

HALF YEAR

December 2011

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



A Company of Ghani Global Group

Ghani Gases Limited
Manufacturer of Industrial & Medical Gases



CORPORATE

■ Board of Directors

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

■ Audit Committee

Hafiz Farooq Ahmad, Chairman
Aysha Masroor
Rabia Atique

■ 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) 35655595

■ Gases Plant

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

INFORMATION



■ Bankers

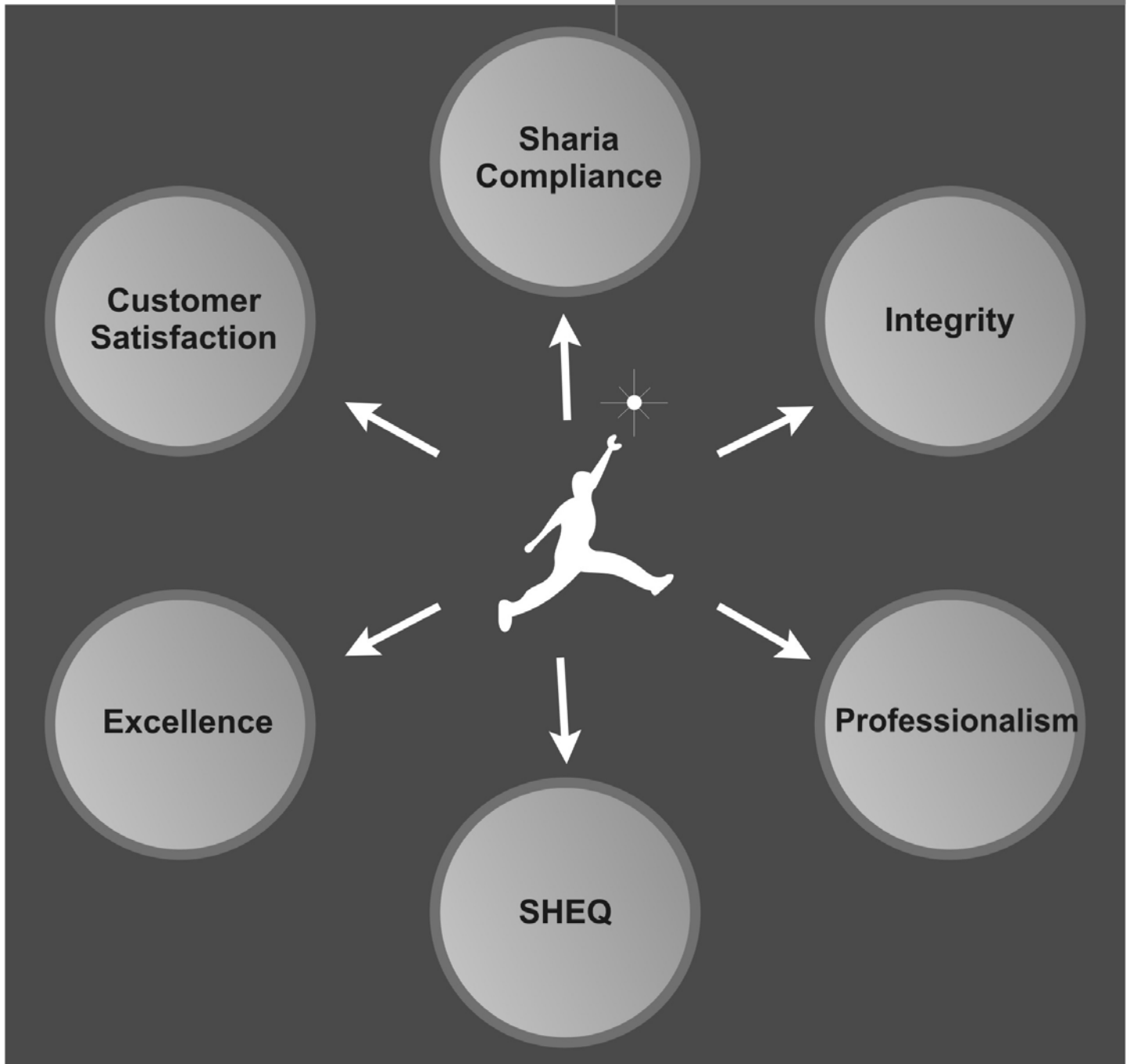
Al-baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Burj Bank Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
KASB Bank Limited
Meezan Bank Limited
MCB Bank Limited
National Bank of Pakistan
Soneri Bank Limited
The Bank of Khaybar
UBL Ameen

