



ANNUAL REPORT 2017



Faith
Experience
Innovation
Growth

Ghani Gases Limited
Manufacturer of Industrial & Medical Gases



CONTENTS

COMPANY OVERVIEW

- 02 Vision & Mission
- 04 Core Values
- 06 Corporate Information
- 10 Corporate Social Responsibility
- 11 Quality Management System
- 12 Environment Management System
- 13 SHEQ
- 14 Customer Segments
- 18 Key Locations Around Pakistan
- 19 Products & Services

DIRECTORS REPORTS

- 22 Directors' Report
- 146 Directors Report in Urdu Language

CORPORATE GOVERNANCE

- 33 Code of Conduct
- 36 Statement of Compliance
- 38 Review Report to the Members
- 39 Terms of Reference of the Audit Committee
- 40 Terms of Reference of HR&R Committee
- 43 Value Added Statement
- 44 Six years at a Glance

UNCONSOLIDATED FINANCIAL STATEMENTS

- 46 Auditors Report to the Members
- 47 Balance Sheet
- 48 Profit & Loss Account
- 49 Statement of Comprehensive Income
- 50 Statement of Changes in Equity
- 51 Cash Flow Statement
- 52 Notes to the Financial Statements

CONSOLIDATED FINANCIAL STATEMENTS

- 85 Directors Report
- 86 Auditors Report on Financial Statements
- 87 Financial Statements

PATTERN OF SHAREHOLDING & NOTICE

- 124 Pattern of Shareholding
- 128 Notice of Annual General Meeting
- 147 Form of Proxy

VISION



- Ghani Gases is committed to quality, service, value and honesty, with dedication to provide the very best products of gases and to serve the nation and health care particularly and greater community at large.
- Our organization believes in faith, experience, innovation and growth, and will strive to strengthen all in our employees, customers and business peers.
- We always seek to cultivate trust and reputation in all business relationships, both large and small.



MISSION

- We strive achieve market leadership through technological edge, distinguished by quality and customer satisfaction, and emphasis on employee's welfare and ensure adequate return to shareholders.
- We further wish to contribute to the development of industry, healthcare, economy and country through harmonized endeavor.



CORE VALUES



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

Sharia Compliance

All business transactions and financial deeds at GGL are in accordance with the SHARIA.

Customer Satisfaction

We understand that our commitment to satisfy customer's need must be fulfilled within a professional and ethical framework, thereby creating an ongoing relationship of trust and confidence in all their dealings with GGL. We will equip and train our team of professionals to provide the most efficient and personalized service to our customers.

Excellence

We are committed to achieve excellence to build and sustain high performance culture, with a continuous improvement through an effective implementation of Vision, Mission, and Corporate objectives.

SHEQ

Our core value is to develop Safety, Health, Environment and Quality oriented culture and lay emphasis upon maintaining the related standards.

Professionalism

Ghani Gases is committed to professionalism in their appropriate skills and deal with customers and all stakeholders.

exercise a high level of work, use most competencies to



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



CORPORATE INFORMATION

BOARD OF DIRECTORS

Masroor Ahmad Khan	Chairman
Atique Ahmad Khan	Chief Executive Officer
Hafiz Farooq Ahmad	Director
Mian Zahid Said	Director
Ayesha Masroor	Director
Rabia Atique	Director
Saira Farooq	Director
Farzand Ali	Director

AUDIT COMMITTEE

Mian Zahid Said - Chairman
Masroor Ahmad Khan
Rabia Atique
Saira Farooq

HR & R COMMITTEE

Mian Zahid Said - 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

GGGL SITE

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

LEGAL ADVISOR

DSK Law, Lahore

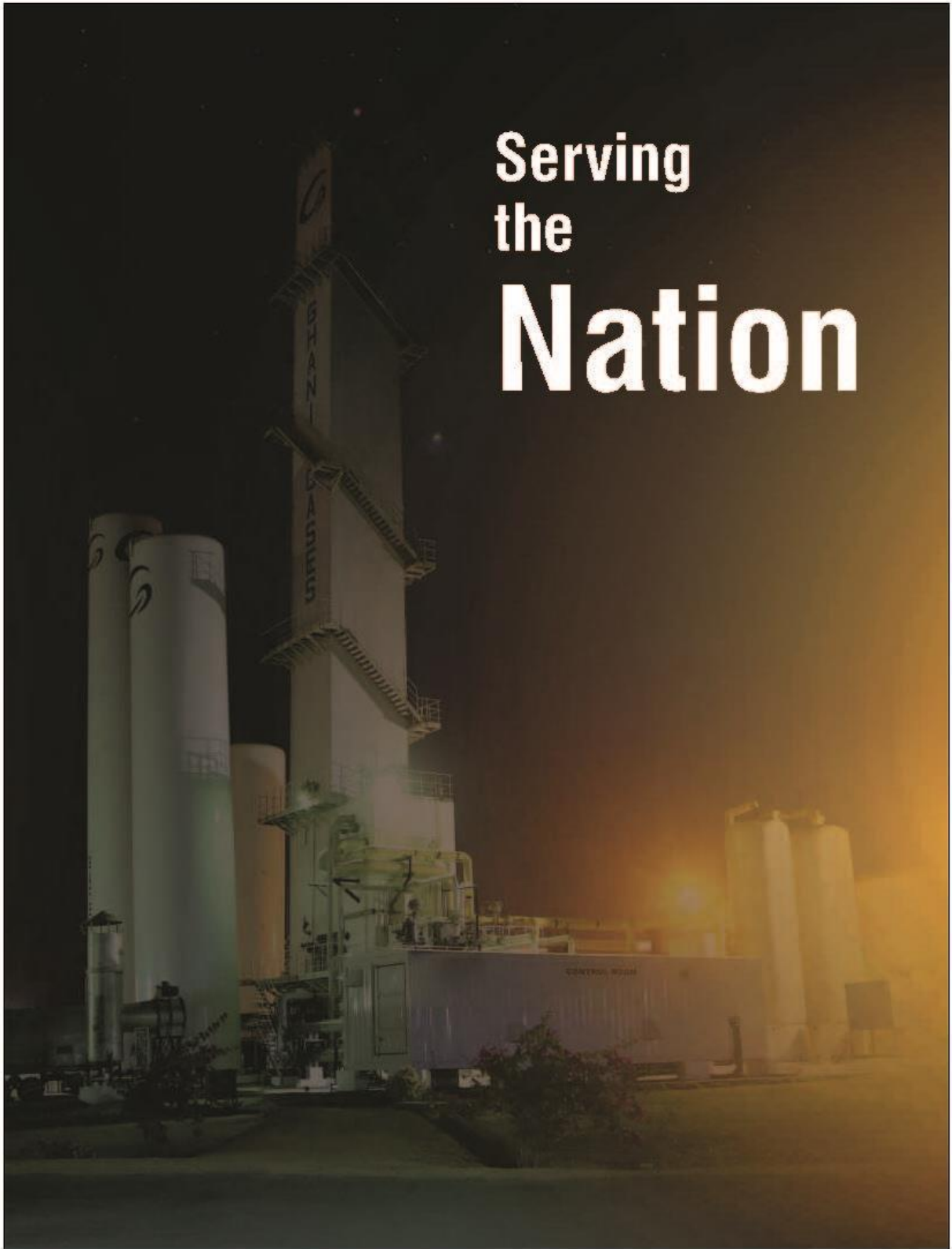
BANKERS

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

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

Serving the Nation





CORPORATE SOCIAL RESPONSIBILITY



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

With the growth of our business, we endeavor to assume an even greater responsibility towards our society and stakeholders, including employees, their families and our business partners etc.

GGL is committed to both the sustainable business practices and its responsibilities as a corporate citizen. We believe that the Corporate Social Responsibility is primarily about conducting business in a transparent and ethical way that not only enhances value for all of our stakeholders but also supports the events that enhance the wellbeing of the community.

The Corporate Social Responsibilities and guidelines for corporate governance are steps in the right direction. The customer relation management is a strategic business philosophy and processes are rooted through ethical practices.

GGL supports a clean environment and motivates its customers for this cause.

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

QUALITY MANAGEMENT SYSTEM

We are committed to ensure that the Ghani Gases become the industry leader in quality for every product and service it renders to all segments that it serves.

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

We are carrying out our activities in a manner which:

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

ISO 9001 : 2008 certified



ENVIRONMENT MANAGEMENT SYSTEM



Ghani Gases!
commits to minimize any adverse
effect of its operation on the environment

"Go green for a better tomorrow, go recycling"

ISO 14001: 2004 Certified

SHEQ



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

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

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

"We endeavor to achieve our objective of zero accidents."

CUSTOMER SEGMENTS

→ Oil & Gas



→ Chemical & Fertilizer



→ Ship Breaking & Scrap Cutting



→ Pharmaceutical



→ Health Care



→ Food & Beverage



→ Steel & Iron Mills



→ Light & Medium Engineering Works



→ Livestock



→ Merchandise Market



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

CUSTOMER'S SATISFACTION



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

Besides "Safety", our corporate slogan is "Customer First". We always lay emphasis upon providing in the best quality service to our customers. We continuously develop and improve customer - service oriented culture within GGL.

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

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

Customer First



SAFETY FIRST PERFORMANCE OF THE YEAR

Safety First

Number of Incidents	0 ✓	1	2	3	4
Loss Work Days	0 ✓	1	2	3	4
Injury to Staff			YES	NO ✓	

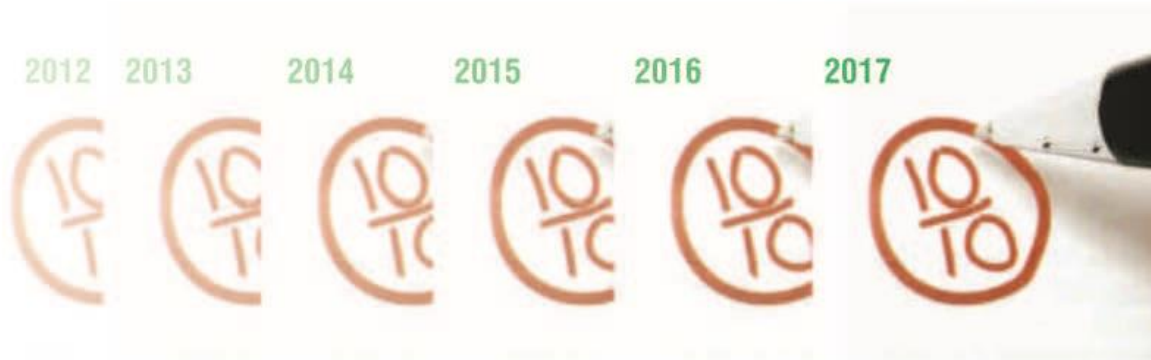
Safety on Site

Mileage Without Accident	7,416,664 KM				
Vehicle Accident	YES		NO ✓		
Injury to Drivers	YES		NO ✓		
Casualty	YES		NO ✓		

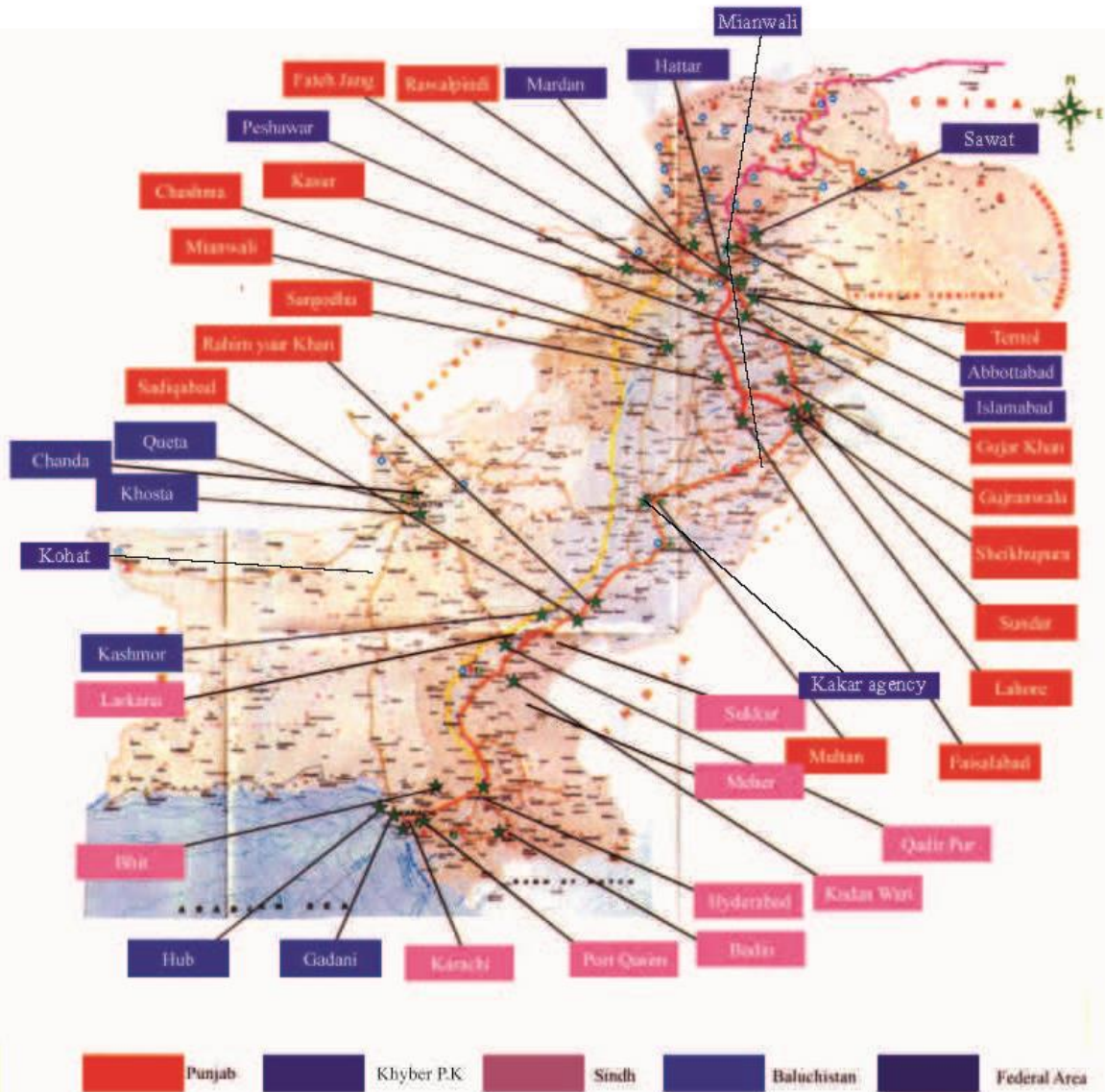
Safety on Site

Incidents at Industries	0 ✓	1	2	3	4
Incidents at Compressing Stations	0 ✓	1	2	3	4

Alhamdulillah



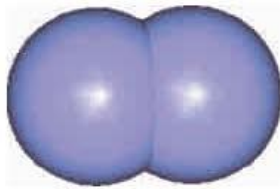
KEY LOCATIONS AROUND PAKISTAN



We are where our customers are

PRODUCTS & SERVICES

Industrial Gases



Liquid Oxygen



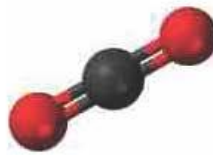
Liquid Nitrogen



Liquid Argon



Liquid Helium



Liquid CO₂



Dissolve Acetylene



Ethylene Ripener



Calcium Carbide



Industrial Gases Pipeline



Industrial Cryogenic /
Gases Cylinders

PRODUCTS & SERVICES

Health Care



Compressed Medical Oxygen



Liquid Medical Oxygen



Nitrous Oxide



Pain Relief Mixture



Liquid Medical Cryogenic /
Gases Cylinders



Helium



Oxygen Therapy Equipment



Medical Gas Pipeline



Gas Handling Equipment



Gas Outlet Points



Gas Manifold

PRODUCTS & SERVICES

Compressed Industrial Gases



Aviation Oxygen



Compressed Air



Compressed Argon



Compressed Acetylene



Compressed Nitrogen



Compressed Oxygen

Special Gases



CO₂ Mixture



High Purity Gases



Lab Mixture Gas



Lamp Mixture Gas



Argon Mixture Gas

Directors' Report

Dear Shareholders

Assalam-o-Alaikum Wa RehmatUllah Wa BarakatoH

The directors of your Company (Ghani Gases Limited) are pleased to present the unconsolidated audited financial statements of the Company for the year ended June 30, 2017, in compliance with the requirements of Companies Act, 2017.

OVERVIEW OF THE NATIONAL ECONOMY

Pakistan economy grew 5.3% in FY 17, which is highest in the past decade and a significant pickup from 4.5% in FY 16. Higher growth has come alongside as sharp deterioration in the current account (C/A). A higher current account deficit and sluggish foreign investment has seen increased reliance on sovereign FCY borrowing to sustain FX reserves. Notwithstanding a weaker external account, the PAK Rupee has remained broadly stable against the USD. The currency's strength, amid still-weak global oil prices, continuous to contain headline inflation. Nevertheless, average CPI inflation rose to 4.2% in FY17, up from 2.9% in FY16. Meanwhile core inflation (excluding food & energy prices) averaged 5.2% in FY17 compared with 4.2% in FY16.

A changing political landscape has barely affected Pakistan's economic prospects, as growth is set for a solid performance this fiscal year. In the first two months of FY 2018, merchandise exports and remittances expanded at double-digit rates, corroborating Pakistan's healthy growth momentum. The resignation of prime minister following in Panama scandal in August is unlikely to change the political direction going into the 2018 general elections, since opposition parties are unable to capitalize on the ruling party's problems. It is positive sign that despite political uncertainty civil and military are on one page to complete USD 62 billion China-Pakistan Economic Corridor (CPEC) project. The CPEC is set to foster domestic investment and regional trade growth.

The economic outlook remains positive for Pakistan, with the economy benefiting on many fronts from the CPEC program. Growth is underpinned by a recovery in the agriculture sector, a strong manufacturing sector and a healthy credit environment. The economy is forecast to expand 4.9% in FY 2018, down 0.1 percentage points from last month's estimate, but accelerate to 5.1% growth in FY 2019.



FINANCIAL PERFORMANCE

Your Company's sales during the year have increased to Rs. 2,053 million against Rs. 2,013 million as compared to last year depicting growth of 2.01% ALHAMDULILLAH. Gross profit has decreased to Rs. 568.63 million against the gross profit of Rs. 575.64 million in relation to corresponding year. Distribution cost increased in absolute terms as well as in term of percentage of net sales from 7.78% to 9.97% and administrative expenses increased in absolute term and in terms of percentage of net sales from 6.12% to 6.49%. During the year profit before taxation stands at Rs. 181.08 million as compared to last year profit of Rs. 276.61 million. Profit after tax decreased to Rs. 137.10 million from Rs. 161.98 million, and earnings per share (EPS) decreased from 1.90 to 1.10 if compared with the last year.

A comparison of the key financial results of your Company for the year ended June 30, 2017 with the last year is as under:

Particulars	Rupees in '000' except EPS			
	June 2017	June 2016	Variance	%
Sales	2,053,432	2,013,015	40,417	2.01
Net Sales	1,804,472	1,766,734	37,729	2.14
Gross Profit	568,634	575,635	(7,001)	-1.22
- As %age of net sales	31.51%	32.58%		
Distribution cost	179,993	137,463	42,530	30.94
- As %age of net sales	9.97%	7.78%		
Administrative expenses	117,127	108,153	8,974	8.30
- As %age of net sales	6.49%	6.12%		
Profit before taxation	181,084	276,612	(95,528)	-34.54
Net Profit	137,103	161,981	(24,878)	-15.36
Earing per share	1.10	1.90	(0.77)	-42.11

During the year under review, profit after taxation declined in comparison with last year as during last year, Company earned gain Rs. 59.950 million against disposal of investment and this figure was included in other income. Otherwise Company's net profit during the year under review has succeeded a growth momentum of 21.65% if compared with last year.

OPERATIONS & PERFORMANCE

Alhamdulillah the Company has completed another successful year of operations. During the year under review both the plants of your Company performed satisfactorily. Due to better electricity supply situation and decline in number of startups, Company succeeded to set a growth of 13.95% in production in comparison with last year. European and Chinese teams of experts remained on board to support the local team of professionals.

Storage was maintained at upper limit to meet the customer's need at any given time. The specific power remained close to design which has resulted into economical cost of production.

Management of your Company is highly focused on the need of the customers and putting-in all out efforts for improvements and modifications of the existing facilities to ensure best services and product availability to all the hospitals, industries and merchant market on 24/7 basis.

Management of your Company also taken a bold decision to improve the air supply to ASU plant at GGL-I and GGL-II and technological upgraded air compressors of both the plants. This improvement has enhanced the production of

oxygen, nitrogen and argon and reduction in power consumption and strengthened standing of the Company in competitive environment.

Supply of quality products and exclusive services to the customers remained basic strategy of Company's business. In the result year by year we have continuously been breaking our own production and sale records.

SALES AND MARKETING

Oxygen, nitrogen, argon, specialty Gases, Gas Mixture and rare gases have been at the core Ghani Gases activities since its creation in 2009. Using these molecules, Ghani Gases continuously reinvents its business, anticipating the needs of current and future markets. The Group innovates to enable progress, to achieve dynamic growth and a consistent performance.

A partner for the long term, Ghani Gases relies on employee commitment, customer trust and shareholder support to pursue its vision of sustainable, competitive growth.

The diversity of GGL's teams, businesses, markets and geographic presence provides a solid and sustainable base for its development and strengthens its ability to push back its own limits, conquer new territories and build its future.

Ship breaking, Steel, oil & gas fields services, healthcare, Pharmaceutical, glass making, rubber and plastic, automobile, pulp and paper, food and beverage, packaging, meat processing and blending, chemicals processing, Lamp manufacturing, ampoule manufacturing, lab and research, Fertilizer sectors remained focused by our sales and marketing.

The Company achieved solid performance in 2017, a year of transformation, the development of activity in 2017 was mainly driven by the ramp-up of production units in Large Industries, solid sales growth in Healthcare, double-digit growth for the new Global Markets & Technologies activity and dynamic developing economies.

Despite an unprecedented slowdown of the global/national economy, decrease in oil prices, country's law & order situation, political uncertainty, recovery in energy crisis we reached the targets we set for 2016-17.

A war of price and competition took place, as a result of which, the biggest legend (Linde Group, Pakistan) of this market, winded up its business from Pakistan. Not only did we rose to the 1st position in the market, but also climbed up the ladder of profitability. A significant marginal increase in the turn over and company's profit was also observed this year. This performance was possible thanks to the momentum of our Five years' strategic program, whose 2017 priorities were readjusted to focus on cash management, cost control and capital expenditure.

Alhamdulillah We have done a record business with hospital care sector and proved to be a number 1 in hospital care business; all major defense/government institutions have been served.

2016-17 was a year of transformation for the Company. Ghani Gases demonstrated an ability to adapt its management strategy to the current situation and to act with agility in an evolving world. The Company continued to innovate for customers across the Pakistan and pursued development beyond financial performance. Being the leader means actively behaving in a socially responsible manner. we remain confident in the Company's ability to achieve solid and sustainable growth. Being the leader means having a vision for the future of the company and its employees, customers and shareholder. In the medium term, we remain confident in the Company's ability to achieve solid and sustainable growth.

Alhamdulillah We have done a record business with hospital care sector and proved to be a number 1 in hospital care business; all major defense/government institutions have been served.

2016-17 was a year of transformation for the Company. Ghani Gases demonstrated an ability to adapt its management strategy to the current situation and to act with agility in an evolving world. The Company continued to

innovate for customers across the Pakistan and pursued development beyond financial performance. Being the leader means actively behaving in a socially responsible manner. We remain confident in the Company's ability to achieve solid and sustainable growth. Being the leader means having a vision for the future of the company and its employees, customers and shareholder. In the medium term, we remain confident in the Company's ability to achieve solid and sustainable growth.

The diversity of GGL's teams, businesses, markets and geographic presence provides a solid and sustainable base for its development and strengthens its ability to push back its own limits, conquer new territories and build its future.

EXPANSION PLANS

To capture the projected increase in demand of industrial and medical gases, the Company is setting up a state of the art 110 tons per day ASU plant. Work on this expansion plan is in progress and is expected to be completed by June 2018.

To facilitate the northern area customers, your Company has decided to setup storage facilities of industrial and medical gases and gases filling station in Hattar. Land for this purpose has already acquired at Hattar Economic Zone. This site is planned to be activated by January 2018.

HOW IS LOOKING 2018 AND ONWARD

The crisis brought about a whole new environment with economic and societal changes. In 2018, Ghani Gases will strive to analyze and understand these profound changes, which will lead the Company to redefine its priorities and update its medium-term goals. To accompany this transition, Ghani Gases will revisit its Five Years strategic program, outlining its objectives for the period between 2017 and 2021. New projects will be defined and the year will serve as a benchmark for measuring future progress. Our five year business plan will focus on two essential components: "listening" and innovation. The focus on listening to our customers aims for even greater attentiveness to their expectations and a better ability to anticipate their needs and new market trends, so as to position Ghani Gases as a true partner for the long term.

Accelerating innovation requires additional R&D investment programs, in order to offer ever more innovative technologies. By uniting the efforts of all, this new vision – consistent with the nature of the contracts and markets in which Ghani Gases operates – will help intensify the momentum gained in early 2016-17 with the launch of the five-year plan. The plan will emerge as a veritable springboard for meeting the challenges of tomorrow.

By the grace of Almighty Allah we are looking a continued recovery in business during the years to come. Expansion plan for setup of 3rd 110 TPD ASU plant is in progress. This plan is expected to be completed by June 2018. In addition to above setup of storage facilities and gases filling station at Hattar, confidence of northern region customers will further strengthen.

To meet the challenge of price war and in the same time to improve the profitability of the Company, management of your Company has been taking different in time measures like cost reduction strategy(s), reduction in product losses by way of technological upgradation and better fund management.

Liquefied gases business is interlinked with business and industrial activities and human healthcare. After improvement in power supply situation we are seeing drastic improvement in industrial and other business activities.

Ongoing and planned projects of China-Pakistan Economic Corridor (CPEC), commencement of Gwadar Port operations and setup of planned industrial zones will be the game changer for the country. Your Company is already meeting the requirements of different ongoing projects linked with CPEC. We are seeing a bright future of the country as well as of your Company.

Overall economy seems to be on right path after the improvement of law and order situation in the wake of the military and rangers' operations. Government's concentration on economic reforms, startup of Pak-China Economic Corridor project and drastic recovery in energy crisis will help improve the business activities.

PAY OUT TO THE SHAREHOLDERS

The management of your Company strongly believes to pass on return of investment to their shareholders. In view of the on-going expansion plan(s), the board of directors of your Company (instead of cash dividend) has recommended to issue 06% bonus shares to the shareholders for the year ended June 30, 2017. Bonus shares will be issued to those shareholders whose names will appear on share register on close of business on October 24, 2017.

STATUS OF INVESTMENTS IN ASSOCIATED/ SUBSIDIARY COMPANY(S)

The Company has provided corporate guarantee for Rs. 650 million to bank(s) for Ghani Global Glass Limited and has been charging commission @ 0.10% per quarter from the associated Company. An amount of Rs. 2.600 million charged as commission for the year ended June 30, 2017 (2016: Rs.2.600 million) is included under the head other income in profit and loss of the Company.

The shareholders of the Company in their meeting held on October 31, 2016 has approved the investment of Rs. 200 million in Ghani Global Glass Limited (GGGL) an associated Company in shape of advances and loans. As on close of the financial year June 30, 2017, GGGL has not fully or partially utilized the approved amount of investment.

Your Company has invested Rs. 450.000 million during January 2017 in shape of equity for purchase of 25.000 Million ordinary shares of Ghani Global Glass Limited (GGGL) an associated Company equivalent to 25% of total capital of GGGL. This investment has been made after obtaining the approval from the shareholders of the Company in their extra-ordinary general meeting held on December 24, 2016.

Ghani Chemical Industries Limited, a subsidiary of the Company, is in process of setting up a chemical manufacturing plant in Hattar Economic Zone for production of Calcium Carbide an import substitute and other by products. Land for this purpose has been acquired and work for leveling, filling and back filling of land is in progress. Financial close for this project is expected shortly. Civil construction work is planned to commence by November 2017. The Company has so far invested Rs. 143 million in this subsidiary in shape of equity out of total approved investment of Rs. 360 million.

STATUTORY AUDITORS OF THE COMPANY

The present auditors' M/s. Rizwan & Company, Chartered Accountants will retire on conclusion of Annual General Meeting being held on October 28, 2017. As suggested by the Audit Committee, the Board of Directors has recommended their re-appointment as auditors of the Company for the year ending June 30, 2018.

SHARE PRICE TREND

The share price of Rs.10 each of your Company at one stage rose as high as Rs. 45.25 during February 2017, lowered as low as Rs. 19.01 during October 2016 and closed at Rs. 25.20 as on June 30, 2017.

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the requirements of Section 228 of the Companies Act 2017, consolidated financial statements of the Company along with auditors and directors report thereon have been attached with the financial statements of the Company.

RIBA-FREE BUSINESS

Alhamdulillah at Ghani Gases, all the business transactions and financial deeds are ensured in accordance with the SHARIA.

SAFETY, HEALTH, ENVIRONMENT & QUALITY (SHEQ)

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

Since commissioning of our first plant during May 2009 and by the grace of Almighty Allah all sites of Ghani Gases have completed 3915 days without any loss of time or incident Alhamdulillah.

ENVIRONMENT QUALITY MANAGEMENT SYSTEM

Ghani Gases is environmentally alive and is ensuring zero air, water and ground pollution. The Company is maintaining gardens and plants at the sites to make the work places attractive and give comfortable environment to the employees as well as customers. Your Company has been certified by world's known "UKAS" for adoption of Environment Management System ISO 14001:2004. Annual surveillance audit is conducted by the certification agency to ensure the compliance of the environment quality management system.

QUALITY MANAGEMENT SYSTEM

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

HUMAN RESOURCE

Development of Human Resources is one of the priority areas in Ghani Gases as the management considers human capital as the most precious asset of the Company.

Alhamdulillah Ghani Gases has hired highly qualified, experienced staff and all the areas such as marketing, plant operations, customer engineering services, finance and corporate have been covered.

Ghani Gases employees' commitment, professionalism and focus on quality and customers' care have helped us gain a reasonable market share in a short period.

TRAINING AND DEVELOPMENT

To ensure the high standard of performance, the GGL hires fresh engineers and train them on site to take the plant operation responsibilities. The on-job and regular classroom training sessions, covering operation and maintenance of plant/equipment and managing the distribution fleet, are conducted on regular basis.

In addition to above during the year two persons were sent for diploma courses under Punjab Government training program TEVTA.

EUROPEAN & CHINESE TECHNICAL SUPPORT

To ensure the smooth operation and routine maintenance of both the plants, Ghani Gases has entered into agreement(s) with renowned European and Chinese international companies. During the year, European and Chinese teams of experts remained on board to support the local team of professionals.

