

HALF YEAR
December 2014

Faith
Experience
Innovation
Growth

A Company of Ghani Global Group
Ghani Gases Limited
Manufacturer of Industrial & Medical Gases



CORPORATE INFORMATION

Board of Directors

Mr. Masroor Ahmad Khan, Chairman
Mr. Atique Ahmad Khan, CEO
Hafiz Farooq Ahmad
Mian Zahid Said
Mrs. Ayesha Masroor
Mrs. Rabia Atique
Mrs. Saira Farooq
Mr. Farzand Ali

Audit Committee

Mian Zahid Said, Chairman
Hafiz Farooq Ahmad
Mr. Farzand Ali

HR & R Committee

Hafiz Farooq Ahmad, Chairman
Mr. Atique Ahmad Khan
Mian Zahid Said
Mr. Farzand Ali

Company Secretary

Mr. Farzand Ali, FCS

Chief Financial Officer

Mr. Asim Mahmud, FCA

Legal Advisor

Mr. Tariq Mehmood Khan, Advocate
DSK Law, Lahore.

Auditors

Rizwan & Company
Chartered Accountants
Member Firm of DFK International

Share Registrar

THK Associates (Pvt) Limited
2nd Floor, State Life Building No. 3,
Dr. Ziauddin Ahmed Road,
Karachi-75530.
UAN: +92 (021) 111-000-322
Fax: +92 (021) 35655595



GGL - I

52-km, Multan Road, Phool Nagar
Distt. Kasur
Ph: (049) 4510349-549
Fax: (049) 4510749
E-mail: ggl1plant@ghaniglobal.com

GGL - II

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

Corporate / Registered Office

82-N, Model Town (Ext),
Lahore-54000, Pakistan
UAN: (042) 111 -ghani1 (442-641)
Ph: (042) 35161424-25
Fax: (042) 35160393
E-mail: info@ghaniglobal.com
Website: www.ghaniglobal.com

Site Office

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

Bankers

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



DIRECTORS' REPORT

Dear Members

Assalam-o-Alaikum Wa RehmatUllah Wa Barakatoh

The Directors of your Company are pleased to present the unaudited condensed interim financial statements of the Company for the half year ended December 31, 2014, along with review report of the auditors thereon, in compliance with the requirements of Companies Ordinance, 1984.

OVERVIEW OF THE ECONOMY

The year 2014 has ended on an optimistic note for the domestic economy. Key positives include – significant abatement in inflationary pressures as captured in subdued headline inflation members, strengthening of external account position as reflected in rising forex reserves and stabilization in Pak rupee, considerable fall in money market yield following a reduction in policy rate in November, decline in political tensions after prolonged sit-ins and demonstrations by some opposition parties. Being a big importer, Pakistan stands to benefit immensely from the latest decline in global commodity prices, especially 50% drop in crude oil prices. First, oil makes up about 40% of Pakistan imports. Based on FY14 trade figures, every USD10/bbl drop in oil prices saves Pakistan an annual USD1.4 billion in imports. The recent decline, if sustained, could lower country's import bill by USD5-6 billion over a 12 month period. The above would significantly strengthen Pakistan's external account position. Second, lower oil prices would enhance GDP growth rate due to its positive impact on household income and lower cost of production for the industry. Third, lower oil prices would keep inflationary pressures at bay, cheaper oil narrows Pakistan's budget deficit by reducing energy subsidies, which are huge.

Higher household expenditures, lower input costs and an expected improvement in energy supply is likely to bolster GDP growth to 5%. Inflation is expected to remain benign at 6%-7% due to continued soft commodity prices and restricted money supply growth. In view of further expected improvement in foreign exchange reserves and external account, exchange rate is likely to remain stable in 2015.

