

Annual Report 2013

Faith.....Experience.....Innovation.....Growth



A Company of Ghani Global Group

Ghani Gases Limited
Manufacturer of Industrial & Medical Gases



IN THE NAME
OF
ALLAH
THE GRACIOUS
THE MERCIFUL



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VISION

&

PHILOSOPHY



To be successful in this World and Hereafter by utilizing the resources and commandments of ALLAH (ST) and ways / teachings of MUHAMMAD (PBUH), We eventually through our efforts become model for other companies and satisfaction of stake holders.



MISSION STATEMENT



To achieve and maintain high standard of product quality and customer satisfaction in a manner that is superior to any one by a wide-margin and to become the leader amongst Gases manufacturers.



CORPORATE

■ Board of Directors

Masroor Ahmad Khan, Chairman
Atique Ahmad Khan, Chief Executive Officer
Hafiz Farooq Ahmad
Tahira Naheed
Ayesha Masroor
Rabia Atique
Saira Farooq

■ Audit Committee

Hafiz Farooq Ahmad, Chairman
Ayesha Masroor
Rabia Atique

■ HR & R Committee

Hafiz Farooq Ahmad, Chairman
Tahira Naheed
Saira Farooq

■ Company Secretary

Farzand Ali, FCS

■ Chief Financial Officer

Asim Mahmud, FCA

■ Legal Advisor

DSK Law, Lahore

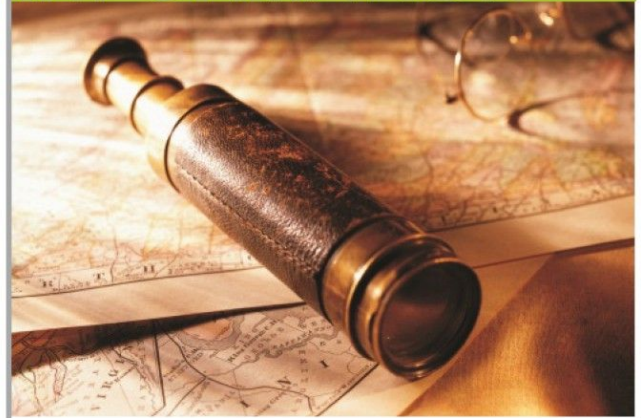
■ Auditors

Rizwan & Company
Chartered Accountants
Member firm of DFK International

■ Share Registrar

THK Associates (Pvt.) Limited
Ground Floor, State Life Building No. 3,
Dr. Ziauddin Ahmed Road,
Karachi-75530.
UAN: +92 (021) 111-000-322
Fax: +92 (021) 3655595

INFORMATION



■ Bankers

Al-Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Bank Islami Pakistan Limited
Burj Bank Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
KASB Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Bank of Khyber
United Bank Limited



■ **GGL-I**

52- K.M. Lahore Multan Road,
Phool Nagar Distt. Kasur
Ph: (042) 7006353-54, Fax: (042) 7006356
E-mail: ggl1plant@ghaniglobal.com

■ **GGL-II**

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

■ **Corporate / Registered Office**

82-N, Model Town (Ext),
Lahore-54000, Pakistan.
UAN: +92 (042) 111 Ghani 1
Phones: +92 (042) 35161424-25
Fax: +92 (042) 35160393
E-mail: info@ghaniglobal.com
Website: www.ghaniglobal.com



CORE VALUES





CORPORATE VALUES

Our corporate values are to build and sustain a high performance culture, with a continuous improvement through effective implementation of Vision, Mission, and Corporate objectives. The intrinsic values, which are the corner stones of our corporate behavior, are:-

Sharia compliance

All business transactions and financial needs at GGL shall be ensured in accordance with the SHARIA compliance.

Customer satisfaction

We understand that our commitment to satisfy customer's need must be fulfilled within a professional and ethical framework, thereby creating an ongoing relationship of trust and confidence in all their dealings with GGL.

We will equip and train our team of professionals to provide the most efficient and personalized service to our customers.

Excellence

We are committed to achieve excellence to build and sustain high performance culture, with a continuous improvement through effective implementation of vision, mission, and corporate objectives.

SHEQ

Our core value is to develop safety, health, environment and quality oriented culture and emphasis to maintain related standards.

Professionalism

Ghani Gases is committed to exercise high levels of professionalism in their work, use most appropriate skills and competencies to deal with customers and all stake-holders.

Integrity

Ghani Gases are driven by commitment to protect and promote reputation as an honest and transparent organization. We refuse to tolerate in unethical behavior or fraudulent practices and make fair and transparent business to achieve our goals.



CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is undertaking the role of “Corporate Citizen”. It ensures that business values and policies are align in such a way to balance between improving and developing the wealth of business and contributing for betterment of society in a effective manner.

With the growth of our business, we have assumed an even greater responsibility of our society and stakeholders, including employees, their families, our business partner etc.

GGL is committed to both sustainable business practices and its responsibilities as a corporate citizen. We believe that Corporate Social Responsibility is primarily about conducting our business in a transparent and ethical way that enhances value for all of our stakeholders but also be giving support to events that enhance the wellbeing of the community.

Corporate Social Responsibility and guideline for corporate governance are steps in positive directions. Customer relation management is strategic business philosophy and processes are rooted through ethical practices.

GGL support a clean environment and motivate its customers for this cause.

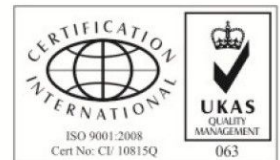
GGL also try its level best that business activities of customer must be environment friendly and should not hazardous to the Society.





QUALITY

MANAGEMENT SYSTEM



We are committed to ensuring that Ghani Gases will be the industry leader in quality for every product and service we provide in all segments that we serve.

We have created an environment in which every employee is committed to provide the highest standard of personal quality.

We are carrying out our activities in a manner which:

- Uses the ISO 9001 quality management system to verify the quality and continuous improvement of our policies, procedures, work instructions and systems, and
- Ensures that our products and services satisfy the highest standards through the application of best practices.



ENVIRONMENT

MANAGEMENT SYSTEM



Ghani Gases commits to minimize any adverse affect of its operation on the environment.

“Do more, Feel better, Live longer”

Working on ISO 14001

HEALTH, ENVIRONMENT, QUALITY (SHEQ)

SAFETY,



Ghani Gases cares the employees, customers and general public and is committed to provide a safe and injury free workplace.

Ghani Gases endeavour to carry out activities in a manner which:

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

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



SAFETY FIRST

Performance of the year

SAFETY ON SITE

Number of incident	<input checked="" type="checkbox"/> 0	1	2	3	4
Loss work days	<input checked="" type="checkbox"/> 0	1	2	3	4
Injury to staff	<input type="checkbox"/> YES		<input checked="" type="checkbox"/> NO		

SAFETY ON SITE

Millage without accident	1,384,341 KM				
Vehicle accident	<input type="checkbox"/> YES		<input checked="" type="checkbox"/> NO		
Injury to driver	<input type="checkbox"/> YES		<input checked="" type="checkbox"/> NO		
Causality	<input type="checkbox"/> YES		<input checked="" type="checkbox"/> NO		

SAFETY ON SITE

Incident at industries	<input checked="" type="checkbox"/> 0	1	2	3	4
Incident at compressing stations	<input checked="" type="checkbox"/> 0	1	2	3	4

2012



2013



Alhamdulillah by the grace of Almighty Allah



CUSTOMER SEGMENTS

→ Oil & Gas



→ Chemical & Fertilizer



→ Ship Breaking & Scrap Cutting



→ Pharmaceutical



→ Health Care



→ Food & Beverage



→ Steel & Iron Mills



→ Light & Medium Engineering Works



→ Live Stock



→ Merchant Market



Ghani Gases! A good solution for every situation...



Customers Satisfaction

Excellent



Very Good



Good



Average



Poor



High quality customer service is an integral part of GGL's philosophy. It is our constant endeavor to provide exclusive service with wider accessibility.

Beside "Safety", our corporate slogan is "Customer First". We always emphasis to provide best quality service to our customer. We continuously develop and improve customer-service oriented culture within GGL.

Knowing our customer and their need is the key to our business success. Our team of professionals are well equipped and well trained to provide the most efficient and personalized service to our customers.

We understand that our commitment to satisfy customer's need must be fulfilled within a professional and ethical framework,

thereby creating an ongoing relationship of trust and confidence in all their dealings with GGL.

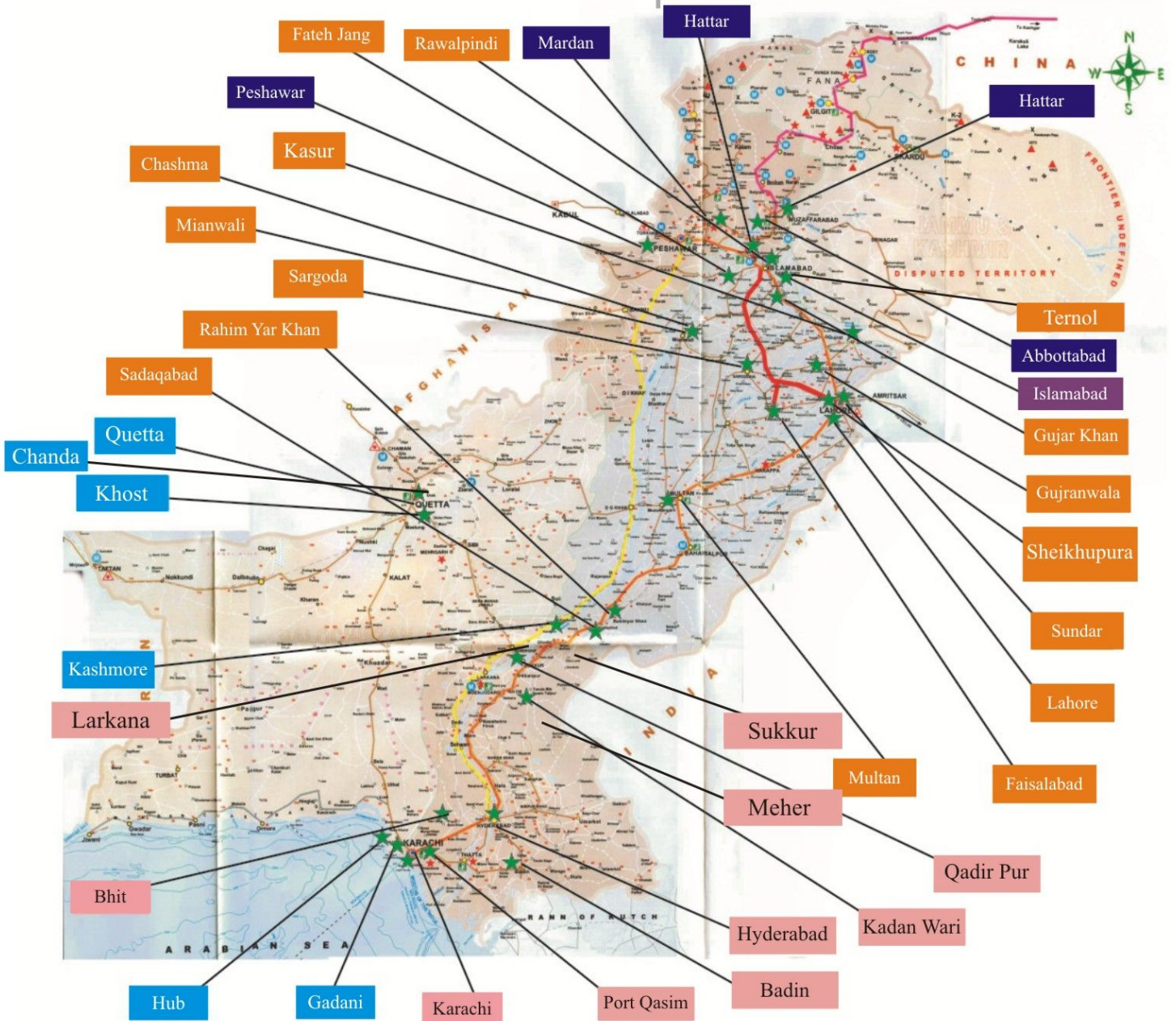
Besides, we also feel Safety First is the number one objective of GGL. It is incumbent upon the company and the management to ensure safe delivery of product to customers and that all the employees, customer and visitors coming to the site, go back to their families in safe condition. All the safety programmes, in-house and at customer's premises, have been installed. To ensure continuity in the safety programmes, a team of safety engineers is on board who ensures that all the safety aspects including human, machines, buildings, vehicles tankers and storage are met and taken care off.

We look forward to maintain high-level customer satisfaction through improvement of strength and values, based on corporate values.

Customer First



KEY LOCATIONS AROUND PAKISTAN

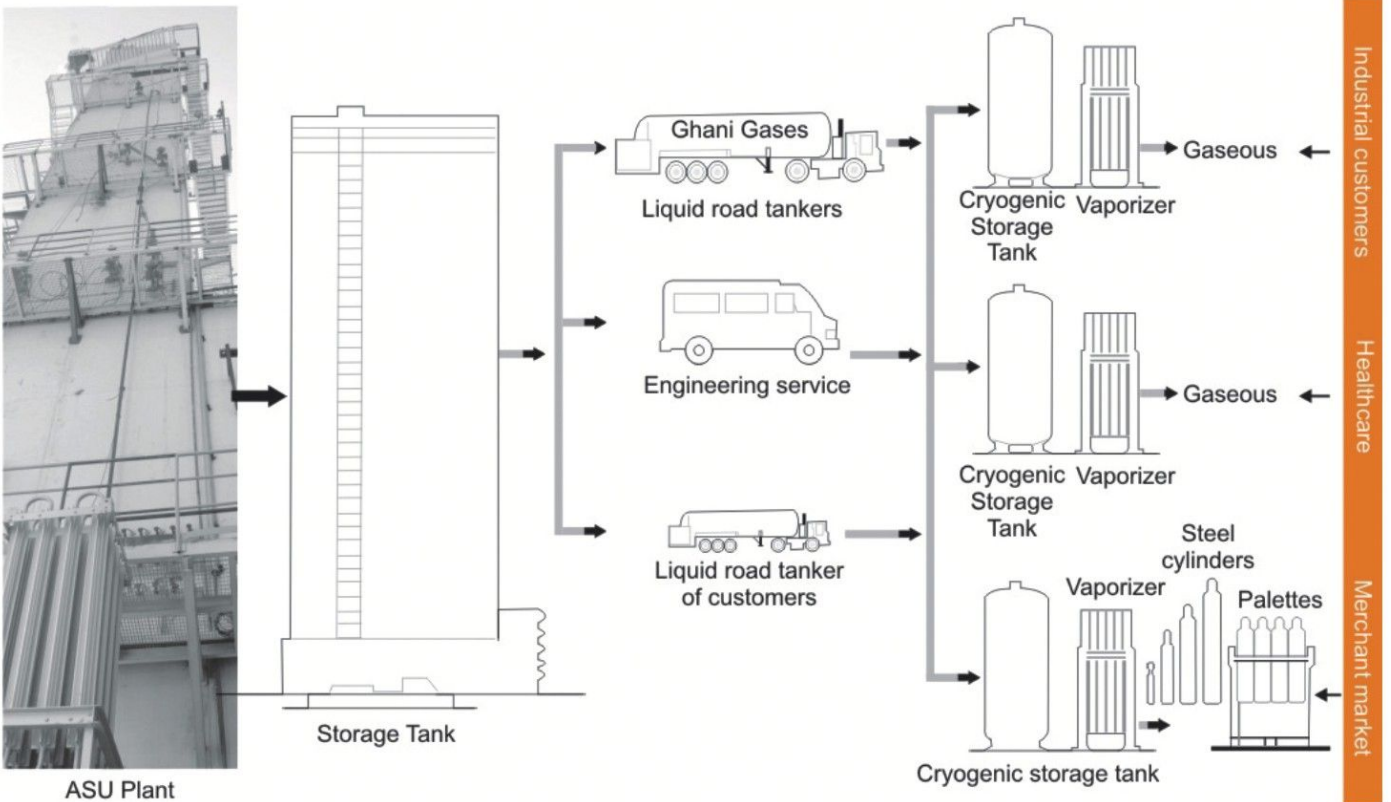


We are where our customers are

- Punjab
- Khyber P.K.
- Sindh
- Baluchistan
- Federal Area



SUPPLY

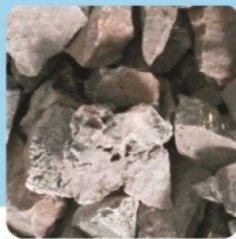


Largest distribution network



GHANI GASES

IN CALCIUM CARBIDE BUSINESS




CALCIUM CARBIDE
GAS YIELD: 295L/KG
SIZE: 50-80MM
N.W.: 100KG
G.W.: 107 KG
M/S Ghani Gases Ltd.





