

HALF YEAR
DECEMBER 2017



Faith
Experience
Innovation
Growth

Ghani Gases Limited
Manufacturer of Industrial & Medical Gases

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Masroor Ahamd Khan
Atique Ahmad khan
Hafiz Farooq Ahmad
Ayesha Masroor
Rabia Atique
Saira Farooq
Tahir Bashir Khan
Mahmood Ahmad
Farzand Ali

Chairman
Chief Executive Officer
Director
Director
Director
Director
Director
Director
Director

AUDIT COMMITTEE

Tahir Bashir Khan - Chairman
Masroor Ahmad Khan
Rabia Atique
Saira Farooq

HR & R COMMITTEE

Mahmood Ahmad - Chairman
Atique Ahmad Khan
Ayesha Masroor
Saira Farooq

COMPANY SECRETARY

Farzand Ali, FCS

CHIEF FINANCIAL OFFICER

Asim Mahmud, FCA

AUDITORS

Rizwan & Company
Chartered Accountants
Member Firm of DFK International

SHARE REGISTRAR

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

GGL-I Plant

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

GGL-II Plant

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

REGIONAL MARKETING OFFICE

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

GGL SITE

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

LEGAL ADVISORS

Barrister Ahmed Pervaiz, Ahmed & Pansota
DSK Law, Lahore

REGISTERED/CORPORATE OFFICE

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

DIRECTORS' REPORT

Dear Shareholders

Assalam-o-Alaikum Wa RehmatUllah Wa Barakatoh

The Directors of your Company (**Ghani Gases Limited**) are pleased to present the unaudited condensed interim unconsolidated Financial Statements of the Company for the half year ended December 31, 2017, along with review report of the auditors thereon, in compliance with the requirements of Companies Act, 2017.

OVERVIEW OF THE ECONOMY

As the year ended amidst political uncertainties and disruption in financial management due to the absence of a full-fledged Finance Minister the challenges ahead for Pakistan's economy has touched unprecedented height and therefore, requires a very careful planning and cautious scheduling of disbursement. Due to the fall in Rupee the economy has suffered. Currency's level always has a direct bearing on various aspects of the economy. The outcome of the devaluation of Rupee against US dollar in the domestic market incidentally coincided with a rise in the crude oil prices in the global market resulting in an upward trend in oil prices from January 2018. The trend will obviously result in increase in the manufacturing and transportation cost resulting in price hike of all the commodities produced locally. Growth in Pakistan is expected to pick up in 2018 and 2019, but it will be subdued. Pakistan achieved a growth rate of 5.3% during fiscal year 2016-17, the highest in a decade, but it was short of the government's targeted 5.7%. Despite being held back by subdued growth in the manufacturing and agriculture sectors, Pakistan's economy has been showing an upward trend in the first six months of the ongoing fiscal year. With the target for 2017-18 set at 6%, most believe the economy would be able to continue its growth, if not meet the goal. At the same time, while growth is higher, it is mostly cyclical. Absent reforms, the fundamental forces that had us worried about the "new mediocre" – and future growth potential – will remain in place. there is also significant uncertainty in the year ahead. The long period of low interest rates has led to a build-up of potentially serious financial sector vulnerabilities.

FINANCIAL PERFORMANCE

Your Company's sales during the half year ended increased to Rs. 1,041.95 million against Rs. 759.24 million as compared to last period depicting dip increase of 37.24%, Alhamdulillah. Gross profit increased to Rs. 376.59 million against the gross profit of Rs. 228.51 million as compared to last period depicting increased from 34.06% to 41.01%. Distribution cost and administrative expenses increased in absolute term and in terms of percentage of net sales distribution cost increased from 11.66% to 11.79% and administrative cost decreased from 7.02% to 6.51%,. This period operating profit has increased to Rs. 202.70 million against profit of Rs. 110.32 million as compared to last period. During the period under reference, profit before taxation stands at Rs. 144.03 million as compared to last period's figure of Rs. 62.17 million. Profit after tax has also increased to Rs. 74.00 million from Rs. 62.81 million, along with earnings per share (EPS) also increased to Rs. 0.56 against EPS of Rs. 0.47 if compared with the last period due to decrease in profitability.

A comparison of the key financial results of your Company for the half year ended December 31, 2017 with the same period last year is as under:

Particulars	Rupees in '000' except EPS			
	December 2017	December 2016	Variance	%
Sales	1,041,947	759,238	282,709	37.24
Net Sales	918,253	670,938	247,315	36.86
Gross Profit	376,592	228,511	148,081	64.80
- As %age of net sales	41.01%	34.06%		
Distribution cost	108,276	78,230	30,046	38.41
- As %age of net sales	11.79%	11.66%		
Administrative expenses	59,792	47,118	12,674	26.90
- As %age of net sales	6.51%	7.02%		
Operating profit	202,695	110,317	92,378	83.74
- As %age of net sales	22.07%	16.44%		
Profit before taxation	144,029	62,169	81,860	131.67
Net Profit	74,008	62,811	11,197	17.83
Earnings per share	0.56	0.47	0.09	19.15

FUTURE PROSPECTS

ALHAMDULILLAH management of your Company is seeing a continued recovery in core business in south and west region. To capture the projected increase in demand of industrial and medical gases in southern market, your Company has decided to setup another 100 tons per day ASU plant, by way of expansion plan. In addition to above Company has also decided to setup a calcium carbide manufacturing plant under the umbrella of subsidiary of Company. We are proving to be most reliable supplier in the market without compromising on quality and safety. The management of your Company has continuous focused on BMR based on its experience, research and updating of technology. Further being the energy is the only raw material of the manufacturing of industrial and medical gases, the management of the company has been looking for different means for un-interrupted and cheap energy solutions.