Above view is premised on continuation of structural reforms agenda which requires consensus among major political parties. As per latest IMF staff report, Pakistan would need to continue with fiscal, financial and energy reforms and undertake some strategic privatization of power distribution companies in CY15 and beyond. Some of the measure agreed with IMF, including hike in gas and electricity tariffs, additional taxation measures to plug revenue shortage, restructuring of public sector enterprises (PSE) and strategic privatization, being publicly unpopular would require broad agreement between political parties. An unforeseen and significant deterioration in political situation is the chief risk to the macroeconomic stability and budding economic recovery.

FINANCIAL PERFORMANCE:

Your Company's sales during the period have increased to Rs. 928.95 million against Rs. 615.63 million as compared to last period depicting handsome growth of 50.89% ALHAMDULILLAH. Gross profit has increased to Rs. 279.60 million against the gross profit of Rs. 130.83 million as compared to last period posting increase in gross profit rate to 34.43% from 24.63%. Distribution cost and administrative expenses increased in absolute term but in terms of percentage of net sales it reduced from 9.81% to 7.53% and from 6.18% to 5.46%, respectively. This period operating profit has increased to Rs. 169.85 million against profit of Rs. 46.07 million as compared to last period. During the period under reference, profit before taxation stands at Rs. 111.61 million as compared to last period's figure of Rs. 24.17 million. Profit after tax has also increased to Rs. 79.60 million from Rs. 18.60 million, along with earnings per share (EPS) also increased to Rs. 1.07 against EPS of Rs. 0.25 if compared with the last period.



A comparison of the key financial results of your Company for the half year ended December 31, 2014 with the same period last year is as under:

Particulars	Rupees in '000' except EPS			
	December 2014	December 2013	Variance	%
Sales	928,953	615,629	313,324	50.89
Net Sales	812,109	531,164	280,945	52.89
Gross Profit	279,595	130,830	148,765	113.71
- As %age of net sales	34.43%	24.63%		
Distribution cost	61,150	52,085	9,065	17.40
- As %age of net sales	7.53%	9.81%		
Administrative expenses	44,381	32,801	11,580	35.30
- As %age of net sales	5.46%	6.18%		
Operating profit	169,846	46,068	123,778	268.69
- As %age of net sales	20.91%	8.67%		
Profit before taxation	111,609	24,170	87,439	361.77
Net Profit	79,602	18,591	61,011	328.17
Earnings per share	1.07	0.25	0.82	328.00

INTERIM CASH DIVIDEND:

The management of your Company strongly believes to pass on return of investment to their shareholders. Keeping in line with this policy, the board of directors of your company in their meeting held on 27 February 2015 has announced the payment of Interim Cash Dividend at the rate of 0.60 per share (6%) on the basis of half yearly financial statements of the Company for the period ended December 31, 2014 with ultimate objective of increasing shareholders value in long term. To determine the entitlement of Interim Cash Dividend, share transfer books of the Company will remain closed from 01 April 2015 to 08 April 2015.

FUTURE PROSPECTS:

With the blessings of ALMIGHTY ALLAH and prayers of you all the company is focusing heavily on paving the way for growth. The company will actively pursue opportunities that support its strategy. Efforts will continue to be made to develop the company's sales portfolio to ensure that it can satisfy its customers. The main cornerstones of the company's operations are still high profitability and a positive cash flow to satisfy its stakeholders but in active competitive market, selling prices are usually driven by market players according to demand and supply dynamics and this competition sometimes has considerable influence on the profitability of the company.

The directors of your company always endeavor to foresee challenges of future. In this context, planning has been initiated ALHAMDULILLAH for commissioning of plant in western region of the country. After achieving that milestone, your company's production capacity shall rank at the top IN SHAA ALLAH in the whole country.

ELECTION OF DIRECTORS:

The following persons have been elected as directors of the Company under section 178 of the Companies Ordinance, 1984 in the annual general meeting held on October 31, 2014 for a term of three years commencing from October 31, 2014:

- | | |
|---------------------------|--------------------------|
| 1) Mr. Masroor Ahmad Khan | 2) Mr. Atique Ahmad Khan |
| 3) Hafiz Farooq Ahmad | 4) Mian Zahid Said |
| 5) Mrs. Ayesha Masroor | 6) Mrs. Rabia Atique |
| 7) Mrs. Saira Farooq | 8) Mr. Farzand Ali |

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. 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

Atique Ahmad Khan
Chief Executive Officer

Lahore
February 27, 2015



INDEPENDENT AUDITOR'S 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 2014 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 (here after 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 accounts and condensed interim statement of comprehensive income for the quarters ended 31 December 2014 and 2013 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 2014.