NOTICE OF ANNUAL GENERAL MEETING



Notice is hereby given that 6th Annual General Meeting of shareholders of **Ghani Gases Limited** (the company) will be held on Wednesday October 30, 2013 at 03:00 PM at Hotel Sunfort, Liberty Market, Gulberg, Lahore for transacting the following business:

Ordinary Business

1. To receive and adopt annual audited accounts of the company together with auditors and directors report thereon for the year ended June 30, 2013.
2. To approve the interim cash dividend @ 5% (Rupees 0.50 per share) already paid during April 2013 for the year ended June 30, 2013 as final cash dividend.
3. To appoint auditors and fix their remuneration. Present auditors M/s Rizwan & Company, Chartered Accountants being eligible offer themselves for reappointment.
4. Any other business with permission of the Chair.

Special Business

5. To increase the authorized share capital of the company and in this respect to pass with or without modification(s) the following resolutions as special resolution:

Resolved that authorized capital of the company be and is hereby increased from Rs. 730 million divided into 73 million ordinary shares of Rs. 10 each to Rs.1,250 million divided into 125 million ordinary shares of Rs.10 each.

Further resolved that the company be and is hereby authorized to amend and alter the clause V of memorandum of association and clause IV of articles of association of the company to give the effect of increase in authorized capital of the company from Rs. 730 million divided into 73 million ordinary shares of Rs. 10 each to Rs.1,250 million divided into 125 million ordinary shares of Rs.10 each.

Further resolved that the Chief Executive and Company Secretary of the company be and is hereby authorized to take any and all actions to complete any or all necessary required corporate and legal formalities for the purpose of increase in authorized share capital and amendment / alteration in memorandum and articles of association of the company.

6. To consider and if deemed fit to pass the following resolutions with or without modification(s) as special resolution for equity investment by the company and issuance of corporate guarantee on behalf of Ghani Global Glass Limited pursuant to the provisions of Section 208 of the Companies Ordinance 1984.

Resolved that pursuant to the requirements of Section 208 of the Companies Ordinance, 1984, Ghani Gases Limited (the company) be and is hereby authorized to make equity investment up to Rs.45 million in Ghani Global Glass Limited to acquire 4.5 million ordinary shares at par value of Rs. 10 per share.

Further resolved that the company be and is authorized to issue the corporate guarantee up to Rs.650 million to the bank(s) for financing facility by Ghani Global Glass Limited for a period of six years.

Further resolved that the Chief Executive and Company Secretary of the company be and is hereby authorized to take any and all actions to implement and/ or give effect to the above resolutions and to disinvest such investment from time to time as and when considered appropriate subject to approval by the board of directors of the company and to complete any or all necessary required corporate and legal formalities for the purpose of the completion of above transactions.

By order of the Board



Farzand Ali

Company Secretary

Lahore
October 08, 2013



Notes

- 1) The share transfer books of the company will remain closed from Saturday October 26, 2013 to Saturday November 02, 2013 (both days inclusive).
- 2) A member entitled to attend and vote at the meeting may appoint another member as his or her proxy to attend and vote. Proxies in order to be effective must be received at the registered office of the company not less than 48 hours before the time of holding the meeting. A proxy must be a member of the company.
- 3) CDC account holders will have to follow the following guidelines for attending the meeting:
 - i) In case of individuals the account holders, sub account holders and the persons whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/ her identity by showing original I.D. cards or passport at the time of attending the meeting. The shareholders registered on CDC are also requested to bring their participation I.D. number and account number in CDC.
 - ii) In case of corporate entity, board of directors resolution/ power of attorney with specimen signature of nominee shall be produced (unless provided earlier) at the time of meeting.
- 4) Shareholders are requested to immediately notify any change in their address to the company's Share Registrar, M/s THK Associates (Pvt) Limited, Ground Floor, State Life Building No.3, Dr. Zia ud Din Ahmad Road, Karachi-75530.

STATEMENT UNDER SECTION 160 OF THE COMPANIES ORDINANCE, 1984:

This statement sets out the material facts concerning the Special Business, given in agenda item No. 5 and 6 of the Notice, to be transacted at the Annual General Meeting of the company to be held on October 30, 2013.

Increase in Authorized Share Capital

The authorized share capital of the company is proposed to be increased from Rs. 730 million divided into 73 million ordinary shares of Rs. 10 each to Rs. 1,250 million divided into 125 million ordinary shares of Rs. 10 each to facilitate the issuance of bonus shares announced by the board of directors in their meeting held on September 30, 2013 against accumulated profits for the period ended September 30, 2013 and to meet any future requirements in respect of issuance of bonus or right shares.

Investment in Ghani Global Glass Limited

The board of directors of the company has proposed the investment of Rs. 45 million in shape of equity in Ghani Global Glass Limited (GGG) an associated undertaking which would be equal to 10% of the proposed share capital of this company. GGG is in process of establishing a state of the art tubing glass manufacturing plant with a total cost of approximately PK Rs. 1.050 Billion. This project will allow the GGG to manufacture Boro-silicate neutral premium 'Kimble' (European) class product and to replace the existing import of European and low quality Chinese products in the country.

On completion of the project by November 2014, the associated company will be the bulk purchaser of industrial gases from the company as well.

In addition to equity investment, it is also proposed to provide corporate guarantee for Rs.650 million by the company to the bank(s) on behalf of associated company.



The board of directors of the company in their meeting held on 30 September 2013 has unanimously approved the proposed equity investment by the company into Ghani Global Glass Limited and issuance of corporate guarantee subject to the approval by the shareholders of the company.

The information required under SRO 27(1)/2012 dated 16 January 2012 are as under:

In case of investment in securities:

(i)	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established;	Ghani Global Glass Limited (GGG). The directors of Ghani Gases Limited are also the directors of Ghani Global Glass Limited. At present share holding % of the directors in GGG is 55.32
(ii)	Purpose, benefits and period of investment;	Purpose of investment is to get share of benefit from the profits to be made by Ghani Global Glass Limited. It would be a long term investment unless otherwise decided to disinvest earlier at some best offer price in the best interest of the company.
(iii)	Maximum amount of investment;	Pak Rupees 45,000,000/-
(iv)	Maximum price at which securities will be acquired;	Securities will be acquired at par value of Rs.10/- per share.
(v)	Maximum number of securities to be acquired;	4,500,000 ordinary shares
(vi)	Number of securities and percentage thereof held before and after the proposed investment;	Before investment, total number of shares held by Ghani Gases Limited is nil shares representing zero percent of associated company. After investments, the number of shares will be 4,500,000 which will be 10% of the total proposed paid up share capital of associated company.
(vii)	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired;	Not applicable
(viii)	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulations 6(1);	Fair value based on Discounted Cash Flow Method is Rs. 49.78, however, the company is acquiring the shares at par value of Rs. 10/- per share.
(ix)	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements;	Rs. 9.66



(x)	Earning per share of the associated company or associated undertaking for the last three years;	2013 Profit Rs.73,982, EPS Rs. 0.00 2012 Loss Rs. (111,587), EPS Rs.(0.00) 2011 Loss Rs. (666,053), EPS Rs. (0.02)
(xi)	Sources of fund from which securities will be acquired;	Company's own sources
(xii)	where the securities are intended to be acquired using borrowed funds,-	N/A
	(I) justification for investment through borrowings; and	N/A
	(ii) detail of guarantees and assets pledged for obtaining such funds;	N/A
(xiii)	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment;	Not applicable
(xiv)	Direct or indirect interest of directors, sponsor, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	At present directors/sponsors of Ghani Gases Limited held 64.95% shareholding in the company and in Ghani Global Glass Limited these directors/sponsors held 55.32% shareholding. The directors/sponsors are interested in the investment of company in Ghani Global Glass Limited to the extent of their share of investment in both the companies.
(xv)	Any other important details necessary for the members to understand the transaction; and	The project of associated company is located adjacent to GGL-1 plant of the company. On successful commissioning of this project by October 2014, Ghani Gases Limited will be the bulk supplier of industrial gases to Ghani Global Glass Limited as well.
(xvi)	in case of investment in securities of a project of an associated company or associated undertaking that has not commenced operation, in addition to the information referred to above, the following further information, is required, namely,- (I) description of the project and its history since conceptualization; (II) Starting and expected dated of completion of work;	Ghani Global Glass acquired 108 kanal land during 2008 for setup of the project. Gas connection for the project has already been obtained, 75% of the civil construction work has been completed and financing facilities from the bank has been arranged Alhamdulillah. Machinery suppliers have been finalized and letter of credits for import of machinery are expected to be opened by November 2013. Machinery is expected to be arrived during August 2014 and is planned to be erected by October 2014.



(III)	Time by which such project shall become commercially operational; and	Project is expected to be commercially operational by November 2014.
(IV)	Expected time by which the project shall start paying return on investment;	By June 2015, Inshallah

In case of Corporate Guarantee (loan and advances)

(ii)	Amount of loans or advances	Non funded corporate guarantee up to Rs. 650 millions
(iii)	Purpose of loans or advances and benefits likely to accrue investing company and its members from such loans or advances;	Corporate guarantee is required to provide the counter guarantee to the bank(s) for long term loan facility by the associated company. The company will charge commission @ 0.10% per quarter in the line with prevailing rate being charged by bank(s) for issuance of guarantees. The Ghani Gases Limited is expected to accrue approximately Rs.2.6 million per annum in shape of other income.
(iv)	In case any loan has been granted to the said associated company or associated undertaking, the complete details thereof;	NIL
(v)	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements;	As on June 30, 2013: Property, plant and equipt. Rs.37.051M Capital Work in progress Rs.266.442M Issued and Paid up Capital Rs.310.00M Loan from Sponsors Rs.4.876M
(vi)	Average borrowing cost of the investing company or in case of absence of borrowing the Karachi interbank offered rate for the relevant period;	Not applicable because it would be non funded corporate guarantee by the company.
(vii)	Rate of interest, markup, profit, fees or commission etc. to be charged;	The Ghani Gases Limited will charge commission @ 0.10% per quarter in the line with prevailing rate being charged/offered by bank(s) from the company against issuing of guarantees.
(viii)	Sources of funds from where loans or advances will be given;	Not applicable because it would be non funded corporate guarantee.
(ix)	Where loans or advances are being granted using borrowed funds,- (I) justification of granting loans or advance out of borrowed funds;	NotApplicable
	(II) detail of guarantees / assets pledged for obtaining such funds, if any; and	NotApplicable



	(III) repayment schedules of borrowing of the investing company;	NotApplicable
(x)	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any;	Personal guarantees of directors of associated company.
(xi)	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact loan with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	Not applicable
(xii)	Payment schedule and terms of loans or advances to be given to the investee company ;	Tenure of banking facility being obtained by the associated company is six years for which corporate guarantee is required.
(xiii)	Salient features of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment;	For providing the corporate guarantee by Ghani Gases Limited to the associated company, the company will entered into an agreement with associated company and this agreement will cover rate of commission @ 0.10% per quarter to be charged by the company, collateral security by the directors of associated company to cover the security of corporate guarantee and tenure of corporate guarantee for a period of six years.

Note:

At present directors/sponsors of Ghani Gases Limited held 64.95% shareholding in Ghani Gases Limited and 55.32% shareholding in Ghani Global Glass Limited. The directors/sponsors are interested in the equity investment and issuance of corporate guarantee to Ghani Global Glass Limited to the extent of their share of investment in both the companies.



DIRECTORS' REPORT

Dear Members,

Assala-Mo-Aliakum Wa Rehmatullah-a-Wa Barakatohu

The directors of your company are pleased to present the 6th annual report of the year ended June 30, 2013.

National economy

Decades of internal political disputes and low levels of foreign investment have led to slow growth and underdevelopment in Pakistan. Agriculture accounts for more than one-fifth of output and two-fifths of employment. Textiles account for most of Pakistan's export earnings, and Pakistan's failure to expand a viable export base for other manufactures has left the country vulnerable to shifts in world demand. The most of macroeconomic targets set by the economy's managers last year for the year 2012-13 were not met.



The most important of these, the rate of economic growth was 3.6 per cent, based on nine month's data, and fell short of target of 4 per cent set at the beginning of the fiscal year. The acute energy shortage had "wiped out" a whopping two percent from the country's GDP. As a result, the country's GDP per capita, in nominal terms (not purchasing power parity), stood at \$1,368 the end of 2012-13.

The ongoing war on militancy and extremism was taking a tangible toll on the economy and affecting the rate of GDP growth. As for the energy crises, it noted that circular debt had ballooned. The current government has been in office now for over four months. What can we surmise from its performance about the country's economic future? It has also been busy on several fronts; attempting to solve not only the problems the economy faces, but has also been actively engaged in repairing the country's damaged relations with its neighbours India and Afghanistan. All that amounts to a lot of activity on the diplomatic front that, in time, will produce economic results. The new government took some steps to deal with some of the long-enduring economic issues. It used government finance to pay off a good part of the circular debt. With the independent power producers having been paid the amounts they were owed, they should bring back the capacity that was not being used for generating electricity. However, by picking up the debt burden, the government has added to the fiscal deficit, increasing it to an unsustainable level but this is likely to be a temporary rise. Government has committed himself to reducing the fiscal deficit to 4.5 per cent of GDP over a three-year period. A sharp reduction in the fiscal deficit will require several actions. Political capital will have to be used by the new administration to collect more taxes from those who have managed to escape for years the tax man or have grossly underpaid the amounts they owe the government. Expanding the tax base will require documenting the economy that remains outside the government's reach.



Ongoing energy crisis is posing a serious predicament for its feeble economy and volatile national security environment. The country's energy problems are deep and complex, being rooted more in shortages of governance and political will than of pure supply. The stems from (1) the absence of a comprehensive and integrated energy strategy, resulting in interagency turf wars and a lack of coordination, (2) insufficient revenue to support energy generation and infrastructure, owing to low liquidity in Pakistan's struggling economy and high rates of tax default, and (3) the leadership's unwillingness to implement politically unpopular changes to address the situation.