PRODUCT DELIVERY SYSTEM

GGL is equipped with the country's state-of-the-art and efficient distribution fleet consisting of 23 VIT's having capacity to deliver on 315,000 cubic meters at a time to the customers.

To get the best performance, competent teams are on job on 24/7 basis to maintain the fleet and ensure that no customer gets dry at any given time.

STAFF RETIREMENT BENEFIT

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

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

Ghani Gases has adopted the requirements of the code of Corporate Governance set out by the Pakistan Stock Exchange in their Rule Book, relevant for the year ended June 30, 2017 and have been duly complied with.

STATEMENT OF COMPLIANCE

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

CODE OF CONDUCT

The board of Ghani Gases has adopted code of conduct for its Board of Directors and the employees. All concerns are informed of these codes and are required to observe the rules of conduct in relation to customers, suppliers and regulations.

CONTRIBUTION TO NATIONAL EXCHEQUER

During the year under review Ghani Gases has contributed Rs.763 million (2016: Rs. 795 million) in shape of taxes, duties and levies paid to central, provincial government and local authorities.


AUDIT COMMITTEE

The Board has formed an Audit Committee. It comprises four members, of whom one is independent and three are non-executive directors.

The Audit Committee has its terms of reference which were determined by the Board of Directors in accordance with the guidelines provided in the Rule Book.

Five meetings of the audit committee were held during the year ended June 30, 2017. The names of audit committee members and their attendance is as follow:

Sr. No.	Name	Designation	No. of Meeting Attended
1	Mian Zahid Said	Chairman	05
2	Masroor Ahmad Khan	Member	05
3	Rabla Atique	Member	05
4	Salra Farooq	Member	02 out of 02
5	Farzand Ali	Ex-member	03 out of 03




HR&R COMMITTEE

The Board has formed a Human Resource and Remuneration (HR&R) Committee. It comprises four members, of whom one is independent, two are non-executive and one is executive director.

The HR&R committee has its terms of reference which were determined by the Board of Directors in accordance with the guidelines provided in the Rule Book.

Three meetings of the HR&R committee were held during the year ended June 30, 2017. The names of audit committee members and their attendance is as follow:

Sr.No.	Name of the Directors	Designation	No. of Meeting Attended
1	Mian Zahid Said	Chairman	03
2	Atique Ahmad Khan	Member	03
3	Ayasha Masroor	Member	03
4	Salra Farooq	Member	03



RELATIONS WITH STAKEHOLDERS

Ghani Gases is committed to establishing mutually beneficial relations with all suppliers, customers, bankers, employees, stock exchange, SECP and other business partners of the Company. Alhamdulillah during the period under review relations with all stakeholders remained cordial.

CORPORATE SOCIAL RESPONSIBILITY

GGL is committed to both sustainable business practices and its responsibilities as a corporate citizen. We believe that the Corporate Social Responsibility is primarily about conducting business in a transparent and ethical way that not only enhances value of all of our stakeholders but also gives support to the events that enhance the well-being of the community.

The Corporate Social Responsibility and guidelines for corporate governance are steps in the right direction. Customer Relation Management is a strategic business philosophy and processes are rooted through ethical practice. With the growth of our business, we have assumed an even greater responsibility towards our society and stakeholders, including employees, their families and our business partner etc.

The GGL also supports a clean environment and motivates its customers for this cause the GGL also tries its level best that the business activities of customers must be environment-friendly and not be hazardous to the society.

During the last eight years, the Company has been sending every year one employee of the Company, selected through balloting, to perform Hajj (with pay on Company's expense).

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

BOARD OF DIRECTORS

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

Composition of the present board of directors is as under:

Sr. No.	Category	No. of Directors
1	Independent director	01
2	Non-Executive directors	04
3	Executive directors	03
Total number of directors		08

The Chairman board of directors is among the non-executive directors.

A written notice of the board meeting along with working papers was sent to the members seven days before the meeting.

A total of nine meetings of the Board of Directors were held during the year ended June 30, 2017.

During the financial year ended June 30, 2017 name of persons and their attendance, who were the directors of the Company are as under:

Sr. No.	Name of the Director	No. of meetings attended
1.	Masroor Ahmad Khan	07
2.	Atique Ahmad Khan	08
3.	Hafiz Farooq Ahmad	08
4.	Mian Zahid Said	09

5.	Ayesha Masroor	07
6.	Rabia Atique	09
7.	Saira Farooq	09
8.	Farzand Ali	09

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

The present board of directors will complete their terms of office on October 31, 2017. The election of directors under section 159 of the Companies Act, 2017, for a further period of three years will be held in the Annual General Meeting of the Company being held on October 28, 2017. Present board of directors has fixed nine number of directors for next period of three years. Agenda item for election of directors is included in the notice of Annual General Meeting.

REMUNERATIONS TO THE CEO AND EXECUTIVE DIRECTORS

The board of directors has revised the monthly remuneration of the CEO and two other executive directors:

Name	Designation	Remuneration before revision	Revised remuneration	Effective date of revision
Atique Ahmad Khan	Chief Executive Officer	Rs. 800,000/-	Rs. 950,000/-	01-08-2016
Hafiz Farooq Ahmad	Director	Rs. 800,000/-	Rs. 950,000/-	01-08-2016
Farzand Ali	Director & Company Secretary	Rs. 210,000/-	Rs. 225,000/-	15-02-2016

CORPORATE AND FINANCIAL FRAMEWORK

In compliance with the code of Corporate Governance, we give statement of Corporate and financial reporting framework;

- The financial statements together with the notes thereon have been drawn up by the management in conformity with the repealed Companies Ordinance, 1984. These statements present fairly the Company's state of affairs, the result of its operations, cash flow and changes in equity.
- Proper books of account have been maintained by the Company.
- Appropriate accounting policies have consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a growing concern.
- There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
- There has been no departure from the best practices of transfer pricing.
- Information about taxes and levies is given in the notes of accounts.

- The value of investments and bank balances in respect of staff retirement benefits. Provident Fund Rs. 53.585 million (2016 Rs. 37.372 million).

PATTERN OF SHAREHOLDING UNDER CODE OF CORPORATE GOVERNANCE

A statement of the pattern of shareholding of certain class of shareholders as on June 30, 2017, whose disclosure is required under the reporting framework, is included in the annexed shareholder's information.

POST BALANCE SHEET EVENTS

No material changes or commitments affecting the financial position of the Company have occurred between the end of financial year of the Company and date of this report.

ACKNOWLEDGMENT

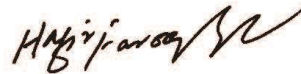
The directors express their deep appreciation to our valued customers who placed their confidence in the Company. We would like to express sincere appreciation to the dedication of Company's employees to their professional obligations and cooperation by the bankers, government agencies, which have enabled 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 Karachi Stock Exchange and all government functionaries as well as the commandments of Allah Subhanatallah and Sunnah of our Prophet Muhammad (peace be upon him).

On behalf of the Board



Atique Ahmad Khan
(Chief Executive Officer)



Haliz Farooq Ahmad
(Director)

Lahore
October 02, 2017

**CORPORATE
GOVERNANCE**



CODE OF CONDUCT

Ghani Gases Limited (the Company) is engaged in the manufacturing of industrial and medical gases, trading of chemicals and other allied products with the objective to achieve sustainable productivity, profitability and high standards of safety, occupational health and environmental care. This entails human resource development, enhancing value addition, implementing conservation measures and growth by up-graduation and addition of newer generation technologies.

The Company requires all its Board Members and Employees to act within the authority conferred upon them and in the best interests of the Company and observe all the Company's policies and procedures as well as relevant laws and regulations, as are applicable in individual capacity or otherwise, but not limited to the corporate value, business principles and the acceptable and unacceptable behavior (hereinafter called the Company's Code of Conduct) embodied in this document.

The Company believes that the credibility, goodwill and repute earned over the year can be maintained through continued conviction in our corporate values of honesty, justice, integrity and respect for people. The Company strongly promotes trust, openness, teamwork and professionalism in its entire business activities.

- The business principles are derived from the above stated corporate values and are applied to all facets of business through well-established procedures. These procedures define behavior expected from each employee in the discharge of his/her responsibility.
- Ghani Gases recognizes following obligations, which need to be discharged with best efforts, commitment and efficiency:
 - Safeguarding of shareholders' interest and a suitable return on equity.
 - Service customers by providing product, which offer value in terms of price, quality, safety and environment impact.
 - Respect human rights, provide congenial working environment, offer competitive terms of employment develop human resource and be an equal opportunity employer.
 - Seek mutually beneficial business relationship with contractors, suppliers and investment partners.
- The Company believes that profit is essential for business survival. It is a measure of efficiency and the value that the customer places on products and services produced by the Company.
- The Company requires honesty and fairness in all aspects of its business and in its relationships with all those with whom it does business. The direct or indirect offer, payment, soliciting and accepting of bribe in any form is undesirable.
- The Company is fully committed to reliability and accuracy of financial statement and transparency of transactions in accordance with established procedures and practices.
- The Company does not support any political party or contribute funds to groups having political interests.

The Company will however, promote its legitimate business interests through trade associations.

- The Company, consistent with its commitments to sustainable development, has a systematic approach to the management of health, safety and environment.
- The Company is committed to observe laws of Pakistan and is fully aware of its social responsibility. It would assist the community in activities such as education, sports, environment preservation, training programs, skill development and employment within the parameters of its commercial objectives.
- The Company supports free market system. It seeks to compete fairly and ethically within the framework of applicable competition laws in the country. The Company will not stop others from competing freely with it.
- In view of the critical importance of its business and impact on national economy, the Company provides all relevant information about its activities to legitimate interested parties, subject to any overriding constraints of confidentiality and cost.
- The company requires all its board members and employees to essentially avoid conflict of interest between private financial and/or other activities and their professional role in the conduct of company business.
- No board member or employee shall in any manner disclose to any person or cause disclosure of any information or documents, official or otherwise, relating to the company, except those published, and unless he/she is authorized by the management.
- All papers, books, drawings, sketches, photographs, documents and similar papers containing analysis, formulas, notes or information relating to the company's business affairs or operations shall always be treated as the company property, whether prepared by the employee or otherwise and no employee shall be permitted to carry any of these outside business premises unless specifically authorized to do so by the management.
- The company's property, funds facilities and services must be used only for authorized purposes.
- The board members or employees of the company specifically those coming in direct contact with the vendors doing or seeking to do business with the Company shall not receive favours or incur obligations. In case any contractor/supplier to have business relations with the company happen to be a relative of an official who is entrusted the responsibility of opening/evaluation/award of supply/contract job or with execution or certification of material/.services, he/she shall immediately bring the fact to the notice of Chief Executive Officer who may entrust the responsibility to another.
- Each employee shall devote his full time and energy exclusively to the business and interests of the Company. In particular, no employee (including those on leave) unless otherwise permitted by the Company, shall directly or indirectly engage in any other profession or business or enter the services of or be employed in any capacity for any purpose whatsoever and for any part of his time by any other person,

government department, firm or company and /or shall not have any private financial dealing with any other persons or firms having business relations with the company for sale or purchase of any material or equipments or supply of labour or for any other purpose. Every employee shall hold himself in readiness to perform any duties required of him by his/her superiors to the best of his/her ability.

- No board member or employee of the Company shall, directly or indirectly, deal in the shares of the Company in any manner during the closed period, as determined and informed by the Company.
- No board member or employee of the Company shall practice insider trading.

Without prejudice to any penal action defined in any statute, as applicable, against any kind of non-compliance/violations, non compliance with The Company's Code of Conduct may expose the person involved to disciplinary actions as Company's rules and/or as determined by the management or the Board of Directors, as the case may be, on case to case basis.

on behalf of the Board



Atique Ahmad Khan
Chief Executive Officer

STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

Name of Company: GHANI GASES LIMITED

Year ended: June 30, 2017

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in regulations No. 5.19.24 of listing regulation of Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

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

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

Category	Names
Independent Director	Mian Zahid Said
Executive Directors	Atique Ahmad Khan Hafiz Farooq Ahmad Farzand Ali
Non-Executive Directors	Masroor Ahmad Khan Ayesha Masroor Rabia Atique Saira Farooq



The independent directors meets the criteria of independence under clause 5.19.1.(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs, or being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy occurring on the board was filled up by the directors within 90 days.
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.
8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. All the Directors on the Board are well conversant with the listing regulations, legal requirements and operational imperatives of the company, and as such are fully aware of their duties and responsibilities. The Board arranged training program for one of its director.

10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms & conditions of employment.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The board has formed an Audit Committee. It comprises four members, of whom three are non-executive and the chairman of the committee is a independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an HR and Remuneration Committee. It comprises four members of whom one is executive, two are non-executive and one is independent director.
18. The board has set up an effective internal audit function managed by suitably qualified and experienced personnel who are conversant with the policies and procedures of the company.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the CCG have been complied with.

Lahore
October 02, 2017

on behalf of the Board



Atique Ahmad Khan
Chief Executive Officer

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of **GHANI GASES LIMITED** ("the Company") for the year ended **June 30, 2017** to comply with the requirements of Listing Regulation No 5.19 of the Pakistan Stock Exchange Limited, where the Company is listed.

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


As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism.

We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's Compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2017.

Lahore 02 OCT 2017


RIZWAN & COMPANY
Chartered Accountants

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The board of directors of Ghani Gases Limited has constituted a fully functional Audit Committee. The features of the terms of reference of the Committee in accordance with the Code of Corporate Governance are as follows:

- a) Determination of appropriate measures to safeguard assets of the company;
- b) Review of quarterly, half-yearly and annual financial statements of the company, prior to their approval by the Board of Directors, focusing on:
 - major judgmental areas;
 - significant adjustments resulting from the audit;
 - going concern assumption;
 - any changes in accounting policies and practices;
 - compliance with applicable accounting standards;
 - compliance with listing regulations and other statutory and regulatory requirements; and
 - significant related party transactions.
- c) Review of preliminary announcements of results prior to publication;
- d) Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- e) Review of management letter issued by external auditors and management's response thereto;
- f) Ensuring coordination between the internal and external auditors of the listed company;
- g) Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed;
- h) Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- i) Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and reporting structure are adequate and effective;
- j) Review of company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;
- k) Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body;
- l) Determination of compliance with relevant statutory requirements;
- m) Monitoring compliance with these regulations and identification of significant violations thereof;
- n) Consideration of any other issue or matter as may be assigned by the Board of Directors;
- o) Recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision by the external auditors of any service to the company in addition to audit of its financial statements

TERMS OF REFERENCE OF THE HR&R COMMITTEE

The board of directors of Ghani Gases Limited has adopted the responsibilities contained in clause (xxv) of the Code 2012 form (i) to (iv) as the Terms of Reference (TOR) of the Human Resource and Remuneration (HR&R) Committee.

The committee shall be responsible for:

- i) Recommending human resource management policies to the board;
- ii) Recommending to the board the selection, evaluation, compensation (including retirement benefits) and succession planning of the Chief Executive Officer (CEO);
- iii) Recommending to the board the selection, evaluation, compensation (including retirement benefits) of Chief Executive Officer, Working Director(s), CFO, Company Secretary and Head of internal Audit; and
- iv) Consideration and approval on recommendations of CEO on such matters for key management positions who report to the CEO or MD.

www.jamapunji.pk

An investor education initiative of the SECP

 jamapunji.pk

 @jamapunji_pk



INVEST IN STOCK MARKET WITH CONFIDENCE



To protect your assets, we advise you to follow the guidelines below:

- You cannot trade unless you have a Central Depository Company (CDC) Account
- Use Central Depository Company (CDC), free-of-cost eAlert, eStatement and SMS "Alert" services. Make sure that your correct mobile number and email address is entered in Central Depository System to ensure receipt of alert every time you move your securities from your account
- Ensure the correctness of securities balances and their status appearing in the statement received from the broker by comparing it with a statement directly obtained from CDC (Physical or eStatement)
- Please make sure that updated contact details are appearing in Central Depository System (contact details include: mailing address, email address and phone / mobile number); You can ensure this by obtaining registration details from CDC Web Access or Physical reports from any CDC office



For more information or to get registered in Investor Awareness Programs contact us on 800-2375 (CDCPL) or Email us at info@cdcpak.com

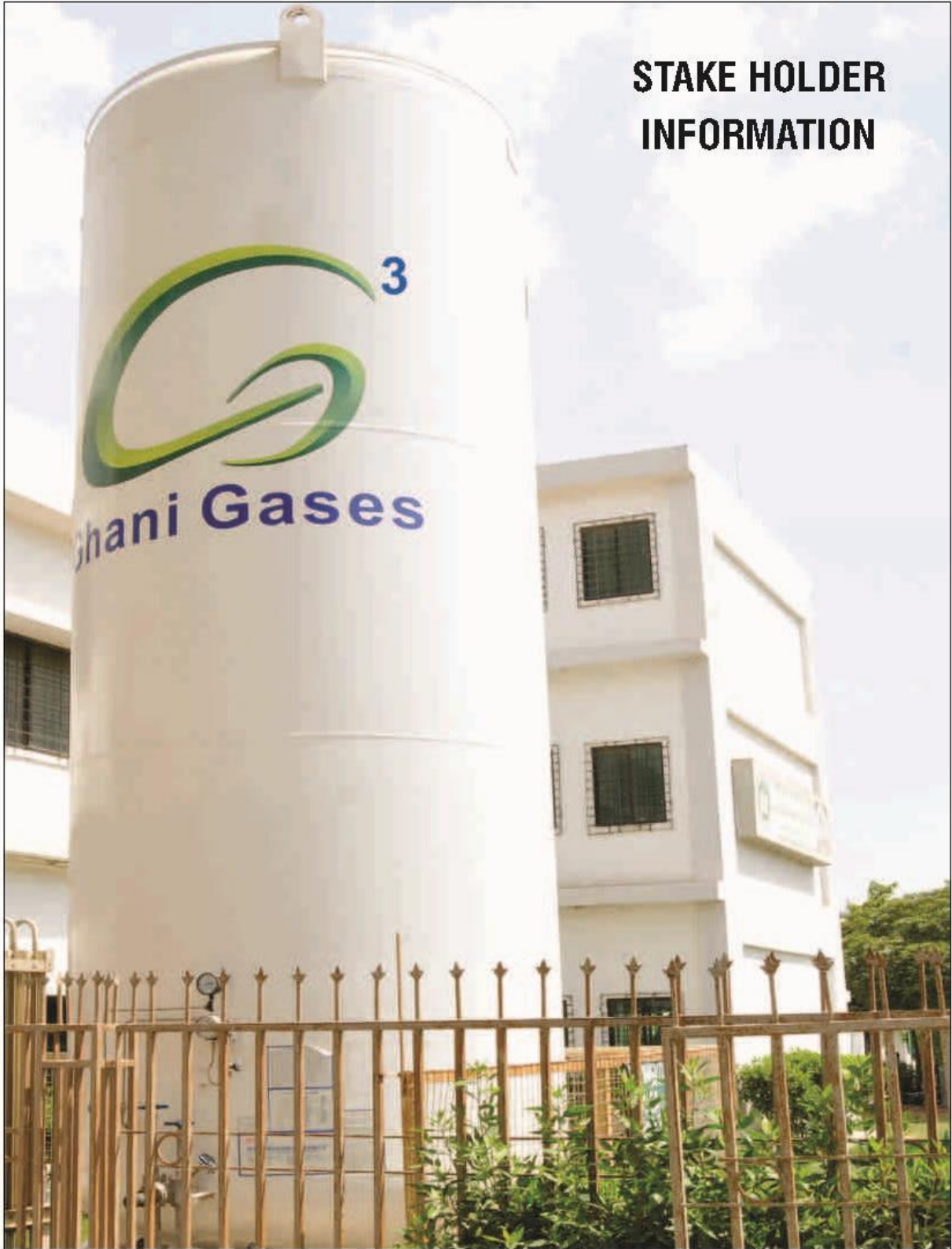


Securities & Exchange Commission of Pakistan
www.secp.gov.pk

Visit SECP's educational webportal jamapunji.pk for secure investments

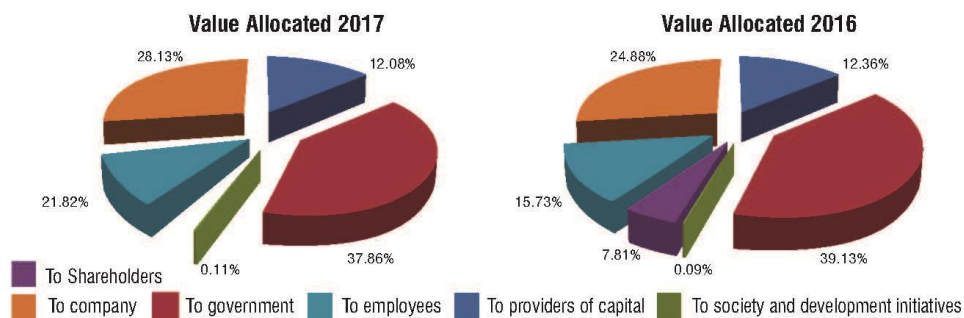
UAN: 051 111 11 7327 →

**STAKE HOLDER
INFORMATION**



VALUE ADDED STATEMENT

	2017 (Rupee in '000)	(%)	2016 (Rupee in '000)	(%)
Wealth Generated / Value added:				
Turnover (including sales tax)	2,053,432		2,013,015	
Less: Purchased materials and services	(1,277,312)		(1,139,942)	
Valued added	776,120		873,073	
Other income	22,757		78,426	
Wealth Created	798,877	100	951,499	100
Wealth Distribution				
To employees				
Salaries, benefits and other costs	174,311	21.82	149,682	15.73
To Government				
Income tax, sales tax, WPPF	302,472	37.86	372,306	39.13
To society and development initiatives				
Donations to education, health and environment	875	0.11	850	0.09
To providers of capital				
Dividend to shareholders	-	-	74,275	7.81
Profit on borrowed funds	96,513	12.08	117,597	12.36
To company				
Depreciation, amortization and Retained profit	224,706	28.13	236,789	24.88
	798,877	100	951,499	100



SIX YEARS AT A GLANCE

	Rs. (in 000)					
	2017	2016	2015	2014	2013	2012
Operating Results						
Sales (gross)	2,053,432	2,013,015	1,967,317	1,558,692	1,401,534	849,749
Gross profit	568,634	575,635	569,924	327,306	390,607	275,302
Profit before tax	181,084	276,612	249,239	103,536	158,003	94,392
Financial data						
Fixed assets	2,939,108	2,682,306	2,525,060	2,334,225	1,398,107	1,322,416
Capital work in progress	-	79,409	41,612	14,030	171,827	96,913
Intangible assets	70	70	70	350	630	910
Long term deposits	57,756	68,909	68,151	64,162	79,169	65,865
Long term assets	593,000	500	45,133	45,000	-	-
Current assets	1,375,061	2,070,629	963,017	679,629	898,157	404,189
Current liabilities	655,173	1,534,421	821,671	676,662	462,651	355,658
	4,309,822	3,367,402	2,821,372	2,460,734	2,085,239	1,534,638
Financed by:						
Ordinary capital	1,247,813	1,247,813	742,746	742,746	724,630	724,630
Reserves	535,067	535,067	30,000	30,000	30,000	30,000
Un appropriated profit	566,436	429,333	341,627	227,696	172,674	57,000
Shareholder's equity	2,349,316	2,212,213	1,114,373	1,000,442	927,304	811,630
Loan from sponsors (interest fee)	638,500	501,200	1,027,969	1,004,104	611,381	437,433
Banks and others	1,322,006	653,989	679,030	456,188	546,554	285,575
Finances and deposits	1,960,506	1,155,189	1,706,999	1,460,292	1,157,935	723,008
	4,309,822	3,367,402	2,821,372	2,460,734	2,085,239	1,534,638
Funds invested						
Earning per-share (Rs.)	1.10	1.90	2.13	0.98	2.05	1.19
Break-up-value (Rs.)	18.83	17.73	15.00	13.47	12.80	11.20
Cash Dividend %	-	-	16	5	-	-
Bonus Share %	-	-	-	5	-	-
Right Share % (at premium of Rs 10)	-	68	-	-	-	-

Note: The Board of Directors of the Company in their meeting held on October 02, 2017 has recommended issue of 6% bonus shares.



**ANNUAL AUDITED
UNCONSOLIDATED FINANCIAL STATEMENTS**



AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed unconsolidated balance sheet of **GHANI GASES LIMITED** (the "Company") as at **JUNE 30, 2017** and related unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the unconsolidated notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- (a) In our opinion, proper books of accounts have been kept by the Company as required by the repealed Companies Ordinance, 1984;
- (b) in our opinion—
 - (i) the unconsolidated balance sheet and unconsolidated profit and loss account together with the notes thereon have been drawn up in conformity with the repealed Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied; and
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the unconsolidated balance sheet, unconsolidated profits and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the repealed Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2017 and of the profit, comprehensive profit, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Lahore 02 OCT 2017


RIZWAN & COMPANY
Chartered Accountants
Engagement Partner: Rizwan Bashir

UNCONSOLIDATED BALANCE SHEET

AS AT JUNE 30, 2017

	Note	2017 (Rupees '000)	2016
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,939,108	2,608,864
Assets subject to ijarah financing	6	-	152,851
Intangible assets - goodwill	8	70	70
Long term investments	9	593,000	500
Long term deposits	10	57,756	68,909
		3,589,934	2,831,194
Current assets			
Stores, spares and loose tools	11	107,236	103,532
Stock in trade	12	37,740	26,282
Trade debts	13	529,520	406,397
Loans and advances	14	134,803	150,296
Trade deposits and prepayments	15	42,771	48,053
Other receivables	16	80	1,759
Tax refunds due from government	17	23,419	24,076
Advance income tax - net		265,336	220,593
Cash and bank balances	18	234,156	1,089,641
		1,375,061	2,070,629
TOTAL ASSETS		4,964,995	4,901,823
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
200,000,000 (2016: 125,000,000) ordinary shares of Rs. 10 each		2,000,000	1,250,000
Issued, subscribed and paid up share capital	19	1,247,813	1,247,813
Capital reserve - share premium	20	535,067	535,067
Unappropriated profit		566,436	429,333
Loan from sponsors	21	638,500	501,200
		2,987,816	2,713,413
Non-current liabilities			
Long term financing	22	11,772	399,408
Redeemable capital - Sukuk	23	1,029,166	-
Liabilities against assets subject to ijarah financing	24	-	40,554
Long term security deposits payable	25	26,620	19,800
Deferred taxation	26	254,448	194,227
		1,322,006	653,989
Current liabilities			
Trade and other payables	27	105,675	296,823
Accrued profit on financing	28	16,535	24,733
Short term borrowings	29	273,000	431,034
Current portion of long term liabilities	30	229,179	734,807
Provision for taxation	38	30,784	47,024
		655,173	1,534,421
Total liabilities		1,977,179	2,188,410
TOTAL EQUITY AND LIABILITIES		4,964,995	4,901,823
CONTINGENCIES AND COMMITMENTS	31		

The annexed notes from 1 to 51 form an integral part of these unconsolidated financial statements.


ATIQUE AHMAD KHAN
 (CHIEF EXECUTIVE OFFICER)


ASIM MAHMUD
 (CHIEF FINANCIAL OFFICER)


HAFIZ FAROOQ AHMAD
 (DIRECTOR)

UNCONSOLIDATED PROFIT AND LOSS ACCOUNT

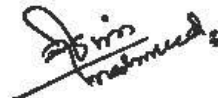
FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 (Rupees '000)	2016
Gross sales - local		2,053,432	2,013,015
Sales tax		(248,960)	(246,272)
Net sales		1,804,472	1,766,743
Cost of sales	32	(1,235,838)	(1,191,108)
Gross profit		568,634	575,635
Distribution cost	33	(179,993)	(137,463)
Administrative expenses	34	(117,127)	(108,153)
Other operating expenses	35	(16,674)	(14,236)
		(313,794)	(259,852)
		254,840	315,783
Other income	36	22,757	78,426
Profit from operations		277,597	394,209
Finance cost	37	(96,513)	(117,597)
Profit before taxation		181,084	276,612
Taxation	38	(43,981)	(114,631)
Profit after taxation		137,103	161,981
Earnings per share			
- basic and diluted (in Rupees)	39	1.10	1.90

The annexed notes from 1 to 51 form an integral part of these unconsolidated financial statements.



ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)



ASIM MAHMUD
(CHIEF FINANCIAL OFFICER)



HAFIZ FAROOQ AHMAD
(DIRECTOR)

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

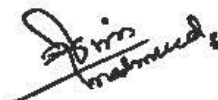
FOR THE YEAR ENDED JUNE 30, 2017

	2017 (Rupees '000)	2016
Profit before taxation	137,103	161,981
Other comprehensive income	-	-
Total comprehensive income for the year	137,103	161,981

The annexed notes from 1 to 51 form an integral part of these unconsolidated financial statements.



ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)



ASIM MAHMUD
(CHIEF FINANCIAL OFFICER)



HAFIZ FAROOQ AHMAD
(DIRECTOR)

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY


FOR THE YEAR ENDED JUNE 30, 2017

	Capital reserve		Revenue reserve	Loan from sponsors	Total
	Share capital	Share premium	Unappropriated profit		
	(Rupees '000)				
Balance as at July 01, 2015	742,746	30,000	341,627	1,027,969	2,142,342
Total comprehensive income	-	-	161,981	-	161,981
Issuance of shares during the year	505,067	505,067	-	-	1,010,134
Loan paid during the year	-	-	-	(526,769)	(526,769)
Transactions with owners:					
Final dividend @ Rupee 1 per share	-	-	(74,275)	-	(74,275)
Balance as at June 30, 2016	1,247,813	535,067	429,333	501,200	2,713,413
Total comprehensive income	-	-	137,103	-	137,103
Issue of shares during the year	-	-	-	-	-
Loan received during the year	-	-	-	137,300	137,300
Balance as at June 30, 2017	1,247,813	535,067	566,436	638,500	2,987,816

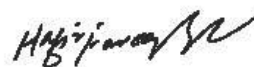
The annexed notes from 1 to 51 form an integral part of these unconsolidated financial statements.



ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)



ASIM MAHMUD
(CHIEF FINANCIAL OFFICER)



HAFIZ FAROOQ AHMAD
(DIRECTOR)

UNCONSOLIDATED CASH FLOW STATEMENT

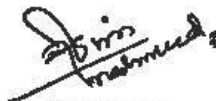
FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 (Rupees '000)	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operating activities	40	75,593	480,935
Finance cost paid		(104,710)	(105,575)
Income tax paid		(44,743)	(76,498)
		(149,453)	(182,073)
Net cash (used in) / generated from operating activities		(73,860)	298,862
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in operating fixed assets		(14,395)	(11,290)
Additions in capital work in progress		(254,027)	(262,711)
Proceeds from disposal of operating fixed assets		4,775	5,832
Long term investments		(592,500)	44,633
Net cash used in investing activities		(856,147)	(223,536)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds against issue of shares		-	505,067
Proceeds against premium on issue of shares		-	505,067
Long term financing		(1,071,433)	454,002
Proceeds against redeemable capital - Sukuk		1,300,000	-
Repayments of redeemable capital - Sukuk		(54,167)	-
Loan from sponsors		137,300	(526,769)
Short term borrowings		(158,034)	10,345
Dividend paid		(92)	(98,944)
Liabilities against assets subject to ijarah financing		(79,052)	(61,192)
Net cash generated from financing activities		74,522	787,576
Net (decrease) / increase in cash and cash equivalents		(855,485)	862,902
Cash and cash equivalents at the beginning of the year		1,089,641	226,739
Cash and cash equivalents at the end of the year	18	234,156	1,089,641

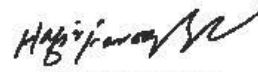
The annexed notes from 1 to 51 form an integral part of these unconsolidated financial statements.



ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)



ASIM MAHMUD
(CHIEF FINANCIAL OFFICER)



HAFIZ FAROOQ AHMAD
(DIRECTOR)

UNCONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

1. THE COMPANY AND ITS OPERATIONS

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

Separate financial statements

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

Name of company	Shareholding
Subsidiary	
Ghani Chemical Industries Limited	95.33%
Associate	
Ghani Global Glass Limited	25.00%

2. STATEMENT OF COMPLIANCE

- 2.1 These unconsolidated financial statements have been prepared in accordance with the requirements of the repealed Companies Ordinance, 1984 (the Ordinance) and the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. Wherever the requirements of the repealed Companies Ordinance, 1984 or directives issued by Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of IFRS, the requirements of the repealed Companies Ordinance, 1984 or the requirements of the said directives prevail.

The Companies Ordinance, 1984 has been repealed upon enactment of the Companies Act, 2017 on May 30, 2017. The SECP vide its Circular 17 of 2017 dated July 20, 2017 has clarified that the companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

2.2 AMENDMENTS / INTERPRETATIONS TO EXISTING STANDARDS AND FORTHCOMING REQUIREMENTS

- 2.2.1 New / revised accounting standards, amendments to published accounting standards, and interpretations that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IFRS 2 –Share-based payments - classification and measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IAS 7 –Statement of Cash Flows: Disclosure Initiative (Amendment)	January 01, 2017
IFRS 10 –Consolidated unconsolidated financial statements and IAS 28 Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IAS 12 –Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	January 01, 2017
IFRS 4 –Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	January 01, 2018
IAS 40 –Investment Property: Transfers of Investment Property (Amendments)	January 01, 2018
IFRIC 22 –Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRIC 23 –Uncertainty over Income Tax Treatments	January 01, 2019

The Company expects that the adoption of the above revisions, amendments and interpretations of the standards will not affect the Company's unconsolidated financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after January 01, 2017. The Company expects that such improvements to the standards will not have any material impact on the Company's unconsolidated financial statements in the period of initial application.

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

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	IASB Effective date (accounting periods beginning on or after)
IFRS 9 –Financial Instruments - Classification and Measurement	January 01, 2018
IFRS 14 –Regulatory Deferral Accounts	January 01, 2016
IFRS 15 –Revenue from Contracts with Customers	January 01, 2018

IFRS 16 –Leases	January 01, 2019
IFRS 17 –Insurance Contracts	January 01, 2021

2.4 ACCOUNTING STANDARDS, IFRS AND INTERPRETATIONS TO EXISTING STANDARDS THAT BECAME EFFECTIVE

The Company has adopted the following amendments to IFRSs which became effective during the year:

- IFRS 10 –Consolidated unconsolidated financial statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate unconsolidated financial statements: Investment Entities: Applying the Consolidation Exception (Amendment)
- IFRS 11 –Joint Arrangements – Accounting for Acquisition of Interest in Joint Operation (Amendment)
- IAS 1 –Presentation of unconsolidated financial statements – Disclosure Initiative (Amendment)
- IAS 16 –Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of Acceptable Method of Depreciation and Amortization (Amendment)
- IAS 16 –Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)
- IAS 27 –Separate unconsolidated financial statements – Equity Method in Separate unconsolidated financial statements (Amendment)

Improvements to Accounting Standards Issued by the IASB

- IFRS 5 –Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal
- IFRS 7 –Financial Instruments: Disclosures – Servicing contracts
- IFRS 7 –Financial Instruments: Disclosures – Applicability of the offsetting disclosures to condensed interim unconsolidated financial statements
- IAS 19 –Employee Benefits – Discount rate: regional market issue
- IAS 34 –Interim Financial Reporting – Disclosure of information elsewhere in the interim financial report

The adoption of the above amendments, revisions, improvements to accounting standards and interpretations did not have any effect on the unconsolidated financial statements.

3 BASIS OF PREPARATION

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

3.2 Significant accounting judgments and critical accounting estimates / assumptions

The preparation of unconsolidated financial statements in conformity with the approved accounting standards require 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. The areas where various assumptions and estimates are significant to the Company's unconsolidated financial statements or where judgments were exercised in application of accounting policies are as follows:

a) Income taxes

The Company takes into account the current income tax law and the decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment and appellate stages and where the Company considers that its views on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

b) Useful lives, patterns of economic benefits and impairments

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

c) Provision for doubtful debts

The Company reviews its doubtful trade debts and other receivables at each reporting date to assess whether provision should be recorded in the profit and loss account. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.

d) Provision for slow moving / obsolete items

The Company reviews the carrying values and impairment of stores, spares and loose tools to assess any diminution in the respective carrying values and wherever required provision for NRV / impairment is made. The calculation of the provision involves the use of estimates with regard to future estimated use and respective fair value of stores, spares and loose tools.

e) Impairment of investments in subsidiary and associate

In making estimates of future cash flows from the Company's financial assets and from investments in subsidiary, associate, the management considers future dividend stream and an estimate of the terminal value of these investments, which are subject to change.

3.3 Functional and presentation currency

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Taxation

Current

Provision for taxation is based on taxable income at current rates after taking into account tax rebates and credits available, if any or minimum tax on turnover or alternate corporate tax on accounting profit and tax paid under final tax regime under relevant provisions of Income Tax Ordinance, 2001. The charge for current tax also includes adjustments, where considered necessary, to provision for taxation made in previous years arising from orders under Income Tax Ordinance, 2001 passed during the year of any previous year(s).

Deferred

Deferred tax is recognized using balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan.

The Company recognizes a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax relating to items recognized outside profit and loss account is recognized outside profit and loss account. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

4.2 Trade and other payables

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

4.3 Provisions

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

4.4 Property, plant and equipment

4.4.1 Owned

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

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Normal repairs and maintenance costs are charged to profit and loss account as and when incurred.

Depreciation

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

De-recognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

4.4.2 Ijarah assets

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

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

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

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

4.4.3 Capital work in progress

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

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

Impairment

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

4.5 Stores, spares and loose tools

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

4.6 Stock in trade

These are stated at the lower of cost and net realizable value. The cost is determined as follows:

Raw and packing materials	At weighted average cost
Work in process	At weighted average cost and related manufacturing expenses
Finished goods	At weighted average cost and related manufacturing expenses
Items in transit	Cost comprising invoice values plus other charges incurred thereon.

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

4.7 Trade debts

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

4.8 Other receivables

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

4.9 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and cash at bank which are subject to an insignificant risk of change in value.

4.10 Loans, advances, deposits and prepayments

These are initially recognized at cost, which is the fair value of consideration given. Subsequent to the initial recognition assessment is made at each balance sheet date to determine whether there is an indication that a financial asset or group of assets may be impaired. If such indication exists, the estimated recoverable amount of that asset or group of assets is determined and any impairment losses recognized for the difference between the recoverable amount and the carrying value.

4.11 Financial instruments

Recognition and de-recognition

Financial instruments carried on the balance sheet include deposits, trade debts, loans and advances, trade deposits, other receivables, cash and bank balances, long-term financing, long term deposits payable, trade and other payables, accrued profit on financing and short term borrowings etc. All the financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are recognized initially at cost, which is the fair value of the consideration given or received as appropriate, plus any directly attributable transaction costs. These financial assets and liabilities are subsequently measured at fair value or amortized cost using the effective rate of interest method, as the case may be.

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

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

Impairment of financial assets

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

Off setting of financial assets and financial liabilities

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

4.12 Derivative financial instruments

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

4.13 Foreign currency translation

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

4.14 Ijarah Rentals

Ijarah payments made under Ijarah contracts are charged to the Profit and Loss Account on a straight-line basis over the Ijarah term.

4.15 Revenue recognition

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

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

4.16 Employees' benefits

Defined contribution plan

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

Compensated absences

Compensated absences are accounted for employees of the company on un-availed balance of leave in the period in which the absences are earned.

4.17 Borrowing costs

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

4.18 Intangible assets

Goodwill

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

Goodwill is stated at cost less any identified impairment loss.

Other intangible assets

Other intangible assets are stated at cost less accumulated amortization and any identified impairment loss. An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and that the cost of such asset can also be measured reliably.

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

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

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

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

4.19 Investments

Investment subsidiary and associate

Investment in subsidiary and associated companies are initially recognized at cost. At subsequent reporting dates, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as an expense. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the statement of comprehensive income.

The profits and loss of subsidiary is carried forward in respective financial statements and not dealt within these financial statements except to the extent of dividend declared by the subsidiary which are recognized in other income. Gain and losses on disposal of investment is included in other income. When the disposal of investment in subsidiary resulted in loss of control such that it becomes an associate, the retained investment is carried at cost.

Investments available-for-sale

These are initially measured at their fair value plus directly attributable transaction cost and at subsequent reporting dates measured at fair values and gains or losses from changes in fair values other than impairment loss are recognized in other comprehensive income until disposal at which time these are recycled to profit or loss. Impairment loss on investments available for sale is recognized in the profit or loss.

Investments at fair value through profit or loss

Investments which are acquired principally for the purpose of selling in the near term or the investments that are part of a portfolio of financial instruments exhibiting short term profit taking, are classified as fair value through profit or loss and designated as such upon initial recognition. These are stated at fair values with any resulting gains or losses recognized directly in profit or loss. The Company recognizes the regular way purchase or sale of financial assets using settlement date accounting.

4.20 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.

4.21 Related party transactions and transfer pricing

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

4.22 Dividends

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

5 PROPERTY, PLANT AND EQUIPMENT

	Note	2017 (Rupees '000)	2016
Operating fixed assets	5.1	2,838,962	2,529,455
Capital work in progress - at cost	7	100,146	79,409
		2,939,108	2,608,864

5.1 Operating fixed assets

DESCRIPTION	2017										DEPRECIATION RATES	
	BALANCE AS AT JULY 01, 2016		FOR THE YEAR					BALANCE AS AT JUNE 30, 2017			Net Book Value	%
	Cost	Accumulated Depreciation	Net Book Value	Additions	Transferred in (Cost / Accumulated Depreciation)	Disposal (Cost) / Accumulated Depreciation	Depreciation Charge	Cost	Accumulated Depreciation			
Land - Freehold	51,837	-	51,837	-	-	-	-	51,837	-	51,837	-	-
Land - Leasehold Building	25,826	2,346	23,480	-	-	-	527	25,826	2,867	22,959	-	-
Pan and machinery	2,489,263	58,369	2,430,894	233,137	1,40,129	(813)	57,608	2,461,716	300,840	2,160,876	10	10
Furniture and fixtures	26,020	9,530	16,490	3,125	(5,461)	83	1,483	23,145	11,363	11,782	10	10
Office equipment	3,868	1,008	2,860	74	-	-	291	3,332	1,299	2,033	10	10
Computers	6,376	3,826	2,550	2,671	-	-	1,529	9,647	5,856	3,791	30	30
Vehicles	47,903	19,223	28,680	8,825	33,445	(4,652)	7,288	75,221	33,157	42,064	20	20
	2,895,575	367,120	2,528,455	247,685	1,63,574	(5,485)	84,233	3,302,369	463,407	2,838,962		

DESCRIPTION	2016										DEPRECIATION RATES	
	BALANCE AS AT JULY 01, 2015		FOR THE YEAR					BALANCE AS AT JUNE 30, 2016			Net Book Value	%
	Cost	Accumulated Depreciation	Net Book Value	Additions	Transferred in (Cost / Accumulated Depreciation)	Disposal (Cost) / Accumulated Depreciation	Depreciation Charge	Cost	Accumulated Depreciation			
Land - Freehold	49,637	-	49,637	2,200	-	-	-	51,837	-	51,837	-	-
Land - Leasehold Building	25,826	1,813	24,013	-	-	-	527	25,826	2,340	23,486	-	-
Pan and machinery	2,193,206	77,208	2,116,000	6,909	72,052	-	16,133	2,444,802	93,389	2,351,413	10	10
Furniture and fixtures	23,280	7,801	15,479	2,740	(6,617)	-	40,957	2,489,263	237,924	2,251,339	10	10
Office equipment	3,537	799	2,738	1,381	-	-	299	3,858	1,008	2,850	10	10
Computers	5,114	2,332	2,782	1,862	-	-	894	6,376	3,826	2,550	30	30
Vehicles	41,666	10,181	31,485	2,389	10,035	(6,717)	6,890	47,903	19,223	28,680	20	20
	2,585,239	291,402	2,293,837	235,976	82,077	(6,717)	66,949	2,896,575	367,120	2,529,455		

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

	2017	2016
	[Rupees '000]	
Cost of sales	71,336	54,933
Administrative expenses	12,897	19,036
	84,233	66,349

6.3 Particulars of operating fixed assets disposed during the year are as follows:

Description	Cost	Accumulated Depreciation	Net Book Value	Sales proceeds	Mode of disposal	Particulars of purchaser
Plant and machinery	813	53	760	1,037	Negotiation	Vicatus, independent buyers, Lahore
Vehicles	2,140	178	1,962	1,800	Negotiation	Ahnan Bani, (Employee of the Company), Lahore
Vehicles	1,840	1,306	534	1,374	Negotiation	Muhammad Naveed, Lahore
Vehicles	512	443	69	415	Negotiation	Tanweer Ahmad, Lahore
Vehicles	92	45	47	95	Negotiation	B a Zulfiqar, (Ex - Employee), Lahore
Vehicles	67	14	53	64	Negotiation	B a Zulfiqar, (Ex - Employee), Lahore
	5,464	2,039	3,425	4,779		

6 ASSETS SUBJECT TO URAH FINANCING

DESCRIPTION	2017						DEPRECIATION RATES %	
	BALANCE AS AT JULY 01, 2016			FOR THE YEAR				
	Cost	Accumulated Depreciation	Net Book Value	Additions	Transfer to / (Cost) / Accumulated Depreciation	Disposal / (Cost) / Accumulated Depreciation		Depreciation Charge
Plant and machinery	140,129	4,102	136,027	-	(140,129)	-	1,369	-
Vehicles	23,446	6,621	16,824	-	(23,446)	-	2,011	20
	163,574	10,723	152,851	-	(163,574)	-	3,379	-
					14,093			

DESCRIPTION	2016						DEPRECIATION RATES %	
	BALANCE AS AT JULY 01, 2015			FOR THE YEAR				
	Cost	Accumulated Depreciation	Net Book Value	Additions	Transfer to / (Cost) / Accumulated Depreciation	Disposal / (Cost) / Accumulated Depreciation		Depreciation Charge
Plant and machinery	212,181	7,672	204,509	-	(72,052)	-	3,047	4,102
Vehicles	33,242	6,528	26,714	228	(10,025)	-	4,812	6,621
	245,423	14,200	231,223	228	(82,077)	-	7,859	10,723
					11,336			152,851

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

	Note	2017 (Rupees '000)	2016 (Rupees '000)
Customs duties	32	3,047	3,047
Administrative expenses	34	4,812	4,812
		3,370	7,859

	Note	2017 (Rupees '000)	2016
7 CAPITAL WORK IN PROGRESS - AT COST			
Civil works	7.1	58,137	51,624
Plant and machinery	7.2	42,009	27,785
		100,146	79,409
7.1 Civil works			
Opening balance		51,624	23,327
Additions during the year		6,666	35,206
Capitalized during the year		(153)	(6,909)
Closing balance		58,137	51,624
7.2 Plant and machinery			
Opening balance		27,785	18,285
Additions during the year		247,361	227,505
Capitalized during the year		(233,137)	(218,005)
Closing balance		42,009	27,785
7.3 Borrowing cost amounting to Rupees 14.2 million (2016: 8.57 million) has been capitalized during the year.			
	Note	2017 (Rupees '000)	2016
8 INTANGIBLE ASSETS - GOODWILL			
Closing net book value (NBV)		70	70

- 8.1 Goodwill represents the difference between the cost of the acquisition (fair value of consideration paid) and the fair value of the net identifiable assets acquired at the time of merger of Ghani Southern Gases (Private) Limited with and into Ghani Gases Limited.
- 8.2 The Company assessed the recoverable amount at 30 June 2017 and determined that as of this date there is no indication of impairment of goodwill. The recoverable amount was calculated on the basis of five year financial business plan which assumes cash inflows from investing and financing activities.

	Note	2017 (Rupees '000)	2016
9 LONG TERM INVESTMENTS			
At cost			
Subsidiary			
Ghani Chemical Industries Limited 95.33% Holding (2016: 100% Holding) 14,300,000 fully paid ordinary shares (2016: 50,000) of Rupees 10 each.	9.1	143,000	500
Associate			
Ghani Global Glass Limited 25% Holding (2016: Nil %) 25,000,000 fully paid ordinary shares (2016: Nil) of Rupees 10 each.	9.2	450,000	-
		593,000	500
9.1 In subsidiary company - unquoted			
Opening carrying value		500	-
Investment made during the year		142,500	500
Closing carrying Value		143,000	500

9.1.1 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. During the year, the Company increased its investment in Ghani Chemical Industries Limited on June 24, 2017 as a result of the right issue by Ghani Chemical Industries Limited. The right issue was 299 shares for every one share held by the Company. According to the previous shareholding of the Company in Ghani Chemical Industries Limited, the number of shares available for subscription under right issue were 14,950,000. However the Company subscribed only 14,250,000 at the cost of Rupees 10 per share.

	Note	2017 (Rupees '000)	2016
9.2 In associated company - quoted			
Opening carrying value		-	45,133
Investment made / (disposal) during the year		450,000	(45,133)
Closing carrying Value		450,000	-

9.2.1 Ghani Global Glass Limited was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a private limited company on October 04, 2007 and was subsequently converted into public company and was listed on Pakistan Stock Exchange. The Company is principally engaged in manufacturing and sale of glass tubes, glass-ware, vials and ampules. During the year, the Company acquired 25,000,000 shares of Rupees 18 each (2016: Nil) on January 19, 2017 representing 25% (2016: Nil) holding in the share capital of the Ghani Global Glass Limited.

9.3 The Company has reassessed the recoverable amount of the subsidiary / associate as at the balance sheet date and based on its assessment no material adjustment is required to the carrying amount stated in unconsolidated financial statement.

	Note	2017 (Rupees '000)	2016
10 LONG TERM DEPOSITS			
Considered good:			
Security deposits for utilities		49,777	51,777
Security deposits for rented premises		1,280	846
Deposits against fuel supply		6,113	5,113
Deposits against Ijarah facilities		586	1,173
		57,756	68,909
11 STORES, SPARES AND LOOSE TOOLS			
Stores		23,709	31,193
Spare parts		83,241	72,144
Loose tools		286	195
		107,236	103,532
12 STOCK IN TRADE			
Finished goods - industrial gases		33,695	26,248
Finished goods - industrial chemicals		4,045	34
		37,740	26,282
13 TRADE DEBTS			
Considered good:			
Unsecured	13.1	529,520	406,397
13.1 The age of trade debts at balance sheet date was:			
Not past due		459,213	267,367
0 to 180 Days		21,583	119,413
181 to 365 Days		17,889	9,870
1 to 2 Years		23,306	3,113
More than two years		7,529	6,634
		529,520	406,397

	Note	2017 (Rupees '000)	2016
14 LOANS AND ADVANCES			
<i>Unsecured and Considered good:</i>			
Loans to employees - non profit bearing		243	325
Advances to:			
- Employees against expenses		1,484	2,038
- Suppliers and contractors		133,076	147,933
		134,560	149,971
		134,803	150,296
15 TRADE DEPOSITS AND PREPAYMENTS			
<i>Considered good:</i>			
Security deposits		42,101	28,300
Short term prepayments		669	1,399
Bank guarantee margin		1	18,354
		42,771	48,053
16 OTHER RECEIVABLES			
<i>Considered good:</i>			
Bank profit receivables		80	1,759
17 TAX REFUNDS DUE FROM GOVERNMENT			
Sales tax refundable		23,419	24,076
18 CASH AND BANK BALANCES			
Cash in hand		270	163
Balances with banks in:			
Current accounts		40,756	196,892
Deposit accounts	18.1	193,130	892,586
		233,886	1,089,478
		234,156	1,089,641
18.1 The rate of return on deposit accounts ranges from 2% to 5% (2016: 2% to 6%) per annum.			
19 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL			
122,956,711 (2016: 122,956,711) Ordinary shares of Rupees 10 each fully paid in cash		1,229,567	1,229,567
13,000 (2016: 13,000) Ordinary shares of Rupees 10 each issued for consideration other than cash under scheme of arrangement for amalgamation.	19.1	130	130
1,811,575 (2016: 1,811,575) Ordinary shares of Rupees 10 each issued as fully paid bonus shares		18,116	18,116
		1,247,813	1,247,813
19.1 The process for amalgamation of Ghani Southern Gases (Private) Limited with and into the Company as on May 15, 2012 resulted in issuance of shares for consideration other than cash.			
19.2 Movement to the issued, subscribed and paid-up share capital of the Company is as follows:			

2017 (No. of Shares)	2016
124,781,286	74,274,575
-	50,506,711
124,781,286	124,781,286

Opening balance
Issued during the year
Closing balance

2017 (Rupees '000)	2016
1,247,813	742,726
-	505,067
1,247,813	1,247,813

20 CAPITAL RESERVE - SHARE PREMIUM

This represents share premium received on 2,500,000 ordinary shares issued at Rupees 5 per share, 7,000,000 ordinary shares issued at Rupees 2.50 per share and 50,506,711 ordinary shares issued at Rupees 10 per share. Share premium can be utilized by the Company only for the purposes specified in Section 83(2) of the repealed Companies Ordinance, 1984.

21 LOAN FROM SPONSORS

The loan has been obtained from sponsors of the company, which is unsecured and interest free. There is neither fixed tenure of loan nor there is any schedule for repayment of loan. The repayment is at the option of the Company.

22 LONG TERM FINANCING

From banking companies - secured:

	Note	2017 (Rupees '000)	2016
Diminishing Musharakah	22.1	-	253,713
Diminishing Musharakah	22.2	-	102,402
Diminishing Musharakah	22.3	-	218,750
Diminishing Musharakah	22.4	-	250,000
Diminishing Musharakah	22.5	-	250,000
Diminishing Musharakah	22.6	3,112	-
Diminishing Musharakah	22.7	16,498	-

From Islamic Financial Institution - secured

Diminishing Musharakah	22.8	4,674	20,852
		24,284	1,095,717
Current portion taken as current liability	30	(12,512)	(696,309)
		11,772	399,408

22.1 This Islamic finance facility carries profit at the rate of 3 months KIBOR plus 195 BPS. It was secured against the 1st exclusive specific charge over all the present and future fixed assets valued at Rupees 400 million including 25% margin and present and future current assets valued at Rupees 67 million including 25% margin of the company's south plant operations, and personal guarantees of all male executive directors including CEO of the company. This finance facility was repayable quarterly in six years including two years grace period. This facility has been paid during the year.

22.2 This Islamic finance facility carries profit at the rate of 3 months KIBOR plus 150 BPS. This Islamic finance facility is secured against the 1st pari passu charge over all present and future fixed assets of the company for Rupees 395 million, and personal guarantees of executive directors of the company. This finance facility is repayable quarterly in 4 years. This facility has been paid during the year.

22.3 This Islamic finance facility carries profit at the rate of 1 year KIBOR plus 175 BPS. This Islamic finance facility is secured against the exclusive hypothecation charge over plant and machinery of the company amounting to Rupees 300 million and personal guarantees of all male directors of the company. This finance facility is repayable monthly in five years including six months grace period. This facility has been paid during the year.

22.4 This term finance facility from banking company carries profit at the rate of 6 months KIBOR plus 100 BPS (2016: 6 months KIBOR plus 100 BPS). This Islamic finance facility is secured against ranking hypothecation charge to be upgraded to first pari passu charge over plant and machinery of the Company for Rupees 333 million with 25% margin and personal guarantees of executive directors of the Company. This finance facility is repayable in four consecutive monthly installments including 6 months grace period. This facility has been paid during the year.

- 22.5 This term finance facility carries profit at the rate of 6 months KIBOR plus 100 BPS. This Islamic finance facility is secured against ranking hypothecation charge to be upgraded to first pari passu charge on over all present and future plant and machinery of the company for Rupees 333 million inclusive of 2.5% margin and personal guarantees of executive directors of the Company. This finance facility is repayable in four consecutive monthly installments including 6 months grace period. This facility has been paid during the year.
- 22.6 This represents diminishing musharakah facility having credit limit of Rupees 10 million (2016: Nil) availed from banking company for purchase of vehicles. The term of the agreement is 3 years. The balance is repayable in 36 installments. It carries profit rate of 6 months KIBOR plus 100 BPS (2016: Nil). It is secured against ownership of DM assets in favor of the banking company.
- 22.7 This represents diminishing musharakah facility having credit limit of Rupees 20 million (2016: Nil) availed from banking company for purchase of vehicles and machinery for a period of 3 years. The balance is repayable in quarterly installments. It carries profit rate of 3 months KIBOR plus 90 BPS. The facility is secured against ownership of Diminishing Musharakah assets in favor of the banking company and personal guarantee of three directors of the Company.
- 22.8 This Islamic finance facility carries profit ranging from 6 months KIBOR plus 195 BPS to 225 BPS (2016: 6 months KIBOR plus 195 BPS to 225 BPS). This Islamic finance facility having credit limit of Rupees 63 million (2016: Rupees 98 million) is secured against ownership of DM assets in favor of financial institution (2016: 1st exclusive specific hypothecation charge over plant and machinery of the Company amounting to Rupees 75 million). This finance facility is repayable in monthly installments.

	Note	2017 (Rupees '000)	2016
23 REDEEMABLE CAPITAL - SUKUK			
Long Term Certificates (Sukuk)	23.1	1,245,833	-
Current portion taken as current liability	30	(216,867)	-
		<u>1,029,166</u>	<u>-</u>

- 23.1 During the year, the Company issued Rated, Privately Placed and Secured Long Term Islamic Certificates (Sukuk) as instrument of redeemable capital under Section 120 of the repealed Companies Ordinance 1984 (Now the Companies Act, 2017) of Rupees 1,300 million divided into 13,000 (2016: Nil) certificates of Rupees 100,000 (2016: Nil) each for a period of 6 years under an agreement dated December 22, 2016 for swapping of existing long term and short term financing facilities and business requirements. The said certificates are redeemable in 24 consecutive quarterly installments starting from February 03, 2017 and ending on February 03, 2023. Rental will be payable on quarterly basis along with redemption of certificates. It carries profit rate of 3 months KIBOR plus 100 BPS (2016: Nil). These certificates are secured against first pari passu charge over present and future fixed assets of the Company inclusive of 20% margin.

	Note	2017 (Rupees '000)	2016
24 LIABILITIES AGAINST ASSETS SUBJECT TO IJARAH FINANCING			
The amount of future rentals and periods during which fall due are as under:			
Not later than one year		-	46,615
Later than one year and not later than five year		-	38,448
		-	<u>85,063</u>
Less : Future financial charges		-	6,011
Present value of minimum Ijarah payments	24.1	-	79,052
Less : Current portion taken as current liability	30	-	38,498
		-	<u>40,554</u>
24.1 Break up of net Ijarah obligation			
Within one year		-	38,498
Within two to five years		-	40,554
		-	<u>79,052</u>

- 24.2 Minimum Ijarah payments have been discounted at an implicit profit rate ranging from Nil (2016: 2% to 18% per annum). In case of termination of the agreement, the company shall pay entire amount of minimum Ijarah payments for un-expired period of Ijarah agreement.

24.3 The Company has purchased the above assets upon completion / termination of the ijarah term.

	Note	2017 (Rupees '000)	2016
25 LONG TERM SECURITY DEPOSITS PAYABLE			
Security deposits	25.1	26,820	19,800

25.1 These represents amounts received from the customers on installation of certain equipment and can be used in ordinary course of company business.

	Note	2017 (Rupees '000)	2016
26 DEFERRED TAXATION			
This comprises of following			
Taxable temporary differences			
Accelerated tax depreciation		537,821	468,945
Ijarah arrangements		-	22,878
Deductible temporary differences			
Unused tax losses		(243,610)	(221,084)
Unused tax credits		(39,763)	(76,512)
		254,448	194,227

	Note	2017	2016
27 TRADE AND OTHER PAYABLES			
Trade creditors		33,105	205,108
Advances from customers		35,537	39,295
Accrued liabilities		22,252	36,368
Payable to Employees' Provident Fund		2,746	2,144
Workers' profit participation fund	27.1	10,382	11,403
Unclaimed dividend		858	950
Withholding tax		795	1,555
		105,675	296,823

	Note	2017	2016
27.1 Workers' profit participation fund			
Beginning balance		11,403	13,111
Provision for the year		9,531	11,403
Profit on funds utilized in Company's business		219	492
		21,153	25,006
Paid during the year		(10,771)	(13,603)
		10,382	11,403

	Note	2017	2016
28 ACCRUED PROFIT ON FINANCING			
Long term financing		52	6,853
Redeemable capital - Sukuk		14,356	-
Short term borrowings		2,127	17,880
		16,535	24,733

	Note	2017	2016
29 SHORT TERM BORROWINGS			
From banking companies - secured:			
Short term borrowings		273,000	431,034

29.1 These finances are obtained 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 sponsor directors of the Company. These form part of total credit funded facilities of Rupees 860 million (2016: Rupees 860 million). The rates of profit ranging from relevant KIBOR plus 0.90% to 1% (2016: relevant KIBOR plus 1% to 1.5%).

	Note	2017 (Rupees '000)	2016
30 CURRENT PORTION OF LONG TERM LIABILITIES			
Long term financing	22	12,512	696,309
Redeemable capital - Sukuk	23	216,667	-
Liabilities against assets subject to ijarah financing	24	-	38,498
		229,179	734,807

31 CONTINGENCIES AND COMMITMENTS

31.1 Contingencies

31.1.1 The Company has provided corporate guarantee amounting to Rupees 650 million (2016: Rupees 650 million) to banks against financing facilities on behalf of associated company namely Ghani Global Glass Limited.