■ Corporate/Registered Office

82-N, Model Town (Ext),
Lahore-54000, Pakistan
UAN: +92 (042) 111 Ghani1
Phones: +92 (042) 35161424-25
Fax: +92 (042) 35160393
E-mail: gases@ghaniglobal.com
Website: www.ghaniglobal.com



CORE VALUES





DIRECTORS' REPORT

Dear members

Asalam-o-Alaikum Wa Rehmatullah-a-Wabarakatohu

The Directors of your Company are pleased to present the unaudited condensed interim financial statements of the Company for the half year ended December 31, 2011, along with review report of the auditors thereon, in compliance with the requirements of Companies Ordinance, 1984.

Financial Performance:

| Particulars | December 2011 | December 2010 |
|-----------------------------|-----------------|-----------------|
| | Rupees in '000' | Rupees in '000' |
| Sales | 348,177 | 214,821 |
| Net Sales | 303,393 | 183,340 |
| Gross Profit | 109,256 | 48,268 |
| - As %age of net sales | 36.01% | 26.33% |
| Selling & Distribution Cost | 39,317 | 26,664 |
| - As %age of net sales | 12.96% | 14.54% |
| Administrative Expenses | 28,888 | 22,917 |
| - As %age of net sales | 9.52% | 12.50% |
| Profit before other income | 38,671 | (1,661) |
| - As %age of net sales | 12.75% | -0.91% |
| Profit before taxation | 33,593 | 43,724 |
| Net Profit | 30,240 | 41,174 |
| Earning per share | 0.42 | 0.57 |

Your Company's sales during the period under review has increased to Rs. 348.177 million against Rs. 214.821 million as compared with the same period of last year depicting growth of 62.08%. Despite increase in heavy fuel adjustment surcharge related to previous periods, gross profit of your Company has increased to Rs. 109.256 million against the gross profit of Rs. 48.268 million if compared with the same period of last year posting increase in gross margin to 36.01% from 26.33%.

Selling & distribution cost and administrative expense have increased in absolute terms, however it is noteworthy that in term of percentage to net sales, these expenses have decreased by 158bps & 298bps respectively. This half year profit excluding other income has increased to Rs. 38.671 million against loss of Rs. 1.660 million as compared to the same period of last year. During the period under review, Profit after taxation is amounted to Rs. 30.240 million and earnings per share (EPS) Rs. 0.42 against the profit of Rs. 41.174 million and EPS of 0.57 if compared with the same period of last year.

Future Prospects:

The overall business environment remains challenging due to prevailing political uncertainty, energy crises and economic situation. The competition has been more active in recent times and is expected to for the year ahead. The Board is confident that your Company is fully geared to meet all future challenges and committed to maintain growth trend in future by implementing permanent solutions including pursuing initiatives such as technological advances and reduction in operating costs which would confidently improve the profitability of the Company with the ultimate objective of increasing shareholders' value in long term.

Acknowledgments:

The Board also places on record its profound gratitude for its valuable shareholders, Banks/financial institutions, customers and suppliers for their continued support, cooperation and patronage for the progress and prosperity of the Company. We appreciate the Company's staff and workers for their continuous dedication, perseverance and diligence.

Lahore
February 13, 2012

For and on behalf of Board of Directors
Masroor Ahmad Khan
Chairman



AUDITORS' REPORT

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

Introduction

We have reviewed the annexed condensed interim balance sheet of **GHANI GASES LIMITED** as at **31 DECEMBER 2011** and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement 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 these interim financial information based on our review.

The figures included in condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 December 2011 and 2010 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 2011.