The recent floods caused by heavy rainfall in northern parts of the country have hit the economy in general and rural economy in particular where standing crops of rice, maize and cotton have been submerged across 32,000 hectares of farmland. Similar flood damages have been observed in urban areas where infrastructure, roads and bridges have borne the brunt. This situation reminds us the troubles brought by 2010 floods.

Operations & performance

Alhamdulillah this year too GGL operations registered a considerable growth in production performance. The company has completed another successful year of operations. During the year the plant performance was found to be excellent as the plant is operated by highly qualified, dedicated and experienced team of engineers which resulted into achieving the targeted plant loading. To gain the customer's confidence and having a high level of reliability the existing plant is equipped with one million liters oxygen and half a million liters of nitrogen storage in the liquid form. The storage is maintained at the upper limit to meet the customer's need at any given time. The specific power remained close to design which has resulted into economical cost of production.

GGL-1 plant is equipped with the world's best technology machines. All the equipments and machines are maintained according to the international standards which resulted into smooth and un-interrupted operation throughout this period. To ensure smooth performance a European firm remained on board for scheduled maintenance of the plant

Increase in electricity tariffs and unpredicted injections in shape of FPA (Fuel Price Adjustment), the highest ever prices of diesel and petrol have put a negative momentum on overall manufacturing and industrial sector and high costs of production and transportation. Despite scheduled and un-scheduled load-shedding result in frequent startups, your company managed to achieve the production targets. To ensure continuous supply to customers, your company has installed alternate energy system to ensure plant operation during crisis seasons. For meeting the customer's requirements at national level, the company has been operating the mobile/distribution fleet which carries 233,000 liters of product at any given time.

Financials

Your directors are pleased to report an excellent performance by your company. The company continued its efforts to further secure itself as a strong player in the industry whilst functioning in an external environment thwart with challenges. Despite of various challenges to the country including debilitating power, security situation, present scenario of overall economics and rupee devaluation, by the Grace of Allah Almighty, the company achieved a strong growth of 65% in turnover.





Alhamdulillah turnover touched the height of Rs. 1,402 million mark against Rs. 850 million as compared with last year. Gross profit for the year was Rs. 391 million against corresponding figure of Rs. 275 million posting a substantial increase over last year. Net profit performance touched the heights of Rs. 152 million mark against Rs. 86 million as compared with last year another strong growth of 76%. These results could only be achieved with ongoing cost saving measures, control initiatives, interest free loan by sponsors, swap of high cost financial facilities, day to day monitoring for better utilization of funds and above all by the grace of Almighty Allah. The financial performance of the Company is summarized below:

	(Rupees in '000)	
	2013	2012
Sales	1401,534	849,749
Gross profit	390,607	275,302
Gross profit margin	27.87%	32.40%
Operating profit	210,588	116,101
Profit before taxation	158,003	94,392
Net profit	151,906	86,488
Earning per share	2.10	1.19

Keeping in view the best performance over last year your Company has achieved earning per share (EPS) of Rs. 2.10 as compared to last year EPS of Rs. 1.19.

Marketing

Alhamdulillah your Company has set historic track record of growth over the last four years in utilizing its world-class production and distribution facilities throughout Pakistan to become the largest supplier in the on-site as well as a leader in the bulk supply markets. During June 2009 we started with zero and Alhamdulillah we are now the most reliable supplier all over Pakistan. Product is distributed to customers using its modern fleet of the cryogenic tankers to provide reliable supplies of gases such as Oxygen, Nitrogen and Argon, to major corporations in the steel, stainless steel, chemical, petrochemical, pharmaceutical, ship breaking industries, engineering industries and hospital care.

In addition to gases, your company has achieved the confidence in chemical business in southern and central parts of the country. We explored new markets and succeeded to increase our share of business. Remarkable segment achievements during the year can be witnessed from financial results of the company.

Ghani Gases is constantly seeking, testing and providing new ways to put our wide range of gases to work. From the beginning of our history we have been instrumental in delivering cost effective solutions in the supply of gases and services to the Pakistan industry as well as our world class standards of gas purity and quality.

In addition to industrial and medical gases your company has significantly improved the trading business of chemicals and has been entering in other sale segments of this sector. Despite the context of economic crisis and energy problems, engineering, construction and ship-breaking had a very good year in 2013. Ghani Gases will continue its significant growth and effort to become market leadership in providing Pakistan industry with the best quality products as well as the safest and most reliable supplier.





Our Quality Management System (ISO 9001) listing is a foundation upon which our process of continuous improvement makes us a world-class gas supplier to add value to our customers, products and services.

How is 2014 looking?

Alhamdulillah the second state of the art ASU plant of GGL in Port Qasim is at final stage. The plant is expected to be commissioned by November 2013 Insha Allah. It would be a landmark and historic achievement of a newly born company which entered in gases market just back of four years. By this addition the production capacity would be doubled without increase in shareholders' equity. We are seeing a continued recovery in business in the current, although it's gradual depending on regions and markets.



Emerging economies are already seeing a rapid return to growth, but the pace is slower in mature economies.

The country has been experiencing continuous energy crisis which have slow down the economic activities. In addition to energy crisis, a jump of almost 50% increase in electricity tariff, gas and oil prices would increase in production and transportation cost. Energy crisis experience is expected to be continued during current year as well. To overcome this situation GGL has been utilizing multi resources to ensure the availability of products.

After change in Government, economic activities are expected to improve particularly in Hub, Thar and other parts of country for development of planned energy plants. We are seeing better opportunities in economic activities if law and order and energy situation is improved.

We are proving to be the most reliable supplier in the market without compromising on quality and safety. Our teams are more committed than ever to our ambition of becoming the recognized Pakistan leader in our industry. Inshallah Ghani Gases expects continuous growth in sale as well as net profit during 2014, in line with our previous performance.

Pay out to the shareholders

The management of your company strongly believes to pass on return of investment to their shareholders. Keeping this policy matter, despite on going expansion program, your company has paid interim cash dividend @ Rs.0.50 per share (5%) during April 2013. The board of director has recommended to approve the interim cash dividend as final cash dividend for the year ended 30 June 2013.

In addition to above, the board of directors of your company in their meeting held on 30 September 2013 has approved the issuance of bonus shares in proportion of two and half shares against every hundred shares held i.e. 2.5% against the accumulated profits for the period ended 30 September 2013.

Investment in associated company

The board of directors of your company has proposed the investment of Rs. 45 million in shape of equity in Ghani Global Glass Limited (GGG) an associated undertaking which would be equal to 10% of the proposed share capital of this company. GGG is in process of establishing a state of the art tubing glass manufacturing plant with a total cost of approximately PK Rs.1.050 billion. This project will allow the GGG to manufacture Boro-silicate neutral premium 'Kimble' (European) class product and to replace the existing import of European and low quality Chinese products in the country. In addition to equity investment it is also proposed to provide corporate guarantee for Rs.650 million by the company to above associated company.



On commencement of commercial operation of the project by November 2014, the associated company will be the bulk purchaser of industrial gases from the company as well. Agenda item as special business for approval of investment in associated company and approval for issuance of corporate guarantee from the shareholders of the company is included in notice of annual general meeting.

Riba-Free business

Alhamdulillah at GGL all business transactions and financial needs are ensured in accordance with the SHARIA compliance.

The name of GGL has been included in the list of Shariah-compliant stocks on KSE website.

Safety first

Safety first is the number one objective of Ghani Gases. It is incumbent upon the company and the management to ensure that all the employees, customers and visitors coming to the site, go back to their families in safe condition. All the safety programs, in-house and at customer's premises, have been installed. To ensure continuity in the safety programs, full time safety engineers are on board who ensure that all the safety aspects including human, machines, buildings, vehicles, tankers and storage are met and taken care off.



Since commissioning of our first plant during May 2009 and by the grace of Almighty Allah GGL-I site has completed 1508 days without any loss of time or incident Alhamdulillah.

Health, environment & quality (SHEQ)

Ghani Gases is environmentally alive and is ensuring zero air, water and ground pollution. The company is maintaining gardens and plants at the site to make the work place attractive and give comfortable environment to the employees and customers.

In addition to safety, health and environment Ghani Gases is highly focused on quality standards. Your company has adopted the world's best quality management system ISO-9001:2008. Certification of the system has been obtained from world's known "UKAS". Annual surveillance audit is conducted by the certification agency to ensure the compliance of the quality management system. Recently re-assessment audit for new certification cycle against ISO 9001:2008 has successfully been conducted.

In addition to above the company has commenced the working on ISO-14000 the environment management system at both sites of the company.

Human resources

Development of Human Resource is one of the priority areas in Ghani Gases as the management consider human capital as the most precious asset of your company.

Alhamdulillah Ghani Gases has hired highly qualified, experienced and competent teams of professionals in all areas such as marketing, plant operations, customer engineering services, finance and corporate.

Ghani Gases' employee's commitment, professionalism and focus on quality and customer care have helped us to gain a reasonable market share in a short period.



Training and development

To ensure the high standard of performance, the GGL hires fresh engineer and train them on site to take the plant operations responsibilities. The on-job and regular class room training sessions, covering operation and maintenance of plants / equipments, managing the distribution fleet and environment are conducted on regular basis.



Product delivery system

GGL is having the most resalable and efficient distribution fleet with the capacity of 233,000 liters of liquid oxygen / nitrogen at one time.

To get the best performance competent teams are on the job on 24 hours basis to maintain the fleet and ensure that no customer gets dry at any given time.

Customer satisfaction

Alhamdulillah Ghani Gases has a large customer network throughout the country and the customer satisfaction is the top priority of your company. Teams of dedicated and competent engineers and technicians are deployed to maintain the equipments at customer premises and attend to customer complaints round the clock. This strength of the Ghani Gases has gained confidence in the market place.



Ghani Gases is highly focused on quality, environmental and safety standards. Your company has been meeting the oxygen requirements of different hospitals as a life saving tool in Lahore, Rawalpindi, Islamabad and Karachi. The needs of critical industries, including pharmaceutical, chemical, steel, ship-breaking and food are met timely and best services are provided. Apart from reputable industrial segments and hospitals Ghani Gases has setup a nation-wide strong dealership network in all the major cities to meet the merchant market/ retailers need.

In addition to manufacturing as well as product storage facilities at Lahore and Port Qasim, the GGL has developed product storage facility at Hub near Gadani Ship Breaking and Tarnol, Islamabad (on main Peshawar Road).

Contribution to national exchequer

During the year under review Ghani Gases contributed Rs.408 million in shape of taxes, duties and levies directly and indirectly paid to central and provincial governments and local authorities.

Statutory auditors of the company

The present auditors M/s DFK Rizwan & Company, Chartered Accountants retire and offer themselves for re-appointment. As suggested by the Audit Committee, the Board of Directors has recommended their re-appointment as auditors of the company for the year ending June 30, 2014, at a mutually agreed fee.

Staff retirement benefit

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



Share price trend

Share price of Rs. 10 each of GGL at one stage rose as high as Rs.30.50, lowered as low as Rs. 8.81 and closed at Rs. 24.98 as on June 30, 2013.



Compliance with the code of corporate governance

Ghani Gases has adopted the requirements of the Code of Corporate Governance set out by the Karachi Stock Exchange in their Listing Regulations, relevant for the year ended June 30, 2013 and have been duly complied with.

Statement of compliance with the best practices of code of corporate governance

The Statement of Compliance with the best practices of Code of Corporate Governance is annexed.

Statement of ethics and business practices

The board of Ghani Gases has adopted the statement of Ethics and Business Practices. All employees are informed of this statement and are required to observe these rules of conduct in relation to customers, suppliers and regulations.



Audit committee

An audit committee of the board has been in existence in accordance with the Code of Corporate Governance, which comprises of one executive and two non executive directors. During the year five meetings of the Audit Committee were held. The Audit Committee has its terms of reference which were determined by the Board of Directors in accordance with the guidelines provided in the Listing Regulations.

Relations with stakeholders

Ghani Gases is committed to establish mutually beneficial relations with all suppliers, customers, bankers, employees, stock exchange, SECP, FBR, all other federal and provincial(s) government departments and all business partners of the company. Alhamdulillah during the period under review relations with all stakeholders remained cordial.

Corporate social responsibility

GGL is committed to both sustainable business practices and its responsibilities as a corporate citizen. We believe that Corporate Social Responsibility is primarily about conducting our business in a transparent and ethical way that enhances value for all of our stakeholders but also by giving support to events that enhance the well being of the community.

Corporate Social Responsibility and guideline for corporate governance are steps in positive directions. Customer relation management is strategic business philosophy and processes are routed through ethical practice.

With the growth of our business, we have assumed an even greater responsibility of our society and stakeholders, including employees, their families, our business partner etc.



GGL also support a clean environment and motivate its customers for this cause. GGL also tries its level best that business activities of customers must be environmental friendly and should not hazardous to the society.

Ghani Gases endeavor to be a trusted corporate entity and fulfill the responsibility towards the environment and society in general.

Board of directors

The Board of Directors, which consist of seven members, have responsibility to independently and transparently monitor the performance of the company and take strategic decisions to achieve sustainable growth in the company value.

A written notice of the board meeting along with working papers was sent to the members seven days before meetings. A total of eight meetings of the Board of Directors were held during the year ended June 30, 2013. The attendance of the board members' is as follows:

Name of the Director	No. of meeting attended
Mr. Masroor Ahmad Khan	08
Mr. Atique Ahmad Khan	08
Hafiz Farooq Ahmad	08
Mrs. Tahira Naheed	07
Mrs. Ayesha Masroor	07
Mrs. Rabia Atique	08
Mrs. Saira Farooq	07

Leave of absence was granted to directors who could not attend some of the board meetings.

Corporate and financial reporting framework

In compliance with the Code of Corporate Governance, we give statements of corporate and financial reporting framework;

- The financial statements together with the notes thereon have been drawn up by the management in conformity with the Companies Ordinance, 1984. These statements present fairly the company's state of affairs, the results of its operations, cash flow and changes in equity.
- Proper books of account have been maintained by the company.
- Appropriate accounting policies have consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the company's ability to continue as a going concern.



- There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
- There has been no departure from the best practices of transfer pricing.
- Information about taxes and levies is given in the notes of accounts.
- The value of investments and bank balances in respect of staff retirement benefits: Provident Fund Rs. 23.477 million

Pattern of shareholding under code of corporate governance

A statement of the pattern of shareholding of certain class of shareholders as at June 30, 2013, whose disclosure is required under the reporting framework, is included in the annexed shareholder's information.

Post balance sheet events

No material changes or commitments affecting the financial position of the company have occurred between the end of financial year of the company and date of this report except the approval for issuance of bonus shares in proportion of 2.5 shares against every 100 shares held i.e. 2.5% by the board of directors against accumulated profits for the period ended 30 September 2013.

Acknowledgment

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

We thank our shareholders who reposed their confidence on management of the company, the officials of the SECP, the Karachi Stock Exchange and all government and other institutions which have direct or indirect relations with the company.

We thank Allah Subhanatallah for blessing your company and all of us and we all should obey the commandments of Allah Subhanatallah and Sunnah of our Prophet "Muhammad" (peace be upon him).