31.1.2 The Company has filed two separate constitutional petitions before The Honorable Lahore High Court on the ground that the company was not required to pay any Advance Tax on electricity bills due to huge carried forward tax losses and available refunds. The Honorable Lahore High Court has granted stay orders upon furnishing bank guarantees in favor of LESCO amounting to Rupees 3.14 million (2016: Rupees 3.14 million). The outcome of the cases is pending. The management is hopeful that matter shall be decided in favor of the Company.

31.2 Commitments

31.2.1 Commitments in respect of letter of credit amounted to Rupees 95.16 million (2016: Rupees 140.97 million).

31.2.2 Commitments for capital expenditure amounted to Rupees 9.2 million (2016: Rupees 8 million).

31.2.3 Commitments for rentals under Ijarah contracts as at June 30, 2017 are as follows:

	Note	2017 (Rupees '000)	2016
Not later than one year		1,435	1,428
Later than one year but not later than five years		953	2,394
		2,388	3,822

32 COST OF SALES

Fuel and power		519,527	482,473
Consumable stores		26,468	21,389
Salaries, wages and other benefits	32.1	64,523	63,987
Communication		636	930
Repairs and maintenance		28,900	22,895
Traveling, vehicle running and conveyance		6,679	5,019
Insurance		5,490	4,690
Depreciation	5.2 and 6.1	72,895	57,970
Staff welfare		9,192	6,401
Transportation		6,633	4,546
Other overheads		29,950	35,131
Cost of goods manufactured		770,693	705,431
Finished goods			
Opening stock		26,282	36,206
Purchases		476,603	475,753
Closing stock	12	(37,740)	(26,282)
		465,145	485,677
		1,235,838	1,191,108

32.1 Salaries, wages and other benefits includes Rupees 3.43 million (2016: Rupees 2.57 million) in respect of retirement benefits.

	Note	2017 (Rupees '000)	2016
33 DISTRIBUTION COST			
Salaries, wages and other benefits	33.1	42,163	31,125
Transportation charges		94,380	75,949
Traveling, boarding, lodging and conveyance		4,785	4,403
Communication		822	724
Vehicle running and maintenance		3,346	2,834
Staff welfare		2,174	2,075
Advertisement and business promotion		352	-
Loading and unloading		1,426	1,257
Postage and courier		212	152
Repair and maintenance		1,442	1,103
Other expenses		28,891	17,841
		179,993	137,463

33.1 Salaries, wages and other benefits includes Rupees 2.45 Million (2016: Rupees 1.81 million) in respect of retirement benefits.

	Note	2017 (Rupees '000)	2016
34 ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	34.1	49,904	42,054
Rent, rates and taxes		5,518	5,171
Electricity and other utilities		1,250	1,739
Traveling and conveyance		4,039	3,481
Vehicle running and maintenance		2,476	1,807
Donation and charity	34.2	875	850
Printing and stationery		2,761	3,010
Communication		1,735	1,795
Fee and subscription		18,494	14,958
Lease rentals		1,435	522
Advertisement		25	2,602
Insurance		1,895	2,193
Depreciation	5.2 and 6.1	14,908	16,838
Staff welfare		6,355	4,040
Repair and maintenance		875	3,661
Others		4,582	3,432
		117,127	108,153

34.1 Salaries, wages and other benefits includes Rupees 3.45 million (2016: Rupees 2.46 million) in respect of retirement benefits.

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

	Note	2017 (Rupees '000)	2016
35 OTHER OPERATING EXPENSES			
Legal and professional		6,338	2,088
Workers profit participation fund		9,531	11,403
Auditors' remuneration			
Statutory audit		665	605
Half yearly review and other certifications		115	115
Out of pocket expenses		25	25
		805	745
		16,674	14,236

	Note	2017 (Rupees '000)	2016
36 OTHER INCOME			
Income from financial assets	36.1	9,407	68,743
Income from other than financial assets	36.2	13,350	9,683
		<u>22,757</u>	<u>78,426</u>
36.1 Income from financial assets:			
Profit on bank deposits		6,807	6,193
Commission on corporate guarantee		2,600	2,600
Gain on disposal of investment		-	59,950
		<u>9,407</u>	<u>68,743</u>
36.2 Income from other than financial assets:			
Rental income		12,000	8,000
Gain on disposal of operating fixed assets		1,350	1,683
		<u>13,350</u>	<u>9,683</u>
37 FINANCE COST			
Profit on:			
Long term financing		37,055	65,175
Redeemable capital - Sukuk		36,893	-
Short term borrowings		17,585	39,968
Liabilities against assets subject to ijarah financing		4,289	8,743
Workers' profit participation fund		219	492
		<u>96,041</u>	<u>114,378</u>
Bank charges and commission		472	3,219
		<u>96,513</u>	<u>117,597</u>
38 TAXATION			
Charge for the year:			
Current taxation	38.1	(16,240)	4,720
Deferred taxation		60,221	109,911
		<u>43,981</u>	<u>114,631</u>
38.1 Provision for taxation			
Tax credit		30,784	47,024
		<u>(47,024)</u>	<u>(42,304)</u>
		<u>(16,240)</u>	<u>4,720</u>

38.2 Assessment up to tax year 2016 is finalized (deemed assessment) and the available tax losses of the Company are Rupees 775.59 million (2015: Rupees 784.74 million).

38.3 Due to previous tax losses current period tax is charged on the basis of minimum tax on turnover under section 113 or Alternate Corporate Tax (ACT) on accounting profit under section 113C of Income Tax Ordinance, 2001, whichever is higher. During the year, the Company falls under ACT and provision on accounting profit has been made accordingly. Relationship between income tax expense and accounting profit for current year is not meaningful due to application of ACT.

		2017	2016
39 EARNINGS PER SHARE			
Profit attributable to ordinary shareholders	(Rupees '000)	137,103	161,981
Weighted average number of ordinary shares outstanding during the year	(Number)	124,781,286	85,170,592
Earnings per share - basic and diluted	(Rupees)	1.10	1.90

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

40 CASH GENERATED FROM OPERATING ACTIVITIES	Note	2017	2016
		(Rupees '000)	
Profit before taxation		181,084	276,612
Adjustments to reconcile profit to net cash provided by operating activities			
Depreciation on operating fixed assets		84,233	66,949
Depreciation on asset against ijarah financing		3,370	7,859
Finance cost		96,513	117,597
Gain on disposal of operating fixed assets		(1,350)	(1,683)
		182,766	190,722
Cash flows from operating activities before working capital changes		353,850	467,334
Cash flows from working capital changes			
<i>(Increase) / decrease in current assets:</i>			
Stores, spares and loose tools		(3,704)	(32,767)
Stock in trade		(11,458)	9,924
Trade debts		(123,123)	(111,527)
Loans and advances		15,493	(11,294)
Trade deposits and prepayments		5,282	(4,210)
Other receivables		1,679	(1,681)
Tax refunds due from government		657	(16,657)
<i>Increase / (decrease) in current liabilities:</i>			
Trade and other payables		(191,056)	182,221
<i>Increase in long term deposits</i>			
Long term deposits receivable		11,153	(758)
Long term security deposit payable		6,820	350
Net cash (used in) / generated from working capital changes		(288,257)	13,601
Cash generated from operating activities		75,593	480,935

41 CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES' REMUNERATION

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

Description	2017			2016		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
	(Rupees '000)			(Rupees '000)		
Managerial remuneration	10,227	12,829	34,680	8,560	11,102	26,561
Medical	1,023	1,189	2,023	856	1,007	1,365
Provident fund contribution	937	1,168	2,497	784	1,002	2,012
	12,187	15,186	39,200	10,200	13,111	29,938
No. of persons	1	2	24	1	2	18

41.1 Company maintained vehicles have been provided to Chief Executive Officer, all Directors and certain Executives of the Company.

41.2 The aggregate amount charged in unconsolidated financial statements for the year against fees for four (4) board meetings and four (4) audit committee meetings was Rupees Nil (2016: Nil).

42 TRANSACTIONS WITH RELATED PARTIES

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

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

Name	Nature of Transaction	2017 (Rupees '000)	2016
Associated companies / undertakings			
	Services	12,000	8,000
	Investment disposal	-	(45,133)
	Guarantee commission	2,600	2,600
	Sales	31,359	32,836
Subsidiary Company			
	Investment in shares	142,500	500
Others			
Sponsors	Ordinary share purchase of associated company	450,000	-
Sponsors	Loan received / (repaid)	137,300	(527,969)
Provident fund trust	Contribution	17,527	14,735

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

43 PROVIDENT FUND RELATED DISCLOSURES

The following information is based on un-audited financial statements of Ghani Gases Employees' Provident Fund as at 30 June 2017 (2016: audited financial statements).

43.1 Information of Provident Fund	2017 (Rupees '000)	2016
Size of the fund (total assets)	73,334	60,102
Cost of investments made	52,174	37,916
Fair value of investments made	53,586	35,764
	(%)	(%)
Percentage of investments made	71	63

43.2 Breakup of cost of investments	2017 (%)	2016	2017 (Rupees '000)	2016
Investment plus deposit certificates	43	89	22,501	33,763
Investment in saving accounts with banks	57	11	29,673	4,153
	100	100	52,174	37,916

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

44 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

44.1 Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table

				June 30, 2017			
				Level 1	Level 2	Level 3	Total
				(Rupees '000)			
Recurring fair value measurements							
Financial assets							
Financial assets at fair value through profit and loss							
				Nil	Nil	Nil	Nil
				June 30, 2016			
				Level 1	Level 2	Level 3	Total
				(Rupees '000)			
Recurring fair value measurements							
Financial assets							
Financial assets at fair value through profit and loss							
				Nil	Nil	Nil	Nil

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity - specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

As at reporting date, Company has no item to report in these levels.

45 INFORMATION FOR ALL SHARES ISLAMIC INDEX SCREENING

45.1 Information

Description	Note	2017	
		Carried under	
		Non - Sharia arrangements	Sharia arrangements
(Rupees '000)			
(i) Assets			
Loans and advances			
Loan to employees - non profit bearing	14	-	243
Deposits			
Deposits	10 and 15	-	99,857
Bank balances			
Bank balances	18	-	233,886

Description	Note	2017	
		Carried under	
		Non - Sharia arrangements	Sharia arrangements
(Rupees '000)			
(ii) Liabilities			
Loans and deposits			
Long term financing	22	-	24,284
Redeemable capital - Sukuk	23	-	1,245,833
Liabilities against assets subject to ijarah financing	24	-	-
Long term deposits	25	-	26,620
Short term borrowings	29	-	273,000
(iii) Other income			
Income from financial assets	36	-	9,407
Income from other than financial assets	36	-	13,350

Description	Note	2016	
		Carried under	
		Non - Sharia arrangements	Sharia arrangements
(Rupees '000)			
(i) Assets			
Loans and advances			
Loan to employees - non profit bearing	14	-	325
Deposits			
Deposits	10 and 15	-	97,209
Bank balances			
Bank balances	18	-	1,089,478
(ii) Liabilities			
Loans and deposits			
Long term financing	22	-	1,095,717
Redeemable capital - Sukuk	23	-	-
Liabilities against assets subject to ijarah financing	24	-	79,052
Long term deposits	25	-	19,800
Short term borrowings	29	-	431,034
(iii) Other income			
Income from financial assets	36	-	68,743
Income from other than financial assets	36	-	9,683

Description	Note	2017	
		Carried under	
		Non - Sharia arrangements	Sharia arrangements
(Rupees '000)			
45.2 Sources of other income			
Profit on bank deposits		-	6,807
Commission on corporate guarantee		-	2,600
Rental income		-	12,000
Gain on disposal of operating fixed assets		-	1,350

45.3 The revenue of the Company is from sale and trading of medical & industrial gases and chemicals.

45.4 Relationship with banks

The Company has Islamic window operations with all banks and financial institutions.

46 FINANCIAL RISK MANAGEMENT

46.1 Financial risk factors

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

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

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

(a) Market risk

(i) Currency risk

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

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

(ii) Profit rate risk

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

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

	2017	2016
	(Rupees '000)	
Floating rate instruments		
Financial assets		
Bank balances	193,130	892,586
Financial liabilities		
Long term financing	24,284	1,095,717
Redeemable capital - Sukuk	1,245,833	-
Liabilities against assets subject to ijarah financing	-	79,052
Short term borrowings	273,000	431,034

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

		Changes in Interest Rate	Effects on Profit Before Tax (Rupees '000)
Bank Balances - deposit accounts	2017	+1.50	2,897
		-1.50	(2,897)
	2016	+1.50	13,389
		-1.50	(13,389)
Long term financing	2017	+2.00	(486)
		-2.00	486
	2016	+2.00	(21,914)
		-2.00	21,914
Redeemable capital - Sukuk	2017	+2.00	(24,917)
		-2.00	24,917
	2016	+2.00	-
		-2.00	-
Liabilities against assets subject to ijarah financing	2017	+2.00	-
		-2.00	-
	2016	+2.00	(1,581)
		-2.00	1,581
Short term borrowing	2017	+2.00	(5,460)
		-2.00	5,460
	2016	+2.00	(8,621)
		-2.00	8,621

(iii) Other price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company does not have financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market prices.

(b) Credit risk

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

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

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

Counterparties

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

Trade debts

Trade debts shall be essentially due from local customers against sale and trading of medical and industrial gases and chemicals. Sales to the Company's customers shall be made on specific terms. Customer credit risk shall be managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Credit limits are being established for all customers based on internal rating criteria. Credit quality of the customer is also being assessed based on an extensive credit rating. Outstanding customer receivables shall be regularly monitored.

Exposure to credit risk

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

	Note	2017 (Rupees '000)	2016
Long term deposits	10	57,756	68,909
Trade debts	13	529,520	406,397
Loans to employees	14	243	325
Trade deposits	15	42,101	28,300
Other receivables	16	80	1,759
Bank balances	18	233,886	1,089,478
		863,586	1,595,168

The Company's exposure to credit risk related to trade debts is disclosed in note 13.

Provision for trade debts

Based on age analysis, relationship with customers and past experience no provision for doubtful debts is required for the year ended June 30, 2017 and does not expect any party to fail to meet their obligation.

Cash at banks

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

Banks	Rating Agency	Short term	Long term	2017 (Rupees '000)	2016
MCB Bank Limited	PACRA	A1+	AAA	5,392	2,479
MCB Islamic Bank Limited	PACRA	A1	A	21	21
National Bank of Pakistan	PACRA	A1+	AAA	987	115
United Bank Limited	JCR-VIS	A1+	AAA	938	1,335
Allied Bank Limited	PACRA	A1+	AA+	787	703
Faysal Bank Limited	JCR-VIS	A-1+	AA	11,573	11,392
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	22,168	180,366
Bank Islami Pakistan Limited	PACRA	A1	A+	10,243	212
Meezan Bank Limited	JCR-VIS	A-1+	AA	51,611	36,674
Al-Baraka Bank (Pakistan) Limited	JCR-VIS	A-1	A	20,341	251,642
Bank Alfalah Limited	PACRA	A1+	AA	11,013	908
The Bank of Khyber	PACRA	A1	A	40	2,682
Askari Bank Limited	PACRA	A1+	AA+	12,384	5,053
Soneri Bank Limited	PACRA	A1+	AA-	88	1,026
Habib Bank Limited	JCR-VIS	A1+	AAA	954	2,680
Bank Al Habib Limited	PACRA	A1+	AA+	5,947	2,642
Dubai Islamic Bank Limited	JCR-VIS	A-1	A+	12	26
Standard Chartered Bank Limited	PACRA	A1+	AAA	2,243	105,640
The Bank of Punjab	PACRA	A1+	AA-	67,056	383,842
Summit Bank Limited	JCR-VIS	A1	A-	10,108	100,040
				233,886	1,089,478

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

(e) **Liquidity risk**

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

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

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

	Carrying Amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years
	(Rupees '000)			
2017				
Long term financing	24,284	24,284	12,564	11,720
Redeemable capital - Sukuk	1,245,833	1,245,833	216,667	1,029,166
Liabilities against assets subject to ijarah financing	-	-	-	-
Long term security deposits	26,620	26,620	-	26,620
Trade and other payables	105,675	105,675	105,675	-
Short term borrowings	273,000	273,000	273,000	-
	1,675,412	1,675,412	607,906	1,067,506
2016				
Long term financing	1,102,570	1,102,570	703,162	399,408
Liabilities against assets subject to ijarah financing	79,052	79,052	46,615	32,437
Long term security deposits	19,800	19,800	-	19,800
Trade and other payables	296,823	296,823	296,823	-
Short term borrowings	431,034	431,034	431,034	-
	1,929,279	1,929,279	1,477,634	451,645

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

46.2 Fair values of financial assets and liabilities

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

46.3 Financial instruments by categories

Assets as per balance sheet

	2017	2016
	(Rupees '000)	
Long term deposits	57,756	68,909
Trade debts	529,520	406,397
Loans and advances	134,803	150,296
Trade deposits	42,101	28,300
Other receivables	80	1,759
Cash and bank balances	234,156	1,089,641
	998,416	1,745,302

Financial liabilities at amortized cost
Liabilities as per balance sheet

Long term financing	
Redeemable capital - Sukuk	
Liabilities against assets subject to ijarah financing	
Long term security deposits	
Accrued profit on financings	
Short term borrowings	
Trade and other payables	

	2017	2016
	(Rupees '000)	
	24,284	1,095,717
	1,245,833	-
	-	79,052
	26,620	19,800
	16,535	24,733
	273,000	431,034
	105,675	296,823
	1,691,947	1,947,159

46.4 Capital risk management

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

No changes were made in the objectives, policies or processes from the previous year. The Company monitors capital using gearing ratio, which is debt divided by equity plus net debt. Debt represents long term financing (including current portion) plus liabilities against assets subject to ijarah financing obtained by the Company as referred to in notes 22, 23 and 24. Total capital employed includes 'total equity' as shown in the balance sheet plus debt. The Company's strategy, which was unchanged from last year, was to maintain optimal capital structure in order to minimize cost of capital.

The gearing ratio as at year ended 30 June 2017 and 30 June 2016 is as follows:

	Note	2017	2016
		(Rupees '000)	
Debt	22, 23 and 24	1,270,117	1,174,769
Equity		2,987,816	2,713,413
Total capital employed		4,257,933	3,888,182
Gearing ratio		29.83%	30.21%

47 SEGMENT INFORMATION

47.1 The Company's reportable segments are based on the following product lines:

Industrial and Medical Gases

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

Industrial Chemicals

This segment covers business of trading of chemicals.

47.2 Segment results are as follows:

	2017			2016		
	Industrial and Medical Gases	Industrial chemicals	Total	Industrial and Medical Gases	Industrial chemicals	Total
	(Rupees '000)			(Rupees '000)		
Net sales	1,325,707	478,765	1,804,472	1,284,422	482,321	1,766,743
Cost of sales	(806,765)	(429,073)	(1,235,838)	(757,921)	(433,187)	(1,191,108)
Gross profit	518,942	49,692	568,634	526,501	49,134	575,635

	2017			2016		
	Industrial and Medical Gases	Industrial chemicals	Total	Industrial and Medical Gases	Industrial chemicals	Total
	(Rupees '000)			(Rupees '000)		
Distributions cost	(173,572)	(6,421)	(179,993)	(132,849)	(4,614)	(137,463)
Administrative expenses	(111,271)	(5,856)	(117,127)	(102,745)	(5,408)	(108,153)
	(284,843)	(12,277)	(297,120)	(235,594)	(10,022)	(245,616)
Segment profit	234,089	37,415	271,514	290,907	39,112	330,019
Unallocated corporate expenses						
Other operating expenses			(16,674)			(14,236)
Other income			22,757			78,426
			277,597			394,209
Finance cost			(96,513)			(117,597)
Profit before taxation			181,084			276,612
Taxation			(43,981)			(114,631)
Profit after taxation			137,103			161,981

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

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

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

	2017			2016		
	Industrial and Medical Gases	Industrial chemicals	Total	Industrial and Medical Gases	Industrial chemicals	Total
	(Rupees '000)			(Rupees '000)		
Segment assets	4,496,027	234,732	4,730,759	3,606,828	203,595	3,810,423
Unallocated assets			234,236			1,091,400
Total assets			4,964,995			4,901,823
Segment liabilities	1,945,409	986	1,946,395	2,078,699	62,687	2,141,386
Unallocated liabilities			30,784			47,024
Total liabilities			1,977,179			2,188,410

47.6 All non-current assets of the Company as at 30 June 2017 were located within Pakistan.

48 NUMBER OF EMPLOYEES

Total number of employees at year end

Average number of employees during the year

	2017	2016
	(Number)	
Total number of employees at year end	303	271
Average number of employees during the year	289	270

49 PLANT CAPACITY AND ACTUAL PRODUCTION

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

Industrial and medical gases
 Production at normal capacity - gross
 Production at normal capacity - net of normal losses
 Actual production - net of normal losses

	2017	2016
	(Cubic Meter)	
Production at normal capacity - gross	51,240,000	51,240,000
Production at normal capacity - net of normal losses	45,750,000	45,750,000
Actual production - net of normal losses	33,476,381	29,377,967

49.1 Reason for low production

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

50 DATE OF AUTHORIZATION

These unconsolidated financial statements have been authorized for issue by Board of Directors of the Company on October 02, 2017.

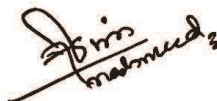
51 GENERAL

51.1 Corresponding figures have been re-arranged / re-classified wherever necessary to facilitate comparison. However, no significant reclassification has been made during the year.

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



ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)



ASIM MAHMUD
(CHIEF FINANCIAL OFFICER)



HAFIZ FAROOQ AHMAD
(DIRECTOR)



CONSOLIDATED FINANCIAL STATEMENTS



Directors' Report

Dear Shareholders

Assalam-o-Alaikum Wa RehmatUllah Wa BarakatoH

The directors of your Company (Ghani Gases Limited) are pleased to present the audited consolidated Financial Statements of the Company for the year ended June 30, 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 is in progress. Financial close for this project is expected shortly. Civil construction work is planned to commence by November 2017. Holding company Ghani Gases Limited has so far invested Rs. 143 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. 118.076 million, Rs.166.961 million and Rs. 122.980 million respectively whereas in unconsolidated financial statements these figures are Rs. 117.127 million, Rs. 181.084 million and Rs. 137.103 million respectively. The decrease in profitability in consolidated financial statements are due to share of loss from associated company Rs. 13.141 million (2016: Rs. Nil).

Consolidated earnings per share (EPS) has also decreased to Rs. 0.99 if compared with unconsolidated earnings per share Rs.1.10.

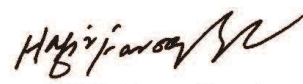
The directors express their deep appreciation to our valued customers who placed their confidence in the Company. We would like to express sincere appreciation to the dedication of Company's employees to their professional obligations and cooperation by the bankers, government agencies, which have enabled 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 Karachi Stock Exchange and all government functionaries as well as the commandments of Allah Subhanatallah and Sunnah of our Prophet Muhammad (peace be upon him).

On behalf of the Board



Atique Ahmad Khan
(Chief Executive Officer)



Hafiz Farooq Ahmad
(Director)

Lahore
October 02, 2017

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

We have audited the annexed consolidated financial statements comprising consolidated Balance Sheet of **GHANI GASES LIMITED** ("the Holding Company") and its subsidiary company **GHANI CHEMICAL INDUSTRIES LIMITED** (together referred to as Group") as at **June 30, 2017** and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinions on the financial statements of Holding Company and its subsidiary company. These consolidated financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of the Ghani Gases Limited and its subsidiary company as at June 30, 2017 and the results of their operations for the year then ended.

Lahore 02 OCT 2017


RIZWAN & COMPANY
Chartered Accountants
Engagement Partner: Rizwan Bashir 

CONSOLIDATED BALANCE SHEET

AS AT JUNE 30, 2017

	Note	2017 (Rupees '000)	2016
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,058,562	2,608,864
Assets subject to ijarah financing	5	-	152,851
Intangible assets - goodwill	8	70	70
Long term investments	9	435,859	-
Long term deposits	10	57,756	68,909
		3,553,247	2,830,694
Current assets			
Stores, spares and loose tools	11	107,235	103,532
Stock in trade	12	37,740	26,282
Trade debts	13	529,520	406,397
Loans and advances	14	135,403	150,296
Trade deposits and prepayments	15	42,771	48,053
Other receivables	16	80	1,759
Tax refunds due from government	17	23,419	24,076
Advance income tax - net		257,237	220,593
Cash and bank balances	18	262,303	1,090,018
		1,405,709	2,071,006
TOTAL ASSETS		4,958,956	4,901,700
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
200,000,000 (2016: 125,000,000) ordinary shares of Rs. 10 each		2,000,000	1,250,000
Issued, subscribed and paid up share capital	19	1,247,813	1,247,813
Capital reserve - share premium	20	535,067	535,067
Unappropriated profit		552,151	429,180
Loans from sponsors	21	539,700	501,200
Attributable to the equity holders of the holding company		2,974,741	2,713,260
Non - Controlling Interests		5,999	-
Total equity		2,981,740	2,713,260
Non-current liabilities			
Long term financing	22	11,772	399,408
Redeemable capital - Sukuk	23	1,029,155	-
Liabilities against assets subject to ijarah financing	24	-	40,554
Long term security deposits payable	25	25,520	19,800
Deferred taxation	26	254,443	194,227
		1,322,006	653,989
Current liabilities			
Trade and other payables	27	105,712	296,853
Accrued profit on financing	28	15,535	24,733
Short term borrowings	29	273,000	431,034
Current portion of long term liabilities	30	229,179	734,807
Provision for taxation	38	30,784	47,024
		655,210	1,534,451
Total liabilities		1,977,216	2,188,440
TOTAL EQUITY AND LIABILITIES		4,958,956	4,901,700
CONTINGENCIES AND COMMITMENTS			
	31		

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.


ATIQUE AHMAD KHAN
 (CHIEF EXECUTIVE OFFICER)


ASIM MAHMUD
 (CHIEF FINANCIAL OFFICER)


HAFIZ FAROOQ AHMAD
 (DIRECTOR)

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 (Rupees '000)	2016
Gross sales - local		2,053,432	2,013,015
Sales tax		(248,960)	(246,272)
Net sales		1,804,472	1,766,743
Cost of sales	32	(1,235,838)	(1,191,108)
Gross profit		568,634	575,635
Distribution cost	33	(179,993)	(137,463)
Administrative expenses	34	(118,076)	(108,276)
Other operating expenses	35	(16,704)	(14,266)
		(314,773)	(260,005)
Other income	36	22,757	78,426
Profit from operations		276,618	394,056
Finance cost	37	(96,516)	(117,597)
Share of loss from associate		(13,141)	-
Profit before taxation		166,961	276,459
Taxation	38	(43,981)	(114,631)
Profit after taxation		122,980	161,828
Attributable to:			
Owners of the Holding Company		122,981	161,828
Non - Controlling Interests		(1)	-
		122,980	161,828
Earnings per share			
- basic and diluted (in Rupees)	39	0.99	1.90

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.



ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)



ASIM MAHMUD
(CHIEF FINANCIAL OFFICER)



HAFIZ FAROOQ AHMAD
(DIRECTOR)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

AS AT JUNE 30, 2017

	2017	2016
	(Rupees '000)	
Profit before taxation	122,980	161,828
Other comprehensive income	-	-
Total comprehensive income for the year	122,980	161,828
Attributable to:		
Owners of the Holding Company	122,981	161,828
Non - Controlling Interests	(1)	-
	122,980	161,828

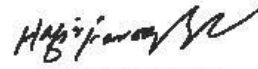
The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.



ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)



ASIM MAHMUD
(CHIEF FINANCIAL OFFICER)



HAFIZ FAROOQ AHMAD
(DIRECTOR)

CONSOLIDATED CASH FLOW STATEMENT

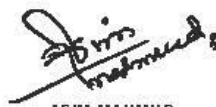
FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 (Rupees '000)	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operating activities	40	74,021	480,812
Finance cost paid		(104,713)	(105,575)
Income tax paid		(46,644)	(76,498)
Net cash (used in) / generated from operating activities		(77,336)	298,739
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in operating fixed assets		(133,165)	(11,290)
Additions in capital work in progress		(254,711)	(262,711)
Proceeds from disposal of operating fixed assets		4,775	5,832
Long term investments		(450,000)	45,133
Net cash used in investing activities		(833,101)	(223,036)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of shares to Non - Controlling Interests		7,000	-
Proceeds against issue of shares		-	505,067
Proceeds against premium on issue of shares		-	505,067
Long term financing		(1,071,433)	454,002
Proceeds against redeemable capital - Sukuk		1,300,000	-
Repayments of redeemable capital - Sukuk		(54,167)	-
Loan from sponsors		138,500	(526,769)
Short term borrowings		(158,034)	10,345
Dividend paid		(92)	(98,944)
Liabilities against assets subject to ijarah financing		(79,052)	(61,192)
Net cash generated from financing activities		82,722	787,576
Net (decrease) / increase in cash and cash equivalents		(827,715)	863,279
Cash and cash equivalents at the beginning of the year		1,090,018	226,739
Cash and cash equivalents at the end of the year	18	262,303	1,090,018

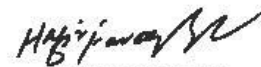
The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.



ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)



ASIM MAHMUD
(CHIEF FINANCIAL OFFICER)



HAFIZ FAROOQ AHMAD
(DIRECTOR)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT JUNE 30, 2017

	Issued, subscribed and paid up share capital	Capital reserve - share premium	Unappropriated profit	Loans from sponsors	Total	Non - Controlling Interests	Total equity
(Rupees '000)							
Balance as at July 01, 2015	742,746	30,000	341,627	1,027,969	2,142,342	-	2,142,342
Total comprehensive income	-	-	161,828	-	161,828	-	161,828
Issuance of shares during the year	505,067	505,067	-	-	1,010,134	-	1,010,134
Loan paid during the year	-	-	-	(526,769)	(526,769)	-	(526,769)
Transactions with owners:							
Final dividend @ Rupee 1 per share	-	-	(74,275)	-	(74,275)	-	(74,275)
Balance as at June 30, 2016	1,247,813	535,067	429,180	501,200	2,713,260	-	2,713,260
Shares issued to Non - Controlling Interests	-	-	-	-	-	7,000	7,000
Loss attributable to non-controlling interest for the year	-	-	-	-	-	(1)	(1)
	-	-	-	-	-	6,999	6,999
Total comprehensive income attributable to holding company	-	-	122,981	-	122,981	-	122,981
Loan received during the year	-	-	-	138,500	138,500	-	138,500
Balance as at June 30, 2017	1,247,813	535,067	552,161	639,700	2,974,741	6,999	2,981,740

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.