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 2011 is not prepared in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Lahore
February 13, 2012

Rizwan & Company
Chartered Accountants
Rizwan Bashir

INTERIM CONDENSED BALANCE SHEET AS AT 31 DECEMBER 2011

| ASSETS | Note | UN-AUDITED DECEMBER 2011 | AUDITED JUNE 2011 |
|--|------|--------------------------------|-------------------------|
| | | (Rupees) | |
| Non-current assets | | | |
| Property, plant and equipment | | | |
| Operating fixed assets | 5 | 1,082,171,663 | 1,174,844,505 |
| Assets subject to ijarah financing | 6 | 197,097,839 | 48,004,521 |
| Capital work in progress | 7 | 13,434,907 | 12,101,590 |
| | | 1,292,704,409 | 1,234,950,616 |
| Intangible assets | | 980,000 | 1,120,000 |
| Long term deposits and prepayments | | 62,413,919 | 42,153,289 |
| | | 1,356,098,328 | 1,278,223,905 |
| Current assets | | | |
| Stores, spare parts and loose tools | | 35,809,367 | 19,961,223 |
| Stock in trade | | 23,565,478 | 31,880,087 |
| Trade debts | | 59,167,241 | 39,731,149 |
| Loans and advances | | 15,164,626 | 6,259,526 |
| Trade deposits and short term prepayments | | 5,448,383 | 3,707,752 |
| Balances with statutory authorities | | - | 1,158,999 |
| Other receivables | | 20,179 | 33,152,031 |
| Advance tax | | 18,204,593 | 14,731,250 |
| Cash and bank balances | | 162,884,028 | 104,029,772 |
| | | 320,263,895 | 254,611,789 |
| | | 1,676,362,223 | 1,532,835,694 |
| TOTAL ASSETS | | | |
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| Authorized share capital | | | |
| 72,500,000 (2011: 72,500,000) ordinary shares of Rs. 10 each | | 725,000,000 | 725,000,000 |
| Issued, subscribed and paid up share capital | 8 | 724,500,000 | 724,500,000 |
| Capital reserve - Share premium | | 30,000,000 | 30,000,000 |
| Unappropriated profit / (loss) | | 751,356 | (29,489,020) |
| Total equity | | 755,251,356 | 725,010,980 |
| Non-current liabilities | | | |
| Long term financing | 9 | 186,166,668 | 243,333,334 |
| Loan from sponsors | | 243,914,104 | 250,137,030 |
| Liabilities against assets subject to ijarah financing | | 147,946,331 | 30,797,546 |
| Long term security deposits | | 28,700,000 | 31,300,000 |
| | | 606,727,103 | 555,567,910 |
| Current liabilities | | | |
| Trade and other payables | | 83,854,399 | 108,899,898 |
| Accrued profit on financing | | 18,972,870 | 10,197,360 |
| Short term borrowings | | 58,509,617 | 24,999,975 |
| Current portion of long term liabilities | | 149,694,753 | 102,590,555 |
| Provision for taxation | | 3,352,125 | 5,569,016 |
| | | 314,383,764 | 252,256,804 |
| Total liabilities | | 921,110,867 | 807,824,714 |
| TOTAL EQUITY AND LIABILITIES | | 1,676,362,223 | 1,532,835,694 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 10 | - | - |

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

Statement under section 241(2) of the Companies Ordinance, 1984:

This condensed interim financial information have been signed by two Directors instead of Chief Executive and one Director as the Chief Executive is not for the time being in Pakistan.

MASROOR AHMAD KHAN
Director

HAFIZ FAROOQ AHMAD
Director



INTERIM CONDENSED PROFIT AND LOSS ACCOUNT

FOR THE HALF YEAR ENDED 31 DECEMBER 2011 (UN-AUDITED)

| | Note | HALF YEAR ENDED | | QUARTER ENDED | |
|--------------------------|------|---------------------|---------------------|---------------------|---------------------|
| | | 31 DECEMBER 2011 | 31 DECEMBER 2010 | 31 DECEMBER 2011 | 31 DECEMBER 2010 |
| | | (Rupees) | | (Rupees) | |
| Gross Sales - Local | | 348,176,680 | 214,821,431 | 182,875,460 | 92,919,070 |
| Less: | | | | | |
| Sales tax | | 44,784,180 | 29,769,400 | 23,333,329 | 12,879,462 |
| Excise duty | | - | 1,711,287 | - | 720,722 |
| | | 44,784,180 | 31,480,687 | 23,333,329 | 13,600,184 |
| Net sales | | 303,392,500 | 183,340,744 | 159,542,131 | 79,318,886 |
| Cost of sales | 11 | 194,136,024 | 135,072,850 | 108,040,201 | 54,011,812 |
| Gross Profit | | 109,256,476 | 48,267,894 | 51,501,930 | 25,307,074 |
| Distribution cost | | 39,317,039 | 26,663,543 | 18,995,100 | 11,801,754 |
| Administrative expenses | | 28,887,546 | 22,916,706 | 15,322,275 | 10,805,106 |
| Other operating expenses | | 2,380,582 | 348,199 | 909,506 | 236,699 |
| | | 70,585,167 | 49,928,448 | 35,226,881 | 22,843,559 |
| | | 38,671,309 | (1,660,554) | 16,275,049 | 2,463,515 |
| Other income | | 32,138,798 | 71,884,296 | 16,266,465 | 29,040,536 |
| | | 70,810,107 | 70,223,742 | 32,541,514 | 31,504,051 |
| Finance cost | | 37,217,606 | 26,499,650 | 19,038,493 | 13,404,351 |
| Profit before taxation | | 33,592,501 | 43,724,092 | 13,503,021 | 18,099,700 |
| Taxation | | 3,352,125 | 2,549,944 | 1,755,421 | 1,081,288 |
| Profit after taxation | | 30,240,376 | 41,174,148 | 11,747,600 | 17,018,412 |
| Earnings per share | | | | | |
| - basic and diluted | 12 | 0.42 | 0.57 | 0.16 | 0.23 |