Lahore
30 September 2013

For and on behalf of the
Board of Directors

Masroor Ahmad Khan
Chairman



AUDIT COMMITTEE



Terms of reference

In line with the best practice, the Board of Directors has established the audit committee. The terms of reference of the committee have been developed on the lines as laid down in the Code of Corporate Governance and approved by the Board. These include:

- i. To recommend to the Board of Directors the appointment of external auditors by the company's share holders and consider any question of resignation or removal of external auditors, audit fees and provision by external auditors of any service to the company in addition to audit of its financial statement;
- ii. To review the quarterly, half yearly and annual financial statements of the company, prior to their approval by the Board of Directors.
- iii. To facilitate the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight;
- iv. To review the management letter issued by external auditors and management's response thereto;
- v. To ensure coordination between the internal and external auditors of the company;
- vi. To review the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and appropriately placed within the company;
- vii. To consider the major findings of internal investigation and management's response thereto;
- viii. To ascertain that the internal control system including financial and operational control, accounting system and reporting structure are adequate and effective;
- ix. To determine compliance with relevant statutory requirements; and
- x. To monitor compliance with the best practices of corporate governance and identification of significant violation thereof;

The committee comprises of the following members:

Hafiz Farooq Ahmad
Executive (Chairman)

Ayesha Masroor
Non-Executive (Member)

Rabia Atique
Non-Executive (Member)

Farzand Ali
Secretary to the Committee



KEY OPERATING AND FINANCIAL DATA

SIX YEARS AT A GLANCE

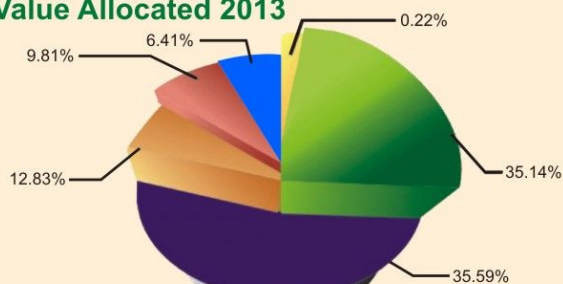
	2013	2012	2011	2010	2009	2008
Operating Results						
Sales (gross)	1,401,534	849,749	520,773	314,935	25,651	-
Gross profit	390,607	275,302	145,531	25,508	1,909	-
Profit/(Loss) before tax	158,003	94,392	85,013	(62,558)	(38,367)	(6,333)
Financial data						
Fixed assets	1,398,107	1,322,419	1,222,849	823,078	860,921	359,134
Capital work in progress	171,827	96,913	12,102	265,233	196,607	-
Intangibles assets	630	910	11,20	-	-	-
Long term deposits	79,169	65,865	42,153	17,384	13,983	-
Current assets	898,157	404,189	254,612	178,414	57,785	222,350
Current liabilities	462,651	355,658	252,257	172,856	64,706	175,345
Assets employed	2,085,239	1,534,638	1,280,579	1,111,255	1,064,590	406,139
Financed by:						
Ordinary capital	724,630	724,630	724,500	724,500	724,500	400,000
Reserves	30,000	30,000	30,000	30,000	30,000	12,500
Un appropriated profit/(loss)	172,674	57,000	(29,489)	(108,933)	(44,729)	(6,361)
Shareholder's equity	927,304	811,630	725,011	645,567	709,770	406,139
Loan from sponsors (interest free)	611,381	437,433	250,137	100,772	-	-
Banks and others	546,554	285,575	305,431	364,916	354,819	-
Finances and deposits	1,157,935	723,008	555,568	465,688	354,819	-
Funds invested	2,085,239	1534,638	1280,579	1,111,255	1,064,590	406,139
Earning per-share (Rs.)	2.10	1.19	1.10	(0.89)	(0.79)	(0.16)
Break-up-value (Rs.)	12.80	11.20	10.01	8.91	9.80	10.15
Dividend % Interim	5	-	-	-	-	-



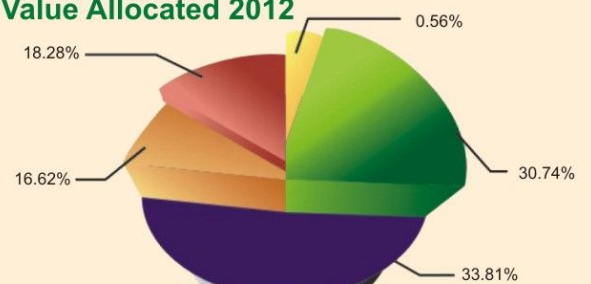
VALUE ADDED STATEMENT

	2013		2012	
	(Rupees in '000)	(%)	(Rupees in '000)	(%)
Wealth Generated / Value added:				
Turnover (including sales tax)	1,401,534		849,749	
Less: Purchased materials and services	(839,470)		(502,384)	
Valued added	562,064		347,365	
Other income	2,824		51,155	
Wealth Created	564,888	100.00	398,520	100.00
Wealth Distribution				
To employees				
Salaries, benefits and other costs	72,454	12.83	66,217	16.62
To Government				
Income tax, sales tax, WPPF	198,491	35.14	122,491	30.74
To society and development initiatives				
Donations to education, health and environment	1,247	0.22	2,224	0.56
To providers of capital				
Dividend to shareholders	36,231	6.41	-	-
Profit on borrowed funds	55,410	9.81	72,864	18.28
To company				
Depreciation, amortization and retained profit	201,055	35.59	134,724	33.81
	564,888	100.00	398,520	100.00

Value Allocated 2013



Value Allocated 2012



■ To shareholders

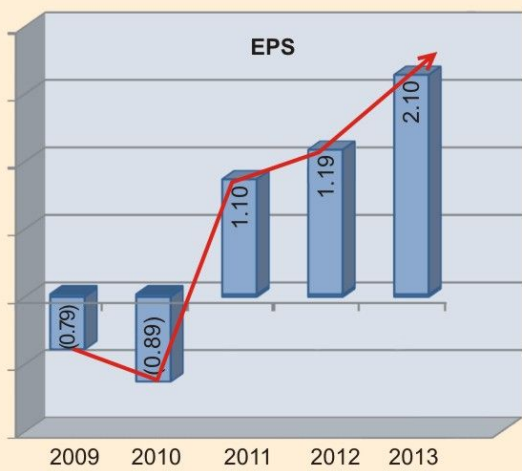
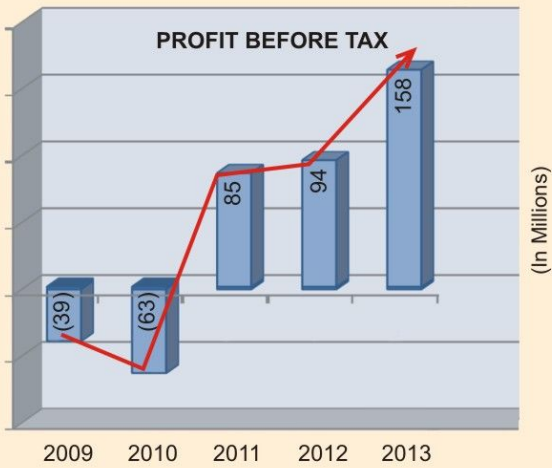
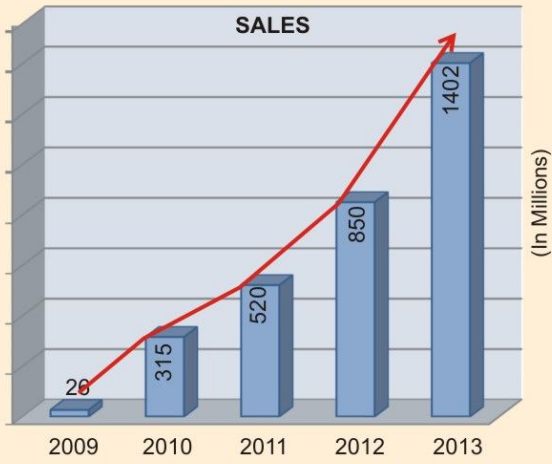
■ To company

■ To government

■ To employees

■ To providers of capital

■ To society and development initiatives





STATEMENT OF ETHICS AND BUSINESS PRACTICES

Ghani Gases Limited has laid down the following business ethics and principles, the observance of which is compulsory for all the directors and staff members of the company in the conduct of company's business in order to protect and safeguard the reputation and integrity of the company at all levels of its operations. Any contravention of these ethics is regarded as misconduct. The company will ensure that all the executives and subordinate staff and workers are fully aware of the standards and principles.

Obey of commandments

It is the management's expectation that all staff member shall obey the commandments of Allah Subhanatallah and Sunnah of our Prophet "Muhammad" (peace be upon him). Staff members are also expected for service of prayers at their times and to preach of goodness for discharge of their religious liability.

Conflict of interest

All staff members and workers are expected not to engage in any activity, which can cause conflict between their personal interests and Company's interest, such as:

- a. In effecting the purchases for company and selling its products, the directors and the staff members are forbidden from holding any personal interest in any organization supplying goods or services to the company or buying its products.
- b. Transfer pricing of related party transactions should not be other than the listing regulations issued by the stock exchange.
- c. Staff members should not engage in any outside business while serving the company.
- d. Staff members are not permitted to conduct personal business in company's premises or use company's facilities for the same.
- e. If a staff member has direct or indirect relationship with an outside organization dealing with the company, he must disclose the same to the management.
- f. Staff members should comply with the applicable legislations and regulations of the SECP and stock exchange in relation to inside information.



Confidentiality

All staff members are required not to divulge any secrets/information of the company to any outsider even after leaving the service of the company. During the course of service in the company, staff members should not disseminate any information relating to business secrets of the company without the consent of the management.



Kickbacks

All staff members are strictly forbidden not to accept any favour, gifts or kickbacks from any organization or individual dealing with the company. In case if such favour is considered, in the interest of the company, the same should be disclosed clearly to the management.

Proper books of accounts

All funds, receipts and disbursements should be properly recorded in the books of accounts of the company. No false or fictitious entries should be made or misleading statement pertaining to the company or its operations should be issued. All agreements with suppliers, customers, agents, dealers and consultants should be made in writing supported with required evidence.

Relationship with Government officials, suppliers, customers, agents etc.

The dealing of the company with Government officials, suppliers, buyers, agents and consultants of the company should always be such that the integrity of the company and reputation is not damaged. Members having queries in connection with how to deal with these factions should consult the management.

Health and safety

Every staff member is required to take care of his health and safety and of those working with him.

Environment

To preserve and protect the environment all staff members are required to operate the company's facilities and processes so as to ensure maximum safety of men, material, machinery, surroundings and all adjoining communities and strive continuously to improve environmental awareness and protection.

Alcohol, drugs and smoking

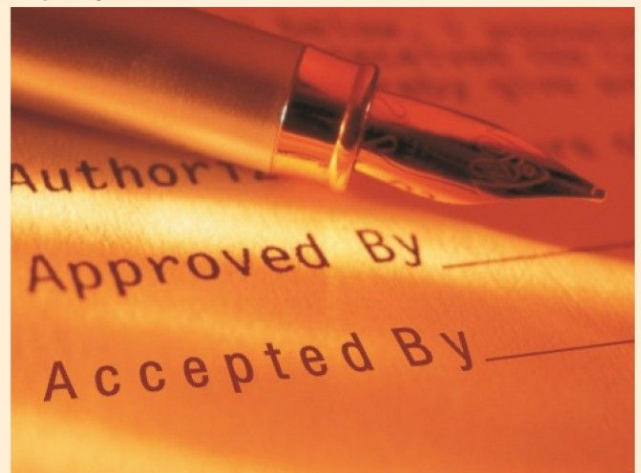
All types of gambling and betting at the company's premises are strictly forbidden. Also taking of any alcohols and drugs inside the company's premises is not allowed. Smoking within plant premises, offices, work places, workshops, stores, laboratories and warehouses is not allowed. Members of the staff, not abiding by these prohibitions will attract disciplinary as well as penal action under the law.

Coordination among staff members to maintain discipline

All staff members will work in close coordination with their co-workers, supervisors and colleagues. Every member will cooperate with other member so that the company's work is carried out effectively and efficiently. All cases of non-cooperation among staff members should be reported to the management for necessary and suitable action. Strict action will be taken against those staff members who violate the rules and regulations of the company.

Workplace harassment

All members of the staff will provide an environment that is free from harassment in which all employees are equally respected. Work place harassment means any action that creates an intimidating, hostile or offensive environment, which may include sexual harassment, disparaging remarks based on the gender, religious, race or ethnicity.





PATTERN OF HOLDING OF SHARES

HELD BY THE SHAREHOLDERS AS AT 30 JUNE 2013

Incorporation Number: 0063479

Number of Shareholders	From	Shareholding To	Total Shares Held
156	1	100	3,543
434	101	500	208,768
151	501	1000	146,614
212	1001	5000	612,171
97	5001	10000	665,229
30	10001	15000	388,616
24	15001	20000	457,212
19	20001	25000	457,500
4	25001	30000	105,958
4	30001	35000	131,500
3	35001	40000	116,000
1	40001	45000	42,500
7	45001	50000	348,666
1	50001	55000	50,080
3	55001	60000	176,500
2	60001	65000	122,142
1	65001	70000	68,667
1	70001	75000	71,000
1	75001	80000	78,500
2	80001	85000	170,000
2	85001	100000	200,000
2	100001	105000	205,500
1	105001	120000	240,000
2	120001	140000	140,000
2	140001	200000	400,000
1	200001	230000	456,500
1	230001	235000	235,000
2	235001	245000	241,500
1	24001	250000	500,000
1	250001	375000	273,000
1	275001	300000	300,000
1	300001	315000	315,000
1	315001	330000	327,500
1	330001	395000	395,000
1	395001	500000	500,000
1	500001	535000	535,000
1	535001	545000	542,500
1	545001	640000	639,652



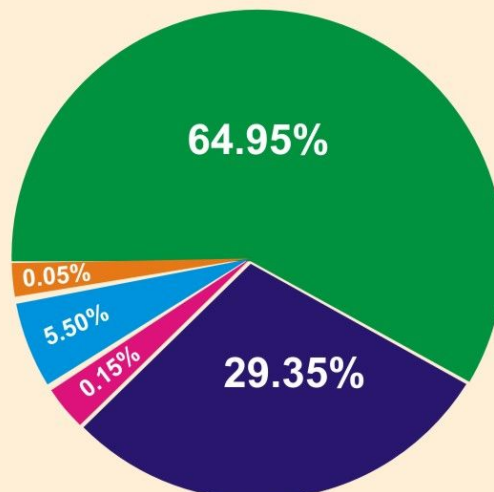
1	640001	865000	863,019
1	865001	975000	974,000
2	975001	1000000	2,000,000
1	100001	1200000	1,200,000
1	1200001	1425000	1,425,000
2	1425001	1800000	3,600,000
1	1800001	273500	2,734,000
1	2735001	3000000	3,000,000
1	3000001	3010000	3,006,800
1	3010001	3020000	3,016,800
1	3020001	3805000	3,800,900
1	3805001	4010000	4,008,200
1	4010001	5030000	5,026,000
1	5030001	8490000	8,487,500
1	8490001	9185000	9,181,763
1	9185001	9275000	9,271,700

1,177

72,463,000

Categories of Shareholders	Shares Held	Percentage
Directors, chief executive officer and their spouse and minor children	47,065,463	64.95
Modarabas and mutual funds	31,900	0.05
*Shareholders holding 5% or more	43,758,663	60.39
General public		
- Local	21,268,942	29.35
- Foreign	111,051	0.15
Others		
Joint stock companies	3,985,644	5.50
	72,463,000	100.00

* Total number of shares held and percentage is included in categories of shareholders of directors, chief executive officer and general public.