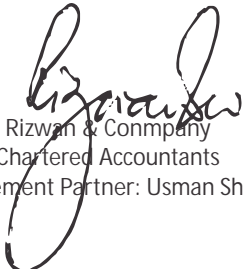
Scope of Review

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 on 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 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Lahore
27 FEB 2015


Rizwan & Company
Chartered Accountants
Engagement Partner: Usman Sheikh



CONDENSED INTERIM BALANCE SHEET AS AT 31 DECEMBER 2014 (UN-AUDITED)

	UN-AUDITED December 2014	AUDITED June 2014
ASSETS	(Rupees '000)	
Non-current assets		
Property, plant and equipment		
Operating fixed assets	2,268,270	2,182,343
Assets subject to ijarah financing	174,914	151,882
Capital work in progress	18,229	14,030
	2,461,413	2,348,255
Intangible assets	210	350
Long term investment	44,991	45,000
Long term deposits and prepayments	67,859	64,162
	2,574,473	2,457,767
Current assets		
Stores, spare parts and loose tools	69,093	68,865
Stock in trade	43,520	23,225
Trade debts	244,845	157,264
Loans and advances	128,481	94,960
Trade deposits and short term prepayments	19,395	17,620
Other receivables	154	972
Advance tax	96,568	82,234
Cash and bank balances	216,413	234,489
	818,469	679,629
TOTAL ASSETS	3,392,942	3,137,396
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized share capital		
125,000,000 (June 2014: 125,000,000) ordinary shares of Rs. 10 each	1,250,000	1,250,000
Issued, subscribed and paid up share capital	742,746	742,746
Capital reserve - Share premium	30,000	30,000
Unappropriated profit	307,298	227,696
Total equity	1,080,044	1,000,442
Non-current liabilities		
Long term financing	577,110	373,088
Loan from sponsors	948,077	1,004,104
Liabilities against assets subject to ijarah financing	65,228	49,007
Long term security deposits	19,450	21,550
Deferred Taxation	25,576	12,543
	1,635,441	1,460,292
Current liabilities		
Trade and other payables	202,933	124,621
Accrued profit on financing	24,667	14,076
Short term borrowings	242,500	376,583
Current portion of long term liabilities	188,382	143,781
Provision for taxation	18,975	17,601
	677,457	676,662
Total liabilities	2,312,898	2,136,954
TOTAL EQUITY AND LIABILITIES	3,392,942	3,137,396
CONTINGENCIES AND COMMITMENTS		

Note

11

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.


ATIQUÉ AHMAD KHAN
 (CHIEF EXECUTIVE OFFICER)


HAFIZ FAROOQ AHMAD
 (DIRECTOR)



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED 31 DECEMBER 2014 (UN-AUDITED)

Note	HALF YEAR ENDED		QUARTER ENDED	
	31 DECEMBER 2014 (Rupees '000)	31 DECEMBER 2013	31 DECEMBER 2014 (Rupees '000)	31 DECEMBER 2013
Gross Sales - Local	928,953	615,629	501,186	328,564
Less:				
Sales tax	116,844	84,465	63,020	44,890
Net sales	812,109	531,164	438,166	283,674
Cost of sales	532,514	400,334	285,529	219,000
Gross Profit	279,595	130,830	152,637	64,674
Distribution cost	61,150	52,085	26,222	27,704
Administrative expenses	44,381	32,801	20,447	21,448
Other operating expenses	6,358	1,729	4,242	562
	111,889	86,615	50,911	49,714
	167,706	44,215	101,726	14,960
Other income	2,140	1,853	1,247	1,253
	169,846	46,068	102,973	16,213
Finance cost	58,228	21,898	29,742	11,431
Share of profit / (loss) of associated company	(9)	-	(9)	-
Profit before taxation	111,609	24,170	73,222	4,782
Taxation	32,007	5,579	13,425	3,100
Profit after taxation	79,602	18,591	59,797	1,682
Earnings per share - basic and diluted	1.07	0.25	0.81	0.02

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.