ATIQUE AHMAD KHAN
 (CHIEF EXECUTIVE OFFICER)


ASIM MAHMUD
 (CHIEF FINANCIAL OFFICER)


HAFIZ FAROOQ AHMAD
 (DIRECTOR)

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

1 THE GROUP AND ITS OPERATIONS

The group consists of:

Holding Company

- Ghani Gases Limited

Subsidiary Company

- Ghani Chemical Industries Limited

Ghani Gases Limited

The Company was incorporated in Pakistan as a private limited company under the Companies Ordinance, 1984 on November 19, 2007, converted into public limited company on February 12, 2008 and became listed on Pakistan Stock Exchange on January 05, 2010. 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 Chemical 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** These consolidated financial statements have been prepared in accordance with the requirements of the repealed Companies Ordinance, 1984 (the Ordinance) and the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. Wherever the requirements of the repealed Companies Ordinance, 1984 or directives issued by Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of IFRS, the requirements of the repealed Companies Ordinance, 1984 or the requirements of the said directives prevail.

The Companies Ordinance, 1984 has been repealed upon enactment of the Companies Act, 2017 on May 30, 2017. The SECP vide its Circular 17 of 2017 dated July 20, 2017 has clarified that the companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

2.2 AMENDMENTS / INTERPRETATIONS TO EXISTING STANDARDS AND FORTHCOMING REQUIREMENTS

2.2.1 New / revised accounting standards, amendments to published accounting standards, and interpretations that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IFRS 2 – Share-based Payments—Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IAS 7 – Statement of Cash Flows: Disclosure Initiative (Amendment)	January 01, 2017
IFRS 10 – Consolidated financial statements and IAS 28 Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IAS 12 – Income Taxes—Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	January 01, 2017
IFRS 4 – Insurance Contracts: Applying IFRS 9 Financial instrument with IFRS 4 Insurance Contracts – (Amendments)	January 01, 2018
IAS 40 – Investment Property: Transfers of Investment Property (Amendments)	January 01, 2018
IFRIC 22 – Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRIC 23 – Uncertainty over Income Tax Treatments	January 01, 2019

The Group expects that the adoption of the above revisions, amendments and interpretations of the standards will not affect the Group's consolidated financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after January 01, 2017. The Group expects that such improvements to the standards will not have any material impact on the Group's consolidated financial statements in the period of initial application.

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

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	IASB Effective date (accounting periods beginning on or after)
IFRS 9 – Financial Instruments - Classification and Measurement	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 15 – Revenue from Contracts with Customers	January 01, 2018
IFRS 16 – Leases	January 01, 2019
IFRS 17 – Insurance Contracts	January 01, 2021

2.4 ACCOUNTING STANDARDS, IFRS AND INTERPRETATIONS TO EXISTING STANDARDS THAT BECOME EFFECTIVE

The Group has adopted the following amendments to IFRSs which became effective during the year:

- IFRS 10 – Consolidated financial statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate consolidated financial statements: Investment Entities: Applying the Consolidation Exception (Amendment)
- IFRS 11 – Joint Arrangements – Accounting for Acquisition of Interest in Joint Operation (Amendment)
- IAS 1 – Presentation of consolidated financial statements – Disclosure Initiative (Amendment)
- IAS 16 – Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of Acceptable Method of Depreciation and Amortization (Amendment)
- IAS 16 – Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)
- IAS 27 – Separate consolidated financial statements – Equity Method in Separate consolidated financial statements (Amendment)

Improvements to Accounting Standards Issued by the IASB

- IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal
- IFRS 7 – Financial Instruments: Disclosures – Servicing contracts
- IFRS 7 – Financial Instruments: Disclosures – Applicability of the offsetting disclosures to condensed interim consolidated financial statements
- IAS 19 – Employee Benefits – Discount rate: regional market issue
- IAS 34 – Interim Financial Reporting – Disclosure of information elsewhere in the interim financial report

The adoption of the above amendments, revisions, improvements to accounting standards and interpretations did not have any effect on the consolidated financial statements.

3 BASIS OF PREPARATION

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

3.2 Basis of consolidation

These consolidated financial statements include the financial statements of Ghani Gases Limited and its subsidiary company, Ghani Chemical Industries Limited 95.33% owned (2016: 100% owned).

Subsidiaries

Subsidiaries are all such entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are derecognized from the date the control ceases. These consolidated financial statements include Holding Company and subsidiary company in which it directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors (the subsidiary).

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities (including contingent liabilities) assumed in a business combination are measured initially at their fair values at the acquisition date.

Acquisition - related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gain or losses arising from such measurement are recognized in profit or loss.

Any contingent considerations to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified an equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are, eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiary have been adjusted to conform with the Group's accounting policies.

Changes in ownership interests in subsidiary without change of control

Transactions with non - controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non - controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is premeasured to its fair value, with the change in carrying amount recognized in profit and loss account. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed off the related assets or liabilities. This mean that amounts previously recognized in other comprehensive income are reclassified to profit and loss account.

Investments in associate (equity accounted investee)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies.

Interests in associate is accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, until the date on which significant influence over associated company.

Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group companies' interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3.3 Significant accounting judgments and critical accounting estimates / assumptions

The preparation of consolidated financial statements in conformity with the approved accounting standards require 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. The areas where various assumptions and estimates are significant to the Group's consolidated financial statements or where judgments were exercised in application of accounting policies are as follows:

a) Income taxes

The Group takes into account the current income tax law and the decisions taken by appellate authorities. Instances where the Group's view differs from the view taken by the income tax department at the assessment and appellate stages and where the Group considers that its views on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

b) Useful lives, patterns of economic benefits and impairments

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

c) Provision for doubtful debts

The Group reviews its doubtful trade debts and other receivables at each reporting date to assess whether provision should be recorded in the profit and loss account. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.

d) Provision for slow moving / obsolete items

The Group reviews the carrying values and impairment of stores, spares and loose tools to assess any diminution in the respective carrying values and wherever required provision for NRV / impairment is made. The calculation of the provision involves the use of estimates with regard to future estimated use and respective fair value of stores, spares and loose tools.

e) Impairment of investments in subsidiary and associate

In making estimates of future cash flows from the Group's financial assets and from investments in subsidiary, associate, the management considers future dividend stream and an estimate of the terminal value of these investments, which are subject to change.

3.4 Functional and presentation currency

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Taxation

Current

Holding Company:

Provision for taxation is based on taxable income at current rates after taking into account tax rebates and credits available, if any or minimum tax on turnover or alternate corporate tax on accounting profit and tax paid under final tax regime under relevant provisions of Income Tax Ordinance, 2001. The charge for current tax also includes adjustments, where considered necessary, to provision for taxation made in previous years arising from orders under Income Tax Ordinance, 2001 passed during the year of any previous year(s).

Subsidiary company:

Subsidiary Company has no taxability as it is still in the initial phase of setting up production facility.

Deferred

Deferred tax is recognized using balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan.

The Group recognizes a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax relating to items recognized outside profit and loss account is recognized outside profit and loss account. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

4.2 Trade and other payables

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

4.3 Provisions

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

4.4 Property, plant and equipment

4.4.1 Owned

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

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Normal repairs and maintenance costs are charged to profit and loss account as and when incurred.

Depreciation

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

De-recognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

4.4.2 Ijarah assets

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

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

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

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

4.4.3 Capital work in progress

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

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

Impairment

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

4.5 Stores, spares and loose tools

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

4.6 Stock in trade

These are stated at the lower of cost and net realizable value. The cost is determined as follows:

Raw and packing materials	At weighted average cost
Work in process	At weighted average cost and related manufacturing expenses
Finished goods	At weighted average cost and related manufacturing expenses
Items in transit	Cost comprising invoice values plus other charges incurred thereon.

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

4.7 Trade debts

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

4.8 Other receivables

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

4.9 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and cash at bank which are subject to an insignificant risk of change in value.

4.10 Loans, advances, deposits and prepayments

These are initially recognized at cost, which is the fair value of consideration given. Subsequent to the initial recognition assessment is made at each balance sheet date to determine whether there is an indication that a financial asset or group of assets may be impaired. If such indication exists, the estimated recoverable amount of that asset or group of assets is determined and any impairment losses recognized for the difference between the recoverable amount and the carrying value.

4.11 Financial instruments

Recognition and de-recognition

Financial instruments carried on the balance sheet include deposits, trade debts, loans and advances, trade deposits, other receivables, cash and bank balances, long-term financing, long term deposits payable, trade and other payables, accrued profit on financing and short term borrowings etc. All the financial assets and financial liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are recognized initially at cost, which is the fair value of the consideration given or received as appropriate, plus any directly attributable transaction costs. These financial assets and liabilities are subsequently measured at fair value or amortized cost using the effective rate of interest method, as the case may be.

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

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

Impairment of financial assets

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

Off setting of financial assets and financial liabilities

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

4.12 Derivative financial instruments

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

4.13 Foreign currency translation

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

4.14 Ijarah Rentals

Ijarah payments made under Ijarah contracts are charged to the Profit and Loss Account on a straight-line basis over the Ijarah term.

4.15 Revenue recognition

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

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

4.16 Employees' benefits

Defined contribution plan

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

Compensated absences

Compensated absences are accounted for employees of the Group on un-availed balance of leave in the period in which the absences are earned.

4.17 Borrowing costs

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

4.18 Intangible assets

Goodwill

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

Goodwill is stated at cost less any identified impairment loss.

Other intangible assets

Other intangible assets are stated at cost less accumulated amortization and any identified impairment loss. An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and that the cost of such asset can also be measured reliably.

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

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

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

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

4.19 Investments

Investments available-for-sale

These are initially measured at their fair value plus directly attributable transaction cost and at subsequent reporting dates measured at fair values and gains or losses from changes in fair values other than impairment loss are recognized in other comprehensive income until disposal at which time these are recycled to profit or loss. Impairment loss on investments available for sale is recognized in the profit or loss.

Investments at fair value through profit or loss

Investments which are acquired principally for the purpose of selling in the near term or the investments that are part of a portfolio of financial instruments exhibiting short term profit taking, are classified as fair value through profit or loss and designated as such upon initial recognition. These are stated at fair values with any resulting gains or losses recognized directly in profit or loss. The Group recognizes the regular way purchase or sale of financial assets using settlement date accounting.

4.20 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.21 Operating segments

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group 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 Group'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 Group'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.

4.22 Related party transactions and transfer pricing

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

4.23 Dividends

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

5 PROPERTY, PLANT AND EQUIPMENT

	Note	2017 (Rupees '000)	2016
Operating fixed assets	5.1	2,957,732	2,529,455
Capital work in progress - at cost	7	100,830	79,409
		3,058,562	2,608,864

5.1 Operating fixed assets

DESCRIPTION	2017										DEPRECIATION RATES %					
	BALANCE AS AT JULY 01, 2016					FOR THE YEAR						BALANCE AS AT JUNE 30, 2017				
	Cost	Accumulated Depreciation	Net Book Value	Additions	Transferred in (Accumulated Depreciation)	Disposal (Cost) / Accumulated Depreciation	Depreciation Charge	Cost	Accumulated Depreciation	Net Book Value						
Land - freehold	51,837	-	51,837	118,770	-	-	-	170,607	-	170,607	-					
Land - Leased	25,826	2,340	23,486	-	-	-	627	25,826	2,867	22,959	-					
Building	244,382	93,369	151,013	153	-	-	15,157	245,043	108,526	136,517	10					
Plant and machinery	2,489,263	237,824	2,251,439	233,137	140,129	(813)	57,608	2,861,716	300,840	2,560,876	-					
Furniture and fixtures	26,020	9,550	16,470	3,125	(5,461)	53	1,353	29,145	11,363	17,782	10					
Office equipment	3,868	1,908	2,960	74	-	-	291	3,532	1,299	2,233	10					
Computers	6,976	3,826	3,150	2,671	23,445	(4,652)	1,529	9,647	5,355	4,292	30					
Vehicles	47,903	19,223	28,680	8,525	(9,532)	1,955	7,288	75,221	33,157	42,064	20					
	2,896,575	367,120	2,529,455	366,455	163,574	(5,465)	84,233	3,421,139	463,407	2,957,732						
					(14,093)	2,899										

DESCRIPTION	2016										DEPRECIATION RATES %					
	BALANCE AS AT JULY 01, 2015					FOR THE YEAR						BALANCE AS AT JUNE 30, 2016				
	Cost	Accumulated Depreciation	Net Book Value	Additions	Transferred in (Accumulated Depreciation)	Disposal (Cost) / Accumulated Depreciation	Depreciation Charge	Cost	Accumulated Depreciation	Net Book Value						
Land - freehold	49,637	-	49,637	2,500	-	-	-	51,837	-	51,837	-					
Land - Leased	24,826	1,813	23,013	-	-	-	627	25,826	2,340	23,486	-					
Building	237,983	77,236	160,747	6,909	-	-	16,133	244,892	93,369	151,523	10					
Plant and machinery	2,199,206	190,540	2,008,666	218,065	72,052	(6,617)	40,557	2,489,263	237,824	2,251,439	-					
Furniture and fixtures	23,280	7,801	15,479	2,740	-	-	1,729	26,020	9,550	16,470	10					
Office equipment	2,597	799	1,798	1,331	-	-	209	3,858	1,609	2,249	10					
Computers	5,114	2,932	2,182	1,862	-	-	804	6,976	3,826	3,150	30					
Vehicles	41,666	10,181	31,485	2,329	10,025	(6,717)	6,890	47,903	19,223	28,680	20					
	2,885,233	291,402	2,593,831	235,376	82,077	(6,717)	66,343	2,896,575	367,120	2,529,455						
				(11,335)	2,567											

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

	2017	2016
	(Rupees '000)	
Cost of sales	71,336	54,923
Administrative expenses	12,857	12,026
	84,233	66,949

4.3 Particulars of operating fixed assets disclosed during the year are as follows:

Description	Cost	Accumulated Depreciation	Net Book Value	Sales proceeds	Mode of disposal	Particulars of purchaser
			(Rupees '000)			
Plant and machinery	813	53	760	1,037	Negotiation	Various independent buyers, Lahore
Vehicles	2,140	178	1,962	1,900	Negotiation	Adnan Butt, (Employee of the Company), Lahore
Vehicles	1,840	1,306	534	1,374	Negotiation	Muhammad Kaleed, Lahore
Vehicles	512	443	69	415	Negotiation	Tanveer Ahmad, Lahore
Vehicles	92	45	47	85	Negotiation	B a Zu Khan, (Ex - Employee), Lahore
Vehicles	67	14	53	64	Negotiation	B a Zu Khan, (Ex - Employee), Lahore
	5,464	2,039	3,425	4,779		

6 ASSETS SUBJECT TO IMPAIRMENT FINANCING

DESCRIPTION	2017						DEPRECIATION RATES %
	BALANCE AS AT JULY 01, 2016			FOR THE YEAR			
	Cost	Accumulated Depreciation	Net Book Value	Additions	Transfer to (Cost) / Accumulated Depreciation	Disposal (Cost) / Accumulated Depreciation	
Plant and machinery	1,40,129	4,102	1,36,027	-	(1,40,129)	-	1,389
Vehicles	23,445	6,621	16,824	-	5,461	-	2,011
	1,63,574	10,723	1,52,851	-	(1,63,574)	-	3,370

DESCRIPTION	2016						DEPRECIATION RATES %
	BALANCE AS AT JULY 01, 2015			FOR THE YEAR			
	Cost	Accumulated Depreciation	Net Book Value	Additions	Transfer to (Cost) / Accumulated Depreciation	Disposal (Cost) / Accumulated Depreciation	
Plant and machinery	212,181	7,672	204,509	-	(72,032)	-	3,047
Vehicles	33,242	6,628	26,614	228	6,617	-	4,812
	245,423	14,300	231,223	228	(92,077)	-	7,859
					11,336	-	

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

	2017	2016
Cost of sales	1,389	3,047
Administrative expenses	2,011	4,812
	3,370	7,859

	Note	2017 (Rupees '000)	2016
7 CAPITAL WORK IN PROGRESS - AT COST			
Civil works	7.1	58,137	51,624
Plant and machinery	7.2	42,693	27,785
		100,830	79,409
7.1 Civil works			
Opening balance		51,624	23,327
Additions during the year		6,666	35,206
Capitalized during the year		(153)	(6,909)
Closing balance		58,137	51,624
7.2 Plant and machinery			
Opening balance		27,785	18,285
Additions during the year		248,045	227,505
Capitalized during the year		(233,137)	(218,005)
Closing balance		42,693	27,785

7.3 Borrowing cost amounting to Rupees 14.2 million (2016: Rupees 8.57 million) has been capitalized during the year.

	Note	2017 (Rupees '000)	2016
8 INTANGIBLE ASSETS - GOODWILL			
Closing net book value (NBV)		70	70

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

8.2 The Group assessed the recoverable amount as at June 30, 2017 and determined that as of this date there is no indication of impairment of goodwill. The recoverable amount was calculated on the basis of five years financial business plan which assumes cash inflows from investing and financing activities.

	Note	2017 (Rupees '000)	2016
9 LONG TERM INVESTMENTS			
Investment in associate - under equity method			
Ghani Global Glass Limited			
25,000,000 fully paid ordinary shares (2016: Nil) of Rupees 10 each.	9.1	436,859	-
9.1 Carrying value under equity method			
Opening carrying value		-	45,133
Investment made / (disposal) during the year		450,000	(45,133)
Share of loss from associate		(13,141)	-
Closing carrying Value		436,859	-

9.2 Ghani Global Glass Limited was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) as a private limited company on October 04, 2007 and was subsequently converted into public company and was listed on Pakistan Stock Exchange. The Company is principally engaged in manufacturing and sale of glass tubes, glass-ware, vials and ampules. During the year, the Company acquired 25,000,000 shares of Rupees 10 each (2016: Nil) on January 19, 2017 representing 25% (2016: Nil) holding in the share capital of the Ghani Global Glass Limited.

9.3 Holding Company's share in assets, liabilities, revenues and loss of Ghani Global Glass Limited ("associated company") based on most recent available financial statements is as follows:

	Assets	Liabilities	Revenues	Loss after tax	Holding
	(Rupees '000)				
June 30, 2017	2,182,163	1,013,886	330,008	(115,825)	25%
June 30, 2016	1,717,255	792,262	66,023	(51,236)	0%

- 9.4 The Group has reassessed the recoverable amount of the associate company as at the balance sheet date and based on its assessment no material adjustment is required to the carrying amount stated in the consolidated financial statements.

	Note	2017 (Rupees '000)	2016
10 LONG TERM DEPOSITS			
Considered good:			
Security deposits for utilities		49,777	51,777
Security deposits for rented premises		1,280	846
Deposits against fuel supply		6,113	5,113
Deposits against Ijarah facilities		586	11,173
		<u>57,756</u>	<u>68,909</u>
11 STORES, SPARES AND LOOSE TOOLS			
Stores		23,709	31,193
Spare parts		83,241	72,144
Loose tools		286	195
		<u>107,236</u>	<u>103,532</u>
12 STOCK IN TRADE			
Finished goods - industrial gases		33,695	26,248
Finished goods - industrial chemicals		4,045	34
		<u>37,740</u>	<u>26,282</u>
13 TRADE DEBTS			
Considered good:			
Unsecured	13.1	529,520	406,397
13.1 The age of trade debts at balance sheet date was:			
Not past due		459,213	267,367
0 to 180 Days		21,583	119,413
181 to 365 Days		17,889	9,870
1 to 2 Years		23,306	3,113
More than two years		7,529	6,634
		<u>529,520</u>	<u>406,397</u>
14 LOANS AND ADVANCES			
Unsecured and Considered good:			
Loans to employees - non profit bearing		243	325
Advances to:			
- Employees against expenses		1,484	2,038
- Suppliers and contractors		133,676	147,933
		<u>135,160</u>	<u>149,971</u>
		<u>135,403</u>	<u>150,296</u>

	Note	2017 (Rupees '000)	2016
15 TRADE DEPOSITS AND PREPAYMENTS			
Considered good:			
Security deposits		42,101	28,300
Short term prepayments		669	1,399
Bank guarantee margin		1	18,354
		42,771	48,053
16 OTHER RECEIVABLES			
Considered good:			
Bank profit receivables		80	1,759
17 TAX REFUNDS DUE FROM GOVERNMENT			
Sales tax refundable		23,419	24,076
18 CASH AND BANK BALANCES			
Cash in hand		290	540
Balances with banks in:			
Current accounts		68,883	196,892
Deposit accounts	18.1	193,130	892,586
		262,013	1,089,478
		262,303	1,090,018

18.1 The rate of return on deposit accounts ranges from 2% to 5% (2016: 2% to 6%) per annum.

	Note	2017 (Rupees '000)	2016
19 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL			
122,956,711 (2016: 122,956,711) Ordinary shares of Rupees 10 each fully paid in cash		1,229,567	1,229,567
13,000 (2016: 13,000) Ordinary shares of Rupees 10 each issued for consideration other than cash under scheme of arrangement for amalgamation.	19.1	130	130
1,811,575 (2016: 1,811,575) Ordinary shares of Rupees 10 each issued as fully paid bonus shares		18,116	18,116
		1,247,813	1,247,813

19.1 The process for amalgamation of Ghani Southern Gases (Private) Limited with and into the Holding Company as on May 15, 2012 resulted in issuance of shares for consideration other than cash.

19.2 Movement to the issued, subscribed and paid-up share capital of the Group is as follows:

2017 (No. of Shares)	2016		2017 (Rupees '000)	2016
124,781,286	74,274,575	Opening balance	1,247,813	742,726
-	50,506,711	Issued during the year	-	505,067
124,781,286	124,781,286	Closing balance	1,247,813	1,247,813

20 CAPITAL RESERVE - SHARE PREMIUM

This represents share premium received on 2,500,000 ordinary shares issued at Rupees 5 per share, 7,000,000 ordinary shares issued at Rupees 2.50 per share and 50,506,711 ordinary shares issued at Rupees 10 per share. Share premium can be utilized by the Holding Company only for the purposes specified in Section 83(2) of the repealed Companies Ordinance, 1984.

21 LOANS FROM SPONSORS

The loans have been obtained from sponsors of the Group, which are unsecured and interest free. There is neither fixed tenure of loan nor there is any schedule for repayment of loans. The repayment is at the option of the Group.

	Note	2017 (Rupees '000)	2016
22 LONG TERM FINANCING			
From banking companies - secured:			
Diminishing Musharakah	22.1	-	253,713
Diminishing Musharakah	22.2	-	102,402
Diminishing Musharakah	22.3	-	218,750
Diminishing Musharakah	22.4	-	250,000
Diminishing Musharakah	22.5	-	250,000
Diminishing Musharakah	22.6	3,112	-
Diminishing Musharakah	22.7	16,498	-
From Islamic Financial Institution - secured			
Diminishing Musharakah	22.8	4,674	20,852
		24,284	1,095,717
Current portion taken as current liability	30	(12,512)	(696,309)
		11,772	399,408

22.1 This Islamic finance facility carries profit at the rate of 3 months KIBOR plus 195 BPS. It was secured against the 1st exclusive specific charge over all the present and future fixed assets valued at Rupees 400 million including 25% margin and present and future current assets valued at Rupees 67 million including 25% margin of the Holding Company's south plant operations, and personal guarantees of all male executive directors including CEO of the Holding Company. This finance facility was repayable quarterly in six years including two years grace period. This facility has been paid during the year.

22.2 This Islamic finance facility carries profit at the rate of 3 months KIBOR plus 150 BPS. This Islamic finance facility is secured against the 1st pari passu charge over all present and future fixed assets of the Holding Company for Rupees 395 million, and personal guarantees of executive directors of the Holding Company. This finance facility is repayable quarterly in 4 years. This facility has been paid during the year.

22.3 This Islamic finance facility carries profit at the rate of 1 year KIBOR plus 175 BPS. This Islamic finance facility is secured against the exclusive hypothecation charge over plant and machinery of the Holding Company amounting to Rupees 300 million and personal guarantees of all male directors of the Holding Company. This finance facility is repayable monthly in five years including six month grace period. This facility has been paid during the year.

22.4 This term finance facility from banking company carries profit at the rate of 6 months KIBOR plus 100 BPS (2016: 6 months KIBOR plus 100 BPS). This Islamic finance facility is secured against ranking hypothecation charge to be upgraded to first pari passu charge over plant and machinery of the Holding Company for Rupees 333 million with 25% margin and personal guarantees of executive directors of the Holding Company. This finance facility is repayable in four consecutive monthly installments including 6 months grace period. This facility has been paid during the year.

22.5 This term finance facility carries profit at the rate of 6 months KIBOR plus 100 BPS. This Islamic finance facility is secured against ranking hypothecation charge to be upgraded to first pari passu charge on over all present and future plant and machinery of the Holding Company for Rupees 333 million inclusive of 25% margin and personal guarantees of executive directors of the Holding Company. This finance facility is repayable in four consecutive monthly installments including 6 months grace period. This facility has been paid during the year.

22.6 This represents diminishing musharakah facility having credit limit of Rupees 10 million (2016: Nil) availed from banking company for purchase of vehicles. The term of the agreement is 3 years. The balance is repayable in 36 installments. It carries profit rate of 6 months KIBOR plus 100 BPS (2016: Nil). It is secured against ownership of diminishing musharakah assets in favor of the banking company.

22.7 This represents diminishing musharakah facility having credit limit of Rupees 20 million (2016: Nil) availed from banking company for purchase of vehicles and machinery for a period of 3 years. The balance is repayable in quarterly installments. It carries profit rate of 3 months KIBOR plus 90 BPS. The facility is secured against ownership of diminishing musharakah assets in favor of the banking company and personal guarantee of three directors of the Holding Company.

22.8 This Islamic finance facility carries profit ranging from 6 months KIBOR plus 195 BPS to 225 BPS (2016: 6 months KIBOR plus 195 BPS to 225 BPS). This Islamic finance facility having credit limit of Rupees 63 million (2016: Rupees 98 million) is secured against ownership of diminishing musharakah assets in favor of financial institution (2016: 1st exclusive specific hypothecation charge over plant and machinery of the Holding Company amounting to Rupees 75 million). This finance facility is repayable in monthly installments.

	Note	2017 (Rupees '000)	2016
23 REDEEMABLE CAPITAL - SUKUK			
Long Term Certificates (Sukuk)	23.1	1,245,833	-
Current portion taken as current liability	30	(216,667)	-
		<u>1,029,166</u>	<u>-</u>

23.1 During the year, the Holding Company issued Rated, Privately Placed and Secured Long Term Islamic Certificates (Sukuk) as instrument of redeemable capital under Section 120 of the repealed Companies Ordinance 1984 (Now the Companies Act, 2017) of Rupees 1,300 million divided into 13,000 (2016: Nil) certificates of Rupees 100,000 (2016: Nil) each for a period of 6 years under an agreement dated December 22, 2016 for swapping of existing long term and short term financing facilities and business requirements. The said certificates are redeemable in 24 consecutive quarterly installments starting from February 03, 2017 and ending on February 03, 2023. Rental will be payable on quarterly basis along with redemption of certificates. It carries profit rate of 3 months KIBOR plus 100 BPS per annum (2016: Nil). These certificates are secured against first pari passu charge over present and future fixed assets of the Holding Company inclusive of 20% margin.

	Note	2017 (Rupees '000)	2016
24 LIABILITIES AGAINST ASSETS SUBJECT TO IJARAH FINANCING			
The amount of future rentals and periods during which fall due are as under:			
Not later than one year		-	46,615
Later than one year and not later than five year		-	38,448
		-	<u>85,063</u>
Less : Future financial charges		-	6,011
Present value of minimum Ijarah payments	24.1	-	79,052
Less : Current portion taken as current liability	30	-	38,498
		-	<u>40,554</u>
24.1 Break up of net Ijarah obligation			
Within one year		-	38,498
Within two to five years		-	40,554
		-	<u>79,052</u>

24.2 Minimum Ijarah payments have been discounted at an implicit profit rate ranging from Nil (2016: 2% to 18% per annum). In case of termination of the agreement, the Holding Company shall pay entire amount of minimum Ijarah payments for un-expired period of Ijarah agreement.

24.3 Holding Company has purchased the above assets upon completion / termination of the Ijarah term.

	Note	2017 (Rupees '000)	2016
25 LONG TERM SECURITY DEPOSITS PAYABLE			
Security deposits	25.1	26,620	19,800

25.1 These represents amounts received from the customers on installation of certain equipment and can be used in ordinary course of the Holding Company's business.

	Note	2017 (Rupees '000)	2016
26 DEFERRED TAXATION			
This comprises of following			
Taxable temporary differences			
Accelerated tax depreciation		537,821	468,945
Ijarah arrangements		-	22,878
Deductible temporary differences			
Unused tax losses		(243,610)	(221,084)
Unused tax credits		(39,783)	(76,512)
		254,448	194,227
27 TRADE AND OTHER PAYABLES			
Trade creditors		33,105	205,108
Advances from customers		35,537	39,295
Accrued liabilities		22,289	36,398
Payable to Employees' Provident Fund		2,746	2,144
Workers' profit participation fund	27.1	10,382	11,403
Unclaimed dividend		858	950
Withholding tax		795	1,555
		105,712	296,853
27.1 Workers' profit participation fund			
Beginning balance		11,403	13,111
Provision for the year		9,531	11,403
Profit on funds utilized in the Holding Company's business		219	492
		21,153	25,006
Paid during the year		(10,771)	(13,603)
		10,382	11,403
28 ACCRUED PROFIT ON FINANCING			
Current portion of:			
Long term financing		52	6,853
Redeemable capital - Sukuk		14,356	-
Short term borrowings		2,127	17,880
		16,535	24,733
29 SHORT TERM BORROWINGS			
From banking companies - secured:			
Short term borrowings		273,000	431,034
29.1			
These finances are obtained 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 sponsor directors of the Holding Company. These form part of total credit funded facilities of Rupees 860 million (2016: Rupees 860 million). The rates of profit ranging from relevant KIBOR plus 0.90% to 1% (2016: relevant KIBOR plus 1% to 1.5%).			
	Note	2017 (Rupees '000)	2016
30 CURRENT PORTION OF LONG TERM LIABILITIES			
Long term financing	22	12,512	696,309
Redeemable capital - Sukuk	23	216,667	-
Liabilities against assets subject to ijarah financing	24	-	38,498
		229,179	734,807

31 CONTINGENCIES AND COMMITMENTS

31.1 Contingencies

31.1.1 Holding Company has provided corporate guarantee amounting to Rupees 650 million (2016: Rupees 650 million) to banks against financing facilities on behalf of associated company namely Ghani Global Glass Limited.

31.1.2 Holding Company has filed two separate constitutional petitions before The Honorable Lahore High Court on the ground that the Holding Company was not required to pay any Advance Tax on electricity bills due to huge carried forward tax losses and available refunds. The Honorable Lahore High Court has granted stay orders upon furnishing bank guarantees in favor of LESCO amounting to Rupees 3.14 million (2016: Rupees 3.14 million). The outcome of the cases is pending. The management is hopeful that matter shall be decided in favor of the Holding Company.