ACKNOWLEDGEMENTS

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

For and behalf of Board of Directors

Lahore

Dated: February 27, 2018



ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)



HAFIZ FAROOQ AHMAD
(DIRECTOR)

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

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Earnings per share	0.56	0.47	0.09	19.15

مستقبل کے امکانات

الحمد للہ آہلی کمپنی کی مینجمنٹ ساؤتھ اور ویسٹ ریجن میں اپنے اصل کاروبار میں مسلسل بہتری دیکھ رہی ہے۔ ساؤتھ ریجن میں انڈسٹریل، میڈیکل گیسز میں متوقع اضافہ کے پیش نظر آہلی کمپنی 100 ٹن کا ایک اور ASU پلانٹ لگا رہی ہے۔ اسکے علاوہ کمپنی کی ذیلی کمپنی ایک کیمیشیم کاربائیڈ مینوفیکچرنگ پلانٹ بھی لگا رہی ہے۔ کوالٹی اور سیفٹی پر سمجھوتہ کئے بغیر ہم ایک قابل بھروسہ سپلائر کے طور پر جانے جاتے ہیں۔ کمپنی کی مینجمنٹ نے اپنے تجربے، تحقیق اور ٹیکنالوجی میں جدت کے باعث BMR پر مسلسل توجہ دی ہے۔ چونکہ انرجی ہی انڈسٹریل اور میڈیکل گیسز کی پیداوار کا واحد خام مال ہے اس لئے آہلی کمپنی کی مینجمنٹ سستی اور بلا تعلق بجلی کی فراہمی کے مختلف ذرائع کے لئے کوشاں ہے۔

اعترافات

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

بورڈ آف ڈائریکٹرز کی طرف سے



حافظ فاروق احمد

ڈائریکٹر



عتیق احمد خان

چیف ایگزیکٹو آفیسر

لاہور

مورخہ 27 فروری 2018ء

ڈائریکٹرز رپورٹ

پیارے شیئر ہولڈرز

اسلام علیکم ورحمۃ اللہ وبرکات

آپ کی کمپنی (غنی گیسز لمیٹڈ) کے ڈائریکٹران کمپنیز ایکٹ 2017ء کی تعمیل میں کمپنی کے سہ ماہی تخفیف شدہ، غیر یکجا اور آڈیٹ سے تنقیدی جائزہ کے ساتھ حسابات بابت 31 دسمبر 2017ء پیش کرنے میں خوشی محسوس کرتے ہیں۔

اکانومی کا جائزہ

سال کے درمیان میں سیاسی بے یقینی اور مکمل وزیر مالیات کی عدم موجودگی کے باعث پاکستان کی اکانومی مالی انتظام میں شکستگی کی بے مثل بلندی کو چھو رہی ہے۔ جسکے باعث پاکستان کو نہایت محتاط پلاننگ اور قرضوں کی ادائیگی کی ترتیب دینے کی ضرورت ہے۔ پاکستانی روپے کی قدر میں کمی کی بدولت ملکی اکانومی متاثر ہوئی ہے۔ عالمی مارکیٹ میں خام تیل کی قیمتوں میں اضافہ، جنوری 2018 سے تیل کی قیمتوں میں اضافے کا سبب ہے۔ یہ رجحان مینوفیکچرنگ اور مال برداری کے اخراجات میں اضافہ کی بدولت مقامی تیار شدہ اشیاء کی قیمتوں میں اضافہ ہوا ہے۔ پاکستان کی ترقی کی شرح 2018 اور 2019 میں بہتر ہونے کی توقع ہے۔ 2016-17 میں پاکستان کی ترقی کی شرح 5.3 فیصد رہی جو پچھلی ایک دہائی میں سب سے زیادہ ہے لیکن یہ گورنمنٹ کے 5.7 فیصد کے ٹارگٹ سے کم ہے۔ مینوفیکچرنگ اور زرعی شعبے میں کمی کے باوجود، موجودہ مالی سال کی پہلی سہ ماہی میں پاکستان کی اکانومی بہتری دکھا رہی ہے۔ 2017-18 کے 6 فیصد شرح ترقی کے ٹارگٹ کو نہ بھی حاصل کیا جاسکا تو اسکے باوجود اکثریت متفق ہے کہ پاکستان کی اکانومی بہتر ہو رہی ہے۔ اگرچہ بے یقینی ابھی باقی ہے لیکن مستقبل کی شرح ترقی میں پوٹینشل ہے۔ ایک لمبے عرصے تک شرح سود میں کمی کے باعث فنانشل سیکٹر میں بہتری آرہی ہے۔

مالیاتی کارکردگی

آپ کی کمپنی کی سیل گذشتہ عرصے کی نسبت 759.24 ملین روپے سے بڑھ کر 1041.95 ملین روپے ہو گئی جو 37.24 فیصد زیادہ ہے۔ جسکی وجہ کاروباری سرگرمی اور مارکیٹ شیئر میں اضافہ ہے۔ پچھلے عرصے سے اگر موازنہ کیا جائے تو خالص منافع 228.51 ملین روپے سے بڑھ کر 376.59 ملین روپے ہو گیا اور اگر خالص منافع کو فیصد سے موازنہ کیا جائے تو 34.06 فیصد سے بڑھ کر 41.01 فیصد ہو گیا۔

تقسیم کاری کی لاگت میں اضافہ اور انتظامی اخراجات میں معمولی اضافہ ہوا۔ آپریٹنگ منافع 110.31 ملین روپے سے بڑھ کر 202.70 ملین روپے ہو گیا۔ اگر گذشتہ سال سے موازنہ کیا جائے تو اس مدت کے دوران قبل از ٹیکس منافع 62.16 ملین روپے سے بڑھ کر 144.03 ملین روپے ہو گیا۔ زیر جائزہ مدت کے دوران بعد از ٹیکس منافع 74.00 ملین روپے اور فی شیئر منافع 0.56 روپے رہا جبکہ پچھلے عرصے کے دوران یہ منافع 62.81 ملین روپے اور فی شیئر منافع 0.47 روپے تھا۔

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS ON REVIEWS OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the annexed condensed interim unconsolidated balance sheet of **GHANI GASES LIMITED** as at **31 DECEMBER 2017** and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement and condensed interim unconsolidated statement of changes in equity together with the notes forming part thereof, for the half year then ended (hereinafter referred to as the "interim financial information").

Management is responsible for the preparation and presentation of this interim financial information in conformity with the approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figures included in condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income for the quarters ended 31 December 2017 and 2016 and the notes forming part thereof have not been reviewed by us and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2017.


Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards of Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the annexed interim financial information as at and for the half year ended 31 December 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Lahore 27 FEB 2018


Rizwan & Company
Chartered Accountants
Engagement Partner : Rizwan Bashir

CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2017 (UN-AUDITED)

		UN-AUDITED December 2017	AUDITED June 2017
		(Rupees '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,958,508	2,939,108
Intangible assets - goodwill		70	70
Long term investments	6	611,500	593,000
Long term deposits		57,665	57,756
		3,627,743	3,589,934
Current assets			
Stores, spares and loose tools		143,115	107,236
Stock in trade		50,935	37,740
Trade debts		504,413	529,520
Loans and advances		225,354	134,803
Trade deposits and prepayments		49,890	42,771
Other receivables		44	80
Tax refunds due from government		30,700	23,419
Advance income tax		290,105	265,336
Cash and bank balances		199,685	234,156
		1,494,241	1,375,061
TOTAL ASSETS		5,121,984	4,964,995
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital		2,000,000	2,000,000
200,000,000 (June 2017: 200,000,000) ordinary shares of Rs. 10 each			
Issued, subscribed and paid up share capital	7	1,322,682	1,247,813
Capital reserve - share premium	7.1	460,198	535,067
Unappropriated profits		640,444	566,436
Loan from sponsors		450,600	638,500
		2,873,924	2,987,816
Non-current liabilities			
Long term financing	8	35,176	11,772
Redeemable capital - Sukuk	9	920,833	1,029,166
Long term security deposits		33,205	26,620
Deferred taxation		330,768	254,448
		1,319,982	1,322,006
Current liabilities			
Trade and other payables		146,051	105,675
Accrued profit on financing		17,937	16,535
Short term borrowings	10	499,500	273,000
Current portion of long term liabilities		240,105	229,179
Provision for taxation		24,485	30,784
		928,078	655,173
Total liabilities		2,248,060	1,977,179
TOTAL EQUITY AND LIABILITIES		5,121,984	4,964,995
CONTINGENCIES AND COMMITMENTS	11	-	-

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

ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)

HAFIZ FAROOQ AHMAD
(DIRECTOR)

ASIM MAHMUD
(CHIEF FINANCIAL OFFICER)

CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT

AS AT DECEMBER 31, 2017 (UN-AUDITED)

	Note	HALF YEAR ENDED		QUARTER ENDED	
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
		(Rupees '000)		(Rupees '000)	
Gross sales - local		1,041,947	759,238	553,484	406,797
Sales tax		(123,694)	(88,300)	(64,823)	(47,602)
Net sales		<u>918,253</u>	<u>670,938</u>	<u>488,661</u>	<u>359,195</u>
Cost of sales	12	(541,661)	(442,427)	(295,323)	(270,982)
Gross profit		<u>376,592</u>	<u>228,511</u>	<u>193,338</u>	<u>88,213</u>
Distribution cost		(108,276)	(78,230)	(56,034)	(39,187)
Administrative expenses		(59,792)	(47,118)	(33,399)	(23,811)
Other operating expenses		(14,412)	(4,473)	(10,191)	(711)
		<u>(182,480)</u>	<u>(129,821)</u>	<u>(99,624)</u>	<u>(63,709)</u>
		<u>194,112</u>	<u>98,690</u>	<u>93,714</u>	<u>24,504</u>
Other income		8,583	11,627	4,112	4,603
		<u>202,695</u>	<u>110,317</u>	<u>97,826</u>	<u>29,107</u>
Finance costs		(58,666)	(48,148)	(30,942)	(26,688)
Profit before taxation		<u>144,029</u>	<u>62,169</u>	<u>66,884</u>	<u>2,419</u>
Taxation		(70,021)	642	(28,320)	46,506
Profit after taxation		<u>74,008</u>	<u>62,811</u>	<u>38,564</u>	<u>48,925</u>
Earnings per share					
- basic and diluted (Rupees)	13	<u>0.56</u>	<u>0.47</u>	<u>0.29</u>	<u>0.37</u>

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


ATIQUE AHMAD KHAN
 (CHIEF EXECUTIVE OFFICER)


HAFIZ FAROOQ AHMAD
 (DIRECTOR)


ASIM MAHMUD
 (CHIEF FINANCIAL OFFICER)

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UN-AUDITED)

	HALF YEAR ENDED		QUARTER ENDED	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	(Rupees '000)		(Rupees '000)	
Net profit for the period	74,008	62,811	38,564	48,925
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>74,008</u>	<u>62,811</u>	<u>38,564</u>	<u>48,925</u>

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



ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)



HAFIZ FAROOQ AHMAD
(DIRECTOR)



ASIM MAHMUD
(CHIEF FINANCIAL OFFICER)

CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT

FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UN-AUDITED)

	Note	HALF YEAR ENDED	
		December 31, 2017	December 31, 2016
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	14	168,643	87,377
Finance cost paid		(57,264)	(59,680)
Taxes paid		(24,769)	(19,407)
		(82,033)	(79,087)
Net cash generated from operating activities		86,610	8,290
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in property, plant and equipment		(74,354)	(169,415)
Proceeds from disposal of property, plant and equipment		500	1,948
Long term investments		(18,500)	(47,000)
Long term deposits - net		91	3,994
Net cash used in investing activities		(92,263)	(210,473)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds/(repayment) of long term financing		34,330	(322,187)
Repayment of redeemable capital - Sukuk		(108,333)	-
Proceeds/(repayment) of loan from sponsors		(187,900)	236,800
Short term borrowings		226,500	55,907
Dividend paid		-	(92)
Proceeds from long term security deposits		6,585	(1,000)
Repayment of liabilities against assets under ijarah financing		-	(22,948)
Net cash (used in) / generated from financing activities		(28,818)	(53,520)
Net (decrease) / increase in cash and cash equivalents		(34,471)	(255,703)
Cash and cash equivalents at the beginning of the period		234,156	1,089,641
Cash and cash equivalents at the end of the period		199,685	833,938

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


ATIQUE AHMAD KHAN
 (CHIEF EXECUTIVE OFFICER)


HAFIZ FAROOQ AHMAD
 (DIRECTOR)


ASIM MAHMUD
 (CHIEF FINANCIAL OFFICER)

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UN-AUDITED)