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MASROOR AHMAD KHAN
Director

HAFIZ FAROOQ AHMAD
Director



INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2011 (UN-AUDITED)

| | HALF YEAR ENDED | | QUARTER ENDED | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 31 DECEMBER 2011 | 31 DECEMBER 2010 | 31 DECEMBER 2011 | 31 DECEMBER 2010 |
| | (Rupees) | | (Rupees) | |
| Net profit for the period | 30,240,376 | 41,174,148 | 11,747,600 | 17,018,412 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | <u>30,240,376</u> | <u>41,174,148</u> | <u>11,747,600</u> | <u>17,018,412</u> |

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

Statement under section 241(2) of the Companies Ordinance, 1984:

This condensed interim financial information have been signed by two Directors instead of Chief Executive and one Director as the Chief Executive is not for the time being in Pakistan.

MASROOR AHMAD KHAN
Director

HAFIZ FAROOQ AHMAD
Director



INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2011 (UN-AUDITED)

| | Share capital | Capital reserve - Share premium | Unappropriated Profit / Loss | Total |
|--|--------------------|---------------------------------|------------------------------|--------------------|
| | (Rupees) | | | |
| Balance as at 01 July 2010 (audited) | 724,500,000 | 30,000,000 | (108,932,855) | 645,567,145 |
| Net profit for the period | - | - | 41,174,148 | 41,174,148 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income | - | - | 41,174,148 | 41,174,148 |
| Balance as at 31 December 2010 (un-audited) | 724,500,000 | 30,000,000 | (67,758,707) | 686,741,293 |
| Net profit for the period | - | - | 38,269,687 | 38,269,687 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income | - | - | 38,269,687 | 38,269,687 |
| Balance as at 30 June 2011 (audited) | 724,500,000 | 30,000,000 | (29,489,020) | 725,010,980 |
| Net profit for the period | - | - | 30,240,376 | 30,240,376 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income | - | - | 30,240,376 | 30,240,376 |
| Balance as at 31 December 2011 (un-audited) | 724,500,000 | 30,000,000 | 751,356 | 755,251,356 |

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

Statement under section 241(2) of the Companies Ordinance, 1984:

This condensed interim financial information have been signed by two Directors instead of Chief Executive and one Director as the Chief Executive is not for the time being in Pakistan.

MASROOR AHMAD KHAN
Director

HAFIZ FAROOQ AHMAD
Director



INTERIM CONDENSED CASH FLOW STATEMENT

FOR THE HALF YEAR ENDED 31 DECEMBER 2011 (UN-AUDITED)