31.2 Commitments

31.2.1 Commitments in respect of letter of credit amounted to Rupees 95.16 million (2016: Rupees 140.97 million).

31.2.2 Commitments for capital expenditure amounted to Rupees 9.2 million (2016: Rupees 8 million).

31.2.3 Commitments for rentals under Ijarah contracts as at June 30, 2017 are as follows:

	Note	2017 (Rupees '000)	2016
Not later than one year		1,435	1,428
Later than one year but not later than five years		953	2,394
		2,388	3,822

32 COST OF SALES

	Note	2017	2016
Fuel and power		519,527	482,473
Consumable stores		26,468	21,389
Salaries, wages and other benefits	32.1	64,523	63,987
Communication		636	930
Repairs and maintenance		28,900	22,895
Traveling, vehicle running and conveyance		6,679	5,019
Insurance		5,480	4,690
Depreciation	5.2 and 6.1	72,695	57,970
Staff welfare		9,192	6,401
Transportation		6,633	4,546
Other overheads		29,950	35,131
Cost of goods manufactured		770,693	705,431
Finished goods			
Opening stock		26,282	36,206
Purchases		476,603	475,753
Closing stock	12	(37,740)	(26,282)
		465,145	485,677
		1,235,838	1,191,108

32.1 Salaries, wages and other benefits includes Rupees 3.43 million (2016: Rupees 2.57 million) in respect of retirement benefits.

33 DISTRIBUTION COST

	Note	2017 (Rupees '000)	2016
Salaries, wages and other benefits	33.1	42,163	31,125
Transportation charges		94,380	75,949
Traveling, boarding, lodging and conveyance		4,785	4,403
Communication		822	724
Vehicle running and maintenance		3,346	2,834
Staff welfare		2,174	2,075
Advertisement and business promotion		352	-
Loading and unloading		1,426	1,257
Postage and courier		212	152
Repair and maintenance		1,442	1,103
Other expenses		28,891	17,841
		179,993	137,463

33.1 Salaries, wages and other benefits includes Rupees 2.45 Million (2016: Rupees 1.81 million) in respect of retirement benefits.

	Note	2017 (Rupees '000)	2016
34 ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	34.1	49,904	42,054
Rent, rates and taxes		5,524	5,171
Electricity and other utilities		1,250	1,739
Traveling and conveyance		4,064	3,481
Vehicle running and maintenance		2,476	1,807
Donation and charity	34.2	875	850
Printing and stationery		2,769	3,010
Communication		1,735	1,795
Fee and subscription		19,270	15,081
Lease rentals		1,435	522
Advertisement		25	2,602
Insurance		1,895	2,193
Depreciation	5.2 and 6.1	14,908	16,838
Staff welfare		6,355	4,040
Repair and maintenance		875	3,661
Others		4,716	3,432
		118,076	108,276

34.1 Salaries, wages and other benefits includes Rupees 3.45 million (2016: Rupees 2.46 million) in respect of retirement benefits.

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

	Note	2017 (Rupees '000)	2016
35 OTHER OPERATING EXPENSES			
Legal and professional		6,338	2,088
Workers profit participation fund		9,531	11,403
Auditors' remuneration			
Statutory audit		695	635
Half yearly review and other certifications		115	115
Out of pocket expenses		25	25
		835	775
		16,704	14,266
36 OTHER INCOME			
Income from financial assets	36.1	9,407	68,743
Income from other than financial assets	36.2	13,350	9,683
		22,757	78,426
36.1 Income from financial assets:			
Profit on bank deposits		6,807	6,193
Commission on corporate guarantee		2,600	2,600
Gain on disposal of investment		-	59,950
		9,407	68,743
36.2 Income from other than financial assets:			
Rental income		12,000	8,000
Gain on disposal of operating fixed assets		1,350	1,683
		13,350	9,683

	Note	2017 (Rupees '000)	2016
37 FINANCE COST			
Profit on:			
Long term financing		37,055	65,175
Redeemable capital - Sukuk		36,893	-
Short term borrowings		17,585	39,968
Liabilities against assets subject to ijarah financing		4,289	8,743
Workers' profit participation fund		219	492
		96,041	114,378
Bank charges and commission		475	3,219
		96,516	117,597
38 TAXATION			
Charge for the year:			
Current taxation	38.1	(16,240)	4,720
Deferred taxation		60,221	109,911
		43,981	114,631
38.1 Provision for taxation		30,784	47,024
Tax credit		(47,024)	(42,304)
		(16,240)	4,720

38.2 Assessment up to tax year 2016 is finalized (deemed assessment) and the available tax losses of the Holding Company are Rupees 775.59 million (2015: Rupees 784.74 million).

38.3 Due to and previous tax losses current period tax is charged on the basis of minimum tax on turnover under section 113 or Alternate Corporate Tax (ACT) on accounting profit under section 113C of Income Tax Ordinance, 2001, whichever is higher. During the year, Holding Company falls under ACT and provision on accounting profit has been made accordingly. Relationship between income tax expense and accounting profit for current year is not meaningful due to application of ACT.

		2017 (Rupees '000)	2016
39 EARNINGS PER SHARE			
Profit attributable to ordinary shareholders of the Holding Company	(Rupees '000)	122,980	161,828
Weighted average number of ordinary shares outstanding during the year	(Number)	124,781,286	85,170,592
Earnings per share - basic and diluted	(Rupees)	0.99	1.90

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

	Note	2017 (Rupees '000)	2016
40 CASH GENERATED FROM OPERATING ACTIVITIES			
Profit before taxation		166,961	276,459
Adjustments to reconcile profit to net cash provided by operating activities			
Depreciation on operating fixed assets		84,233	66,949
Depreciation on asset against ijarah financing		3,370	7,859
Finance cost		96,516	117,597
Share of loss from associate		13,141	-
Gain on disposal of operating fixed assets		(1,350)	(1,683)
		195,910	190,722
Cash flows from operating activities before working capital changes		362,871	467,181

	Note	2017	2016
		(Rupees '000)	
Cash flows from working capital changes			
(Increase) / decrease in current assets:			
Stores, spares and loose tools		(3,704)	(32,767)
Stock in trade		(11,458)	9,924
Trade debts		(123,123)	(111,527)
Loans and advances		14,893	(11,294)
Trade deposits and prepayments		5,282	(4,210)
Other receivables		1,679	(1,681)
Tax refunds due from government		657	(16,657)
Increase / (decrease) in current liabilities:			
Trade and other payables		(191,049)	182,251
Increase in long term deposits			
Long term deposits receivable		11,153	(758)
Long term security deposit payable		6,620	350
Net cash (used in) / generated from working capital changes		(288,850)	13,631
Cash generated from operating activities		74,021	480,812

41 CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES' REMUNERATION

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

Description	2017			2016		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
	(Rupees '000)			(Rupees '000)		
Managerial remuneration	10,227	12,829	34,680	8,560	11,102	26,561
Medical	1,023	1,189	2,023	856	1,007	1,365
Provident fund contribution	937	1,168	2,497	784	1,002	2,012
	12,187	15,186	39,200	10,200	13,111	29,938
No. of persons	1	2	24	1	2	18

41.1 The Company's maintained vehicles have been provided to the Chief Executive Officer, all Directors and certain Executives of the Holding Company.

41.2 The aggregate amount charged in consolidated financial statements for the year against fees for four (4) board meetings and four (4) audit committee meetings was Rupees Nil (2016: Nil).

42 TRANSACTIONS WITH RELATED PARTIES

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

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

Name	Nature of Transaction	2017	2016
		(Rupees '000)	
Associated companies / undertakings			
	Services	12,000	8,000
	Investment disposal	-	(45,133)
	Guarantee commission	2,600	2,600
	Sales	31,359	32,836

Name	Nature of Transaction	2017 (Rupees '000)	2016
	Purchase of land	42,560	-
Key management personnel			
Sponsors	Ordinary share purchase of associated company	450,000	-
Sponsors	Loan received / (repaid)	138,500	(527,969)
Others			
Provident fund trust	Contribution	17,527	14,735

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

43 PROVIDENT FUND RELATED DISCLOSURES

The following information is based on un-audited financial statements of Ghani Gases Employees' Provident Fund as at June 30, 2017 (2016: audited financial statements).

43.1 Information of Provident Fund	2017 (Rupees '000)	2016
Size of the fund (total assets)	73,334	60,102
Cost of investments made	52,174	37,916
Fair value of investments made	53,586	35,764
	(%)	(%)
Percentage of investments made	71	63

43.2 Breakup of cost of investments	2017 (%)	2016	2017 (Rupees '000)	2016 (Rupees '000)
Investment plus deposit certificates	43	89	22,501	33,763
Investment in saving accounts with banks	57	11	29,673	4,153
	100	100	52,174	37,916

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

44 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

44.1 Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

	June 30, 2017			
	Level 1	Level 2	Level 3	Total
	(Rupees '000)			
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit and loss	Nil	Nil	Nil	Nil
	June 30, 2016			
	Level 1	Level 2	Level 3	Total
	(Rupees '000)			
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit and loss	Nil	Nil	Nil	Nil

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity - specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

As at reporting date, the Group has no item to report in these levels.

45 INFORMATION FOR ALL SHARES ISLAMIC INDEX SCREENING

45.1 Information

Description	Note	2017	
		Carried under	
		Non - Sharia arrangements	Sharia arrangements
(Rupees '000)			
(i) Assets			
Loans and advances			
Loan to employees - non profit bearing	14	-	243
Deposits			
Deposits	10 and 15	-	99,857
Bank balances			
Bank balances	18	-	262,013

Description	Note	2017	
		Carried under	
		Non - Sharia arrangements	Sharia arrangements
(Rupees '000)			
(ii) Liabilities			
Loans and deposits			
Long term financing	22	-	24,284
Redeemable capital - Sukuk	23	-	1,245,833
Liabilities against assets subject to ijarah financing	24	-	-
Long term deposits	25	-	26,620
Short term borrowings	29	-	273,000
(iii) Other income			
Income from financial assets	36	-	9,407
Income from other than financial assets	36	-	13,350

Description	Note	2016	
		Carried under	
		Non - Sharia arrangements	Sharia arrangements
(Rupees '000)			
(i) Assets			
Loans and advances			
Loan to employees - non profit bearing	14	-	325
Deposits			
Deposits	10 and 15	-	97,209
Bank balances			
Bank balances	18	-	1,089,478

	Note	2016	
		Carried under	
		Non - Sharia arrangements	Sharia arrangements
(Rupees '000)			
(ii) Liabilities			
Loans and deposits			
Long term financing	22	-	1,095,717
Redeemable capital - Sukuk	23	-	-
Liabilities against assets subject to ijarah financing	24	-	79,052
Long term deposits	25	-	19,800
Short term borrowings	29	-	431,034
(iii) Other income			
Income from financial assets	36	-	68,743
Income from other than financial assets	36	-	9,683

Description	Note	2017	
		Carried under	
		Non - Sharia arrangements	Sharia arrangements
(Rupees '000)			
45.2 Sources of other income			
Profit on bank deposits		-	6,807
Commission on corporate guarantee		-	2,600
Rental income		-	12,000
Gain on disposal of operating fixed assets		-	1,350

45.3 The revenue of the Holding Company is from sale and trading of medical & industrial gases and chemicals. Whereas Subsidiary Company has not yet commenced its operations.

45.4 Relationship with banks

Holding Company has Islamic window operations with all banks and financial institutions.

46 FINANCIAL RISK MANAGEMENT

46.1 Financial risk factors

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

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

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

(a) Market risk

(i) Currency risk

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

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

(ii) Profit rate risk

The Group has no significant long-term profit-bearing assets. Borrowings obtained at variable rates expose the Group to cash flow profit rate risk. Borrowings obtained at fixed rate expose the Group to fair value profit rate risk.

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

	2017 (Rupees '000)	2016
Floating rate instruments		
Financial assets		
Bank balances	193,130	892,586
Financial liabilities		
Long term financing	24,284	1,095,717
Redeemable capital - Sukuk	1,245,833	-
Liabilities against assets subject to ijarah financing	-	79,052
Short term borrowings	273,000	431,034

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

		Changes in Interest Rate	Effects on Profit Before Tax (Rupees '000)
Bank Balances - deposit accounts	2017	+1.50	2,897
		-1.50	(2,897)
	2016	+1.50	13,389
		-1.50	(13,389)
Long term financing	2017	+2.00	(486)
		-2.00	486
	2016	+2.00	(21,914)
		-2.00	21,914
Redeemable capital - Sukuk	2017	+2.00	(24,917)
		-2.00	24,917
	2016	+2.00	-
		-2.00	-
Liabilities against assets subject to ijarah financing	2017	+2.00	-
		-2.00	-
	2016	+2.00	(1,581)
		-2.00	1,581
Short term borrowings	2017	+2.00	(5,460)
		-2.00	5,460
	2016	+2.00	(8,621)
		-2.00	8,621

(ii) Other price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group does not have financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market prices.

(b) Credit risk

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

Counterparties

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

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

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

Trade debts

Trade debts shall be essentially due from local customers against sale and trading of medical and industrial gases and chemicals. Sales to the Holding Company's customers shall be made on specific terms. Customer credit risk shall be managed by each business unit subject to the Holding Company's established policy, procedures and controls relating to customer credit risk management. Credit limits are being established for all customers based on internal rating criteria. Credit quality of the customer is also being assessed based on an extensive credit rating. Outstanding customer receivables shall be regularly monitored.

Exposure to credit risk

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

		2017	2016
	Note	(Rupees '000)	
Long term deposits	10	57,756	68,909
Trade debts	13	529,520	406,397
Loans to employees	14	243	325
Trade deposits	15	42,101	28,300
Other receivables	16	80	1,759
Bank balances	18	262,013	1,089,478
		891,713	1,595,168

The Holding Company's exposure to credit risk related to trade debts is disclosed in note 13.

Provision for trade debts

Based on age analysis, relationship with customers and past experience no provision for doubtful debts is required for the year ended June 30, 2017 and does not expect any party to fail to meet their obligation.

Cash at banks

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

Banks	Rating Agency	Short term	Long term	2017		2016	
				(Rupees *000)			
MCB Bank Limited	PACRA	A1 +	AAA	5,392		2,479	
MCB Islamic Bank Limited	PACRA	A1	A	21		21	
National Bank of Pakistan	PACRA	A1 +	AAA	967		115	
United Bank Limited	JCR-VIS	A1 +	AAA	938		1,335	
Allied Bank Limited	PACRA	A1 +	AA +	787		703	
Faysal Bank Limited	JCR-VIS	A-1 +	AA	11,573		11,392	
Habib Metropolitan Bank Limited	PACRA	A1 +	AA +	22,168		180,366	
Bank Islami Pakistan Limited	PACRA	A1	A +	10,243		212	
Meezan Bank Limited	JCR-VIS	A-1 +	AA	51,611		36,674	
Al-Baraka Bank (Pakistan) Limited	JCR-VIS	A-1	A	20,341		251,642	
Bank Afzalah Limited	PACRA	A1 +	AA	11,013		908	
The Bank of Khyber	PACRA	A1	A	40		2,682	
Askari Bank Limited	PACRA	A1 +	AA +	12,384		5,053	
Sonari Bank Limited	PACRA	A1 +	AA -	88		1,026	
Habib Bank Limited	JCR-VIS	A1 +	AAA	954		2,680	
Bank Al Habib Limited	PACRA	A1 +	AA +	5,947		2,642	
Dubai Islamic Bank Limited	JCR-VIS	A-1	A +	28,139		26	
Standard Chartered Bank Limited	PACRA	A1 +	AAA	2,243		105,640	
The Bank of Punjab	PACRA	A1 +	AA -	67,056		383,842	
Summit Bank Limited	JCR-VIS	A1	A -	10,108		100,040	
				262,013		1,089,478	

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

(c) Liquidity risk

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

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

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

	Carrying Amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years
(Rupees *000)				
2017				
Long term financing	24,284	24,284	12,564	11,720
Redeemable capital - Sukuk	1,245,833	1,245,833	216,667	1,029,166
Liabilities against assets subject to ijarah financing	-	-	-	-
Long term security deposits	26,620	26,620	-	26,620
Trade and other payables	105,712	105,712	105,712	-
Short term borrowings	273,000	273,000	273,000	-
	1,675,449	1,675,449	607,943	1,067,506
2016				
Long term financing	1,095,717	1,095,717	696,309	399,408
Liabilities against assets subject to ijarah financing	79,052	79,052	38,498	40,554
Long term security deposits	19,800	19,800	-	19,800
Trade and other payables	296,853	296,853	296,853	-
Short term borrowings	431,034	431,034	431,034	-
	1,922,456	1,922,456	1,462,694	459,762

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

46.2 Fair values of financial assets and liabilities

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

46.3 Financial instruments by categories

Assets as per balance sheet

	2017 (Rupees '000)	2016
Long term deposits	57,756	68,909
Trade debts	529,520	406,397
Loans and advances	135,403	150,296
Trade deposits	42,101	28,300
Other receivables	80	1,759
Cash and bank balances	262,303	1,089,478
	1,027,163	1,745,139

Financial liabilities at amortized cost

Liabilities as per balance sheet

	2017 (Rupees '000)	2016
Long term financing	24,284	1,095,717
Redeemable capital - Sukuk	1,245,833	-
Liabilities against assets subject to ijarah financing	-	79,052
Long term security deposits	26,520	19,800
Accrued profit on financings	16,535	24,733
Short term borrowings	273,000	431,034
Trade and other payables	105,712	296,853
	1,691,984	1,947,189

46.4 Capital risk management

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

No changes were made in the objectives, policies or processes from the previous year. The Holding Company monitors capital using gearing ratio, which is debt divided by equity plus net debt. Debt represents long term financing (including current portion) plus liabilities against assets subject to ijarah financing obtained by the Holding Company as referred to in notes 22, 23 and 24. Total capital employed includes 'total equity' as shown in the balance sheet plus debt. The Holding Company's strategy, which was unchanged from last year, was to maintain optimal capital structure in order to minimize cost of capital.

The gearing ratio as at year ended June 30, 2017 and June 30, 2016 is as follows:

	Note	2017 (Rupees '000)	2016
Debt	22, 23 and 24	1,270,117	1,174,769
Equity		2,974,741	2,713,260
Total capital employed		4,244,858	3,888,029
Gearing ratio		29.92%	30.22%

47 SEGMENT INFORMATION

47.1 The Group's reportable segments are based on the following product lines:

Ghani Gases Limited and its subsidiary | 120

Industrial and Medical Gases

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

Industrial Chemicals

This segment covers business of trading of chemicals.

47.2 Segment results are as follows:

	2017			2016		
	Industrial and Medical Gases	Industrial chemicals	Total	Industrial and Medical Gases	Industrial chemicals	Total
	(Rupees '000)			(Rupees '000)		
Net sales	1,325,707	478,765	1,804,472	1,284,422	482,321	1,766,743
Cost of sales	(806,765)	(429,073)	(1,235,838)	(757,921)	(433,187)	(1,191,108)
Gross profit	518,942	49,692	568,634	526,501	49,134	575,635
Distributions cost	(173,572)	(6,421)	(179,993)	(132,849)	(4,614)	(137,463)
Administrative expenses	(112,172)	(5,904)	(118,076)	(102,862)	(5,414)	(108,276)
	(285,744)	(12,325)	(298,069)	(235,711)	(10,028)	(245,739)
Segment profit	233,198	37,367	270,565	290,790	39,106	329,896
Unallocated corporate expenses						
Other operating expenses			(16,704)			(14,266)
Other income			22,757			78,426
			276,618			394,056
Finance cost			(96,516)			(17,597)
Share of loss from associate			(13,141)			-
Profit before taxation			166,961			276,459
Taxation			(43,981)			(14,631)
Profit after taxation			122,980			161,828

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

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

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

	2017			2016		
	Industrial and Medical Gases	Industrial chemicals	Total	Industrial and Medical Gases	Industrial chemicals	Total
	(Rupees '000)			(Rupees '000)		
Segment assets	4,461,841	234,732	4,696,573	3,606,328	203,595	3,809,923
Unallocated assets			262,383			1,091,777
Total assets			4,958,956			4,901,700
Segment liabilities	1,945,446	986	1,946,432	2,078,729	62,687	2,141,416
Unallocated liabilities			30,784			47,024
Total liabilities			1,977,216			2,188,440

47.6 All non-current assets of the Group as at June 30, 2017 were located within Pakistan.

48 NUMBER OF EMPLOYEES

Total number of employees at year end

Average number of employees during the year

	2017	2016
	(Number)	
Total number of employees at year end	303	271
Average number of employees during the year	289	270

49 PLANT CAPACITY AND ACTUAL PRODUCTION

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

	(Cubic Meter)	
Industrial and medical gases		
Production at normal capacity - gross	51,240,000	51,240,000
Production at normal capacity - net of normal losses	45,750,000	45,750,000
Actual production - net of normal losses	33,476,381	29,377,967

49.1 Reason for low production

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

50 DATE OF AUTHORIZATION

These consolidated financial statements have been authorized for issue by Board of Directors of the Holding Company on October 02, 2017.

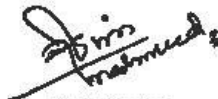
51 GENERAL

51.1 Corresponding figures have been re-arranged / re-classified wherever necessary to facilitate comparison. However, no significant reclassification has been made during the year.

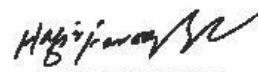
51.2 Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.



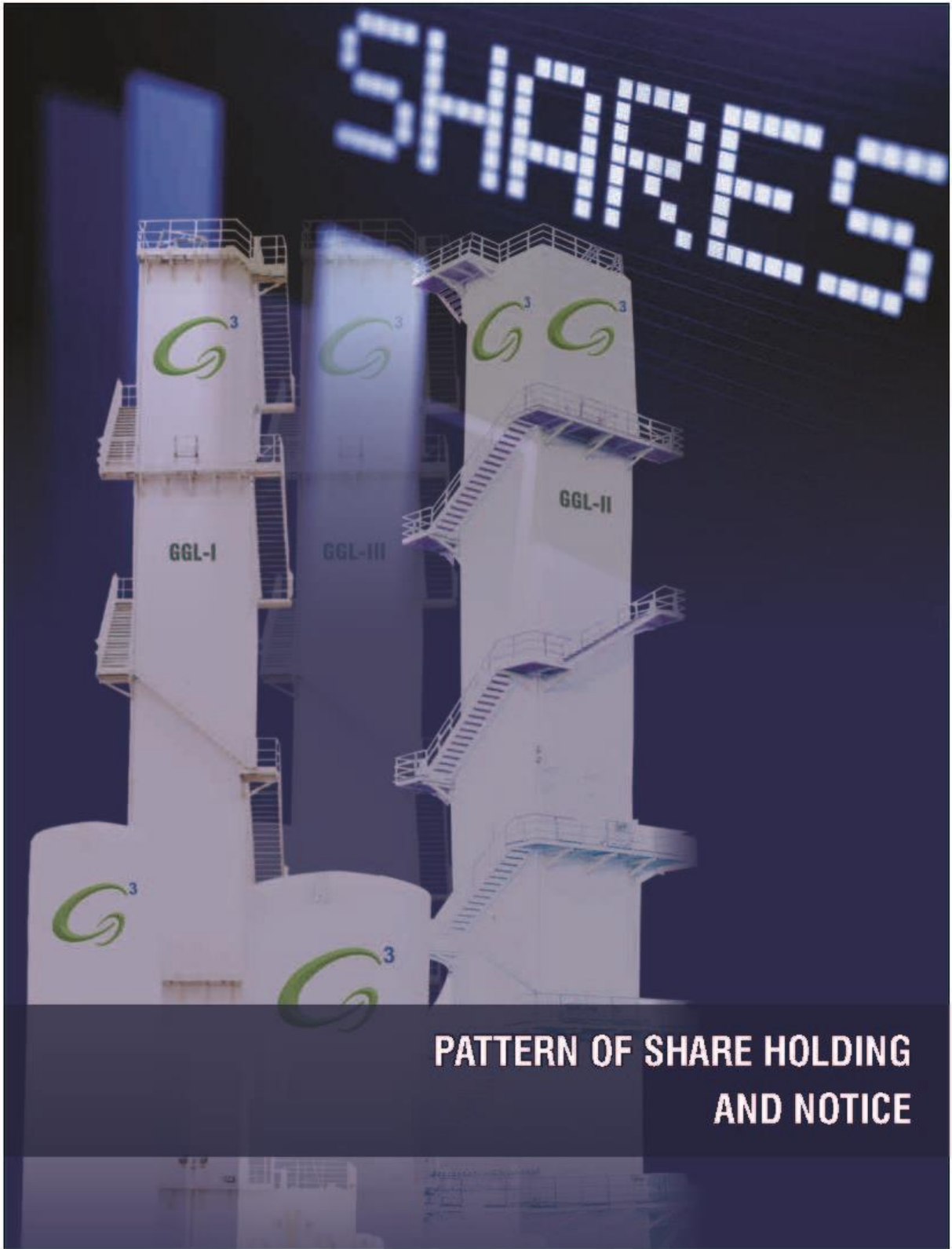
ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)



ASIM MAHMUD
(CHIEF FINANCIAL OFFICER)



HAFIZ FAROOQ AHMAD
(DIRECTOR)



**PATTERN OF SHARE HOLDING
AND NOTICE**

PATTERN OF THE SHARE HOLDING

As on 30-06-2017

FORM - 34

NUMBER OF SHARES		NO OF SHAREHOLDERS	NUMBER OF SHARES HELD	%ON ISSUED
From	To			
1	100	330	6,149	0.0049
101	500	348	154,523	0.1238
501	1000	546	457,400	0.3666
1001	5000	776	2,300,582	1.8437
5001	10000	221	1,827,992	1.4650
10001	15000	87	1,129,615	0.9053
15001	20000	55	1,010,899	0.8101
20001	25000	47	1,102,672	0.8837
25001	30000	29	803,217	0.6437
30001	35000	14	456,416	0.3658
35001	40000	10	388,250	0.3111
40001	45000	5	212,562	0.1703
45001	50000	23	1,139,382	0.9131
50001	55000	6	308,582	0.2473
55001	60000	5	292,166	0.2341
60001	65000	5	316,416	0.2536
65001	70000	8	556,000	0.4456
70001	75000	4	289,383	0.2319
75001	80000	3	238,500	0.1911
80001	85000	2	163,000	0.1306
90001	95000	1	95,000	0.0761
95001	100000	10	1,000,000	0.8014
100001	105000	1	101,598	0.0814
105001	110000	3	319,100	0.2557
110001	115000	3	343,600	0.2754
115001	120000	2	237,000	0.1899
120001	125000	1	125,000	0.1002
125001	130000	2	255,500	0.2048
145001	150000	4	596,500	0.4780
150001	155000	2	308,000	0.2468
160001	165000	1	162,000	0.1298
165001	170000	1	169,000	0.1354
170001	175000	2	343,125	0.2750
180001	185000	1	180,500	0.1447
195001	200000	3	600,000	0.4808
205001	210000	1	210,000	0.1683
210001	215000	1	210,620	0.1688
220001	225000	1	221,000	0.1771
245001	250000	2	500,000	0.4007
255001	260000	1	260,000	0.2084
295001	300000	2	600,000	0.4808
310001	315000	1	310,500	0.2488

320001	325000	1	320,500	0.2568
325001	330000	1	329,000	0.2637
330001	335000	1	335,000	0.2685
375001	380000	1	380,000	0.3045
440001	445000	1	440,500	0.3530
455001	460000	1	460,000	0.3686
470001	475000	1	474,500	0.3803
495001	500000	2	1,000,000	0.8014
755001	760000	1	756,000	0.6059
795001	800000	1	800,000	0.6411
925001	930000	1	930,000	0.7453
1195001	1200000	1	1,200,000	0.9617
2645001	2650000	1	2,649,596	2.1234
4550001	4555000	1	4,550,500	3.6468
4665001	4670000	1	4,669,500	3.7421
5175001	5180000	1	5,177,709	4.1494
5190001	5195000	1	5,194,929	4.1632
6545001	6550000	1	6,545,148	5.2453
6635001	6640000	1	6,639,000	5.3205
14615001	14620000	1	14,615,474	11.7129
15235001	15240000	1	15,235,320	12.2096
15810001	15815000	1	15,810,995	12.6710
145965001	15970000	1	15,965,866	12.7951
		2,594	124,781,286	100

CATAGORIES OF SHAREHOLDERS

As At June 30, 2017

Catagories of Shareholders	Number of Shareholders	Number of Share held	Percentage %
Directors, Chief Executive Officer and their Spouse(s) and minor Children	8	63,312,683	50.739
Banks, DFI & NBF	3	15,385,820	12.330
Mutual Funds	3	64,120	0.050
Modaraba Companies	3	134,001	0.107
Provident Funds	6	1,438,500	1.153
Insurance Companies	3	4,719,500	3.782
Charitable Trust ans Leasing Company	2	11,000	0.009
Joint Stock Companies	40	9,715,888	7.786
Individuals	2,526	29,999,774	24.042
Total	2,594	124,781,286	100.00

INFORMATION REQUIRED UNDER CODE OF CORPORATE GOVERNANCE

	Shares held	%
Directors, CEO and their spouse and Minor Children		
1 Mr. Masroor Ahmad Khan	15,965,866	12.80
2 Mr. Atique Ahmad Khan	14,615,474	11.71
3 Hafiz Farooq Ahmad	15,810,995	12.67
4 Mian Zahid Said	840	0.00
5 Mrs. Ayesha Masroor	5,194,929	4.16
6 Mrs. Rabia Atique	6,545,148	5.25
7 Mrs. Saira Farooq	5,177,709	4.15
8 Mr. Farzand Ali	1,722	0.00
Banks, DFI & NBF		
1 Habib Bank AG Zurich, Zurich, Switzerland	100,000	0.08
2 United Bank Limited - Trading Portfolio	15,235,320	12.21
3 Habib Bank AG Zurich, Deira Dubai	50,500	0.04
Mutual Funds		
1 Trustee-Rahim Iqbal Rafiq & Co. Employees Provident Fund	14,000	0.01
2 Golden Arrow selected stocks fund limited	120	0.00
3 CDC - Trustee First Capital Mutual Fund	50,000	0.04
Modaraba and Mutual Funds		
1 First Equity Modaraba	30,001	0.02
2 First Habib Modaraba	100,000	0.08
3 First UDL Modaraba	4,000	0.00
Provident Funds		
1 Trustee-The Crescent Textile Mills Ltd Empl. Provident Fund	474,500	0.38
2 Trustees of First UDL Modaraba Staff Provident Fund	1,000	0.00
3 Trustees D.G.Khan Cement Co. Ltd. Emp. Provident Fund	5,000	0.00
4 Trustees The Crescent Textile Mills Emp. Provident Fund Trust	800,000	0.64
5 Trustee-Ghani Value Glass Ltd Emp. Provident Fund	153,000	0.12
6 Dawood Family Takaful Ltd Emp. Provident Fund	5,000	0.00
Insurance Companies		
1 Pak Qatar individual family participant Investment Fund	25,000	0.02
2 EFU Life Assurance Limite	4,669,500	3.74
3 Pak Qatar Family Takaful Limited	25,000	0.02
Chaotable Trust and Laesing Company		
1 Trustee of Dawood family Takaful Ltd. Emp. Provident Fund	10,000	0.01
2 Pakistan Industrial and Comercial Leasing Ltd.	1,000	0.00

Joint Stock Companies

1 Capital Vision Securities (Pvt) Ltd.	10	0.00
2 Bawany Air Proudects Limited.	12	0.00
3 Darson Securities (Pvt) Limited	104	0.00
4 Horizon Securities Limited	540	0.00
5 Seven Star Securities (Pvt.) Ltd.	1,500	0.00
6 NH Securities (Pvt) Limited.	1,722	0.00
7 Amanah Investments Limited	2,000	0.00
8 BMA Capital Management Ltd. - MF	3,500	0.00
9 Akhai Securities (Private) Limited	4,000	0.00
10 Foundation Securities (Private) Limited	5,000	0.00
11 Mohammad Munir M. Ahmed Khanani Securities (Pvt.) Ltd.	5,000	0.00
12 Sofcom (Private) Limited	8,500	0.01
13 Asda Securities (Pvt.) Ltd.	10,000	0.01
14 HH Misbah Securities (Private) Limited	10,250	0.01
15 Quice Food Industries Limited	15,000	0.01
16 Intermarket Securities Limited - MF	20,000	0.02
17 MRA Securities Limited	20,000	0.02
18 Multiline Securities (Pvt) Limited	20,000	0.02
19 Seven Star Securities (Pvt.) Ltd.	20,000	0.02
20 FDM Capital Securities (Pvt) Limited	25,000	0.02
21 FDM Capital Securities (Pvt) Limited	25,250	0.02
22 Bawa Scurities (Pvt) Limited - MF	26,000	0.02
23 J. K. Exports (Pvt) Limited.	26,000	0.02
24 JS Global Capital Limited - MF	29,500	0.02
25 Horizon Securities Limited - MF	28,000	0.02
26 Din Capital Limited - MF	30,000	0.02
27 Reliance Securities Limited - MF	46,000	0.04
28 Siddiq Leather Works (Pvt) Ltd	58,500	0.05
29 Arif Habib Limited - MF	64,500	0.05
30 BIPL Securities Limited - MF	81,000	0.06
31 Siddiq Leather Works (Pvt) Limited	82,000	0.07
32 Dawood Family Takaful Limited	100,000	0.08
33 Dawood Family Takaful Limited	106,000	0.08
34 MRA Securities Limited - MF	115,000	0.09
35 Abbasi Securities (Private) Limited	180,500	0.14
36 Petromark (Private) Limited	210,000	0.17
37 Mohammad Munir M. Ahmed Khanani Securities (Pvt.) Ltd - MF	440,500	0.35
38 VPL Limited	500,000	0.40
39 Fawad Yusuf Securities (Pvt.) Limited	756,000	0.61
40 Cedar Capital (Private) Limited	6,639,000	5.32

Shareholders holding 05% or more voting intrerst in the Company

*1 Mr. Masroor Ahmad Khan	15,965,866	12.80
*2 Mr. Atique Ahmad Khan	14,615,474	11.71
*3 Hafiz Farooq Ahmad	15,810,995	12.67
*4 Mrs. Rabia Atique	6,545,148	5.25
5 United Bank Limited - Trading Portfolio	15,235,320	12.21
6 Cedar Capital (Private) Limited	6,639,000	5.32

*These are also directors of the company

Trade in the shares of the company carried out by Directors, CEO, CFO, CS and their Spouses and minor Children

NIL

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **10th Annual General Meeting (AGM)** of **Ghani Gases Limited** (the Company) will be held on Saturday October 28, 2017 at 10:30 AM at registered office of the Company at 10-N, Model Town , Lahore to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2017 together with Directors' and Auditors ' Reports thereon.
2. To appoint Auditors of the Company for the year ending June 30, 2018 and to fix their remuneration. The retiring auditors' M/S Rizwan & Company, Chartered Accountants, being eligible, have offered themselves for re-appointment.
3. To elect (09) directors as fixed by the board under the provisions of the Companies Act, 2017 for a period of three years commencing from October 31, 2017.