	Share capital	Capital reserve - Share premium	Unappropriated profit	Loan from sponsors	Total
(Rupees '000)					
Balance as at July 01, 2016 (audited)	1,247,813	535,067	429,333	501,200	2,713,413
Profit for the period	-	-	62,811	-	62,811
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	62,811	-	62,811
<i>Transactions with sponsors</i>					
Loan received/(repaid) from sponsors	-	-	-	236,800	236,800
Balance as at December 31, 2016 (un-audited)	1,247,813	535,067	492,144	738,000	3,013,024
Profit for the period	-	-	74,292	-	74,292
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	74,292	-	74,292
<i>Transactions with sponsors</i>					
Loan received/(repaid) from sponsors	-	-	-	(99,500)	(99,500)
Balance as at June 30, 2017 (audited)	1,247,813	535,067	566,436	638,500	2,987,816
Profit for the period	-	-	74,008	-	74,008
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	74,008	-	74,008
Issuance of bonus shares	74,869	(74,869)	-	-	-
<i>Transactions with sponsors</i>					
Loan received/(repaid) from sponsors	-	-	-	(187,900)	(187,900)
Balance as at December 31, 2017 (un-audited)	1,322,682	460,198	640,444	450,600	2,873,924

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


ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)


HAFIZ FAROOQ AHMAD
(DIRECTOR)


ASIM MAHMUD
(CHIEF FINANCIAL OFFICER)

SELECTED NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UN-AUDITED)

1 LEGAL STATUS AND OPERATIONS

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

Separate interim financial statements

These financial statements are separate condensed interim financial statements of the Company. Consolidated condensed interim financial statements of the Company are prepared separately. The Company has following major investments:

Name of company

Subsidiary

Ghani Chemical Industries Limited	95.33%
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Associate

Ghani Global Glass Limited	25.00%
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2 STATEMENT OF COMPLIANCE

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

2.2 These condensed interim unconsolidated financial statements are unaudited and being submitted to shareholders, as required by section 245 of the repealed Companies Ordinance, 1984 (now Section 237 of the Companies Act 2017). The figures for the half year ended December 31, 2017 have however been subjected to a limited scope review by the auditors as required by the Code of Corporate Governance.

During the previous year, the Companies Act, 2017 ("the Act") was enacted on May 30, 2017 and accordingly the Companies Ordinance, 1984("the repealed Ordinance") was repealed. However, Securities and Exchange Commission of Pakistan vide its Circular No. 17 and Circular No. 23 dated July 20, 2017 and October 04, 2017 respectively and Institute of Chartered Accountants of Pakistan vide its Circular No. 17 dated October 06, 2017, have advised and clarified that Annual Financial Statements of the companies whose financial year closes on or before December 31, 2017 and interim financial statements of the companies for the period ended on or before December 31, 2017, shall be prepared in accordance with the repealed Ordinance.

2.3 Functional and presentation currency

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

3 BASIS OF PREPARATION

- 3.1 This condensed interim unconsolidated financial information do not include the information reported for annual financial statements and should be read in conjunction with the audited annual published financial statements for the year ended June 30, 2017.
- 3.2 The accounting policies and methods of computations adopted for the preparation of this condensed interim unconsolidated financial information are the same as applied in the preparation of the preceding audited annual published unconsolidated financial statements of the Company for the year ended June 30, 2017.
- 3.3 The Company has adopted the following amended International Financial Reporting Standards (IFRSs) which became effective during the period:

	Effective date (accounting periods beginning on or after)
IFRS 2 - Share-based payment	01 January 2018
IAS 40 - Investment Property	01 January 2018
IFRIC 22 - Foreign Current Transaction and Advance Consideration	01 January 2018
IFRS 15 - Revenue from Contracts with customers	01 July 2018
IFRS 9 - Financial Instruments	01 July 2018
IFRIC 23 - Uncertainty over Income Tax Treatment	01 January 2019
Amendment to IFRS 9 - Financial Instrument	01 January 2019

The adoption of the above amendments and interpretation did not have any significant impact on this condensed interim financial information.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

		Un-audited December 31, 2017	Audited June 30, 2017
		(Rupees '000)	
5	PROPERTY, PLANT AND EQUIPEMENT		
	Operating assets	2,858,323	2,838,962
	Capital work in progress	100,185	100,146
		<u>2,958,508</u>	<u>2,939,108</u>
5.1	Operating assets		
	Opening carrying value	2,838,962	2,529,455
	Additions and transfer during the period / year		
	Land-Freehold	10,640	-
	Building on freehold land	737	153
	Plant and machinery	60,931	367,805
	Furniture and fixtures	179	3,125
	Office equipment	185	74
	Computers	299	2,671
	Vehicles	1,344	23,338
		<u>74,315</u>	<u>397,166</u>
	Less:		
	Book value of disposals during the period / year	(345)	(3,426)
	Depreciation charged during the period / year	(54,609)	(84,233)
		<u>(54,954)</u>	<u>(87,659)</u>
	Closing carrying value	<u>2,858,323</u>	<u>2,838,962</u>
5.2	Capital work in progress		
	Building	58,176	58,137
	Plant and machinery	42,009	42,009
		<u>100,185</u>	<u>100,146</u>

6 LONG TERM INVESTMENTS

Opening balance-Investment in related parties
Investment made during the period/year
Investment in subsidiary - Share deposit money
Closing balance

Note

Un-audited December 31, 2017	Audited June 30, 2017
(Rupees)	
593,000	500
-	450,000
18,500	142,500
611,500	593,000

6.1 During the period, the Company made further investment of Rupees 18,500 (in thousand) in subsidiary company against which shares are yet to be issued.

7 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Un-audited December 31, 2017	Audited June 30, 2017
(No. of Shares)	
122,956,711	122,956,711
13,000	13,000
9,298,452	1,811,575
132,268,163	124,781,286

Ordinary shares of Rupees 10 each fully paid in cash
Ordinary shares of Rupees 10 each issued for consideration other than cash
Ordinary shares of Rupees 10 each issued as fully paid bonus shares

Un-audited December 31, 2017	Audited June 30, 2017
(Rupees '000)	
1,229,567	1,229,567
130	130
92,985	18,116
1,322,682	1,247,813

7.1 During the period, the Company has issued 7,486,877 ordinary shares of Rupees 10 each as fully paid bonus shares against share premium account in accordance with provision of Sub-section (3) of Section 81 of the Companies Act, 2017.