| | Note | HALF YEAR ENDED | |
|---|------|----------------------|---------------------|
| | | 31 DECEMBER 2011 | 31 DECEMBER 2010 |
| | | (Rupees) | (Restated) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from/ (used in) operations | 13 | 65,616,757 | (3,922,537) |
| Finance cost paid | | (28,442,096) | (28,344,268) |
| Income tax paid | | (9,042,359) | (6,473,107) |
| | | (37,484,455) | (34,817,375) |
| Net cash from / (used in) operating activities | | 28,132,302 | (38,739,912) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | | (180,790,449) | (73,624,266) |
| Proceeds from disposal of assets | | 100,000,000 | - |
| Long term deposits received / (paid) | | (20,260,630) | (23,276,319) |
| Net cash used in investing activities | | (101,051,079) | (96,900,585) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Long term financing - net | | (31,300,000) | (8,821,380) |
| Sponsors loan - net | | (6,222,926) | 58,875,000 |
| Short term borrowings | | 33,509,642 | (6,129,912) |
| Long term security deposit payable | | (2,600,000) | (800,000) |
| Liabilities against assets subject to ijarah financing - net | | 138,386,317 | 26,572,635 |
| Net cash (used in) / from financing activities | | 131,773,033 | 69,696,343 |
| Net increase / (decrease) in cash and cash equivalentse | | 58,854,256 | (65,944,154) |
| Cash and cash equivalents at the beginning of the period | | 104,029,772 | 85,604,562 |
| Cash and cash equivalents at the end of the period | | 162,884,028 | 19,660,408 |

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

Statement under section 241(2) of the Companies Ordinance, 1984:

This condensed interim financial information have been signed by two Directors instead of Chief Executive and one Director as the Chief Executive is not for the time being in Pakistan.

MASROOR AHMAD KHAN
Director

HAFIZ FAROOQ AHMAD
Director



SELECTED NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2011 (UN-AUDITED)

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 BASIS OF PREPERATION

2.1 *Statement of compliance*

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

This condensed interim financial information is unaudited but subject to limited scope review by the statutory auditors and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984.

This condensed interim financial information do not include the information reported for annual financial statements and should be read in conjunction with the audited annual published financial statements for the year ended 30 June 2011.

2.2 *Functional and presentation currency*

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

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

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that became effective during the period and are mandatory for accounting periods beginning on or after 01 July 2011 but are considered not to be relevant or have any significant effect on the company's operations and are, therefore, not disclosed in this condensed interim financial information.

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

There are other amendments to the standards and new interpretations that are mandatory for accounting periods beginning on or after 01 July 2012 but are considered not to be relevant or do not have any significant effect on Company's operations and are, therefore, not detailed in this condensed interim financial information.

3 ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computations adopted for the preparation of this interim condensed financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2011 except for the following:

3.1 *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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this interim condensed 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 interim condensed 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 30 June 2011.

| | Note | Un-audited 31 December 2011 | Audited June 30 2011 |
|------------|---|-----------------------------------|----------------------------|
| | | (Rupees) | |
| 5 | PROPERTY, PLANT AND EQUIPMENT | | |
| | Beginning balance | 1,174,844,505 | 812,911,775 |
| | Additions during the period / year | 27,317,295 | 399,721,019 |
| | Deletions during the period / year | (100,304,581) | (7,695,176) |
| | | <u>1,101,857,219</u> | <u>1,204,937,618</u> |
| | Depreciation charged during the period / year | (19,685,556) | (30,093,113) |
| | Ending balance | <u>1,082,171,663</u> | <u>1,174,844,505</u> |
| 5.1 | Additions during the period / year | | |
| | Land on freehold land | - | 4,493,484 |
| | Building on freehold Land | - | 49,424,317 |
| | Plant and machinery | 25,864,895 | 344,770,352 |
| | Furniture and fixtures | 653,618 | 726,161 |
| | Office equipment | 468,685 | 32,274 |
| | Computers | 192,697 | 274,431 |
| | Vehicles | 137,400 | - |
| | | <u>27,317,295</u> | <u>399,721,019</u> |
| 5.2 | Deletions during the period / year | | |
| | Plant and machinery | 100,304,581 | 7,225,460 |
| | Vehicles | - | 469,716 |
| | | <u>100,304,581</u> | <u>7,695,176</u> |
| 6 | ASSETS SUBJECT TO IJARAH FINANCING | | |
| | Beginning balance | 48,004,521 | 10,166,622 |
| | Additions during the period / year | 152,139,837 | 39,383,194 |
| | | <u>200,144,358</u> | <u>49,549,816</u> |
| | Depreciation charged during the period / year | (3,046,519) | (1,545,295) |
| | Ending balance | <u>197,097,839</u> | <u>48,004,521</u> |



| | Note | Un-audited 31 December 2011 | Audited June 30 2011 |
|---|-----------|-----------------------------------|----------------------------|
| | | (Rupees) | |
| 6.1 Additions during the period / year | | | |
| Plant and machinery | | 142,490,047 | 28,133,194 |
| Vehicles | | 9,649,790 | 11,250,000 |
| | | <u>152,139,837</u> | <u>39,383,194</u> |
| 7 CAPITAL WORK IN PROGRESS | | | |
| Plant and machinery | 7.1 & 7.2 | 13,434,907 | 12,101,590 |
| | | <u>13,434,907</u> | <u>12,101,590</u> |

7.1 An amount of Rupees 25.86 million (June 2011 : Rupees 394.19 million) has been transferred to property, plant and equipment.