DETAIL OF PATTERN OF SHAREHOLDING

AS PER REQUIREMENTS OF CODE OF CORPORATE GOVERNANCE



Holding

DIRECTORS, CEO THEIR SPOUSE AND MINOR CHILDREN

1.	Mr. Masroor Ahmad Khan	Chairman	9,271,700
2.	Mr. Atique Ahmad Khan	Director/Chief Executive Officer	11,487,500
3.	Hafiz Farooq Ahmad	Director	11,155,763
4.	Mrs. Tahira Naheed	Director	300,000
5.	Mrs. Ayesha Masroor	Director	8,042,800
6.	Mrs. Rabia Atique	Director	3,800,900
7.	Mrs. Saira Farooq	Director	3,006,800
			<u>47,065,463</u>

PUBLIC SECTOR COMPANIES AND CORPORATIONS

1.	Sinaco Engineers (Pvt.) Limited	241,500
2.	Intermarket Securities Limited	228,500
3.	Zafar Securities (Pvt.) Limited	20,000
4.	NH Securities (Pvt.) Limited	1,000
5.	ACE Securities (Pvt.) Limited	1
6.	Invest Forum (SMC-Pvt) Limited	500
7.	High Link Capital (Pvt.) Limited	7,500
8.	AMCAP Securities (Pvt.) Limited	6,500
9.	Multiline Securities (Pvt.) Limited	61,642
10.	FDM Capital Securities (Pvt.) Limited	75,000
11.	Capital Vision Securities (Pvt.) Limited	500
12.	Sherman Securities (Pvt.) Limited	2,734,000
13.	Progressive Securities (Pvt.) Limited	140,000
14.	Maan Securities (Pvt.) Limited	2,000
15.	HH Misbah Securities (Pvt.) Limited	10,000



16. Stock Master Securities (Pvt.) Limited	1,500
17. NCC-Presettlement Delivery Account	500
18. Darson Securities (Pvt.) Limited	7,000
19. Muhammad Munir Muhammad Ahmad Khanani Securities (Pvt.) Limited	120,000
20. GMI Capital Securities (Pvt.) Limited	100,000
21. Seven Star Securities (Pvt.) Limited	228,000
22. Pearl Capital Management (Pvt.) LimitedA	1
	<u>3,985,644</u>

MODARABAS AND MUTUAL FUNDS

1. Golden Aero Selected Stock Fund Limited	6,900
2. First Equity Modaraba	25,000
	<u>31,900</u>

SHARES HELD BY THE GENERAL PUBLIC

21,379,993

SHAREHOLDERS HOLDING 5% OR MORE OF TOTAL CAPITAL

*1. Mr. Masroor Ahmad Khan	9,271,700
*2. Mr. Atique Ahmad Khan	11,487,500
*3. Hafiz Farooq Ahmad	11,155,763
*4. Mrs. Ayesha Masroor	8,042,800
*5. Mrs. Rabia Atique	3,800,900
	<u>43,758,663</u>

*These are also directors of the company.

TRADING BY DIRECTOR CEO, CFO, CS AND THEIR SPOUSES AND MINOR CHILDREN

	Purchase	Sale	Description
Hafiz Farooq Ahmad, Director	1,000,000	-	Through stock broker





STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2013



This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. XI 35 of listing regulation of the Karachi Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

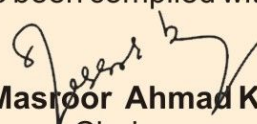
Category	Names
Executive Directors	Mr. Masroor Ahmad Khan Mr. Atique Ahmad Khan Hafiz Farooq Ahmad
Non-Executive Directors	Mrs. Tahira Naheed Mrs. Ayesha Masroor Mrs. Rabia Atique Mrs. Saira Farooq

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
3. All the directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy occurred on the board are filled up by the directors within 30 days.
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO other executive and non-executive directors have been taken by the board / shareholders.



8. The meetings of the board were presided over by the chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The board arranged training program for one of its directors.
10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The board has formed an audit committee. It comprises three members, two of them are non-executive and one is executive director which is the chairman.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an Human Resources and Remuneration Committee. It comprises three members, of whom two are non-executive directors and the chairman of the committee is an executive director.
18. The board has set-up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
23. We confirm that all other material principles enshrined in the CCG have been complied with.

Lahore
30 September 2013


Masroor Ahmad Khan
Chairman



REVIEW REPORT TO THE MEMBERS

ON THE STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance (the Statement) with the best practices contained in the Code of Corporate Governance (the Code) for the year ended 30 June 2013 prepared by the Board of Directors of **Ghani Gases Limited** (the Company) to comply with the regulations of the respective Stock Exchanges, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to extent where such compliance can be objectively verified, whether the Statement reflects the status of the Company's compliance with the provisions of the Code and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control systems to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, Listing Regulations of Karachi Stock Exchange require the Company to place before the Board of Directors for their consideration and approval, related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price, recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code for the year ended 30 June 2013.

Lahore
30 September 2013

RIZWAN & COMPANY
Chartered Accountants



Financial Statements

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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **GHANI GASES LIMITED** as at **30 June 2013** and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that—

- (a) In our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;
- (b) In our opinion —
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profits and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at **30 June 2013** and of the profit, comprehensive profit, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Lahore
30 September 2013

RIZWAN & COMPANY
Chartered Accountants
Engagement Partner: Usman Sheikh



BALANCE SHEET

AS AT 30 JUNE 2013

	Note	2013 (Rupees '000)	2012
ASSETS			
Non-current assets			
Property, plant and equipment			
Operating fixed assets	5	1,191,106	1,124,908
Assets subject to ijarah financing	6	207,001	197,511
Capital work in progress	7	171,827	96,913
		1,569,934	1,419,332
Intangible assets	8	630	910
Long term deposits and prepayments	9	79,169	65,865
		1,649,733	1,486,107
Current assets			
Stores, spare parts and loose tools	10	49,797	35,036
Stock in trade	11	13,752	11,182
Trade debts	12	144,349	31,264
Loans and advances	13	383,320	32,609
Trade deposits and short term prepayments	14	18,914	8,270
Other receivables	15	93	168
Advance tax		45,108	26,189
Cash and bank balances	16	242,824	259,471
		898,157	404,189
		2,547,890	1,890,296
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
73,000,000 (2012: 73,000,000) ordinary shares of Rs. 10 each		730,000	730,000
Issued, subscribed and paid up share capital	17	724,630	724,630
Capital reserve - Share premium	18	30,000	30,000
Unappropriated profit		172,674	57,000
Total equity		927,304	811,630
Non-current liabilities			
Long term financing	19	408,146	129,000
Loan from sponsors	20	611,381	437,433
Liabilities against assets subject to ijarah financing	21	114,058	132,375
Long term security deposits	22	24,350	24,200
		1,157,935	723,008
Current liabilities			
Trade and other payables	23	132,413	100,606
Accrued profit on financing	24	10,363	9,156
Short term borrowings	25	117,618	91,058
Current portion of long term liabilities	26	196,160	146,934
Provision for taxation		6,097	7,904
		462,651	355,658
Total liabilities		1,620,586	1,078,666
TOTAL EQUITY AND LIABILITIES		2,547,890	1,890,296
CONTINGENCIES AND COMMITMENTS			
	27	-	-

The annexed notes from 1 to 46 form an integral part of these financial statements.

ATIQUE AHMAD KHAN
(Chief Executive Officer)

HAFIZ FAROOQ AHMAD
(Director)



PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 (Rupees '000)	2012
Gross Sales - Local		1,401,534	849,749
Less:			
Sales tax		184,079	109,607
Net sales		1,217,455	740,142
Cost of sales	28	826,848	464,840
Gross Profit		390,607	275,302
Distribution cost	29	110,492	94,222
Administrative expenses	30	60,060	57,441
Other operating expenses	31	9,467	7,538
		180,019	159,201
Other income	32	2,824	51,155
		213,412	167,256
Finance cost	33	55,409	72,864
Profit before taxation		158,003	94,392
Taxation	34	6,097	7,904
Profit after taxation		151,906	86,488
Earnings per share - basic and diluted	35	2.10	1.19

The annexed notes from 1 to 46 form an integral part of these financial statements.

ATIQUE AHMAD KHAN
(Chief Executive Officer)

HAFIZ FAROOQ AHMAD
(Director)



STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

	2013 (Rupees '000)	2012
Net profit for the year	151,906	86,488
Other comprehensive income	-	-
Total comprehensive income for the year	<u>151,906</u>	<u>86,488</u>

The annexed notes from 1 to 46 form an integral part of these financial statements.

ATIQUE AHMAD KHAN
(Chief Executive Officer)

HAFIZ FAROOQ AHMAD
(Director)



STATEMENT OF CHANGES IN EQUITY

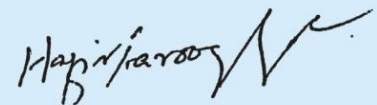
FOR THE YEAR ENDED 30 JUNE 2013

	Share capital	Capital reserve - Share premium	Unappropriated Profit	Total
(Rupees '000)				
Balance as at 01 July 2011	724,500	30,000	(29,488)	725,012
Shares issued during the year	130	-	-	130
Net profit for the year	-	-	86,488	86,488
Other comprehensive income for the year	-	-	-	-
Total comprehensive income	-	-	86,488	86,488
Balance as at 30 June 2012	724,630	30,000	57,000	811,630
Net profit for the year	-	-	151,906	151,906
Other comprehensive income for the year	-	-	-	-
Total comprehensive income	-	-	151,906	151,906
Interim dividend @ Rupees 0.5 per share	-	-	(36,232)	(36,232)
Balance as at 30 June 2013	724,630	30,000	172,674	927,304

The annexed notes from 1 to 46 form an integral part of these financial statements.



ATIQUE AHMAD KHAN
(Chief Executive Officer)



HAFIZ FAROOQ AHMAD
(Director)



CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 (Rupees '000)	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from/ (used in) operating activities	36	(201,376)	225,250
Finance cost paid		(54,202)	(73,905)
Income tax paid		(26,823)	(17,027)
		(81,025)	(90,932)
Net cash from / (used in) operating activities		(282,401)	134,318
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(54,653)	(159,451)
Addition in capital work in progress		(174,565)	(67,977)
Proceeds from disposal of property, plant and equipment		31,678	102,485
Long term deposits paid		(13,304)	(23,662)
Net cash used in investing activities		(210,844)	(148,605)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - net		270,584	(92,167)
Loan from sponsors - net		223,948	78,439
Short term borrowings - net		26,560	66,058
Dividend paid		(34,115)	-
Long term security deposit payable		150	(7,100)
Liabilities against assets subject to ijarah financing - net		(10,529)	123,754
Net cash generated from financing activities		476,598	168,984
Net increase / (decrease) in cash and cash equivalents		(16,647)	154,697
Cash and cash equivalents at the beginning of the year		259,471	104,030
Acquired due to business combination		-	744
Cash and cash equivalents at the end of the year		242,824	259,471

The annexed notes from 1 to 46 form an integral part of these financial statements.

ATIQUE AHMAD KHAN
(Chief Executive Officer)

HAFIZ FAROOQ AHMAD
(Director)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

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 Karachi Stock Exchange on January 05, 2010. The registered office of the company is situated at 82-N Model Town Extension, Lahore. The Company is engaged in the manufacturing, sale and trading of medical & industrial gases and chemicals.

2. STATEMENT OF COMPLIANCE

2.1 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 NEW ACCOUNTING STANDARDS AND IFRS INTERPRETATIONS THAT ARE NOT YET EFFECTIVE

The following International Financial Reporting Standards and Interpretations as notified by the Securities and Exchange Commission of Pakistan are only effective for accounting periods, beginning on or after the date mentioned against each of them:

	Effective date (accounting periods beginning on or after)
Amendments to IFRS 7 Financial Instruments - Disclosures	01 January 2013 & 2015
Amendments to IAS 1 Presentation of Financial Statements	01 January 2013
Amendments to IAS 19 Employee Benefits	01 January 2013
Amendments to IAS 27 Separate Financial Statements	01 January 2013
Amendments to IAS 28 Investments in Associates and Joint Ventures	01 January 2013
Amendments to IAS 32 Financial Instruments - Presentation	01 January 2013 & 2014
Annual Improvements to IFRS (2009 - 2011 Cycle)	01 January 2013
IFRIC 20 - Stripping costs in the production phase of a surface mine	01 January 2013
IFRIC 21 - Levies	01 January 2014

The management believes that these accounting standards and interpretations do not have any impact on the present transactions of the Company, except for the following. The Company would comply with these standards, interpretations and amendments when applicable.



2.3 ACCOUNTING STANDARDS AND IFRS INTERPRETATIONS THAT HAVE NOT BEEN NOTIFIED BY SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

The following International Financial Reporting Standards and Interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan for the purpose of applicability in Pakistan:

	Effective date (accounting periods beginning on or after)
IFRS 1 First time adoption of International Financial Reporting Standards	01 July 2009
IFRS 9 Financial Instruments - Classification and Measurement	01 January 2015
IFRS 10 Consolidated Financial Statements	01 January 2013
IFRS 11 Joint Arrangements	01 January 2013
IFRS 12 Disclosure of Interest in Other Entities	01 January 2013
IFRS 13 Fair Value Measurement	01 January 2013
IFRS 10, 12, IAS 27 and IAS 28 - Investment Entities (Amendments)	01 January 2014

2.4 ACCOUNTING STANDARDS, IFRS AND INTERPRETATIONS TO EXISTING STANDARDS THAT ARE EFFECTIVE AND NOT APPLICABLE TO THE COMPANY

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that have become effective during the year and are mandatory for accounting periods on or after 01 July 2012 but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed in these financial statements.

3 BASIS OF PREPARATION

3.1 These financial statements have been prepared under the historical cost convention except for certain financial instruments, which are carried at their fair values.

3.2 Significant accounting judgments and critical accounting estimates / assumptions

The Company's main accounting policies affecting its result of operations and financial conditions are set out in note 4. Judgments and assumptions have been used by the management in applying the Company's accounting policies in many areas. Actual results may differ from estimates calculated using these judgments and assumptions. Key sources of estimation, uncertainty and critical accounting judgments are as follows:

a) Income taxes

The Company takes into account relevant provisions of the current income tax laws while providing for current and deferred taxes.

b) Useful lives, patterns of economic benefits and impairments

Management has made estimates of residual values, useful lives and recoverable amounts of certain items of property, plant and equipment. Any change in these estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment loss.

c) **Provision for doubtful debts**

An estimate is made for doubtful receivables based on review of outstanding amounts at the period end, if any. Provisions are made against that are considered doubtful by the management. Balances considered bad and irrecoverable are written off when identified.

d) **Provision for slow moving /obsolete items**

Provision is made for slow moving and obsolete items, based on review by the technical head at each balance sheet date.

3.3 Functional and presentation currency

These financial statements are presented in Pak rupee, which is the functional and presentation currency for the Company.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Taxation

Current

Provision for taxation on income from local sales and other income is based on taxable income at current rates after taking into account tax rebates and credits available, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for taxation made in previous years arising from assessments framed during the year of such years.

Deferred

Deferred taxation is accounted for using the balance sheet liability method providing for temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary timing differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated based on the rates that have been enacted or substantively enacted up to the balance sheet date and are expected to apply to the period when the difference arises.

4.2 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.


4.3 Provisions

A provision is recognized in balance sheet when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of obligation.