8 LONG TERM FINANCING

Diminishing Musharka Facility

Beginning balance
Proceeds / (payments) during the period / year - net
Ending balance
Current portion of long term financing

Un-audited December 31, 2017	Audited June 30, 2017
(Rupees '000)	
24,284	1,095,717
34,330	(1,071,433)
58,614	24,284
(23,438)	(12,512)
35,176	11,772

9 REDEEMABLE CAPITAL - SUKUK

Beginning balance
(Payment) / proceeds during the period / year
Ending balance
Current portion taken as current liability

1,245,833	-
(108,333)	1,245,833
1,137,500	1,245,833
(216,667)	(216,667)
920,833	1,029,166

10 SHORT TERM BORROWINGS

These finances are obtained from banking companies under profit arrangements and are secured against joint pari passu hypothecation charge on the present and future current assets of the Company and personal guarantees of sponsoring directors of the Company. These form part of total credit funded facilities of Rupees 1,115 million (June 2017: Rupees 860 million). The rates of profit ranging from relevant KIBOR plus 0.75% to 1.25% (2016: relevant KIBOR plus 0.90% to 1.25%).

11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

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

11.2 Commitments

- Commitments in respect of letter of credit amounted to Rupees 59.35 million (June 2017: Rupees 95.16 million).
- Commitments for construction of building as at balance sheet date amounted to Rupees 20 million (June 2017: Rupees 9.2 million).
- Bank guarantee amounting to Rupees 46.12 million (June 2017: Rupees 27.45 million) provided to various customers/institutions against supplies of products.

12	COST OF SALES	UN-AUDITED HALF YEAR ENDED		UN-AUDITED QUARTER ENDED	
		December 31, 2017 (Rupees '000)	December 31, 2016	December 31, 2017 (Rupees '000)	December 31, 2016
	Fuel and power	344,626	233,166	183,564	134,514
	Consumable spare	15,771	13,380	10,061	5,234
	Salaries wages and other benefits	32,819	31,624	17,851	16,497
	Communication	345	271	155	121
	Repair and maintenance	17,439	22,583	9,994	4,859
	Travelling, vehicle running and maintenance	2,639	3,190	1,800	1,135
	Insurance	3,066	2,648	1,619	1,590
	Depreciation	47,817	31,577	24,146	15,310
	Staff welfare	4,050	4,669	2,110	2,388
	Transportation	4,540	2,990	3,166	1,352
	Other overheads	25,332	11,562	16,364	6,093
		498,444	357,660	270,830	189,093
	Finished goods				
	Opening stock	37,740	26,282	24,040	88,396
	Purchases	56,412	82,665	51,388	17,673
	Closing stock	(50,935)	(24,180)	(50,935)	(24,180)
		43,217	84,767	24,493	81,889
		541,661	442,427	295,323	270,982
13	EARNINGS PER SHARE - BASIC AND DILUTED				
	Profit attributable to ordinary shareholders Rupees (000)	74,008	62,811	38,564	48,925
	Weighted average number of ordinary shares outstanding Number (000)	132,268	132,268	132,268	132,268
	Earnings per share - basic and diluted (Rupees)	0.56	0.47	0.29	0.37

13.1 During the period, the Company has issued 7,486,877 bonus shares out of share premium account which has resulted in restatement of basic and diluted earning per share for the quarter and half year ended December 31, 2016.

14	CASH GENERATED FROM OPERATIONS	Note	UN-AUDITED HALF YEAR ENDED	
			December 31, 2017	December 31, 2016
			(Rupees '000)	
	Profit before taxation		144,029	62,169
	Adjustments for non-cash charges/items:			
	Depreciation		54,609	38,716
	Finance cost		58,666	48,148
	(Gain) / loss on disposal of property, plant and equipment		(155)	114
	Operating cash flows before working capital changes		257,149	149,147
	Effect on cash flows due to working capital changes			
	(Increase) / decrease in current assets:			
	Stores and spares		(35,879)	13,789
	Stock in trade		(13,195)	2,102
	Trade debts		25,107	90,243
	Loans and advances		(90,551)	(5,370)
	Trade deposits and prepayments		(7,119)	241
	Tax refunds due from government		(7,281)	(1,073)
	Other receivables		36	1,577
	Increase / (decrease) in current liabilities:			
	Trade and other payables		40,376	(163,279)
			168,643	87,377

15 TRANSACTIONS WITH RELATED PARTIES

Name of related party	Nature of Transaction		
Associated Company	Supplies	9,995	20,805
	Guarantee Commission	1,300	1,300
	Services	6,000	6,000
Subsidiary Company	Investment	18,500	47,000
Provident Fund	Contribution to Fund	9,736	7,420
Sponsors	Loan received / (repaid)	(187,900)	236,800

15.1 Sales, purchases and other transactions with related parties are carried out on commercial terms and conditions.

16 DATE OF AUTHORIZATION

This financial information has been authorized for issue by the Board of Directors of the Company on February 27, 2018.

17 CORRESPONDING FIGURES

The condensed interim unconsolidated balance sheet has been compared with preceding balance sheet as at June 30, 2017, whereas the condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement and condensed interim unconsolidated statement of changes in equity have been compared with the corresponding period of the previous year.



ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)



HAFIZ FAROOQ AHMAD
(DIRECTOR)



ASIM MAHMUD
(CHIEF FINANCIAL OFFICER)

Directors' Report

Dear Shareholders

Assalam-o-Alaikum Wa RehmatUllah Wa Barakatoh

The directors of your Company (**Ghani Gases Limited**) are pleased to present the unaudited consolidated Financial Statements of the Company for the half year ended December 31, 2017, in compliance with Section 228 of the Companies Act, 2017.

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

The subsidiary is in the process of setting up a chemical project for manufacturing of import substitute Calcium Carbide and allied products. Land for this purpose has been acquired in Hattar Economic Zone and work for leveling, filling and back filling of land has been completed. Financial close for this project is expected shortly. After financial close, civil construction work will be commenced. Holding company Ghani Gases Limited has so far invested Rs. 161 million in this subsidiary in shape of equity out of total approved investment of Rs. 360 million.