7.2 Borrowing cost amount of Rupees Nil (June 2011 : Rupees 7.35 million) has been capitalized during the period.

8 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

| Un-audited 31 December 2011 | Audited 30 June 2011 | | Un-audited 31 December 2011 | Audited 30 June 2011 |
|-----------------------------------|----------------------------|---|-----------------------------------|----------------------------|
| (No. of Shares) | | | (Rupees) | |
| 72,450,000 | 72,450,000 | Ordinary shares of Rupees 10 each fully paid in cash | 724,500,000 | 724,500,000 |
| <u>72,450,000</u> | <u>72,450,000</u> | | <u>724,500,000</u> | <u>724,500,000</u> |

9 LONG TERM FINANCING

| | | |
|---|--------------------|--------------------|
| Beginning balance | 335,500,000 | 379,321,380 |
| Add: Addition/(payments) during period/ year | (31,300,000) | (43,821,380) |
| Ending balance | 304,200,000 | 335,500,000 |
| Less: Current portion shown under current liabilities | (118,033,332) | (92,166,666) |
| | <u>186,166,668</u> | <u>243,333,334</u> |

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

10.1.1 There are no material changes in contingencies as disclosed in the note to the financial statements for the year ended 30 June 2011 except for the following:

10.1.2 The company has issued post dated cheques amounting to Rupees 6.78 million (June 2011: Nil) issued in favour of Collector Model Custom Collectorate Karachi against sales tax payment pertaining to import of certain parts of machinery.

10.1.3 The Company has issued bank guarantee amounting to Rupees 5.4 million (June 2011: Nil) in favour of Additional Collector Customs against proceedings on import of certain parts of machinery.

10.2 Commitments

Commitments in respect of letter of credit amounted to rupees 27.88 million (June 2011: Rupees 30.48 million).



| | HALF YEAR ENDED | | QUARTER ENDED | |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 31 DECEMBER 2011 | 31 DECEMBER 2010 | 31 DECEMBER 2011 | 31 DECEMBER 2010 |
| | (Rupees) | | (Rupees) | |
| | | (Restated) | | (Restated) |
| 11 COST OF SALES | | | | |
| Fuel and power | 99,705,862 | 87,657,000 | 52,832,822 | 33,322,628 |
| Consumable spare | 2,717,448 | 1,578,667 | 1,517,044 | 251,446 |
| Salaries wages and other benefits | 11,336,939 | 9,303,721 | 6,027,626 | 5,132,050 |
| Communication | 590,422 | 57,415 | 265,311 | 34,278 |
| Repair and maintenance | 3,051,894 | 3,383,514 | 1,251,760 | 1,299,582 |
| Travelling and vehicle running | 1,640,751 | 945,972 | 919,345 | 652,782 |
| Insurance | 1,104,540 | 1,043,049 | 583,713 | 517,652 |
| Depreciation | 18,648,722 | 11,292,679 | 9,366,939 | 4,773,814 |
| Staff welfare | 1,326,729 | 1,307,999 | 600,856 | 654,119 |
| Transportation | 419,933 | 238,597 | 226,480 | 115,257 |
| Other overheads | 3,518,047 | 2,440,637 | 1,801,189 | 1,963,187 |
| | <u>144,061,287</u> | <u>119,249,250</u> | <u>75,393,085</u> | <u>48,716,795</u> |
| Finished goods | | | - | |
| Opening stock | 31,880,087 | 19,034,784 | 38,526,076 | 15,137,715 |
| Purchases | 41,760,128 | 17,518,752 | 17,686,518 | 10,887,238 |
| Closing stock | (23,565,478) | (20,729,936) | (23,565,478) | (20,729,936) |
| | <u>50,074,737</u> | <u>15,823,600</u> | <u>32,647,116</u> | <u>5,295,017</u> |
| | <u>194,136,024</u> | <u>135,072,850</u> | <u>108,040,201</u> | <u>54,011,812</u> |