ATIQUE AHMAD KHAN
 (CHIEF EXECUTIVE OFFICER)


HAFIZ FAROOQ AHMAD
 (DIRECTOR)



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2014 (UN-AUDITED)

	HALF YEAR ENDED		QUARTER ENDED	
	31 DECEMBER 2014	31 DECEMBER 2013	31 DECEMBER 2014	31 DECEMBER 2013
	(Rupees '000)		(Rupees '000)	
Net profit for the period	79,602	18,591	59,797	1,682
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>79,602</u>	<u>18,591</u>	<u>59,797</u>	<u>1,682</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

ATIQUÉ AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)

HAFIZ FAROOQ AHMAD
(DIRECTOR)



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2014 (UN-AUDITED)

	Share capital	Capital reserve - Share premium	Unappropriated profit	Total
	(Rupees '000)			
Balance as at 01 July 2013 (audited)	724,630	30,000	172,674	927,304
Net profit for the period	-	-	18,591	18,591
Other comprehensive income	-	-	-	-
Bonus shares issued @ 2.5% for the period	18,116	-	(18,116)	-
Total comprehensive income	18,116	-	475	18,591
Balance as at 31 December 2013 (un-audited)	742,746	30,000	173,149	945,895
Net profit for the period	-	-	54,547	54,547
Other comprehensive income for the period	-	-	-	-
Total comprehensive income	-	-	54,547	54,547
Balance as at 30 June 2014 (audited)	742,746	30,000	227,696	1,000,442
Net profit for the period	-	-	79,602	79,602
Other comprehensive income for the period	-	-	-	-
Total comprehensive income	-	-	79,602	79,602
Balance as at 31 December 2014 (un-audited)	742,746	30,000	307,298	1,080,044

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.

ATIQUÉ AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)

HAFIZ FAROOQ AHMAD
(DIRECTOR)



CONDENSED INTERIM CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2014 (UN-AUDITED)

Note	HALF YEAR ENDED		
	31 DECEMBER 2014	31 December 2013	
	(Rupees '000)		
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	14	141,068	378,843
Finance cost paid		(47,637)	(38,626)
Income tax paid-net		(31,934)	(18,221)
		(79,571)	(56,847)
Net cash from / (used in) operating activities		61,497	321,996
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(149,118)	(539,173)
Proceeds from disposal of assets		608	14,426
Long term deposits received / (paid)		(3,697)	15,423
Net cash used in investing activities		(152,207)	(509,324)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - net		188,918	(33,839)
Sponsors loan - net		(6,027)	116,940
Short term borrowings		(134,083)	108,372
Dividend paid		-	(1,954)
Long term security deposit payable		(2,100)	(400)
Liabilities against assets subject to ijarah financing - net		25,926	(57,177)
Net cash (used in) / from financing activities		72,634	131,942
Net increase / (decrease) in cash and cash equivalents		(18,076)	(55,386)
Cash and cash equivalents at the beginning of the period		234,489	242,824
Cash and cash equivalents at the end of the period		216,413	187,438

The annexed notes from 1 to 20 form an integral part of these condensed interim financial information.


ATIQUÉ AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)


HAFIZ FAROOQ AHMAD
(DIRECTOR)



SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (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 and industrial gases and chemicals.

2. BASIS OF PREPARATION

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 2014.

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 2014 but are considered not to be relevant or do not have any significant effect on the company's operations and are, therefore, not disclosed in this condensed interim financial information.

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

There are other amendments to the standards and new interpretations that are mandatory for accounting periods beginning on or after 01 July 2014 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 2014.

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 2014.