Since the subsidiary has not commenced any operational activities, sales, gross profit and distribution expenses of both the companies (holding and subsidiary) in consolidated accounts remain unchanged as are reported in unconsolidated accounts of Ghani Gases Limited (holding company). The administrative expenses, profit before taxation and profit after tax have been consolidated to Rs. 59.899 million, Rs.135.912 million and Rs. 65.891 million respectively whereas in unconsolidated financial statements these figures are Rs. 59.792 million, Rs. 144.029 million and Rs. 74.008 million respectively. The decrease in profitability in consolidated financial statements are due to share of loss from associated company Rs. 8.018 million (2016: Rs. Nil).

Consolidated earnings per share (EPS) has also decreased to Rs. 0.50 if compared with unconsolidated earnings per share Rs.0.56.

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

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

For and behalf of Board of Directors



ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)



HAFIZ FAROOQ AHMAD
(DIRECTOR)

Lahore

Dated: February 27, 2018

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2017 (UN-AUDITED)

	UN-AUDITED December 31, 2017	AUDITED June 30, 2017	
Note	(Rupees '000)		
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,120,637	3,058,562
Intangible assets - goodwill		70	70
Long term investments	6	428,841	436,859
Long term deposits		57,665	57,756
		<u>3,607,213</u>	<u>3,553,247</u>
Current assets			
Stores, spares and loose tools		143,115	107,236
Stock in trade		50,935	37,740
Trade debts		504,413	529,520
Loans and advances		233,573	135,403
Trade deposits and prepayments		49,890	42,771
Other receivables		44	80
Tax refunds due from government		30,879	23,419
Advance income tax		292,025	267,237
Cash and bank balances		199,670	262,303
		<u>1,504,544</u>	<u>1,405,709</u>
TOTAL ASSETS		<u><u>5,111,757</u></u>	<u><u>4,958,956</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 200,000,000 (June 2017: 200,000,000) ordinary shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid up share capital	7	1,322,682	1,247,813
Capital reserve - share premium	7.1	460,198	535,067
Unappropriated profit		618,057	552,161
Loan from sponsors		450,600	639,700
Attributable to the equity holders of the holding company		<u>2,851,537</u>	<u>2,974,741</u>
Non - Controlling Interests		6,994	6,999
Total equity		<u>2,858,531</u>	<u>2,981,740</u>
Non-current liabilities			
Long term financing	8	35,176	11,772
Redeemable capital - Sukuk	9	920,833	1,029,166
Long term security deposits payable		33,205	26,620
Deferred taxation		330,768	254,448
		<u>1,319,982</u>	<u>1,322,006</u>
Current liabilities			
Trade and other payables		151,217	105,712
Accrued profit on financing		17,937	16,535
Short term borrowings	10	499,500	273,000
Current portion of long term liabilities		240,105	229,179
Provision for taxation		24,485	30,784
		<u>933,244</u>	<u>655,210</u>
Total liabilities		<u>2,253,226</u>	<u>1,977,216</u>
TOTAL EQUITY AND LIABILITIES		<u><u>5,111,757</u></u>	<u><u>4,958,956</u></u>

CONTINGENCIES AND COMMITMENTS

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

ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)

HAFIZ FAROOQ AHMAD
(DIRECTOR)

ASIM MAHMUD
(CHIEF FINANCIAL OFFICER)

Half Year December 2017

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UN-AUDITED)

Note	HALF YEAR ENDED		QUARTER ENDED	
	December 31, 2017 (Rupees '000)	December 31, 2016	December 31, 2017 (Rupees '000)	December 31, 2016
Gross sales - local	1,041,947	759,238	553,484	406,797
Sales tax	(123,694)	(88,300)	(64,823)	(47,602)
Net sales	918,253	670,938	488,661	359,195
Cost of sales	(541,661)	(442,427)	(295,323)	(270,982)
Gross profit	376,592	228,511	193,338	88,213
Distribution cost	(108,276)	(78,230)	(56,034)	(39,187)
Administrative expenses	(59,899)	(48,276)	(33,506)	(24,965)
Other operating expenses	(14,442)	(4,415)	(10,221)	(653)
	(182,617)	(130,921)	(99,761)	(64,805)
	193,975	97,590	93,577	23,408
Other income	8,624	11,627	4,153	4,603
	202,599	109,217	97,730	28,011
Finance cost	(58,669)	(48,149)	(30,945)	(26,689)
Share of profit / (loss) of associated company	(8,018)	-	(1,333)	-
Profit before taxation	135,912	61,068	65,452	1,322
Taxation	(70,021)	828	(28,320)	46,692
Profit after taxation	65,891	61,896	37,132	48,014
Attributable to:				
Owners of the Holding Company	65,896	61,896	37,137	48,014
Non - Controlling interests	(5)	-	(5)	-
	65,891	61,896	37,132	48,014
Earnings per share				
- basic and diluted (Rupees)	0.50	0.47	0.28	0.36

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


ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)


HAFIZ FAROOQ AHMAD
(DIRECTOR)


ASIM MAHMUD
(CHIEF FINANCIAL OFFICER)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UN-AUDITED)

	HALF YEAR ENDED		QUARTER ENDED	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	(Rupees '000)		(Rupees '000)	
Net profit for the period	65,891	61,896	37,132	48,014
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>65,891</u>	<u>61,896</u>	<u>37,132</u>	<u>48,014</u>
Attributable to:				
Owners of the Holding Company	65,896	61,896	37,137	48,014
Non - Controlling interest	(5)	-	(5)	-
	<u>65,891</u>	<u>61,896</u>	<u>37,132</u>	<u>48,014</u>

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



ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)



HAFIZ FAROOQ AHMAD
(DIRECTOR)



ASIM MAHMUD
(CHIEF FINANCIAL OFFICER)

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT

FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UN-AUDITED)