The names of retiring directors are as under:

1	Masroor Ahmad Khan	2	Atique Ahmad Khan	3	Hafiz Farooq Ahmad	4	Mian Zahid Said
5	Ayesha Masroor	6	Rabia Atique	7	Saira Farooq	8	Farzand Ali

4. Any other business with permission of the Chair.

SPECIAL BUSINESS

5. To consider and if deemed fit, to pass the following resolutions as special resolutions under section 199 of the Companies Act, 2017 with or without modification(s), addition(s) or deletion(s) as recommended by the board of directors:

Resolved that pursuant to the requirements of section 199 of the Companies Act, 2017, Ghani Gases Limited (the Company) be and is hereby authorized to make investment upto PKR 1,000 million (Rupees One Thousand million) in Ghani Chemical Industries Limited (GCIL) a subsidiary company, by way of issuance of corporate guarantee provided commission on corporate guarantee shall be at the rate of 0.10% per quarter and other terms and conditions mentioned in the statement under Section 134 of the Companies Act, 2017 and such guarantee shall be for a period of six years starting from the date of issue of such guarantee.

Resolved Further that the Chief Executive Officer and/or Company Secretary of the Company be and are hereby singly empowered and authorized to take all steps and actions necessary, incidental and ancillary including execution of any and all documents and agreements as may be required in this regard and to do all acts, matters, deeds and things as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the special resolution.

6. To authorize and approve, as recommended by the Directors, issue of bonus shares in proportion of Six (6) Ordinary Shares for every Hundred (100) Ordinary Shares held by the Members (i.e.@ 6%) by capitalization of a sum of Rs. 74,868,770/- out of the share premium account. Accordingly, it is proposed to consider and pass the following Resolution as an Ordinary Resolution:

Resolved that

- (i) A sum of Rs. 74,868,770/- be capitalized out of the share premium account of the Company and applied towards issue of 7,486,877 ordinary shares of Rs. 10 each to be allotted as fully paid bonus shares in the proportion of Six (6) ordinary shares for every Hundred (100) shares held by the Members of the Company whose names appear on the Members' Register at the close of the business on October 24, 2017.
- (ii) The bonus shares shall rank pari passu in all respects with the existing shares.
- (iii) Members' entitlement to fractional shares as a result of their entitlement being less than one ordinary share shall be consolidated into whole shares and sold on the Pakistan Stock Exchange Limited and the proceeds so realized shall be distributed to the entitled shareholders as per their entitlements.
- (iv) The Chief Executive Officer and Company Secretary be and are hereby jointly and/or severally authorized to give effect to this resolution and to do and cause to be done all acts, deeds and things that may be necessary or required for issue, allotment and distribution of the said bonus shares and payment of the sale proceeds of the fractional shares.

Place: Lahore
Dated: October 05, 2017

By order of the Board



FARZAND ALI
Company Secretary

Notes:

1. BOOK CLOSURE

Share Transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from Wednesday, October 25, 2017 to Tuesday, October 31, 2017 (both days inclusive). Transfer received in order at the office of the share registrar

M/s Vision Consulting Limited
1st Floor,3-C, LDA Flats, Lawrence Road, Lahore.
Telephone No. 042-36375531,36375339
Fax No. 042-36312550, Email: shares@vcl.com.pk

at the close of business on Tuesday, October 24, 2017 will be treated in time for the purpose of determination of entitlement of bonus shares as recommended by the board of directors and attendance of the AGM.

2. ELECTION OF DIRECTORS

Any person seeking to contest the election to the office of director whether he/she is retiring director must file with the Company Secretary his/her intention to offer himself/herself for election as director not later than 14 days before the date of AGM u/s 159(3) of the Companies Act, 2017 along with a valid copy of CNIC, detailed profile and consent to act as Directors on Form-28 and declaration under the Code of Corporate Governance.

3. TAX ON BONUS SHARES

As required by Section 236M of the Income Tax Ordinance 2001, the Company will be required to withhold five percent (5%) of the bonus shares issued to every Member. The bonus shares withheld will only be issued to a Member if the Company collects from such Member tax equal to five percent (5%) of the value of bonus shares issued to such Member, including the bonus shares withheld, determined on the basis of day-end price on the first day of closure of books. The tax under Section 236M of the Income Tax Ordinance 2001, as described in the preceding sentence, will be required to be collected by the Company within fifteen (15) days, the Company shall deposit the bonus shares withheld in the Central Depository Company of Pakistan Limited (CDC) or any other entity as may be prescribed. Bonus shares deposited in the CDC or other entity shall be disposed of in the mode and manner as may be described and proceeds thereof shall be paid to the Commissioner Inland Revenue by way of credit to the Federal Government.

The letters for collection of tax amount on 6% bonus shares will be dispatched to all entitled shareholders separately within the specified time frame prescribed by FBR.

4. ATTENDANCE OF MEETING

A member entitled to attend, speak and vote at the annual general meeting is entitled to appoint a proxy to attend, speak and vote instead of him/her.

Proxies in order to be effective duly signed, filled and witnessed must be deposited at the Registered Office of the Company, along with the attested copies of National Identity Card (NIC) or Passport, not less than 48 hours before the meeting.

CDC Account Holders will have to follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the SECP for attending the meeting.

Attendance in the meeting shall be on production of original identity card or passport.

5. CONSENT FOR THE FACILITY OF VIDEO-LINK

Members may participate in the meeting via video-link facility, if the Company receives a demand from the members holding an aggregate 10% or more shareholding residing at a geographical location outside Lahore, to participate in the meeting through video-link at least 7 days prior to the date of meeting, the Company will arrange video link facility in that city.

In this regard, Members who wish to participate through video-link facility, should send a duly signed request as per the following format to Registered Address of the Company.

I/We _____ of _____ being a member of Ghani Gases Limited holder of _____ ordinary shares as per Registrar Folio No/CDC account No. _____ hereby opt for video conference facility at _____.

Signature of Member

6. ANNUAL FINANCIAL STATEMENTS

Annual financial statements of the Company for the year ended June 30, 2017 have been placed at Company's website (www.ghaniglobal.com/www.ghanigases.com).

In compliance with SRO No. 470(I) 2016 dated May 31, 2016, issued by the SECP, annual financial statements of the Company for the year ended June 30, 2017, along with notice of this annual general meeting is being dispatched to the shareholders of the Company through CD / DVD's.

Shareholders are requested to promptly notify the office of share registrar of any change in their addresses.

7. STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement set out the material facts concerning the special business to be transacted at the annual general meeting of the Company to be held on October 28, 2017.

Investment in Ghani Chemical Industries Limited

The board of directors of the Company in their meeting held on October 02, 2017 has unanimously approved the issuance of corporate guarantee to the banks on behalf of Ghani Chemical Industries Limited a subsidiary of the Company subject to the approval by the shareholders of the Company.

Ghani Chemical Industries Limited a subsidiary of Ghani Gases Limited (the Company) intent to set up a chemical manufacturing plant in Hattar Economic Zone for manufacturing of import substitute Calcium Carbide and other by-products. Out of approved investment of Rs. 360 million, the Company has already invested Rs. 143 million in the subsidiary company in shape of equity investment. In the line with the terms of proposed long term loan financing by the banks to Ghani Chemical Industries Limited for set up of manufacturing plant, the Company seeks the approval of the shareholders for issuance of corporate guarantee to the banks on behalf of Ghani Chemical Industries Limited.

Information required under SRO 27(1) / 2012 dated 16 January 2016 are as under:

Ref. No.	Requirement	Information
i.	Name of Subsidiary Company	Ghani Chemical Industries Limited
	Criteria of relationship	At present Ghani Gases Limited (the Company) holds 95.33% shareholding in Ghani Chemical Industries Limited.
ii.	Amount of loans or advances	Non funded corporate guarantee upto Rs.1,000 million.
iii.	Purpose of loans or advances and benefits likely to accrue investing company and its members from such loans or advances	Corporate Guarantee is required to provide as counter guarantee to the bank(s) for long term loan facility by the subsidiary company. The Company will charge commission @ 0.10% per quarter in the line with prevailing rate being charged by bank(s) for issuance of guarantees. The Ghani Gases Limited is expected to accrue approximately Rs. 04 million per annum in shape of other income.
iv.	Details of existing loans	The Company has already obtained the approval from shareholders for investment of Rs. 360 million in shape of equity investment in Ghani Chemical Industries Limited. Out of this approval, the Company has so far invested Rs. 143 million.

v.	Financial position, including main items of balance sheets and profit and loss accounts of the subsidiary company on the basis of its latest financial statements.	<p>Audited Financial Statements for the year ended June 30, 2017 showed:</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">Rupees in Million</th> </tr> </thead> <tbody> <tr> <td>Balance Sheet:</td> <td></td> </tr> <tr> <td>Property, plant and equipment</td> <td style="text-align: right;">119.454</td> </tr> <tr> <td>Current assets</td> <td style="text-align: right;">30.649</td> </tr> <tr> <td>Total Assets</td> <td style="text-align: right;">150.103</td> </tr> <tr> <td>Issued, subscribed and paid up capital</td> <td style="text-align: right;">150.000</td> </tr> <tr> <td>Accumulated losses</td> <td style="text-align: right;">(1.134)</td> </tr> <tr> <td>Loan from sponsors</td> <td style="text-align: right;">1.200</td> </tr> <tr> <td>Total equity</td> <td style="text-align: right;">150.066</td> </tr> <tr> <td>Current liabilities</td> <td style="text-align: right;">0.037</td> </tr> <tr> <td>Total Equity and Liabilities</td> <td style="text-align: right;">150.103</td> </tr> </tbody> </table>		Rupees in Million	Balance Sheet:		Property, plant and equipment	119.454	Current assets	30.649	Total Assets	150.103	Issued, subscribed and paid up capital	150.000	Accumulated losses	(1.134)	Loan from sponsors	1.200	Total equity	150.066	Current liabilities	0.037	Total Equity and Liabilities	150.103
	Rupees in Million																							
Balance Sheet:																								
Property, plant and equipment	119.454																							
Current assets	30.649																							
Total Assets	150.103																							
Issued, subscribed and paid up capital	150.000																							
Accumulated losses	(1.134)																							
Loan from sponsors	1.200																							
Total equity	150.066																							
Current liabilities	0.037																							
Total Equity and Liabilities	150.103																							
vi.	Average borrowing cost of the investing company	Rs. 0.10% per quarter on bank guarantees.																						
vii.	Rate of interest, markup, profit, fees or commission etc to be charged	Company will charge commission @ Rs. 0.10% per quarter.																						
viii.	Source of funds from where loans and advances will be given	Not applicable																						
ix.	Where loans or advances are being granted using borrowed funds; justification for granting loan or advances out of borrowed fund; detail of guarantees/assets pledged for obtaining such funds, if any; and repayment schedules of borrowing of the investing company.	Not applicable																						
x.	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any.	Demand Promissory Note of subsidiary company.																						
xi.	If the loans or advances carry conversion features:	Not applicable																						
xii.	Repayment schedule and terms of loans or advances to be given to the investee company.	<p>Corporate guarantee will be issued for a period of 6 years from the date of issuance of guarantee.</p> <p>Company will charge Commission on corporate guarantee @ Rs. 0.10% per quarter.</p> <p>Company will obtain Demand Promissory Note from subsidiary.</p>																						

xiii.	Salient features of all agreement entered or to be entered with its associated company or associated undertaking with regards to proposed investment.	Agreement will be executed before the issuance of corporate guarantee in accordance with the terms and conditions approved by the shareholders.																											
xiv.	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associates company or associated undertaking or the transaction under consideration:	<p>Currently the directors of the Company (Ghani Gases Limited) did not hold any direct shareholding in the subsidiary company except qualification shares (one share each) to hold the office of directorship.</p> <p>Shareholding position of following company in the subsidiary, where directors of the company (Masroor Ahmad Khan, Atique Ahmad Khan and Hafiz Farooq Ahmad Khan and their spouses) are also the directors is as under:</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Number of Shares</th> <th>Holding %</th> </tr> </thead> <tbody> <tr> <td>Ghani Products (Pvt) Limited</td> <td>700,000</td> <td>4.67%</td> </tr> </tbody> </table> <p>Shareholding position of directors and their spouses of subsidiary company in Ghani Gases Limited are as under:</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Number of Shares</th> <th>Holding %</th> </tr> </thead> <tbody> <tr> <td>Masroor Ahmad Khan</td> <td>15,965,866</td> <td>12.80</td> </tr> <tr> <td>Atique Ahmad Khan</td> <td>14,615,474</td> <td>11.71</td> </tr> <tr> <td>Hafiz Farooq Ahmad</td> <td>15,810,995</td> <td>12.87</td> </tr> <tr> <td>Ayesha Masroor</td> <td>5,194,929</td> <td>4.16</td> </tr> <tr> <td>Rabia Atique</td> <td>6,545,148</td> <td>5.25</td> </tr> <tr> <td>Saira Farooq</td> <td>5,177,709</td> <td>4.15</td> </tr> </tbody> </table>	Name	Number of Shares	Holding %	Ghani Products (Pvt) Limited	700,000	4.67%	Name	Number of Shares	Holding %	Masroor Ahmad Khan	15,965,866	12.80	Atique Ahmad Khan	14,615,474	11.71	Hafiz Farooq Ahmad	15,810,995	12.87	Ayesha Masroor	5,194,929	4.16	Rabia Atique	6,545,148	5.25	Saira Farooq	5,177,709	4.15
Name	Number of Shares	Holding %																											
Ghani Products (Pvt) Limited	700,000	4.67%																											
Name	Number of Shares	Holding %																											
Masroor Ahmad Khan	15,965,866	12.80																											
Atique Ahmad Khan	14,615,474	11.71																											
Hafiz Farooq Ahmad	15,810,995	12.87																											
Ayesha Masroor	5,194,929	4.16																											
Rabia Atique	6,545,148	5.25																											
Saira Farooq	5,177,709	4.15																											
xv.	Any other important details necessary for the member to understand the transaction.	None																											
xvi.	In case of investment in a project of an associated company or associated undertaking that has not commenced operations:	Not Applicable																											
	Starting date of work	Not Applicable																											
	Completion of work	Not Applicable																											
	Commercial operation date	Not Applicable																											
	Expected time by which the project shall start paying return on investment.	Not Applicable																											

In pursuance to Section 199 of the Companies Act, 2017 read with Regulation No. 3 (3) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012 under SRO 27(1)/2012 dated 16 January 2012, the directors of the Company certify that they have carried out due diligence for the proposed issuance of corporate guarantee for Ghani Chemical Industries Limited and that the financial health of the subsidiary company is such that it has the ability to honor the commitment as per agreement. Certificate/Undertaking in this respect shall be made available to the members of the Company for inspection in the general meeting to be held on October 28, 2017.

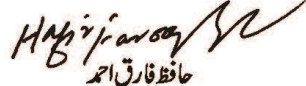
The majority of the directors of Ghani Gases Limited are interested in the investment in subsidiary company and the special resolutions to the extent of shares held by them. They have no other interest in the above special business and/or resolution except as stated above and to the extent of their shareholdings.


ISSUANCE OF BONUS SHARES

The Board of Directors in their meeting held on October 02, 2017 have recommended issue of bonus shares out of share premium account in proportion of Six (6) Ordinary share for every Hundred (100) Ordinary shares held by the Members (i.e. 6%). The Directors are of the opinion that the reserves of the Company are adequate for capitalization of a sum of Rs. Rs. 74,868,770/- out of share premium account for issue of 6% bonus shares.

The Directors are not directly or indirectly interested in this special business except to the extent of entitlements of bonus shares to be allotted to them and their spouses as shareholders of the Company.

بورڈ کی طرف سے


حافظ فاروق احمد
(ڈائریکٹر)


عتیق احمد خان
(چیف ایگزیکٹو آفیسر)

لاہور
2 اکتوبر 2017

- کمپنی نے اکاؤنٹس کی کتابیں مناسب طریقے سے تیار کی ہیں پالیسیوں کو مسلسل مالی بیانات کی تیاری میں لاگو کیا گیا ہے اور اکاؤنٹنگ کا تخمینہ مناسب اور پرکشش فیصلے پر مبنی ہے۔

- بین الاقوامی اکاؤنٹنگ معیار، جیسا کہ پاکستان میں قابل اطلاق ہے، مالی بیانات کی تیاری میں اور وہاں سے روانگی کے بعد مناسب طور پر انکشاف کیا گیا ہے۔

- اندرونی کنٹرول کا نظام بہترین ڈیزائن میں ہے اور اسے موثر طریقے سے لاگو کیا گیا ہے اور نگرانی کی گئی ہے۔

- کمپنی جانے کی توثیق کے طور پر جاری رکھنے کی صلاحیت پر کوئی شک نہیں ہے۔

- جیسا کہ لسٹنگ کے قوانین میں تفصیل ہے کہ کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی روانگی نہیں ہے۔

- منتقلی کی قیمتوں کا تعین کرنے کے بہترین طریقوں سے کوئی روانگی نہیں ہے۔

- ٹیکس اور لیوی کے بارے میں معلومات اکاؤنٹس کے نوٹس میں دیے گئے ہیں۔

- اسٹاف ریٹائرمنٹ فوائد کے سلسلے میں سرمایہ کاری اور پبلیک بیلینس کی قیمت

پراویڈینٹ فنڈ 53.585 ملین روپے (2016 میں 37.372 ملین روپے)۔

کارپوریٹ گورننس کے مطابق پیٹرن آف شیئر ہولڈنگ

30 جون 2017 میں بشمول حصص داروں کی بعض قسم کے حصص کے پیٹرن کا ایک بیان جسکی رپورٹنگ فریم ورک کے تحت ضروری ہے کا ضمیمہ شیئر ہولڈرز کی معلومات میں شامل ہے۔

بیلنس شیٹ کے بعد کے واقعات:

کمپنی کے مالی سال کے اختتام اور رپورٹ کی تاریخ کے درمیان کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی مادی تبدیلی یا وعدہ نہیں ہوا ہے۔

اعتراف:

ڈائریکٹرز اپنے معزز کسٹمرز جنہوں نے کمپنی پر اعتماد کیا ان کی تہہ دل سے قدر کرتی ہے۔ ہم اپنے ملازمین کی پیشہ ورانہ فرائض کی ادائیگی پر تہہ دل سے قدر کرتے ہیں اور بینکرز اور گورنمنٹ ایجنسیز کے تعاون پر مشکور ہیں جن کی وجہ سے کمپنی اچھے رزلٹ دینے میں کامیاب ہوئی۔

ہم اپنے شیئر ہولڈرز کا شکریہ ادا کرتے ہیں جنہوں نے کمپنی کی مجتمعت پر اعتماد کیا، اسی طرح ہم ایس ای سی پی، سٹاک ایکسچینج، اور گورنمنٹ کے تمام کارکنان کا بھی شکریہ ادا کرتے ہیں، ہم اللہ تعالیٰ کا شکر ادا کرتے ہوئے اللہ تعالیٰ اور اسکے نبی حضرت محمد ﷺ سے رہنمائی چاہتے ہیں۔

اختتامی سال 30 جون 2017 کے دوران کمپنی کے ڈائریکٹرز کے نام اور انکی حاضری مندرجہ ذیل ہے۔

نمبر شمار	ڈائریکٹر کا نام	میٹنگز میں حاضری
1	مسرور احمد خان	7
2	عتیق احمد خان	8
3	حافظ فاروق احمد	8
4	میاں زاہد سعید	9
5	عائشہ مسرور	7
6	راجہ عتیق	9
7	سائرہ فاروق	9
8	فرزند علی	9

ڈائریکٹرز جو کچھ میٹنگز میں غیر حاضر رہے انکو چھٹی گرانٹ کی گئی۔

موجودہ بورڈ آف ڈائریکٹرز 31 اکتوبر 2017 کو اپنی مدت پوری کر لیں گے۔ کمپنیز ایکٹ 2017 کی دفعہ 159 کے تحت ڈائریکٹرز کا انتخاب 28 جون 2017 کو ہونے والے سالانہ اجلاس عام میں منعقد ہو رہا ہے۔ موجودہ بورڈ نے آئندہ تین سال کیلئے نو ڈائریکٹرز فکس کئے ہیں۔ الیکشن آف ڈائریکٹرز کا اچھنڈہ سالانہ اجلاس عام کے نوٹس میں شامل ہے۔

چیف ایگزیکٹو آفیسر اور ایگزیکٹو ڈائریکٹرز کا معاوضہ:

بورڈ آف ڈائریکٹرز نے چیف ایگزیکٹو آفیسر اور دوسرے دو ایگزیکٹو ڈائریکٹرز کے ماہانہ معاوضے میں نظر ثانی کی ہے۔

نام	عہدہ	نظر ثانی سے قبل معاوضہ	نظر ثانی شدہ معاوضہ	نظر ثانی کی موثر تاریخ
عتیق احمد خان	چیف ایگزیکٹو آفیسر	ماہانہ 800,000 روپے	ماہانہ 950,000 روپے	01-08-2016
حافظ فاروق احمد	ڈائریکٹر	ماہانہ 800,000 روپے	ماہانہ 950,000 روپے	01-08-2016
فرزند علی	ڈائریکٹر / کمپنی سیکرٹری	ماہانہ 210,000 روپے	ماہانہ 225,000 روپے	15-02-2016

کارپوریٹ اور مالیاتی فریم ورک:

کارپوریٹ گورننس کے کوڈ کی تعمیل میں ہم کارپوریٹ اور مالیاتی رپورٹنگ کے فریم ورک کا بیان کرتے ہیں: مینجمنٹ نے فائیننشل سٹیٹمنٹس اور ان کے ساتھ نوٹس کو منسوخ شدہ کمپنیز آرڈیننس، 1984 کے مطابق بنایا ہے کہ سٹیٹمنٹس کمپنی کے امور،

آپریشن، کیش فلو اور ایکویٹی میں تبدیلی کے عین مطابق ہیں۔

کمپنی کی طرف سے اکاؤنٹ کی مناسب کتابوں کو برقرار رکھا گیا ہے۔

اسٹیک ہولڈرز سے تعلقات:

غنی گیسز کسٹمز، سپلائرز، بینکرز، ملازمین، سٹاک ایکسچینج، ایس ای سی پی اور دوسرے بزنس پارٹنرز سے باہمی تعلقات رکھنے میں پرعزم ہے۔ الحمد للہ اس عرصے کے دوران تمام اسٹیک ہولڈرز سے تعلقات خوشگوار رہے۔

کارپوریٹ شوئیل ذمہ داری:

ایک کارپوریٹ سٹیزن ہونے کے ناطے غنی گیسز پائیدار بزنس طریقوں اور انکی ذمہ داریوں سے بہرہ مند ہونے کے لئے پرعزم ہے۔ ہم یقین رکھتے ہیں کہ شفاف اور اخلاقی طرز بزنس سے نہ صرف تمام اسٹیک ہولڈرز میں ویلیو بڑھائی جاسکتی ہے بلکہ اس سے کمیونٹی کی بہبود میں اضافے میں مدد ملتی ہے۔ آپکی کمپنی نے کارپوریٹ شوئیل ذمہ داریوں کا تعین کر کے انکی ہدایات متعین کر دی ہیں۔ کسٹمز ریلیشن مینجمنٹ ایک اخلاقی پریکٹس کے طور پر اپنایا گیا ہے۔ غنی گیسز ایک صاف ستھرے ماحول کو سپورٹ کرتا ہے اور اپنے کسٹمز کو اس مقصد میں شامل ہونے کی ترغیب دیتا ہے۔ کمپنی اس بات کی حتی الامکان کوشش کرتی ہے کہ کسٹمز کی کاروباری سرگرمیاں ماحول دوست ہوں اور ان سے سوسائٹی کو نقصان نہ پہنچے۔ کمپنی پچھلے آٹھ سال سے اپنے خرچ پر ایک ملازم کو قرضہ اندازی کے ذریعے حج پر بھیج رہی ہے۔ غنی گیسز کوشش کرتی ہے کہ وہ ایک بھروسہ مند کارپوریٹ ہستی کے طور پر جانی جائے اور ماحولیات اور جنرل سوسائٹی میں اپنی ذمہ داریاں نبھائے۔

بورڈ آف ڈائریکٹرز:

کمپنی کے بورڈ آف ڈائریکٹرز جو تعداد میں آٹھ ہیں اپنی آزاد ذمہ داریوں اور کمپنی کو شفاف طریقوں سے نگرانی کے طور پر اس طرح کے فیصلے کریں کہ اسکی پائیدار ترقی میں اضافہ ہو۔
موجودہ بورڈ کی ساخت اس طرح سے ہے۔

نمبر شمار	قسم	ڈائریکٹرز کی تعداد
1	آزاد ڈائریکٹر	01
2	نان ایگزیکٹیو ڈائریکٹرز	04
3	ایگزیکٹیو ڈائریکٹرز	03
نوٹل		08

بورڈ آف ڈائریکٹرز کا چیزمین نان ایگزیکٹیو ڈائریکٹرز میں سے ہے۔ میٹنگ سے سات روز قبل بورڈ میٹنگ کانولس مع درکنگ پیپر ز ارسال کئے گئے۔ احتمالی سال 30 جون 2017 کے دوران کل نو بورڈ میٹنگ منعقد ہوئیں۔

قومی خزانے میں حصہ :

سال 2017 کے دوران غنی کیسز نے 763 ملین روپے (2006 میں 795 ملین روپے) بطور ٹیکس ڈیوٹیاں اور لگان مرکزی اور صوبائی حکومتوں اور لوکل اتھارٹیز کو ادا کئے۔

آڈٹ کمیٹی:

بورڈ نے ایک آڈٹ کمیٹی قائم کی ہے۔ اسکے چار ممبر ہیں جن میں سے ایک آزاد اور تین نان ایگزیکٹو ڈائریکٹر ہیں۔ آڈٹ کمیٹی کا اپنا ٹرم آف ریفرنس ہے۔ جو بورڈ آف ڈائریکٹرز نے رول بک کی ہدایات کے مطابق تشکیل دیا ہے۔ اختتامی سال 30 جون 2017 میں آڈٹ کمیٹی کے پانچ اجلاس ہوئے۔

آڈٹ کمیٹی کے ممبران کے نام اور ان کی حاضری مندرجہ ذیل ہے۔

نمبر شمار	ڈائریکٹر کا نام	عہدہ	حاضری
1	میاں زاہد سعید	چیرمین	5
2	مسرور احمد خان	ممبر	5
3	راجہ عتیق	ممبر	5
4	سائرہ فاروق	ممبر	2 میں سے 2
5	فرزند علی	سابقہ ممبر	3 میں سے 3

ہیومن ریورس اور معاوضہ کی کمیٹی (HR&R):