		Un-audited 31 December 2014	Audited 30 June 2014
		(Rupees '000)	
5	PROPERTY, PLANT AND EQUIPMENT		
	Beginning balance	2,182,343	1,191,106
	Additions and transfer during the period / year	118,373	1,051,816
	Deletions during the period / year	-	(19,338)
		2,300,716	2,223,584
	Depreciation charged during the period / year	(32,446)	(41,241)
	Ending balance	2,268,270	2,182,343
5.1	Additions and transfer during the period / year		
	Building on freehold land	528	81,343
	Plant and machinery	100,311	942,761
	Furniture and fixtures	1,198	3,559
	Office equipment	52	652
	Computers	723	632
	Vehicles	15,561	22,869
		118,373	1,051,816
5.2	Deletions during the period / year		
	Plant and machinery	-	4,334
	Vehicles	-	15,004
		-	19,338
6	ASSETS SUBJECT TO IJARAH FINANCING		
	Beginning balance	151,882	207,001
	Additions during the period / year	31,821	53,120
	Deletions and transfer during the period / year	(5,608)	(101,581)
		178,095	158,540
	Depreciation charged during the period / year	(3,181)	(6,658)
	Ending balance	174,914	151,882
6.1	Additions during the period / year		
	Plant and machinery	25,300	44,971
	Vehicles	6,521	8,149
		31,821	53,120
6.2	Deletions and transfer during the period / year		
	Plant and machinery	-	95,286
	Vehicles	5,608	6,295
		5,608	101,581



	Un-audited 31 December 2014 (Rupees '000)	Audited 30 June 2014
7 CAPITAL WORK IN PROGRESS		
Building	1,824	65
Plant and machinery	16,405	13,965
	<u>18,229</u>	<u>14,030</u>
8 LONG TERM INVESTMENTS		
Beginning Balance	45,000	-
Investment made during the year	-	45,000
Share of profit / (loss) of associated companies	(9)	-
Ending balance	<u>44,991</u>	<u>45,000</u>

8.1 Share of profit of associated companies is based on un-audited financial statements for the half year ended 31 December 2014 (audited financial statements for year ended 30 June 2014). Share of loss of associated companies computes to Rupees 9,116 (June 2014: Rupees 246).

9 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Un-audited 31 December 2014 (No. of Shares)	Audited 30 June 2014		Un-audited 31 December 2014 (Rupees '000)	Audited 30 June 2014
72,450,000	72,450,000	Ordinary shares of Rupees 10 each fully paid in cash	724,500	724,500
13,000	13,000	Ordinary shares of Rupees 10 each issued for consideration other than cash	130	130
1,811,575	1,811,575	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	18,116	18,116
<u>74,274,575</u>	<u>74,274,575</u>		<u>742,746</u>	<u>742,746</u>

10 LONG TERM FINANCING

Note

	Un-audited 31 December 2014 (Rupees '000)	Audited 30 June 2014
Beginning balance	477,417	513,917
Add: Addition/(Payment) during period/ year	188,918	(36,500)
Ending balance	666,335	477,417
Less: Current portion shown under current liabilities	(89,225)	(104,329)
	<u>577,110</u>	<u>373,088</u>

10.1 This includes Islamic finance facility of Rupees 250 million (June 2014: Nil) carrying profit at the rate of 12 month KIBOR plus 1.75% per annum (June 2014: Nil) repayable quarterly and is secured against 1st exclusive specific charge over plant and machinery of the Company for Rupees 300 million, and personal guarantees of executive directors of the company.



11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

11.1.1 There are no material changes in contingencies as disclosed in the notes to the financial statements for the year ended 30 June 2014.

11.1.2 The Company has filed a constitutional petition challenging enhancement of Gas Infrastructure Development Cess before the Honorable Islamabad High Court on the ground that the Company was not required to pay any such enhanced Cess and the same has been stayed by the Honorable Islamabad High Court. The outcome of the case is pending. The management is hopeful that the matter shall be decided in favour of the Company.