	Note	HALF YEAR ENDED	
		December 31, 2017	December 31, 2016
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	14	165,878	86,141
Finance cost paid		(57,267)	(59,682)
Taxes paid		(24,788)	(21,308)
		(82,055)	(80,990)
Net cash generated from operating activities		83,823	5,151
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in property, plant and equipment		(117,029)	(214,685)
Proceeds from disposal of property, plant and equipment		500	1,948
Long term deposits - net		91	3,994
Net cash used in investing activities		(116,438)	(208,743)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing (repayment) / proceeds		34,330	(322,187)
Repayment of redeemable capital - Sukuk		(108,333)	-
Loan from sponsors received / (repaid)		(189,100)	238,000
Proceeds from short term financing		226,500	55,907
Dividend paid		-	(92)
Proceeds from long term security deposits		6,585	(1,000)
Liabilities against assets subject to ijarah financing - paid		-	(22,948)
Net cash used in financing activities		(30,018)	(52,320)
Net (decrease) / increase in cash and cash equivalents		(62,633)	(255,912)
Cash and cash equivalents at the beginning of the period		262,303	1,090,018
Cash and cash equivalents at the end of the period		199,670	834,106

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


ATIQUE AHMAD KHAN
 (CHIEF EXECUTIVE OFFICER)


HAFIZ FAROOQ AHMAD
 (DIRECTOR)


ASIM MAHMUD
 (CHIEF FINANCIAL OFFICER)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UN-AUDITED)

	Share Capital	Capital reserve - Share premium	Unappropriated profit	Loan from sponsors	Total	Non Controlling Interest	Total Equity
	(Rupees '000)						
Balance as at July 01, 2016 (audited)	1,247,813	535,067	429,180	501,200	2,713,260	-	2,713,260
Total comprehensive income	-	-	61,896	-	61,896	-	61,896
Transactions with sponsors	-	-	-	-	-	-	-
Loan received from sponsors	-	-	-	238,000	238,000	-	238,000
Balance as at December 31, 2016 (un-audited)	1,247,813	535,067	491,076	739,200	3,013,156	-	3,013,156
Shares issued to Non - controlling interest	-	-	-	-	-	7000	7,000
Loss attributable to Non- controlling interest	-	-	-	-	-	(1)	(1)
	-	-	-	-	-	6,999	6,999
Total comprehensive income	-	-	61,085	-	61,085	-	61,085
Transactions with sponsors	-	-	-	-	-	-	-
Loan repaid to sponsors	-	-	-	(99,500)	(99,500)	-	(99,500)
Balance as at June 30, 2017 (audited)	1,247,813	535,067	552,161	639,700	2,974,741	6,999	2,981,740
Shares issued to Non - controlling interest	-	-	-	-	-	-	-
Loss attributable to Non- controlling interest	-	-	-	-	-	(5)	(5)
	-	-	-	-	-	(5)	(5)
Total comprehensive income	-	-	65,896	-	65,896	-	65,896
Issuance of bonus shares during the period	74,869	(74,869)	-	-	-	-	-
Transactions with sponsors	-	-	-	-	-	-	-
Loan repaid to sponsors	-	-	-	(189,100)	(189,100)	-	(189,100)
Balance as at December 31, 2017 (un-audited)	1,322,682	460,198	618,057	450,600	2,851,537	6,994	2,858,531

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



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SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UN-AUDITED)

1 THE GROUP AND ITS OPERATIONS

The Group consists of:

Holding Company - Ghani Gases Limited

Subsidiary Company - Ghani Chemicals Industries Limited

GHANI GASES LIMITED

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

GHANI CHEMICALS INDUSTRIES LIMITED

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

2 STATEMENT OF COMPLIANCE

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

2.2 This consolidated condensed interim financial information is unaudited and being submitted to shareholders, as required by section 245 of the repealed Companies Ordinance, 1984 (now section 237 of the Companies Act 2017). The figures for the half year ended December 31, 2017 have however been subjected to a limited scope review by the auditors as required by the Code of Corporate Governance.

During the previous year, the Companies Act, 2017 ("the Act") was enacted on May 30, 2017 and the Companies Ordinance, 1984 ("the repealed Ordinance") was repealed. However, Securities and Exchange Commission of Pakistan vide its Circular No. 17 and Circular No. 23 dated July 20, 2017 and October 04, 2017 respectively and Institute of Chartered Accountants of Pakistan vide its Circular No. 17 dated October 06, 2017, have advised and clarified that Annual Financial Statements of the companies whose financial year closes on or before December 31, 2017 and interim financial statements of the companies for the period ended on or before December 31, 2017, shall be prepared in accordance with the repealed Ordinance.

2.3 Functional and presentation currency

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

3 BASIS OF PREPARATION

- 3.1 This consolidated condensed interim financial information do not include the information reported for annual financial statements and should be read in conjunction with the audited annual published financial statements for the year ended June 30, 2017.
- 3.2 The accounting policies and methods of computations adopted for the preparation of this consolidated condensed interim financial information are the same as applied in the preparation of the preceding audited annual published consolidated financial statements of the group for the year ended June 30, 2017.
- 3.3 The Group has adopted the following amended International Financial Reporting Standards (IFRSs) which became effective during the period:

	Effective date (accounting periods beginning on or after)
IFRS 2 - Share-based payment	01 January 2018
IAS 40 - Investment Property	01 January 2018
IFRIC 22 - Foreign Current Transaction and Advance Consideration	01 January 2018
IFRS 15 - Revenue from Contracts with customers	01 July 2018
IFRS 9 - Financial Instruments	01 July 2018
IFRIC 23 - Uncertainty over Income Tax Treatment	01 January 2019
Amendment to IFRS 9 - Financial Instrument	01 January 2019

The adoption of the above amendments and interpretation did not have any significant impact on this condensed interim financial information.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

		Un-audited December 31, 2017	Audited June 30, 2017
		(Rupees '000)	
5	PROPERTY, PLANT AND EQUIPMENT		
	Operating assets	2,992,703	2,957,732
	Capital work in progress	127,934	100,830
		3,120,637	3,058,562
5.1	Operating assets		
	Opening balance	2,957,732	2,529,455
	Additions and transfer during the period / year		
	Land-Freehold	26,250	118,770
	Building on freehold land	737	153
	Plant and machinery	60,931	367,805
	Furniture and fixtures	179	3,125
	Office equipment	185	74
	Computers	299	2,671
	Vehicles	1,344	23,338
		89,925	515,936
	Less:		
	Book value of disposals during the period / year	(345)	(3,426)
	Depreciation charged during the period / year	(54,609)	(84,233)
		(54,954)	(87,659)
		2,992,703	2,957,732
5.2	CAPITAL WORK IN PROGRESS		
	Building	80,299	58,137
	Plant and machinery	47,635	42,693
		127,934	100,830
6	LONG TERM INVESTMENT		
	<i>Investment in Associate - under equity method</i>		
	Opening carrying value	436,859	-
	Investment made during the period/year	-	450,000
	Share of loss from associate	(8,018)	(13,141)
	Closing balance	428,841	436,859

