owned subsidiary of Ghani Gases Limited, is a private limited company incorporated in Pakistan under the Companies Ordinance, 1984 on 23 November 2015. The registered office of Ghani Chemical Industries (Private) Limited is situated at 10-N, Model Town Extension, Lahore. The principal activity of the Company is trading and manufacturing of chemical products and industrial raw materials.

**2 BASIS OF PREPERATION**

**2.1 Statement of compliance**

The condensed interim financial information 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 Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed.

This 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 30 June 2016.

**2.2 Functional and presentation currency**

These financial statements are presented in Pak Rupees which is the functional and presentation currency for 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 01 July 2016 but are considered not to be relevant or 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 01 July 2016 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 ACCOUNTING POLICIES AND COMPUTATION METHODS**

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Group for the year ended 30 June 2016.

**4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of this condensed interim financial information in conformity with the approved accounting standards require the use of certain critical accounting estimates. It also requires the management to exercise its judgement 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 condensed interim financial information, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual financial statements of the Group for the year ended 30 June 2016.

	Un-audited 30 SEPTEMBER 2016	Audited 30 June 2016
	(Rupees '000)	
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets		
Opening book value	2,529,455	2,293,837
Additions & transfer during the period/year <sup>5.1</sup>	70,969	306,717
Deletions during the period/year <sup>5.2</sup>	(1,962)	(4,150)
	2,598,462	2,596,404
Less:		
Depreciation charged for the period/year	18,272	66,949
	2,580,190	2,529,455
<b>5.1 Additions during the period/year</b>		
Land - Freehold	45,114	2,200
Building on freehold land	16	6,909
Plant and machinery	23,250	283,440
Furniture and fixtures	1,052	2,740
Office equipments	34	1,331
Computers	1,503	1,862
Vehicles	-	8,235
	70,969	306,717
<b>5.2 Deletions during the period/year</b>		
Vehicles	1,962	4,150
	1,962	4,150

**6 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL**

Un-audited 30 SEPTEMBER 2016 (NUMBER OF SHARES)	Audited 30 June 2016		Un-audited 30 SEPTEMBER 2016 (Rupees '000)	Audited 30 June 2016
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	18,116	18,116
<u>124,781,286</u>	<u>124,781,286</u>		<u>1,247,813</u>	<u>1,247,813</u>

**7 LONG TERM FINANCING**

Opening balance	1,095,717	641,715
Add: Addition/(Payments) during period / year	101,277	454,002
Closing balance	<u>1,196,994</u>	<u>1,095,717</u>
Less: Current portion shown under current liabilities	709,243	696,309
	<u>487,751</u>	<u>399,408</u>

**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 30 June, 2016.

**8.2 Commitments**

**8.2.1** Commitment in respect of letter of credit amounted to Rupees 68.17 million (June 2016: Rupees 140.97 million).

**8.2.2** Commitment for construction of building as at balance sheet date amounted to Rupees 7.6 million (June 2016 : Rupees 8 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	
30 SEPTEMBER 2016	30 SEPTEMBER 2015
(Rupees '000)	
8,146	4,282
98,652	89,502
15,127	15,970
150	213
17,724	5,440
2,055	888
1,058	1,075
16,267	14,249
2,281	1,694
1,638	625
5,467	12,082
168,565	146,020
26,282	36,206
64,992	104,905
(88,396)	(77,704)
2,878	63,407
171,443	209,427

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
Working capital changes (Note 11.1)

(Un-Audited)	
Quarter ended	
30 SEPTEMBER 2016	30 SEPTEMBER 2015
(Rupees '000)	
59,748	96,290
19,793	18,444
21,459	29,310
162	-
(224,045)	(178,845)
(122,883)	(34,801)

**11.1 Working capital changes**

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

(Increase) / decrease in current assets:

Stores, spare parts and loose tools

Stock in trade

Trade debts

Loans and advances

Trade deposits and short term prepayments

Balance with statutory authorities

Other receivables

Increase/(decrease) in current liabilities

Trade and other payables

(Un-Audited)	
Quarter ended	
30 SEPTEMBER 2016	30 SEPTEMBER 2015
(Rupees '000)	
19,321	(7,640)
(62,114)	(41,498)
53,733	(12,665)
(95,500)	(90,717)
19,406	6,115
(504)	(1,461)
1,703	1
(63,955)	(147,865)
(160,090)	(30,980)
<b>(224,045)</b>	<b>(178,845)</b>

**12 RELATED PARTY TRANSACTIONS**

Transaction with related parties and associated undertakings are as follows:

Name Nature of transaction

Associated companies / undertakings

Associated Companies

Supplies  
Disposal of investment  
Guarantee Charges  
Services  
Purchase of land

Staff Provident fund

Contribution

(Un-Audited)	
Quarter ended	
30 SEPTEMBER 2016	30 SEPTEMBER 2015
(Rupees '000)	
16,505	1,082
-	(45,133)
650	650
3,000	
42,560	
3,187	3,457



13 SEGEMENT INFORMATION

Segment results are as follows:

	FOR THE PERIOD ENDED					
	30 SEPTEMBER 2016			30 SEPTEMBER 2015		
	Industrial and Medical Gases	Other Segments	Total	Industrial and Medical Gases	Other Segments	Total
	Rupees '000					
Net Sales	311,153	591	311,743	270,303	62,486	332,789
Cost of Sales	(170,978)	(464)	(171,443)	(163,150)	(46,277)	(209,427)
GROSS PROFIT	140,175	127	140,300	107,153	16,209	123,362
Distributions Cost	(39,007)	(36)	(39,043)	(33,617)	(331)	(33,948)
Administrative Expenses	(22,146)	(1,166)	(23,312)	(22,380)	(283)	(22,664)
	(61,153)	(1,202)	(62,355)	(55,998)	(614)	(56,612)
Segment Profit	79,022	(1,075)	77,945	51,155	15,595	66,750
Unallocated corporate expenses						
Other Operating Expenses			(3,762)			(2,069)
Other Income			7,024			60,919
			81,207			125,600
Finance Cost			(21,459)			(29,310)
PROFIT BEFORE TAXATION			59,748			96,290
Taxation			(45,864)			(28,604)
PROFIT AFTER TAXATION			13,884			67,686

14 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 31 October 2016.

15 GENERAL

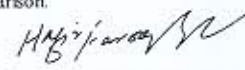
15.1 Figures have been rounded off to the nearest thousand of rupees.

15.2 In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim balance sheet comprise of balances as per the annual audited financial statements of the Group for the year ended 30 June 2016 and the corresponding figures in the condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of other comprehensive income and condensed interim statement of changes in equity comprise of balances of comparable period as per the condensed interim financial information of the Group for the first quarter ended 30 September 2015.

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

ATIQUE AHMAD KHAN  
(CHIEF EXECUTIVE OFFICER)

Ghani Gases Limited 26



HAFIZ FAROOQ AHMAD  
(DIRECTOR)