11.2 Commitments

11.2.1 Commitments in respect of letter of credit amounted to Rupees 126.93 million (June 2014: Rupees 129.64 million).

11.2.2 Commitments for construction of building as at balance sheet date amounted to Rupees 20 million (June 2014: Rupees 66 million).

	HALF YEAR ENDED		QUARTER ENDED	
	31 DECEMBER 2014	31 DECEMBER 2013	31 DECEMBER 2014	31 DECEMBER 2013
	(Rupees '000)		(Rupees '000)	
12 COST OF SALES				
Fuel and power	183,206	152,594	101,576	86,803
Consumable spare	10,770	5,292	1,999	3,262
Salaries wages and other benefits	28,353	12,690	15,323	6,611
Communication	366	237	131	104
Repair and maintenance	15,657	3,544	4,008	1,390
Travelling and vehicle running	3,532	2,036	1,728	889
Insurance	1,821	1,264	986	465
Depreciation	28,897	18,722	13,826	9,110
Staff welfare	3,869	2,261	1,981	1,066
Transportation	2,207	1,170	812	866
Other overheads	20,891	7,120	11,604	4,246
	299,569	206,930	153,974	114,812
Finished goods				
Opening stock	23,225	13,752	73,814	42,276
Purchases	253,240	209,176	101,261	91,436
Closing stock	(43,520)	(29,524)	(43,520)	(29,524)
	232,945	193,404	131,555	104,188
	532,514	400,334	285,529	219,000

13 EARNINGS PER SHARE

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



17 SEGMENT INFORMATION

17.1 Segment results are as follows:

	HALF YEAR ENDED					
	31 December 2014			31 December 2013		
	Industrial and Medical Gases	Other Segments	Total	Industrial and Medical Gases	Other Segments	Total
(Rupees '000)			(Rupees '000)			
Net Sales	547,545	264,563	812,108	402,866	128,298	531,164
Cost of Sales	(310,817)	(221,697)	(532,514)	(279,995)	(120,339)	(400,334)
GROSS PROFIT	236,728	42,866	279,594	122,871	7,959	130,830
Distributions Cost	(60,498)	(652)	(61,150)	(51,733)	(352)	(52,085)
Administrative Expenses	(43,826)	(555)	(44,381)	(32,391)	(410)	(32,801)
	(104,324)	(1,207)	(105,531)	(84,124)	(762)	(84,886)
Segment Profit	132,404	41,659	174,063	38,747	7,197	45,944
Unallocated corporate expenses						
Other Operating Expenses			(6,358)			(1,729)
Other Income			2,141			1,853
			169,846			46,068
Finance Cost			(58,228)			(21,898)
Share of profit from associated			(9)			-
PROFIT BEFORE TAXATION			111,609			24,170
Taxation			(32,007)			(5,579)
PROFIT AFTER TAXATION			79,602			18,591

18 DATE OF AUTHORIZATION

This financial information has been authorized for issue by Board of Directors of the Company on **27 FEB 2015**

19 CORRESPONDING FIGURES

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

19.2 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 2014 and the corresponding figures in the condensed interim profit and loss account, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity 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 2014.

19.3 Corresponding figures have been rearranged or reclassified, wherever necessary, for the purposes of comparison. However, no material reclassification has been made in the corresponding figures.

20 POST BALANCE SHEET EVENT

The Board of Directors in its meeting held on 27 February 2015 has declared a cash dividend in respect of the half year ended 31 December 2014 of Rs. 0.6 per share (2013: Rs. Nil per share). The condensed interim financial statements for the half year ended 31 December 2014 do not include the effect of these appropriations which will be accounted for subsequent to the period end.


ATIQUE AHMAD KHAN
 (CHIEF EXECUTIVE OFFICER)


HAFIZ FAROOQ AHMAD
 (DIRECTOR)



Ghani Global Group

Corporate Office:

82-N, Model Town, Lahore 54000, Pakistan.

UAN: 111 Ghani 1

Tel: 042-35161424-5, Fax: +92-42-35160393

website: www.ghaniglobal.com