4.4 Property, plant and equipment

Owned

These are stated at cost less accumulated depreciation and impairment, if any, except freehold land which is stated at cost. Cost of operating fixed assets comprises historical cost, borrowing cost and other expenditure pertaining to the acquisition, construction, erection and installation of these assets.



Depreciation is charged to profit and loss account using the reducing balance method except for plant and machinery on which depreciation is charged on production hours basis and leasehold land on which depreciation is charged on straight line basis so as to write off the cost over the expected useful life of assets at rates, which are disclosed in notes to the financial statements. Depreciation on additions to property, plant and equipment is charged from the month in which the asset is acquired or capitalized, while no depreciation is charged for the month in which the asset is disposed of.

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

Normal repairs and maintenance costs are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalized. Gains and losses on disposal of property, plant and equipment are taken to profit and loss account.

Ijarah assets

Ijarah assets in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as Ijarah assets. Ijarah assets are stated at an amount equal to the lower of its fair value and the present value of minimum Ijarah payments at the inception of Ijarah, less accumulated depreciation and any identified impairment loss.

Each Ijarah payment is allocated between the liability and profit so as to achieve a constant rate on the balance outstanding. Profit element of the rental is charged to profit and loss account.

Depreciation on assets subject to Ijarah financing is recognized in the same manner as for owned assets on the rates specified in note to the financial statements.

Any excess of sales proceeds over the carrying amount of Ijarah assets resulting from sale and Ijarah back transactions, is deferred and amortized over the Ijarah term, whereas, any loss is recognized immediately in profit or loss account.

Capital work in progress

Capital work-in-progress represents expenditure on property, plant and equipment which are in the course of construction and installation. Transfers are made to relevant property, plant and equipment category as and when assets are available for use.

Capital work-in-progress is stated at cost less any identified impairment loss.

Impairment

The Company assesses at each balance sheet date whether there is any indication that assets excluding inventory may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where the carrying value exceeds the recoverable amount, assets are written down to the recoverable amount and the difference is charged to the profit and loss account.

4.5 Stores, spare parts and loose tools

These are valued at moving average cost less provision for slow moving and obsolete items except for items in transit, which are valued at cost comprising invoice value, plus other charges paid thereon. Provision is made for slow moving and obsolete items.



4.6 Stock in trade

Stock - in - trade is stated at lower of cost and net realizable value. The cost is determined using average cost method, and includes expenditure incurred in acquiring the stocks, conversion costs and other costs incurred in bringing them to their existing location and condition.

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

Stock in transit is valued at cost comprising invoice value plus other charges incurred thereon.

4.7 Trade debts

Trade debts are carried at the amounts billed / charged which is fair value of consideration to be received in the future. An estimate is made for doubtful receivables based on review of outstanding amounts at the year end, if any. Provisions are made against amounts that are considered doubtful by the management. Balances considered bad and irrecoverable are written off when identified.

4.8 Other receivables

Other receivables are recognized at nominal amount which is fair value of the consideration to be received in the future.

4.9 Cash and bank balance

Cash in hand and at bank are carried at nominal amount.

4.10 Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

Any gain or loss on de-recognition of the financial assets and financial liabilities is taken to profit and loss account.

4.11 Impairment of financial assets

The Company assesses at each balance sheet date whether there is any indication that assets excluding inventory may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying value exceed recoverable amount, assets are written down to the recoverable amount and the difference is charged to profit and loss account.



4.12 Off setting of financial assets and financial liabilities

A financial asset and financial liability is set off and the net amount is reported in the balance sheet if the Company has legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.13 Derivative financial instruments

These are initially recorded at cost and are re-measured to fair value at subsequent reporting dates. Any resulting gain or loss is recognized in current year profit and loss account. Derivatives with positive market values are included in other receivables and derivatives with negative market values are included in other liabilities in the balance sheet.

4.14 Foreign currency translation

Assets and liabilities in foreign currencies are translated at the rates of exchange prevailing at balance sheet date or at the contracted rates while foreign currency transactions are recorded at the rates of exchange prevailing at the transaction date or at the contracted rates. Exchange gains and losses are charged to profit and loss account.

4.15 Revenue recognition

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

- i) Revenue from the sale of goods is measured net of sales tax, returns and trade discounts, and is recognized when significant risk and rewards of ownership are transferred to buyer, that is, when deliveries are made and recovery of consideration is probable.
- ii) Rental and other service income is recognized in profit and loss account on accrual basis.
- iii) Profit on bank deposits is recognized on time proportion basis taking into account principal outstanding and rates of profit applicable thereon.

4.16 Employees' benefits

Defined contribution plan

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

Compensated absences

Compensated absences are accounted for in the period in which the absences are earned.

4.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to profit and loss account whenever incurred. Finance cost is accounted for on accrual basis.



4.18 Related party transactions and transfer pricing

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

4.19 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4.20 Dividends

Dividend distribution to the Company's shareholders is recognized as a liability in the period in which dividends are approved by Company's shareholders.

4.21 Intangible assets

Goodwill

Goodwill represents the difference between the cost of the acquisition (fair value of consideration paid) and the fair value of the net identifiable assets acquired.

Goodwill is stated at cost less any identified impairment loss.

Other intangible assets

Other intangible assets are stated at cost less accumulated amortization and any identified impairment loss.

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and that the cost of such asset can also be measured reliably.

Intangible assets are amortized using straight line method at the rates given in notes to the financial statements. Amortization is charged to profit and loss account from the month in which the asset is available for use.


Amortization on additions is charged on pro-rata basis from the month in which asset is put into use, while for disposals, amortization is charged up to the month of disposal.

Subsequent expenditure on intangible asset is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All expenditures are charged to income as and when incurred.

Gain or loss arising on disposal and retirement of intangible asset is determined as a difference between the net disposal proceeds and carrying amount of the asset is recognized as income or expense in the profit and loss account immediately.

4.22 Operating segments

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the



transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the chief executive officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Company's format for segment reporting is based on its products and services.

Segment results that are reported to the chief executive officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those income, expenses, assets, liabilities and other balances which can not be allocated to a particular segment on a reasonable basis are reported as unallocated.

Transaction among the business segments are recorded at cost. Inter segment sales and purchases are eliminated from the total.

5 OPERATING FIXED ASSETS - TANGIBLE

DESCRIPTION	2012				2013				DEPRECIATION RATES				
	BALANCE AS AT 01 JULY 2012		FOR THE YEAR		BALANCE AS AT 30 JUNE 2013		DEPRECIATION RATES						
	Cost	Accumulated Depreciation	Net Book Value	Additions	Transfer Cost / (Accumulated Depreciation)	Disposal Cost / (Accumulated Depreciation)		Depreciation Charge		Cost	Accumulated Depreciation	Net Book Value	
Land - Freehold	49,637	-	49,637	-	-	-	-	49,637	-	49,637	-	-	
Land- Leasehold	23,200	232	22,968	2,626	-	-	232	23,200	232	22,968	-	-	
Building on freehold land	155,875	35,935	119,940	-	-	-	13,327	155,875	35,935	119,940	10	10	
Plant and machinery	1,008,355	93,226	915,129	99,651	10,286 (609)	18,423 (15)	23,909 (896)	1,008,355	93,226	915,129	-	-	
Furniture and fixtures	14,124	3,585	10,539	3,339	-	-	1,064	14,124	3,585	10,539	10	10	
Office equipment	1,526	331	1,195	185	-	-	118	1,526	331	1,195	10	10	
Computers	2,026	1,211	815	1,165	-	-	307	2,026	1,211	815	30	30	
Vehicles	10,383	5,698	4,685	12,363	11,250 (4,418)	15,166 (3,826)	1,432	10,383	5,698	4,685	20	20	
	1,265,126	140,218	1,124,908	119,329	21,536 (5,027)	33,589 (3,841)	39,892	1,372,402	181,296	1,191,106			
2012 - Restated													
DESCRIPTION	BALANCE AS AT 01 JULY 2011				FOR THE YEAR				BALANCE AS AT 30 JUNE 2012			DEPRECIATION RATES	
	Cost	Accumulated Depreciation	Net Book Value	Additions	Transfer Cost / (Accumulated Depreciation)		Disposal Cost / (Accumulated Depreciation)	Depreciation Charge	Cost	Accumulated Depreciation	Net Book Value		
					(Rupees '000)	(Rupees '000)							
Land - Freehold	49,637	-	49,637	-	-	-	-	49,637	-	49,637	-	-	
Land- Leasehold	-	-	-	23,200	-	-	-	232	23,200	232	22,968	-	-
Building on freehold land	155,875	22,608	133,267	-	-	-	13,327	155,875	35,935	119,940	10	10	
Plant and machinery	1,043,039	70,213	972,826	66,516	-	101,200 (896)	23,909	1,008,355	93,226	915,129	-	-	
Furniture and fixtures	12,259	2,521	9,738	1,865	-	-	1,064	14,124	3,585	10,539	10	10	
Office equipment	1,010	213	797	516	-	-	118	1,526	331	1,195	10	10	
Computers	1,770	904	866	256	-	-	307	2,026	1,211	815	30	30	
Vehicles	13,215	5,501	7,714	137	-	2,969 (1,235)	1,432	10,383	5,698	4,685	20	20	
	1,276,805	101,960	1,174,845	92,490	-	104,169 (2,131)	40,389	1,265,126	140,218	1,124,908			

5.1 Leasehold land has been reclassified from Freehold land in corresponding figures to conform to current year presentation.

5.2 Particulars of operating fixed assets disposed of during the year is as follows:

Description	Cost	Accumulated Depreciation	Net Book Value	Sales proceeds	Mode of disposal	Particulars of purchaser
------(Rupees '000)-----						
Plant and Machinery						
Compressor	5,412	-	5,412	5,292	Ijarah Financing	First Habib Modaraba
Cryogenic tanks	9,350	-	9,350	9,270	Ijarah Financing	First Habib Modaraba
Air compressor	3,661	15	3,646	3,655	Ijarah Financing	First Habib Modaraba
Vehicles						
Suzuki Cultus	642	354	288	550	Negotiation	Mr. Abdur Rauf Nasir
Honda Civic	1,040	493	547	900	Negotiation	Mr. Nazir Ahmed
Honda City	928	626	302	925	Negotiation	Mr. Muhammad Naveed
Suzuki Bolan	439	265	174	425	Negotiation	Mr. Manzoor Ahmed
Honda City	1,082	633	449	925	Negotiation	Mr. Muhammad Naveed
Toyota Camry	3,750	1,413	2,337	2,500	Negotiation	Mr. Muhammad Shafiq
Yamaha Junoon	69	42	27	20	Negotiation	Mr. Ahmed Yar
Suzuki Bolan	654	-	654	654	Ijarah Financing	First Habib Modaraba
Honda Civic	2,204	-	2,204	2,204	Ijarah Financing	First Habib Modaraba
Honda Civic	2,204	-	2,204	2,204	Ijarah Financing	First Habib Modaraba
Honda Civic	2,154	-	2,154	2,154	Ijarah Financing	First Habib Modaraba
2013	33,589	3,841	29,748	31,678		
2012	104,169	2,131	102,038	102,485		

5.3 Depreciation charge for the year on operating fixed assets has been allocated as follows:

Cost of sales
Administrative expenses

Note	2013 (Rupees '000)	2012
28	35,362	35,200
30	4,530	5,189
	39,892	40,389

6 ASSETS SUBJECT TO IJARAH FINANCING - tangible

DESCRIPTION	2013						2012						DEPRECIATION RATES
	BALANCE AS AT 01 JULY 2012			FOR THE YEAR			BALANCE AS AT 30 JUNE 2013			DEPRECIATION RATES			
	Cost	Accumulated Depreciation	Net Book Value	Additions	Transfer Cost / (Accumulated Depreciation)	Disposal Cost / (Accumulated Depreciation)	Depreciation Charge	Cost	Accumulated Depreciation		Net Book Value		
Plant and machinery	184,700	4,791	179,909	22,988	10,286 (609)	-	4,527	197,402	8,709	188,693			
Vehicles	22,046	4,444	17,602	11,987	11,250 (4,418)	-	4,449	22,783	4,475	18,308	20		
	206,746	9,235	197,511	34,975	21,536 (5,027)	-	8,976	220,185	13,184	207,001			

DESCRIPTION	2012						2011						DEPRECIATION RATES
	BALANCE AS AT 01 JULY 2011			FOR THE YEAR			BALANCE AS AT 30 JUNE 2012			DEPRECIATION RATES			
	Cost	Accumulated Depreciation	Net Book Value	Additions	Transfer Cost / (Accumulated Depreciation)	Disposal Cost / (Accumulated Depreciation)	Depreciation Charge	Cost	Accumulated Depreciation		Net Book Value		
Plant and machinery	38,419	727	37,692	146,281	-	-	4,064	184,700	4,791	179,909			
Vehicles	11,250	937	10,313	10,796	-	-	3,507	22,046	4,444	17,602	20		
	49,669	1,664	48,005	157,077	-	-	7,571	206,746	9,235	197,511			

6.1 Depreciation charge for the year on assets subject to ijarah financing has been allocated as follows:

	Note	2013 (Rupees '000)	2012
Cost of sales	28	4,527	4,064
Administrative expenses	30	4,449	3,507
		8,976	7,571

7 CAPITAL WORK IN PROGRESS

	2013			2012			RATES %		
	Balance as at 01 July 2012	Additions during the year	Transfer during the year	Balance as at 30 June 2013	Balance as at 01 July 2011	Acquisition due to business combination		Additions during the year	Transfer during the year
Building	12,491	481	-	12,972	-	12,450	41	-	12,491
Plant and machinery	84,422	174,084	(99,651)	158,855	12,102	70,900	67,936	(66,516)	84,422
	96,913	174,565	(99,651)	171,827	12,102	83,350	67,977	(66,516)	96,913

7.1 Borrowing cost amounting to Rupee 5.72 Million (2012: Nil) has been capitalized during the year. Capitalization rate used for the purpose was 11.38% (2012 : Nil).

8 INTANGIBLE ASSETS

DESCRIPTION	2013			2012			RATES %	
	BALANCE AS AT 01 JULY 2012	FOR THE YEAR	BALANCE AS AT 30 JUNE 2013	BALANCE AS AT 01 JULY 2011	FOR THE YEAR	BALANCE AS AT 30 JUNE 2012		
ERP Software	1,400	560	840	1,400	280	1,400	20	
Goodwill	70	-	70	70	-	70	-	
	1,470	560	910	1,470	280	1,470	840	630

DESCRIPTION	2012			2011			RATES %	
	BALANCE AS AT 01 JULY 2011	FOR THE YEAR	BALANCE AS AT 30 JUNE 2012	BALANCE AS AT 01 JULY 2011	FOR THE YEAR	BALANCE AS AT 30 JUNE 2011		
ERP Software	1,400	280	1,120	1,400	280	1,400	20	
Goodwill	-	70	-	70	-	70	-	
	1,400	280	1,120	1,470	280	1,470	560	910

8.1 Amortization charge for the year on intangible assets has been allocated to administrative expenses.

8.2 Goodwill represents the difference between the cost of the acquisition (fair value of consideration paid) and the fair value of the net identifiable assets acquired at the time of merger of Ghani Gases Limited with Ghani Southern Gases (Private) Limited.

The Company assessed the recoverable amount at 30 June 2013 and determined that as of this date there is no indication of impairment of goodwill. The recoverable amount was calculated on the basis of five year financial business plan which assumes cash inflows from investing and financing activities.