7 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Un-audited December 31, 2017	Audited June 30, 2017		Un-audited December 31, 2017	Audited June 30, 2017
(No. of Shares)			(Rupees '000)	
122,956,711	122,956,711	Ordinary shares of Rupees 10 each fully paid in cash	1,229,567	1,229,567
13,000	13,000	Ordinary shares of Rupees 10 each issued for consideration other than cash	130	130
9,298,452	1,811,575	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	92,985	18,116
132,268,163	124,781,286		1,322,682	1,247,813

7.1 During the period, the Holding Company has issued 7,486,877 ordinary shares of Rupees 10 each as fully paid bonus shares against share premium account in accordance with provision of Sub-section (3) of Section 81 of the Companies Act, 2017.

8 LONG TERM FINANCING

Diminishing Musharka facility

Beginning balance

Proceeds / (payments) during the period / year - net

Ending balance

Current portion of long term financing

Un-audited December 31, 2017	Audited June 30, 2017
(Rupees '000)	
24,284	1,095,717
34,330	(1,071,433)
58,614	24,284
(23,438)	(12,512)
35,176	11,772
1,245,833	-
(108,333)	1,245,833
1,137,500	1,245,833
(216,667)	(216,667)
920,833	1,029,166

9 REDEEMABLE CAPITAL - SUKUK

Beginning balance

(Payment) / proceeds during the period / year

Ending balance

Current portion taken as current liability

10 SHORT TERM BORROWINGS

These finances are obtained from banking companies under profit arrangements and are secured against joint pari passu hypothecation charge on the present and future current assets of the Holding Company and personal guarantees of sponsoring directors of the Holding Company. These form part of total credit funded facilities of Rupees 1,115 million (June 2017: Rupees 860 million). The rates of profit ranging from relevant KIBOR plus 0.75% to 1.25% (2016: relevant KIBOR plus 0.90% to 1.25%).

11 CONTINGENCIES AND COMMITMENTS**11.1 Contingencies**

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

11.2 Commitments

- a) Commitments in respect of letter of credit amounted to Rupees 59.35 million (June 2017: Rupees 95.16 million).
- b) Commitments for construction of building as at balance sheet date amounted to Rupees 50 million (June 2017: Rupees 9.2 million).
- c) Bank guarantee amounting to Rupees 46.12 million (June 2017: Rupees 27.45 million) provided to various customers/institutions against supplies of products.

	UN-AUDITED HALF YEAR ENDED		UN-AUDITED QUARTER ENDED	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	(Rupees '000)		(Rupees '000)	
12 COST OF SALES				
Fuel and power	344,626	233,166	183,564	134,514
Consumable spare	15,771	13,380	10,061	5,234
Salaries wages and other benefits	32,819	31,624	17,851	16,497
Communication	345	271	155	121
Repair and maintenance	17,439	22,583	9,994	4,859
Travelling, vehicle running and maintenance	2,639	3,190	1,800	1,135
Insurance	3,066	2,648	1,619	1,590
Depreciation	47,817	31,577	24,146	15,310
Staff welfare	4,050	4,669	2,110	2,388
Transportation	4,540	2,990	3,166	1,352
Other overheads	25,332	11,562	16,364	6,093
	498,444	357,660	270,830	189,093
Finished goods				
Opening stock	37,740	26,282	24,040	88,396
Purchases	56,412	82,665	51,388	17,673
Closing stock	(50,935)	(24,180)	(50,935)	(24,180)
	43,217	84,767	24,493	81,889
	541,661	442,427	295,323	270,982
13 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit attributable to ordinary shareholders Rupees (000)	65,891	61,896	37,132	48,014
Weighted average number of ordinary shares outstanding Number (000)	132,268	132,268	132,268	132,268
Earnings per share - basic and diluted (Rupees)	0.50	0.47	0.28	0.36

13.1 During the period, the holding Company has issued 7,486,877 bonus shares out of share premium account which has resulted in restatement of basic and diluted earning per share for the quarter and half year ended December 31, 2016.

14	CASH GENERATED FROM OPERATIONS	Note	UN-AUDITED HALF YEAR ENDED	
			December 31, 2017	December 31, 2016
			(Rupees '000)	
	Profit before taxation		135,912	61,068
	Adjustments for:			
	Depreciation		54,609	38,716
	Finance cost		58,669	48,149
	(Gain) / loss on disposal of property, plant and equipment		(155)	114
	Share of (profit) / loss of associated company		8,018	-
	Operating cash flows before working capital changes		257,053	148,047
	Effect on cash flows due to working capital changes			
	<i>(Increase) / decrease in current assets:</i>			
	Stores and spares		(35,879)	13,789
	Stock in trade		(13,195)	2,102
	Trade debts		25,107	90,243
	Loans and advances		(98,170)	(5,470)
	Trade deposits and prepayments		(7,119)	241
	Tax refunds due from government		(7,460)	(1,073)
	Other receivables		36	1,577
	<i>Increase / (decrease) in current liabilities:</i>			
	Trade and other payables		45,505	(163,315)
			165,878	86,141

15 TRANSACTIONS WITH RELATED PARTIES

Name of related party	Nature of Transaction		
Associated Companies	Supplies	9,995	20,805
	Guarantee charges	1,300	1,300
	Services	9,000	6,000
Staff Provident Fund	Contribution	9,736	7,420
Sponsors	Loan received / (repaid)	(189,100)	238,000

16 DATE OF AUTHORIZATION

This financial information has been authorized for issue by the Board of Directors of the Holding Company on February 27, 2018.

17 CORRESPONDING FIGURES

The consolidated condensed interim balance sheet has been compared with preceding balance sheet as at June 30, 2017, whereas the consolidated condensed interim profit and loss account, consolidated condensed interim statement of comprehensive income, consolidated condensed interim cash flow statement and consolidated condensed interim statement of changes in equity have been compared with the corresponding period of the previous year.



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