12 EARNINGS PER SHARE

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

| | Note | HALF YEAR ENDED | |
|---|------|---------------------|---------------------|
| | | 31 DECEMBER 2011 | 31 DECEMBER 2010 |
| | | (Rupees) | |
| | | | (Restated) |
| 13 CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before taxation | | 33,592,501 | 43,724,092 |
| Adjustments to reconcile profit to net cash provided by operating activities | | | |
| Depreciation | | 22,872,075 | 13,732,497 |
| Finance cost | | 37,217,606 | 31,442,276 |
| Loss on disposal of assets | | 304,581 | - |
| Working capital changes | 13.1 | (28,370,006) | (92,821,402) |
| Cash flow from operating activities | | <u>65,616,757</u> | <u>(3,922,537)</u> |



| | Note | HALF YEAR ENDED | |
|---|------|---------------------|---------------------|
| | | 31 DECEMBER 2011 | 31 DECEMBER 2010 |
| | | (Rupees) | |
| 13.1 Cash flows from working capital changes | | | |
| <i>(Increase) / decrease in current assets:</i> | | | |
| Stores and spare parts | | (15,848,144) | (14,693,682) |
| Stock in trade | | 8,314,609 | (1,695,152) |
| Trade debts | | (19,436,092) | (10,773,302) |
| Loans and advances | | (8,905,100) | (15,359,473) |
| Short term deposits and prepayments | | (1,740,631) | (1,225,990) |
| Balances with statutory authorities | | 1,158,999 | (2,128,550) |
| Other receivables | | 33,131,852 | (19,924,395) |
| Increase / (decrease) in current liabilities: | | | |
| Trade and other payables | | (25,045,499) | (27,020,858) |
| Net cash generated from/ (used in) working capital changes | | (28,370,006) | (92,821,402) |

14 SEGMENT INFORMATION

14.1 Segment results are as follows:

| | HALF YEAR ENDED | | | | | |
|----------------------------|---------------------------------|-------------------|-------------|---------------------------------|----------------|-------------|
| | 31 December 2011 | | | 31 December 2010 | | |
| | Industrial and Medical Gases | Other Segments | Total | Industrial and Medical Gases | Other Segments | Total |
| (Rupees) | | | (Rupees) | | | |
| Net Sales | 245,610,300 | 57,782,200 | 303,392,500 | 175,147,058 | 8,193,686 | 183,340,744 |
| Cost of Sales | 138,770,603 | 55,365,421 | 194,136,024 | 127,114,080 | 7,958,770 | 135,072,850 |
| Gross profit | 106,839,697 | 2,416,779 | 109,256,476 | 48,032,978 | 234,916 | 48,267,894 |
| Distributions Cost | 39,026,041 | 290,998 | 39,317,039 | 26,459,384 | 204,159 | 26,663,543 |
| Administrative Expenses | 28,526,452 | 361,094 | 28,887,546 | 22,630,247 | 286,459 | 22,916,706 |
| | 67,552,493 | 652,092 | 68,204,585 | 49,089,631 | 490,618 | 49,580,249 |
| Segment Profit / (Loss) | 39,287,204 | 1,764,687 | 41,051,891 | (1,056,653) | (255,702) | (1,312,355) |

Unallocated corporate expenses

| | | |
|--------------------------|------------|------------|
| Other Operating Expenses | 2,380,582 | 348,199 |
| Other Income | 32,138,798 | 71,884,296 |
| | 70,810,107 | 70,223,742 |
| Finance Cost | 37,217,606 | 26,499,650 |
| Profit before Taxation | 33,592,501 | 43,724,092 |
| Taxation | 3,352,125 | 2,549,944 |
| Profit after Taxation | 30,240,376 | 41,174,148 |