بورڈ نے ایک ہیومن ریورس اور معاوضہ کی کمیٹی قائم کی ہے۔ جن کے ممبران کی تعداد چار ہے جن میں ایک آزاد، دو نان ایگزیکٹو اور ایک ایگزیکٹو ڈائریکٹر ہے۔ HR&R کمیٹی کا اپنا ٹرم آف ریفرنس ہے جو بورڈ نے رول بک کی ہدایات کے مطابق تشکیل دیا ہے۔ اختتامی سال 30 جون 2017 میں HR&R کمیٹی کے ممبران کے نام اور ان کی حاضری مندرجہ ذیل ہے۔

نمبر شمار	ڈائریکٹر کا نام	عہدہ	حاضری
1	میاں زاہد سعید	چیرمین	3
2	عتیق احمد خان	ممبر	3
3	عائشہ مسرور	ممبر	3
4	سائرہ فاروق	ممبر	3

ٹریڈنگ اور ترقی :

اپنی اعلیٰ کارکردگی کو یقینی بنانے کے لئے غنی گیسز فریش انجینئرز کو روزگار مہیا کرتی ہے، ان کو ٹریڈنگ کرتی ہے اور ان کو اپنے پلانٹوں پر ٹریڈنگ کے آپریشن کی ذمہ داریاں ادا کرنے کا موقع دیتی ہے۔ آن جاب ریگولر کلاس روم ٹریڈنگ سیشن جو پلانٹ اور ایکویپمنٹ کے آپریشن و مینٹیننس اور ڈسٹریبوشن فلیٹ کا انتظام سے متعلق ہوتے ہیں باقاعدگی سے منعقد کرائے جاتے ہیں۔ اس کے علاوہ اس سال پنجاب گورنمنٹ کے ٹریڈنگ پروگرام TEVTA کے تحت دو ملازمین کو ڈپلومہ کورس کرائے گئے۔

یورپین و چائنیز میکانیکل سپورٹ

اپنے دونوں پلانٹوں کے مسلسل آپریشن اور روزمرہ مینٹیننس کو یقینی بنانے کے لئے غنی گیسز نے جانی پہچانی بین الاقوامی یورپین و چائنیز کمپنیوں سے معاہدے کئے ہیں۔ اس سال کے دوران بھی یورپین اور چائنیز ایکسپٹ کی ٹیمیں ہماری پیشہ ورانہ لوکل ٹیم کی سپورٹ کے لئے موجود ہیں۔

پراڈکٹ ڈیلیوری سسٹم

غنی گیسز کے پاس ایک شاہکار اور موثر VIT 23 پر مشتمل فلیٹ ہے جو ایک وقت میں 315,000 کیوبک میٹر گیس اپنے کسٹمرز کو مہیا کر سکتا ہے۔ بہترین پرکارکردگی حاصل کرنے کے لئے ہم دن رات (24/7) کوشاں ہیں تاکہ تمام کسٹمرز کو وقت پر سپلائی مہیا کی جاسکے۔

فوائد برائے شاف ریٹائرمنٹ :

غنی گیسز اپنے ملازمین کے لئے فنڈ ڈکنٹریبوٹری پرووی ڈنٹ فنڈ سکیم چلا رہا ہے اور ملازمین ماہانہ تنخواہوں کی بنیاد پر اس میں فنڈ جمع کراتے ہیں۔

کوڈ آف کارپوریٹ گورنس کی تعمیل :

غنی گیسز نے پاکستان سٹاک ایکچینج کی رول بک کو مد نظر رکھتے ہوئے احتیاطی سال 30 جون 2017 سے متعلقہ کوڈ آف کارپوریٹ گورنس کی ضرورت کو اپنا کران پر عمل کیا ہے۔ بیان بابت کوڈ آف کارپوریٹ گورنس کی بہترین طریقوں سے تعمیل اس رپورٹ میں شامل ہے۔

تعمیل کا بیانیہ

کوڈ آف کارپوریٹ گورنس سے متعلق عمل کرنے کا بیانیہ اس رپورٹ میں شامل ہے۔

ضابطہ اخلاق :

غنی گیسز کے بورڈ نے علیحدہ سے اپنے بورڈ آف ڈائریکٹرز اور ملازمین کے لئے ضابطہ اخلاق اپنایا ہے۔ تمام متعلقہ لوگوں کو اس بابت اطلاع دے دی گئی ہے کہ اس ضابطے کے رولز جو کسٹمرز، سپلائرز اور قواعد و ضوابط سے متعلق ہیں ان کو پڑھ کر اس پر عمل کریں۔

ربا فری کاروبار :

الحمد للہ غنی گیسز میں تمام کاروباری لین دین اور فنانشل اعمال شرح کے مطابق کرنے کو یقینی بنایا جاتا ہے۔

حفاظت، صحت، ماحول اور کوالٹی (SHEQ) :

غنی گیسز کا پہلا مقصد ”پہلے حفاظت“ ہے۔ کمپنی اس بات کو یقینی بناتی ہے کہ ملازمین، کسٹمرز اور سائیٹ پر آنے والے زائرین اپنی فیملیوں کے پاس واپس با حفاظت پہنچیں۔ تمام حفاظتی پروگرام کے تسلسل کے لئے ہما وقت سیفٹی انجینئر موجود ہے۔ جو اس بات کو یقینی بناتا ہے کہ حفاظتی اقدامات جس میں لوگ، مشینری، عمارتیں، پیکنگ، گاڑیاں اور سٹوریج شامل ہیں انکی حفاظت کرے۔ الحمد للہ مئی 2009 میں پہلے پلانٹ کی تنصیب سے لے کر اللہ تعالیٰ کی مہربانی سے غنی گیسز کی تمام سائٹوں نے 3915 دن بغیر کسی وقت اور حادثے کے نقصان سے مکمل کئے ہیں۔

ماحول اور کوالٹی کا سسٹم :

غنی گیسز ماحولیاتی طور پر زندہ ہے اور اس بات کو یقینی بناتا ہے۔ کہ ہوا، پانی اور زمین میں آلودگی نہ جائے۔ کمپنی نے اپنی سائٹوں پر باغات اور پودے لگائے ہیں تاکہ ملازمین زائرین اور کسٹمر کو بھلا لگے اور ماحولیاتی کشش محسوس ہو۔ آپکی کمپنی نے دنیا کی بہترین ماحولیاتی منجمنٹ سسٹم ISO-14001:2006 کو اپنایا ہے اس کی سرٹیفیکیشن دنیا کے جانے ہوئے "UKAS" سے حاصل کی گئی ہے یہ سرٹیفیکیشن ایجنسی اس کا سالانہ آڈٹ بھی کرتی ہے اس کے علاوہ پلانٹوں پر تمام سرگرمیاں ماحولیاتی تحفظ کے رولز اور قوانین کو مد نظر رکھ کر کی جاتی ہیں۔

کوالٹی مینجمنٹ سسٹم :

سیفٹی، ہیلتھ اور ماحول کے ساتھ ساتھ غنی گیسز نے کوالٹی سٹینڈرڈز پر بہت توجہ دی ہے۔ غنی گیسز نے دنیا کے بہترین کوالٹی مینجمنٹ سسٹم ISO-9001:2008 کو اپنایا ہے۔ اسکی سرٹیفیکیشن دنیا کے جانے ہوئے "UKAS" سے حاصل کی گئی ہے۔ یہ سرٹیفیکیشن ایجنسی اس کا سالانہ آڈٹ بھی کرتی ہے۔

انسانی وسائل :

انسانی وسائل کی ترقی غنی گیسز کی ترجیحات میں سے ایک ہے۔ کیونکہ انتظامیہ انسانی وسائل کو ایک اثاثے کے طور پر لیتی ہے الحمد للہ غنی گیسز نے اعلیٰ تعلیم یافتہ تجربہ کار سٹاف، مارکیٹنگ، پلانٹ، آپریشن، فرنس، کوالٹی، فنانس اور کارپوریشن کے شعبوں میں رکھا ہوا ہے۔ غنی گیسز کے ملازمین نے اپنے وعدوں کی تکمیل، پیشہ ورانہ مہارت، کوالٹی پر توجہ اور کسٹمرز کو سہولت مہیا کرنے کے باعث بہت ہی کم عرصے میں ایک اچھا خاصہ مارکیٹ شیئر حاصل کیا ہے۔

حساب سے ایسوسی ایٹڈ کمپنی سے کمیشن وصول کر رہی ہے۔ 30 جون 2017 کے اختتامی سال میں 2.6 ملین روپے کا کمیشن (2016 میں 2.6 ملین روپے) کمپنی کے نفع و نقصان کے اکاؤنٹ میں دیگر انکم کے ہیڈ میں شامل ہے۔

31 اکتوبر 2016 کی میٹنگ میں شیئر ہولڈرز نے غنی گلوبل گلاس لمیٹڈ (GGGL) ایک ایسوسی ایٹڈ کمپنی میں 200 ملین روپے کی سرمایہ کاری بطور لون اور ایڈوانس کی شکل میں منظور کی تھی۔ 30 جون 2017 کے اختتامی سال تک GGGL نے نہ تو مکمل اور نہ ہی جزوی طور پر اس منظور شدہ سرمایہ کاری کو استعمال کیا۔

جنوری 2017 میں آپ کی کمپنی نے غنی گلوبل گلاس لمیٹڈ (GGGL) ایک ایسوسی ایٹڈ کمپنی کی ایکویٹی میں 450 ملین روپے کے 25 ملین شیئرز خرید کر سرمایہ کاری کی جو GGGL کے ٹوٹل کیپیٹل کا 25% فیصد ہے۔ یہ سرمایہ کاری کمپنی کے 24 دسمبر 2016 کے خصوصی اجلاس عام میں منظوری کے بعد کی گئی۔

غنی کیمیکل انڈسٹریز لمیٹڈ جو ایک ذیلی ادارہ ہے حطارا کناک زون میں کیمیکل کاربائیڈ جو امپورٹ کا نعم البدل ہے کا پلانٹ لگا رہی ہے اس مقصد کیلئے زمین خرید کر اس کی لیولنگ اور بیک فلنگ کا کام جاری ہے پراجیکٹ کیلئے فنانسنگ کا انتظام جلد ہونا متوقع ہے۔ نومبر 2017 میں سول کنسٹرکشن شروع کرنے کا منصوبہ ہے۔ کمپنی نے اس ذیلی کمپنی میں منظور شدہ 360 ملین روپے میں سے 143 ملین روپے کی سرمایہ کاری کر دی ہے۔

کمپنی کے قانونی آڈیٹرز:

موجودہ آڈیٹرز میسرز رضوان اینڈ کمپنی چارٹرڈ اکاؤنٹینٹس 28 اکتوبر 2017 کو ہونے والی سالانہ اجلاس کے بعد ریٹائر ہو جائینگے۔ آڈٹ کمیٹی کے مشورہ کے مطابق بورڈ آف ڈائریکٹرز نے موجودہ آڈیٹرز کو 30 جون 2018 کے اختتامی سال کے لئے بطور کمپنی کے آڈیٹرز دوبارہ تعیناتی کی سفارش کی ہے۔

شیئرز کی قیمتوں کا رجحان:

آپ کی کمپنی کے 10 روپے والے شیئرز کی قیمت فروری 2017 میں ایک موقع پر 45.25 روپے تک بڑھی، اور اکتوبر 2016 میں اس کی قیمت 19.01 روپے تک کم ہو گئی اور 30 جون 2017 کو یہ شیئر 25.20 روپے پر بند ہوا۔

کیجانا نیشنل سٹیٹمنٹس

کمپنی ایکٹ 2017 کے سیکشن 228 کی ضروریات کو سامنے رکھتے ہوئے کمپنی کی کیجانا نیشنل سٹیٹمنٹس کے ساتھ آڈیٹرز اور ڈائریکٹرز کی رپورٹ کمپنی کی کیجانا نیشنل سٹیٹمنٹس کے ساتھ منسلک ہیں۔

طار میں گیسز کی سٹوریج اور فلنگ اسٹیشن بنانے کا فیصلہ کیا ہے۔ اس مقصد کے لئے طارا کناک زون میں زمین خریدی جا چکی ہے۔ اس سائٹ کو جنوری 2018 سے چالو کرنے کا منصوبہ ہے۔

2018 اور اسکے بعد پر نظر

موجودہ بحران نے معاشرتی اور اقتصادی تبدیلیوں کا بالکل نیا ماحول مہیا کیا ہے۔ 2018 میں غنی گیسز اس بلدی ہوئی صورتحال میں اپنی درمیانی مدت اہداف کو حاصل کرنے کے لئے اپنی ترجیحات کو نئے سرے سے مرتب کرے گا۔ نئی صورت حال میں اپنے پانچ سالہ پروگرام کا دوبارہ جائزہ لے گا۔ جس میں 2017 سے 2021 کے اہداف شامل ہیں۔ ہمارے پانچ سالہ پروگرام میں دو چیزوں پر توجہ دی گئی ہے۔ سننا اور جدت، سننے سے مراد اپنے کسٹمر کی ضروریات کو مد نظر رکھ کر ان پر توجہ دینا ہے تاکہ غنی گیسز انکا لمبی مدت کا پارٹنر بن سکے۔ تیز رفتار جدت کے ذریعے ہم ریسرچ اور ڈویلپمنٹ میں سرمایہ کاری کرتے ہوئے زیادہ جدت والی ٹیکنالوجی متعارف کرائیں گے۔ اپنی کوششوں کو یکجا کرتے ہوئے اس نئے وژن کے ساتھ غنی گیسز اس طرح آپریٹ کرے گی کہ 17-2016 کا پانچ سالہ پروگرام کو آگے بڑھائے۔ ہمارا یہ پلان مستقبل کے چیلنجوں سے عہدہ براہ ہونے کے لئے مشعل راہ ہے۔ اللہ تعالیٰ کی مہربانی سے ہم آنے والے سالوں میں کاروبار میں مسلسل بہتری دیکھ رہے ہیں۔ 110 ٹن کے ASU پلانٹ پر کام جاری ہے۔ جو کہ جون 2018 میں مکمل ہو جائے گا۔ اسکے علاوہ طارا میں گیسز سٹوریج اور فلنگ اسٹیشن (سلنڈروں میں گیس کی بھرائی) کی وجہ سے نادرن ایریا کے کسٹمرز کا اعتماد مزید بڑھے گا۔ پرائس وار سے بچنے کے لیے اور ساتھ ہی ساتھ منافع میں اضافہ کے لیے کمپنی لاگت میں کمی، پروڈکٹ کے نقصان میں کمی جیسے مختلف اقدامات کر رہی ہے۔

مانع گیسز کا کاروبار صنعتی و کاروباری سرگرمیوں اور صحت کی دیکھ بھال سے جڑا ہوا ہے۔ بجلی کے سپلائی میں بہتری پر ہم صنعتی و کاروباری سرگرمیوں میں بہتری دیکھ رہے ہیں۔ چائنہ پاکستان اکنامک کوریڈور، گوادر پورٹ کے فعال ہونے اور منصوبوں کے مطابق انڈسٹریل زونز کا قیام ملک کے لئے گیم چیجر ہوگا۔ آپ کی کمپنی پہلے ہی سی پیک سے منسلک منصوبوں کی ضروریات پوری کر رہی ہے۔ اس طرح ہم ملک کے ساتھ ساتھ کمپنی کا بھی بہتر مستقبل دیکھ رہے ہیں۔

شیر ہولڈرز کو ادائیگی:

آپ کی کمپنی کی انتظامیہ شیر ہولڈرز کو انکی "سرمایہ کاری پرواپسی" پر مکمل یقین رکھتی ہے۔ توسیعی منصوبوں کے جاری ہونے کی وجہ سے، آپ کی کمپنی کے بورڈ آف ڈائریکٹرز نے (بجائے کیش ڈیویڈنڈ) 30 جون 2017 کیلئے اپنے شیر ہولڈرز کو 6% فیصد بونس شیر ایڈجسٹمنٹ کی تجویز دی ہے۔ یہ بونس شیرز ان شیر ہولڈرز کو دیئے جائیں گے جن کا نام 24 اکتوبر 2017 کو شیرز کی کتابوں میں ہوگا

ذیلی ایبوسی ایٹڈ کمپنی میں سرمایہ کاری کی حیثیت

کمپنی نے غنی گلوبل گلاس لمیٹڈ کے بینکوں کیلئے 650 ملین روپے کی کارپوریٹ گارنٹی مہیا کی ہے اور اس پر 0.10% فیصد فی سہ ماہی کے

متعارف کرائی ہے۔ کمپنی نے ٹیکنالوجی میں بہتری کر کے اپنے مینوفیکچرنگ پروسس کو بہتر بنایا ہے۔ اسکے علاوہ کمپنی نے اپنے سنٹورج سسٹم اور ڈیوری سسٹم میں بہتری کرتے ہوئے۔ ISO، VIT اور VIE کے فیلٹ میں اضافہ کیا جسکے نتیجے میں ہم پراڈکٹ ڈیوری سسٹم اور مطمئن کسٹمرز کی لسٹ میں اضافہ کرنے میں کامیاب رہے۔ آپکی کمپنی نے جرات مندانہ فیصلہ کرتے ہوئے GGL-I اور GGL-II پلانٹس میں ہوا کی سپلائی کو بہتر بنایا۔ اس بہتری کی وجہ سے آکسیجن، نائٹروجن اور آرگن گیسز کی پروڈکشن میں اضافہ ہوا، بجلی کی کھپت میں کمی واقع ہوئی اور مقابلے کی فضا میں کمپنی کی پوزیشن بہتر ہوئی۔ کوالٹی پروڈکٹ اور خصوصی سروسز کی فراہمی کمپنی کی بنیادی حکمت عملی رہی۔ جسکے نتیجے میں ہم اپنے ہی سیل اور پروڈکشن کے ریکارڈ توڑنے میں کامیاب رہے۔

سیل اور مارکیٹنگ

2009 سے آکسیجن، نائٹروجن، آرگن، خاص گیسوں، ہپچر گیس اور نایاب گیسز کی فراہمی کمپنی کا بنیادی کاروبار رہا ہے۔ غنی گیسز نے ہمیشہ متوقع اور مستقبل کی ضروریات کو سامنے رکھ کر فیصلے کئے ہیں۔ گروپ مسلسل کارکردگی اور ترقی کے ذریعے پیش رفت کر رہا ہے۔ غنی گیسز ایک لمبی مدت کے شراکت دار کے طور پر اپنے ملازمین کے عزم، کسٹمرز کے اعتماد اور شیئر ہولڈرز کی مدد سے پائیدار اور مسابقتی ترقی کا پیچھا کر رہی ہے۔ اپنے مستقبل کو بہتر کرنے کے لئے غنی گیسز کی جداگانہ ٹیمیں، کاروبار، مارکیٹ اور جغرافیائی موجودگی مضبوط اور مستقبل بنیاد فراہم کرتی ہے۔

ہماری سیل اور مارکیٹنگ کا محور شپ بریکنگ، سٹیل، آئل اور گیس فیلڈ سروسز، ہیلتھ کیئر، گلاس میکینگ، ریڈیو پلاسٹک، آٹوموبائل، پلپ و پیپر، نوڈو بیورج، ہپچنگ، پراسسینگ اور بلنڈنگ، کیمیکل پراسسینگ، لیپ مینوفیکچرنگ، لیپ وریسچ اور فریڈلائزریسٹرز ہے۔ گلوبل اور نیشنل اکانومی میں سستی، آئل کی قیمتوں میں کمی لاء اینڈ آرڈر کی صورت حال، سیاسی عدم استحکام، بجلی میں کسی حد تک بہتری کے باوجود کمپنی نے 2017 میں مضبوط کارکردگی دکھائی۔

قیمتوں کی جنگ اور مقابلے کے رجحان کی وجہ سے ایک لیجنڈ (لنڈے گروپ) نے پاکستان سے اپنا کاروبار بند کر دیا۔ نہ صرف ہم نے پہلی پوزیشن لی بلکہ منافع کی سیڑھی بھی پھلانگ لی۔ ٹرن اوور میں اضافہ اور منافع میں بہتری نظر آئی۔ یہ کارکردگی ہماری پانچ سالہ حکمت عملی جسے ہم نے 2017 میں بہتر کیا اور ہمارا فوکس کیش مینجمنٹ، کاسٹ کنٹرول اور اثاثوں میں اضافہ رہا۔ الحمد للہ ہم نے اس سال ہسپتالوں کے ساتھ ریکارڈ کاروبار کیا اور اپنے آپ کو نمبر 1 منوایا اسی طرح ہم نے تمام اہم دفاعی، گورنمنٹ اداروں کو خدمات انجام دیں۔

توسیعی منصوبے

انڈسٹریل اور میڈیکل گیسز کی ڈیمانڈ میں متوقع اضافہ کو مد نظر رکھتے ہوئے کمپنی 110 ٹن کا ASU کا پلانٹ لگا رہی ہے۔ اس توسیعی منصوبے پر کام جاری ہے اور امید ہے کہ یہ منصوبہ جون 2018 میں مکمل ہو جائے گا۔ نادر ن ایریا کے کسٹمرز کو سہولت کے پیش نظر کمپنی نے

کے مقابلے میں کم ہو کر 7.78 فیصد رہا جبکہ پچھلے سال یہ 9.97 فیصد تھا۔ اسی طرح انتظامی اخراجات سیل کے مقابلے میں بڑھ کر 6.12 فیصد سے 6.49 فیصد ہو گئے۔ اس سال قبل از ٹیکس منافع 181.08 ملین رہا جبکہ پچھلے سال یہ 276.61 ملین روپے تھا۔ بعد از ٹیکس منافع کم ہو کر 137.10 ملین روپے ہو گیا جبکہ پچھلے سال یہ منافع 161.98 ملین روپے تھا اسی طرح فی شیئر کمائی 1.90 روپے سے کم ہو کر 1.10 روپے رہی۔

30 جون 2017 کے احتیامی سال کے کلیدی مالیاتی نتائج کا موازنہ مندرجہ ذیل ہے،

تفصیلات	'000' روپے سوائے فی حصص آمدنی		
	2017 جون	2016 جون	تبدیلی
مجموعی فروخت	2,053,432	2,013,015	40,417
خالص فروخت	1,804,472	1,766,734	37,729
مجموعی منافع	568,634	575,635	(7,001)
فیصد کے طور پر	31.51%	32.58%	
تقسیم کاری کی لاگت	179,993	137,463	42,530
فیصد کے طور پر	9.97%	7.78%	
انتظامی اخراجات	117,127	108,153	8,974
فیصد کے طور پر	6.49%	6.12%	
ٹیکس سے پہلے منافع	181,084	276,612	(95,528)
خالص منافع	137,103	161,981	(24,878)
فی حصص آمدنی	1.10	1.90	(0.77)

پچھلے سال کمپنی نے انویسٹمنٹ کو بیچ کر 59.950 ملین روپے منافع کمایا تھا جو کہ پچھلے سال کی دیگر آمدنی میں شامل تھا۔ وگرنہ اس سال کا خالص منافع پچھلے سال کی نسبت 21.65 فیصد زیادہ ہے۔

آپریشن اور کارکردگی

الحمد للہ کمپنی نے آپریشن کا ایک اور کامیاب سال مکمل کیا ہے۔ اس سال دونوں پلانٹوں کی کارکردگی تسلی بخش رہی۔ بجلی کی بہتر صورت حال اور اشاریہ میں کمی کی وجہ سے پچھلے سال کی نسبت کمپنی کی پروڈکشن میں 13.95 فیصد اضافہ ہوا۔ یورپین اور چائینز ایکسپورٹ ہماری لوکل پروفیشنل ٹیم کی مدد کے لئے موجود رہے۔ گیس کی سٹوریج کو اوپری حد تک رکھا گیا تاکہ فوری طور پر کسٹمرز کی ضرورت کو پورا کیا جاسکے۔ بجلی کے استعمال کی شرح پلانٹس کے ڈیزائن کے مطابق رہی جسکے نتیجے میں پروڈکشن لاگت کم خرچ رہی۔ آپ کی کمپنی کی مینجمنٹ کی حتمی امکان کوشش رہی کہ کسٹمرز کی ضروریات کو پورا کرتے ہوئے پہلے سے موجود پلانٹس میں بہتری اور تبدیلی کر کے بہترین سروسز اور ہسپتالوں، انڈسٹریز کو 24 گھنٹے پروڈکٹ کی سپلائی یقینی بنائے۔ غنی گیسز نے ہمیشہ اپنے تجربے، ریسرچ اور جدید ٹیکنالوجی کی بنیاد پر پلانٹوں میں بہتری

ڈاریکٹرز رپورٹ

پیارے شیئر ہولڈرز۔

اسلام علیکم ورحمتہ وبرکات

آپ کی کمپنی (غنی گیسز لمیٹڈ) کے ڈریکٹران کمپنیز ایکٹ 2017 کی ضرورت کے مطابق کمپنی کی آڈٹ شدہ غیر یکجا فنانشل سٹیٹمنٹس بابت احتتام شدہ سال 30 جون 2017 کو پیش کرنے میں خوشی محسوس کرتے ہیں۔

نیشنل اکانومی کا عمومی جائزہ:

2017 کے احتتامی سال میں پاکستان کی اکانومی 5.3 فیصد بڑھی۔ جو کہ پچھلی ایک دہائی میں سب سے زیادہ اور سال 2016 کی 4.5 فیصد گروتھ سے زیادہ ہے۔ دوسری طرف کرنٹ اکاؤنٹ میں زوال بھی ہوا ہے۔ کرنٹ اکاؤنٹ کے زوال میں زیادتی اور بیرونی سرمایہ کاری میں سستی اور قرض کے ذریعے فارن ریزرو میں اضافہ ہوا۔ کمزور بیرونی اکاؤنٹ کے باوجود ڈالر کے مقابلے میں پاکستانی کرنسی میں استحکام رہا۔ مستحکم کرنسی عالمی تیل کی قیمتوں میں کمی کے باوجود مہنگائی میں اضافہ ہوا۔ 2017 میں اوسطاً 4.2 فیصد اضافہ ہوا جو کہ 2016 میں 2.9 فیصد تھا۔ اس دوران اوسطاً بنیادی افراط زر (خوراک و توانائی کے علاوہ) 5.2 فیصد رہا جو کہ 2016 میں 4.2 فیصد تھا۔ تبدیل شدہ سیاسی منظر نامہ پاکستان کی اکانومی پر اثر انداز ہوا ہے کیونکہ اس سال اکانومی کی نشوونما مضبوط کارکردگی کی بنیاد پر ہوگی۔ 2018 کے پہلے دو ماہ میں اشیاء کی ایکسپورٹ اور ترسیلات میں دگنا اضافہ ہوا ہے۔ جو پاکستان کی اکانومی کی نشوونما کی تصدیق کرتا ہے۔ اگست میں پاناما اسکینڈل کی وجہ سے وزیراعظم کا استعفیٰ 2018 میں ہونے والے الیکشن کی امکانی سمت متعین کر سکتا ہے۔ جبکہ اپوزیشن پارٹیاں حکمران جماعت کی مشکلات سے استفادہ حاصل نہیں کر سکیں۔ یہ ایک اچھا اشارہ ہے کہ سیاسی غیر یقینی کے باوجود سول اور ملٹری ادارے 62 بلین ڈالر کے پاکستان چائنہ اکٹنا کم کوریڈور کو مکمل کرنے میں ایک صفحے پر ہیں۔ سی پیک پروجیکٹ اندرونی سرمایہ کاری اور خطے کی تجارتی نشوونما کا باعث بنے گا۔

سی پیک کی وجہ سے اکانومی بہت سارے محاذوں پر فائدہ اٹھائے گی اور اس طرح پاکستان کا اکانومی اندازہ بہتر نظر آتا ہے۔ زراعت کے شعبے میں بہتری، مضبوط پیداواری سیکٹر اور صحت مند سرمایہ کاری ماحول سے نشوونما ممکن ہے۔ 2018 میں اکانومی کی نشوونما 4.9 فیصد متوقع ہے جو پچھلے ایک ماہ قبل بتائے گئے سے 0.1 فیصد کم ہے۔ لیکن 2019 میں بہتر ہو کر 5.1 فیصد متوقع ہے۔

مالیاتی کارکردگی:

اس سال کمپنی کی سیل بڑھ کر 2,053 ملین روپے ہو گئی جبکہ پچھلے سال یہ 2,013 ملین روپے تھی اس طرح الحمد للہ سیل میں 2.01 فیصد اضافہ ہوا۔ 1 سال کا مجموعی منافع کم ہو کر 568.63 ملین روپے رہا جبکہ پچھلے سال یہ 575.66 ملین روپے تھا۔ تقسیم کاری کا خرچہ سیل

FORM OF PROXY
10th Annual General Meeting
GHANI GASES LIMITED

I/We _____
of _____
being a member of GHANI GASES LIMITED _____
hereby appoint _____
of _____
failing him _____

as my / our Proxy to attend act and vote for me/us on my/our behalf at 10th Annual General Meeting of the members of the Company to be held at Lahore on Saturday, October 28, 2017 at 10:30 AM and at any adjournment(s) thereof.

Signed this _____ day of October 2017.

Sign by the said Member

Signed in the presence of:

- | | |
|---|---|
| 1. Signature: _____
Name: _____
Address: _____
CNIC/Passport No. _____ | 2. Signature: _____
Name: _____
Address: _____
CNIC/Passport No. _____ |
|---|---|

Information required		For Member (Shareholder)	For Proxy	For alternate Proxy (*)
			(If member)	
Number of shares held				
Folio No.				
CDC Account No.	Participant I.D.			
	Account No.			

Affix
Revenue
Stamp of
Rs.5/

(*) Upon failing of appointed Proxy.

غنی گیسز لمیٹیڈ

پراکسی فارم برائے دسواں سالانہ اجلاس

میں مسٹی/مسماة ----- ساکن -----
 ضلع ----- بحیثیت ممبر غنی گیسز لمیٹیڈ، مسٹی/مسماة -----
 ساکن ----- کو بطور مختار (پراکسی) مقرر کرتا ہوں تاکہ وہ میری جگہ اور میری طرف سے
 کمپنی کے دسویں سالانہ اجلاس جو بتاریخ ہفتہ اکتوبر 28، 2017 میں 10:30 بجے صبح کمپنی کے رجسٹرڈ لاہور آفس میں منعقد ہو رہا ہے میں اور اس
 کے کسی ملتی شدہ اجلاس میں ووٹ ڈالے۔
 آج بروز ----- بتاریخ ----- 2017ء کو دستخط کئے گئے۔

دستخط ممبر

گواہان:

1. دستخط: _____ نام: _____ پتہ: _____ شناختی کارڈ نمبر: _____
 2. دستخط: _____ نام: _____ پتہ: _____ شناختی کارڈ نمبر: _____

پانچ روپے
 مالیت کے رسیدی
 ٹکٹ پر دستخط

ضروری معلومات	رکن کے لئے (شیر ہولڈر)	پراکسی کے لئے (اگر رکن ہے)	متبادل پراکسی کے لئے (*)
حصص کی تعداد			
فولیو نمبر			
سی۔ ڈی۔ سی اکاؤنٹ نمبر	پارٹنیشن آئی۔ ڈی		
	اکاؤنٹ نمبر		

(* مقرر کردہ پراکسی کی ناکامی پر