	Note	2013 (Rupees '000)	2012
9 LONG TERM DEPOSITS AND PREPAYMENTS			
<i>Considered good:</i>			
Security deposits for utilities		46,430	34,520
Deposits against fuel supply		113	113
Deposits against Ijarah facilities		31,796	29,928
Prepayments with National Highway Authority		830	1,304
		79,169	65,865
10 STORES, SPARE PARTS AND LOOSE TOOLS			
Stores		4,353	4,820
Spare parts		45,281	30,157
Loose tools		163	59
		49,797	35,036
11 STOCK IN TRADE			
Finished goods		13,752	11,182
12 TRADE DEBTS			
<i>Considered good:</i>			
Unsecured	12.1	144,349	31,264
12.1 The age of trade debts at balance sheet date was:			
Age of trade debts			
Not past due		144,349	31,264
13 LOANS AND ADVANCES			
<i>Unsecured and Considered good:</i>			
Loans to employees		265	110
Advances			
To employees against expenses		710	312
To suppliers and contractors		382,345	32,187
		383,055	32,499
		383,320	32,609
14 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
<i>Considered good:</i>			
Security deposits		9,377	5,331
Short term prepayments		1,428	767
Bank guarantee margin		8,109	2,172
		18,914	8,270



	Note	2013 (Rupees '000)	2012 (Rupees '000)
15 OTHER RECEIVABLES			
<i>Considered good:</i>			
Bank Profit receivables		93	168
		<u>93</u>	<u>168</u>
16 CASH AND BANK BALANCES			
Cash in hand		37	72
Balances with banks in:			
Current accounts		170,416	78,525
Deposit accounts	16.1	72,371	180,874
		242,787	259,399
		<u>242,824</u>	<u>259,471</u>

16.1 The rate of return on deposit accounts ranges from 2% to 11.8% (2012 : 5% to 12%) per annum.

17 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	2013 (No. of Shares)	2012 (No. of Shares)		2013	2012
	72,450,000	72,450,000	Ordinary shares of Rupees 10 each fully paid in cash	724,500	724,500
	13,000	13,000	Ordinary shares of Rupees 10 each issued for consideration other than cash	130	130
	<u>72,463,000</u>	<u>72,463,000</u>		<u>724,630</u>	<u>724,630</u>
17.1 Movement during the year					
	2013 (No. of Shares)	2012 (No. of Shares)			
	72,463,000	72,450,000	Opening balance	724,630	724,500
	-	13,000	Issued during the year	-	130
	<u>72,463,000</u>	<u>72,463,000</u>	Closing balance	<u>724,630</u>	<u>724,630</u>

18 CAPITAL RESERVE - SHARE PREMIUM

This represents premium received on 2,500,000 ordinary shares issued @ Rupees 5 per share and 7,000,000 ordinary shares issued @ Rupees 2.50 per share.



19 LONG TERM FINANCING

From banking companies - secured:

	Note	2013 (Rupees '000)	2012
Finance 1	19.1	-	62,500
Finance 2	19.2	50,000	70,000
Finance 3	19.3	-	110,833
Finance 4	19.4	139,214	-
Finance 5	19.5	324,703	-
		513,917	243,333
Less: Current portion taken as current liability	26	105,771	114,333
		408,146	129,000

- 19.1** This facility carried profit at the rate of 3 months KIBOR plus 300 BPS with a floor of 8% and cap of 24% (2012: 3 months KIBOR plus 300 BPS with a floor of 8% and cap of 24%). It was secured against 1st pari passu hypothecation charge over plant and machinery for Rupees 304 million, mortgage over land and building for Rupees 150 million and personal guarantees of sponsor directors of the Company. This finance facility has been repaid fully by the Company during the year.
- 19.2** This Islamic finance facility carries profit at the rate of 6 months KIBOR plus 2.25% per annum (2012: 6 months KIBOR plus 2.25% per annum) and is secured against 1st exclusive specific hypothecation charge over plant and machinery for Rupees 150 million and second charge over entire remaining fixed assets of the Company and personal guarantees of directors of the Company. This finance facility is repayable biannually in six years including one year grace period.
- 19.3** This Islamic finance facility carried profit at the rate of 6 months KIBOR plus 200 BPS (2012: 6 months KIBOR plus 200 BPS). It was secured against the 1st pari passu charge over all present and future fixed assets of the Company for Rupees 200 million and personal guarantees of directors of the company. This finance facility has been repaid fully by the company during the year.
- 19.4** This Islamic finance facility carries profit ranging from 3 months KIBOR plus 200 to 3 months KIBOR plus 225 BPS (2012: Nil). This Islamic finance facility is secured against the 1st pari passu charge over all present and future fixed assets of the Company for Rupees 395 million and present and future current assets of the company for Rupees 135 million, and personal guarantees of executive directors of the Company. This finance facility is repayable quarterly.
- 19.5** This Islamic finance facility carries profit at the rate of 3 months KIBOR plus 195 BPS (2012: Nil). It is secured against the 1st exclusive specific charge over all the present & future fixed assets valued at Rupees 400 million and present & future current assets valued at Rupees 67 million of the Company's South Plant operations, and personal guarantees of executive directors of the company. In addition, the facility is also secured against 1st pari pasu charge over all the present & future fixed assets and current assets of company's North Plant operations for first year post COD. This finance facility is repayable quarterly in six years including two years grace period.



20 LOAN FROM SPONSORS - unsecured

This loan has been obtained from sponsors of the company, which is unsecured and interest free. There is no fixed tenure or schedule for repayment of this loan. The repayment is at the option of the company. Rupees 50 million has been taken as current portion, based on plans of the company to repay the loan.

	Note	2013 (Rupees '000)	2012
21 LIABILITIES AGAINST ASSETS SUBJECT TO IJARAH FINANCING			
The amount of future rentals and periods during which they fall due are as under:			
Not later than one year		53,505	50,494
Later than one year and not later than five year		125,665	157,474
		179,170	207,968
Less : Future financial charges		24,723	42,992
Present value of minimum Ijarah payments	21.1	154,447	164,976
Less : Current portion taken as current liability	26	40,389	32,601
		114,058	132,375
21.1 Break up of net Ijarah obligation			
Within one year		40,389	32,601
Within two to five years		114,058	132,375
		154,447	164,976

21.2 Minimum Ijarah payments have been discounted at an implicit profit rate ranging from 3 months KIBOR plus 2% to 6 months KIBOR plus 3% per annum with a floor of 10% and cap of 24% (2012 : 3 months KIBOR plus 2% to 6 months KIBOR plus 3% per annum with a floor of 12% and cap of 30%). The balance number of rentals payable are 48 (2012: 55). In case of termination of the agreement, the Company shall pay entire amount of rentals for un-expired period of Ijarah agreement.

21.3 The Company intends to exercise its options to purchase the above assets upon completion of the Ijarah term.

22 LONG TERM SECURITY DEPOSITS

From customers	22.1	24,350	24,200
22.1 These represents amounts received from the customers on installation of certain equipment and can be used in ordinary course of company business.			



	Note	2013	2012
		(Rupees '000)	
23 TRADE AND OTHER PAYABLES			
Trade creditors	23.1	72,053	34,642
Advances from customers		11,446	22,000
Accrued liabilities		38,222	38,911
Workers' Profit Participation Fund	23.2	8,456	4,980
Unclaimed dividend		2,118	-
With holding tax		118	73
		132,413	100,606
23.1	This includes amount payable to Ghani Glass Limited (associated company) amounting to Rupees 0.714 million (2012 : Rupees 0.285 million).		
23.2 Workers' Profit Participation Fund			
Beginning balance		4,980	4,474
Provision for the year		8,316	4,980
Profit on funds utilized in Company's business		101	616
		13,397	10,070
Paid during the year		(4,941)	(5,090)
		8,456	4,980
24 ACCRUED PROFIT ON FINANCING			
Long term financing		8,480	7,901
Short term borrowings		1,883	1,255
		10,363	9,156
25 SHORT TERM BORROWINGS			
<i>From banking companies - secured:</i>			
Finance 1	25.1	58,500	24,949
Finance 2	25.2	50,000	50,000
Finance 3	25.3	9,118	16,109
		117,618	91,058
25.1	This facility has been availed against sanctioned limit of Rupees 75 million and carry profit at the rate of 3 months KIBOR plus 2.25% (2012: 3 month KIBOR plus 3%) and secured against securities mentioned in note 19.1.		
25.2	This facility has been availed against sanctioned limit of Rupees 50 million and carry profit at the rate of respective months KIBOR plus 1.50% (2012: respective KIBOR plus 1.50%) and secured against first pari passu charge on current assets of the company.		
25.3	This facility has been availed against sanctioned limit of Rupees 20 million and carry profit at the rate of respective months KIBOR plus 2.25% (2012: respective months KIBOR plus 2.25%) and secured against first pari passu charge on present and future current and fixed assets of the company.		



	Note	2013 (Rupees '000)	2012
26 CURRENT PORTION OF LONG TERM LIABILITIES			
Long term financing	19	105,771	114,333
Loan from sponsors	20	50,000	-
Liabilities against assets subject to ijarah financing	21	40,389	32,601
		196,160	146,934

27 CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

27.1.1 Bank guarantees issued by the Company's bankers in the ordinary course of business aggregating to Rupees 5 million (2012 : Rupees 3.1 million) against supply of petroleum products.

27.1.2 The company has filed two separate constitutional petitions before The Honorable Lahore High Court on the ground that the company was not required to pay any Advance Tax on electricity bills due to huge carried forward tax losses and available refunds. The Honorable Lahore High Court has granted stay orders upon furnishing bank guarantees in favour of LESCO amounting to Rupees 3.14 million (2012 : Rupees 3.14 million). The outcome of the cases is pending. The management is hopeful that matter shall be decided in favour of the company.

27.1.3 The Honorable Lahore High Court, Lahore declared the amendments made in Workers' Welfare Fund Ordinance, 1971 brought through Finance Acts, 2006 and 2008 as unconstitutional. Therefore, the company has not made any provision of WWF in the financial statements in the light of this Order of the Honorable Lahore High Court. However, the company may be liable to pay WWF amounting to Rupees 3.16 million (2012 : Rupees 1.88 million) if the said order is challenged in the Honorable Supreme Court and the said court decides otherwise.

27.2 Commitments

27.2.1 Commitments in respect of letter of credit amounted to Rupees 107.72 million (2012: Rupees 40.96 million).

27.2.2 Commitments for capital expenditure amounted to Rupees 45 million (2012: Nil).

28 COST OF SALES

Fuel and power		246,410	222,914
Consumable stores		8,931	4,983
Salaries, wages and other benefits	28.1	26,959	23,919
Communication		428	772
Repairs and maintenance		15,072	6,024
Traveling, vehicle running and conveyance		4,016	4,428
Insurance		2,031	2,277
Depreciation	5.3 & 6.1	39,889	39,264
Staff welfare		2,842	2,474
Transportation		996	1,606
Other overheads		6,490	7,379
Cost of goods manufactured		354,064	316,040



	2013	2012
	(Rupees '000)	
Finished goods		
Opening stock	11,182	31,880
Purchases	475,354	128,102
Closing stock	(13,752)	(11,182)
	472,784	148,800
	826,848	464,840

28.1 Salaries, wages and other benefits includes Rs. 1.014 Million (2012: Rs. 1.066 million) in respect of retirement benefits.

29 DISTRIBUTION COST

Salaries, wages and other benefits	29.1	14,891	13,909
Transportation charges		82,865	69,272
Traveling, boarding, lodging and conveyance		1,724	2,814
Communication		381	581
Vehicle running and maintenance		2,146	1,637
Staff welfare		771	431
Advertisement and business promotion		5	-
Loading and unloading		261	496
Postage and courier		79	72
Repair and maintenance		298	363
Other expenses		7,071	4,647
		110,492	94,222

29.1 Salaries, wages and other benefits includes Rs. 1.88 Million (2012: Rs. 0.431 million) in respect of retirement benefits.

30 ADMINISTRATIVE EXPENSES

Salaries, wages and other benefits	30.1	30,603	28,389
Rent, rate and taxes		2,976	3,268
Electricity and other utilities		1,337	1,180
Traveling and conveyance		506	675
Vehicle running and maintenance		1,965	1,677
Donation & charity	30.2	1,247	2,224
Printing and stationery		1,150	1,143
Communication		1,073	1,096
Fee and subscription		736	1,152
Advertisement		271	297
Insurance		928	711
Depreciation	5.3 & 6.1	8,979	8,696
Amortization	8.1	280	280
Staff welfare		4,528	4,423
Repair and maintenance		398	192
Others		3,083	2,038
		60,060	57,441



30.1 Salaries, wages and other benefits includes Rs. 3.733 Million (2012: Rs. 1.047 million) in respect of retirement benefits.

30.2 The directors and their spouses have no interest in the donees.

	Note	2013	2012 (Rupees '000)
31 OTHER OPERATING EXPENSES			
Legal and professional		526	2,160
Workers profit participation fund		8,316	4,980
Auditors' remuneration			
Statutory audit		500	300
Half yearly review and other certifications		100	83
Out of pocket expenses		25	15
		625	398
		<u>9,467</u>	<u>7,538</u>
32 OTHER INCOME			
Income from financial assets	32.1	894	889
Income from other than financial assets	32.2	1,930	50,266
		<u>2,824</u>	<u>51,155</u>
32.1 Income from financial assets:			
Profit on bank deposits		894	889
		<u>894</u>	<u>889</u>
32.2 Income from other than financial assets:			
Rental income		-	36,000
Consultancy income		-	13,820
Gain on disposal of assets		1,930	446
		<u>1,930</u>	<u>50,266</u>
33 FINANCE COST			
Profit on:			
Long term financing		24,324	44,235
Short term borrowings		12,236	8,612
Liabilities against assets subject to ijarah financing		16,931	18,957
Workers' profit participation fund		101	616
		<u>53,592</u>	<u>72,420</u>
Bank charges and commission		1,817	444
		<u>55,409</u>	<u>72,864</u>



	2013	2012
	(Rupees '000)	

34 TAXATION

Charge for the year:

Current

6,097	7,904
--------------	--------------

34.1 Assessment up to tax year 2012 is finalized (deemed assessment) and the available tax losses of the company are Rupees 629.3 million (2012: Rupees 713.018 million)

34.2 Due to current and previous tax losses current period tax is charged on minimum tax bases. No other provision for current tax was required keeping in view of the taxable business losses. Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate is not meaningful in view of application of minimum tax. Provision for tax is made according to provisions of Income Tax Ordinance, 2001.