| | QUARTER ENDED | | | | | |
|-------------------------|------------------------------|----------------|-------------|------------------------------|----------------|------------|
| | 31 December 2011 | | | 31 December 2010 | | |
| | Industrial and Medical Gases | Other Segments | Total | Industrial and Medical Gases | Other Segments | Total |
| (Rupees) | | | (Rupees) | | | |
| Net Sales | 119,844,965 | 39,697,166 | 159,542,131 | 74,270,714 | 5,048,172 | 79,318,886 |
| Cost of Sales | 70,288,699 | 37,751,502 | 108,040,201 | 49,412,468 | 4,599,344 | 54,011,812 |
| GROSS PROFIT | 49,556,266 | 1,945,664 | 51,501,930 | 24,858,246 | 448,828 | 25,307,074 |
| Distributions Cost | 18,836,863 | 158,237 | 18,995,100 | 11,687,074 | 114,680 | 11,801,754 |
| Administrative Expenses | 15,130,747 | 191,528 | 15,322,275 | 10,670,042 | 135,064 | 10,805,106 |
| | 33,967,610 | 349,765 | 34,317,375 | 22,357,116 | 249,744 | 22,606,860 |
| Segment Profit / (Loss) | 15,588,656 | 1,595,899 | 17,184,555 | 2,501,130 | 199,084 | 2,700,214 |

Unallocated corporate expenses

| | | |
|--------------------------|------------|------------|
| Other Operating Expenses | 909,506 | 236,699 |
| Other Income | 16,266,465 | 29,040,536 |
| | 32,541,514 | 31,504,051 |
| Finance Cost | 19,038,493 | 13,404,351 |
| Profit before Taxation | 13,503,021 | 18,099,700 |
| Taxation | 1,755,421 | 1,081,288 |
| Profit after Taxation | 11,747,600 | 17,018,412 |

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

14.3 Reconciliation of reportable segment assets and liabilities with totals in the balance sheet is as follows:

| | Un - audited | | | Audited | | |
|-------------------------|------------------------------|----------------|---------------|------------------------------|----------------|---------------|
| | 31 DECEMBER 2011 | | | 30 JUNE 2011 | | |
| | Industrial and Medical Gases | Other Segments | Total | Industrial and Medical Gases | Other Segments | Total |
| (Rupees) | | | (Rupees) | | | |
| Segment assets | 72,768,815 | 9,963,904 | 82,732,719 | 53,828,168 | 17,783,068 | 71,611,236 |
| Unallocated assets | | | 1,593,629,504 | | | 1,461,224,458 |
| Total assets | | | 1,676,362,223 | | | 1,532,835,694 |
| Segment liabilities | 83,754,435 | 99,964 | 83,854,399 | 128,320,484 | 5,579,389 | 133,899,873 |
| Unallocated liabilities | | | 837,256,468 | | | 673,924,841 |
| Total liabilities | | | 921,110,867 | | | 807,824,714 |



15 TRANSACTIONS WITH RELATED PARTIES

| Name | Nature of Transaction | HALF YEAR ENDED | |
|---|--|---------------------|---------------------|
| | | 31 DECEMBER 2011 | 31 DECEMBER 2010 |
| <i>Associated companies / undertaking</i> | | | |
| Ghani Southern Gases (Private) Limited | Income against technical assistance fee | 13,820,000 | 20,000,000 |
| Shadman Mall | Advance against sales | 10,747,250 | - |
| Ghani Gases Employees Provident Fund | Contribution | 2,400,560 | 2,144,922 |
| Sponsors | Loan received / (repaid) | (6,222,926) | 58,875,000 |

16 DATE OF AUTHORIZATION

These financial statements have been authorized for issue by Board of Directors of the Company on February 13, 2012.

17 CORRESPONDING FIGURES

- 17.1 Figures have been rounded off to the nearest of rupees, unless otherwise stated.
- 17.2 In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim balance sheet comprise of balances as per the annual audited financial statements of the Company for the year ended 30 June 2011 and the corresponding figures in the condensed interim profit and loss account, condensed interim statement of changes in equity, condensed interim statement of other comprehensive income and condensed interim cash flow statement comprise of balances of comparable period as per the condensed interim financial information of the Company for the half year ended 31 December 2010.
- 17.3 Corresponding figures have been rearranged or reclassified, wherever necessary, for the purposes of comparison. Following material re-classifications have been made:
- 17.3.1 Corresponding figures of finance cost disclosed in condensed interim cash flow statement has been rectified and related adjustments have been made.
- 17.3.2 Breakup of costs of sales, administrative expenses and distribution cost have been reclassified in order to make it more meaningful and comparable.

Statement under section 241(2) of the Companies Ordinance, 1984:

This condensed interim financial information have been signed by two Directors instead of Chief Executive and one Director as the Chief Executive is not for the time being in Pakistan.

MASROOR AHMAD KHAN
Director

HAFIZ FAROOQ AHMAD
Director