34.3 Due to available assessed and current period tax losses no provision for deferred tax is required.

35 EARNINGS PER SHARE

Profit attributable to ordinary shareholders	<i>(Rupees '000)</i>	151,906	86,488
Weighted average number of ordinary shares outstanding during the year	<i>(Number)</i>	72,463,000	72,456,500
Earnings per share - basic and diluted (in rupees)	<i>(Rupees)</i>	2.10	1.19

35.1 No figure for diluted earnings per share has been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

36 CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	158,003	94,392
Adjustments to reconcile profit to net cash provided by operating activities		
Depreciation on operating fixed assets	39,892	40,389
Depreciation on asset against ijarah financing	8,976	7,571
Amortization of intangible assets	280	280
Profit on financings	55,409	72,864
Gain on disposal of assets	(1,930)	(446)
	102,627	120,658
Cash flows from operating activities before working capital changes	260,630	215,050
Cash flows from working capital changes		



	2013	2012
	(Rupees '000)	
<i>(Increase) / decrease in current assets:</i>		
Stores, spare parts and loose tools	(14,761)	(15,075)
Stock in trade	(2,570)	20,698
Trade debts	(113,085)	8,467
Loans and advances	(350,710)	(26,349)
Trade deposits and short term prepayments	(10,644)	(4,413)
Balances with statutory authorities	-	1,159
Other receivables	75	33,265
<i>Increase / (decrease) in current liabilities:</i>		
Trade and other payables	29,689	(7,552)
Net cash generated from / (used in) working capital changes	(462,006)	10,200
Cash generated from / (used in) operating activities	(201,376)	225,250

37 BUSINESS COMBINATION

Detail of net assets acquired and goodwill are as follows:

Fair value of shares issued	-	130
Fair value of net assets acquired		
Fixed assets	-	23,600
Capital work in progress	-	83,350
Other assets	-	1,966
Cash and cash equivalents	-	744
Loan from sponsors	-	(108,857)
Other liabilities	-	(743)
	-	60
Goodwill	-	70

38 CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES' REMUNERATION

The aggregate amount charged in the accounts for remuneration, allowances including all benefits to the Chief Executive Officer, Director and other Executives of the company are as follows:

<u>Description</u>	2013			2012		
	Chief			Chief		
	<u>Executive Officer</u>	<u>Directors</u>	<u>Executives</u>	<u>Executive Officer</u>	<u>Directors</u>	<u>Executives</u>
	(Rupees '000)			(Rupees '000)		
Managerial remuneration	6,900	13,800	17,992	4,512	9,024	13,915
Medical	288	576	887	288	576	827
Provident fund contribution	1,499	2,999	1,342	-	-	1,101
	8,687	17,375	20,221	4,800	9,600	15,843
No. of persons	1	2	11	1	2	11



38.1 Company maintained vehicles have been provided to Chief Executive Officer, all directors and executives of the company.

38.2 The aggregate amount charged in financial statements for the year against fees for four (4) Board meetings and four (4) audit committee meetings was Rupees Nil (2012: Nil).

39 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of subsidiary and associated companies, directors of the Company, companies in which directors also hold directorship, related companies, key management personnel and staff retirement benefit funds.

Transactions with related parties other than those disclosed elsewhere are as follows:

Name	Nature of Transaction	2013	2012
		(Rupees '000)	
Associated companies / undertakings			
Ghani Southern Gases (Pvt) Ltd	Income against technical assistance fee	-	13,820
Shadman Mall	Receivable against services	320	14,189
Ghani Glass Limited	Purchases	5,367	614
Others			
Provident fund trust	Contribution	14,669	4,983
Sponsors	Loan received / (repaid)	223,948	187,296
Directors and key management personnel			

These transactions have been disclosed in note 38.

39.1 All transactions with related parties are carried out at an arms length.

40 PROVIDENT FUND RELATED DISCLOSURES

40.1 Information of Provident Fund

Size of the fund (total assets)	27,577	11,450
Cost of investments made	23,433	9,825
Fair value of investments made	23,477	9,825
	(%)	
Percentage of investments made	85	86

40.2 Breakup of cost of investments

	2013	2012	2013	2012
		(%)	(Rupees '000)	
Investment plus deposit certificates	21	-	5,000	-
Investment in saving accounts with banks	79	100	18,433	9,825
	100	100	23,433	9,825

40.3 Investments out of provident fund trust have been made in accordance with the provisions of section 227 of Companies Ordinance, 1984 and the rules formulated for the purpose.

41 FINANCIAL RISK MANAGEMENT

41.1 Financial risk factors

The company's financial liabilities comprise of long term and short term financings, liabilities against assets subject to ijarah financing and trade and other payables. The main purpose of these financial liabilities is to raise finances for Company's operations. The company has trade debts, short term loans and advances, other receivables, cash and bank balances and short term deposits that arrive directly from its operations.

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

Risk management is carried out by the Board of Directors (the Board), Audit Committee and Chief Financial Officer (CFO). The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, equity price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is not exposed to currency risk at reporting date.

(ii) Profit rate risk

The Company has no significant long-term profit-bearing assets. The Company's profit rate risk arises from liabilities against assets subject to ijarah financing. Borrowings obtained at variable rates expose the Company to cash flow profit rate risk. Borrowings obtained at fixed rate expose the Company to fair value profit rate risk.

At the balance sheet date the profit rate profile of the Company's profit bearing financial instruments was:



	2013 (Rupees '000)	2012
Floating rate instruments		
Financial assets		
Bank balances	72,371	180,874
Financial liabilities		
Long term financing	513,917	243,333
Liabilities against assets subject to ijarah financing	154,447	164,976
Short term borrowings	117,618	91,058

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

The following analysis demonstrates the sensitivity to a reasonably possible change in profit rates, with all other variables held constant, of the company's profit before tax. This analysis is prepared assuming the amounts of floating rate instruments outstanding at balance sheet dates were outstanding for the whole year.

	Changes in Interest Rate	Effects on Profit Before Tax (Rupees '000)
Bank Balances - deposit accounts		
	+1.50	1,086
	-1.50	(1,086)
	+1.50	2,713
	-1.50	(2,713)
Long term financing		
	+2.00	(10,278)
	-2.00	10,278
	+2.00	(4,867)
	-2.00	4,867
Liabilities against assets subject to ijarah financing		
	+2.00	(3,089)
	-2.00	3,089



	2012	+2.00	(3,300)
		-2.00	3,300
Short term borrowing			
	2013	+2.00	(2,352)
		-2.00	2,352
	2012	+2.00	(1,821)
		-2.00	1,821

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

The Company is exposed to credit risk from its operating activities primarily for local trade debts, sundry receivables and other financial assets.

The Company does not hold collateral as security.

The Company's credit risk exposures are categorized under the following headings:

Counterparties

The Company conducts transactions with the following major types of counterparties:

Trade debts

Trade debts are essentially due from local customers against sale of industrial and medical gases and chemicals, the Company does not expect these counterparties to fail to meet their obligations. Sales to the Company's customers are made on specific terms. Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Credit quality of the customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2013 (Rupees '000)	2012
Long term deposits	9	79,169	65,865
Trade debts	12	144,349	31,264
Loans to employees	13	265	110
Trade deposits	14	9,377	5,331
Other receivables	15	93	168
Bank balances	16	242,787	259,399
		476,040	362,137

The Company's exposure to credit risk related to trade debts is disclosed in note 12.



Provision for trade debts

Based on age analysis, relationship with customers and past experience no provision for doubtful debts is required for the year ended 30 June 2013 and does not expect any party to fail to meet their obligation.

Cash at banks

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counter party default rate. The table below shows the bank balances held with some major counter parties at the balance sheet date:

	Agency	Rating		2013 (Rupees '000)	2012
		Short term	Long term		
Banks					
MCB Bank Limited	PACRA	A1+	AAA	2,001	642
National Bank of Pakistan	JCR-VIS	A-1+	AAA	50	23
United Bank Limited	JCR-VIS	A-1+	AA+	87	202
Allied Bank Limited	PACRA	A1+	AA+	592	976
Faysal Bank Limited	PACRA	A1+	AA	1,478	1,880
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	41,466	38
BankIslami Pakistan Limited	PACRA	A1	A	37	30
Meezan Bank Limited	JCR-VIS	A-1+	AA	14,055	7,830
Burj Bank Limited	JCR-VIS	A-1	A	28,638	4,104
Al-Baraka Bank (Pakistan) Limited	PACRA	A1	A	17,423	170,590
Bank Alfalah Limited	PACRA	A1+	AA	24,119	83
The Bank of Khyber	PACRA	A1	A	58,886	54
Askari Bank Limited	PACRA	A1+	AA	40	318
Soneri Bank Limited	PACRA	A1+	AA-	37,142	72,531
Habib Bank Limited	JCR-VIS	A-1+	AAA	107	61
KASB Bank Limited	PACRA	A3	BBB	28	10
Bank Al Habib Limited	PACRA	A1+	AA+	2,530	-
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA	14,108	27
				242,787	259,399

Due to the Company's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Management believes the liquidity risk to be low.

The table below analysis the Company's financial liabilities into relevant maturity grouping based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Carrying Amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years
(Rupees '000)				
2013				
Long term financing	522,397	522,397	114,251	408,146
Liabilities against assets subject to ijarah financing	154,447	179,170	53,505	125,665
Loan from sponsors	661,381	661,381	-	661,381
Long term security deposits	24,350	24,350	-	24,350
Trade and other payables	132,413	132,413	132,413	-
Short term borrowings	119,501	119,501	119,501	-
	1,614,489	1,639,212	419,670	1,219,542
2012				
Long term financing	251,234	251,234	122,234	129,000
Liabilities against assets subject to ijarah financing	164,976	207,968	50,494	157,474
Loan from sponsors	437,433	437,433	-	437,433
Long term security deposits	24,200	24,200	-	24,200
Trade and other payables	100,606	100,606	100,606	-
Short term borrowings	92,313	92,313	92,313	-
	1,070,762	1,113,754	365,647	748,107

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

41.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.



41.3 Financial instruments by categories

Assets as per balance sheet

	2013	
	Loans and advances	Total
	(Rupees '000)	
Long term deposits	79,169	79,169
Trade debts	144,349	144,349
Loans and advances	383,320	383,320
Trade deposits	9,377	9,377
Other receivables	93	93
Cash and bank balances	242,824	242,824
	859,132	859,132

41.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide return for shareholders and benefits for other stakeholders and to maintain healthier capital ratios in order to support its business and maximize shareholders value. The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payments to the shareholders, return on capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes from the previous year. The Company monitors capital using gearing ratio, which is debt divided by equity plus net debt. Debt represents long term financing (including current portion) plus liabilities against assets subject to ijarah financing and short term borrowings obtained by the Company as referred to in notes 19, 21 and 25. Total capital employed includes 'total equity' as shown in the balance sheet plus debt. The Company's strategy, which was unchanged from last year, was to maintain optimal capital structure in order to minimize cost of capital.

The gearing ratio as at year ended 30 June 2013 and 30 June 2012 is as follows:

	Note	2013 (Rupees '000)	2012
Debt	19, 21 & 25	785,982	499,367
Equity		927,304	811,630
Total capital employed		1,713,286	1,310,997
Gearing ratio		45.88%	38.09%

42 SEGMENT INFORMATION

42.1 The company's reportable segments are based on the following product lines:

Industrial and Medical Gases

This segment covers business with large-scale industrial consumers, typically in the oil, chemical, food and beverage, metal, glass sectors and medical customers in healthcare sectors. Gases and services are supplied as part of customer specific solutions. These range from supply by road tankers in liquefied form. Gases for cutting and welding, hospital, laboratory applications and a variety of medical purposes are also distributed under pressure in cylinders.

Other Segments

This segment covers business of trading of chemicals.

Liabilities as per balance sheet

	2013
	Financial Liabilities at amortized cost (Rupees '000)
Long term financing	513,917
Loan from sponsors	611,381
Liabilities against assets subject to ijarah financing	154,447
Long term security deposits	24,350
Accrued profit on financings	10,363
Short term borrowings	117,618
Trade and other payables	132,413
	1,564,489

Assets as per balance sheet

	2012	
	Loans and advances	Total
	(Rupees '000)	
Long term deposits	65,865	65,865
Trade debts	31,264	31,264
Loans and advances	32,609	32,609
Trade deposits	5,331	5,331
Other receivables	168	168
Cash and bank balances	259,471	259,471
	394,708	394,708

Liabilities as per balance sheet

	2012
	Financial Liabilities at amortized cost (Rupees '000)
Long term financing	243,333
Loan from sponsors	437,433
Liabilities against assets subject to ijarah financing	164,976
Long term security deposits	24,200
Accrued profit on financings	9,156
Short term borrowings	91,058
Trade and other payables	100,606
	1,070,762



42.2 Segment results are as follows:

	2013			2012		
	Industrial and Medical Gases	Other Segments	Total	Industrial and Medical Gases	Other Segments	Total
	(Rupees '000)			(Rupees '000)		
Net Sales	758,718	458,737	1,217,455	580,256	159,886	740,142
Cost of Sales	377,849	448,999	826,848	317,082	147,758	464,840
Gross Profit	380,869	9,738	390,607	263,174	12,128	275,302
Distributions Cost	109,801	691	110,492	93,131	1,091	94,222
Administrative Expenses	59,309	751	60,060	56,723	718	57,441
	169,110	1,442	170,552	149,854	1,809	151,663
Segment Profit	211,759	8,296	220,055	113,320	10,319	123,639

Unallocated corporate expenses

Other Operating Expenses	9,467	7,538
Other Income	2,824	51,155
	213,412	167,256
Finance Cost	55,409	72,864
Profit before taxation	158,003	94,392
Taxation	6,097	7,904
Profit after taxation	151,906	86,488

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

42.4 The Company's customer base is diverse with no single customer accounting for more than 10% of the net sales.

42.5 The segment assets and liabilities as at balance sheet date and capital expenditure for the year then ended are as follows:

	2013			2012		
	Industrial and Medical Gases	Other Segments	Total	Industrial and Medical Gases	Other Segments	Total
	(Rupees '000)			(Rupees '000)		
Segment assets	2,195,320	109,653	2,304,973	1,614,507	16,178	1,630,685
Unallocated assets			242,917			259,611
Total assets			2,547,890			1,890,296
Segment liabilities	1,578,250	36,239	1,614,489	1,051,812	19,051	1,070,863
Unallocated liabilities			6,097			7,803
Total liabilities			1,620,586			1,078,666

42.6 All non-current assets of the company as at 30 June 2013 were located within Pakistan.



	2013	2012
	(Number)	
	201	170
	186	164

43 NO. OF EMPLOYEES

Total number of employees at year end

Average number of employees during the year

44 PLANT CAPACITY AND ACTUAL PRODUCTION

The following normal annual production capacity is worked out in triple shift basis.

Industrial and medical gases:

Production at normal capacity - gross	25,620,000	25,620,000
Production at normal capacity - net of normal losses	22,875,000	22,875,000
Actual production - net of normal losses	16,443,267	17,583,897

44.1 Reason for low production

Under utilization of available capacity is due to planned shutdown for better utilization of plant facilities and country wide load shedding throughout the year.

45 DATE OF AUTHORIZATION

These financial statements have been authorized for issue by Board of Directors of the Company on 30 September 2013.

46 GENERAL

46.1 Corresponding figures have been re-arranged / re-classified wherever necessary to facilitate comparison. Significant reclassification made has been disclosed in note 5 to the financial statements.

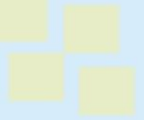
46.2 Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

ATIQUE AHMAD KHAN
(Chief Executive Officer)

HAFIZ FAROOQ AHMAD
(Director)



FORM OF PROXY



Folio No. _____

No. of Shares _____

I/We _____

of _____

being a member of **GHANI GASES LIMITED** _____

hereby appoint Mr. _____

of _____

failing him Mr. _____ of _____

(being a member of the company) as my/our proxy to attend, act and vote for me/us on my/our behalf at 5th Annual General Meeting of the members of the Company to be held at Lahore on Wednesday October 30, 2013 at 03:00 PM and at every adjournment thereof.

As witnesses my/our hand(s) this _____ day of October, 2013.

Signature and Revenue stamp

Witnesses:

1

2

Signature: _____

Name: _____

CNIC#: _____

Address: _____





Ghani Global Group

Corporate Office:

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UAN: 111 Ghani 1

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