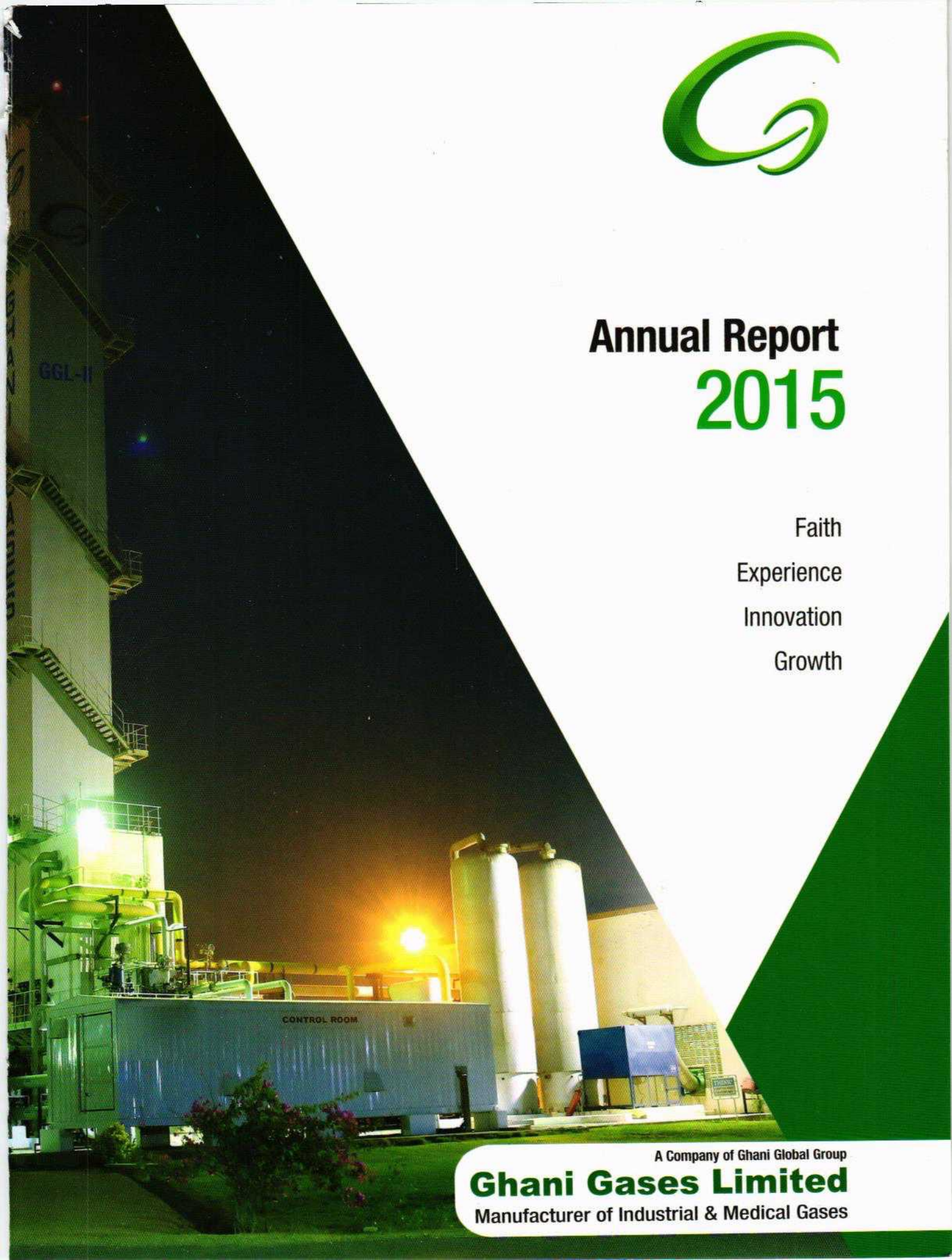




Annual Report 2015

Faith
Experience
Innovation
Growth



A Company of Ghani Global Group

Ghani Gases Limited

Manufacturer of Industrial & Medical Gases



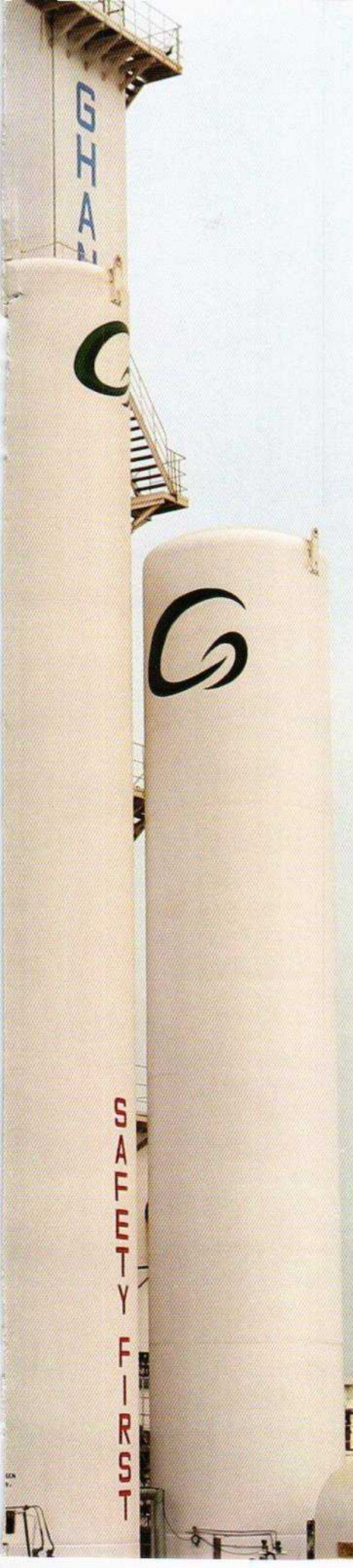
**IN THE NAME
OF
ALLAH SUBHANA HU WA' TAALA**





IN THE NAME
OF
ALLAH SUBHANA HU WA TAALA





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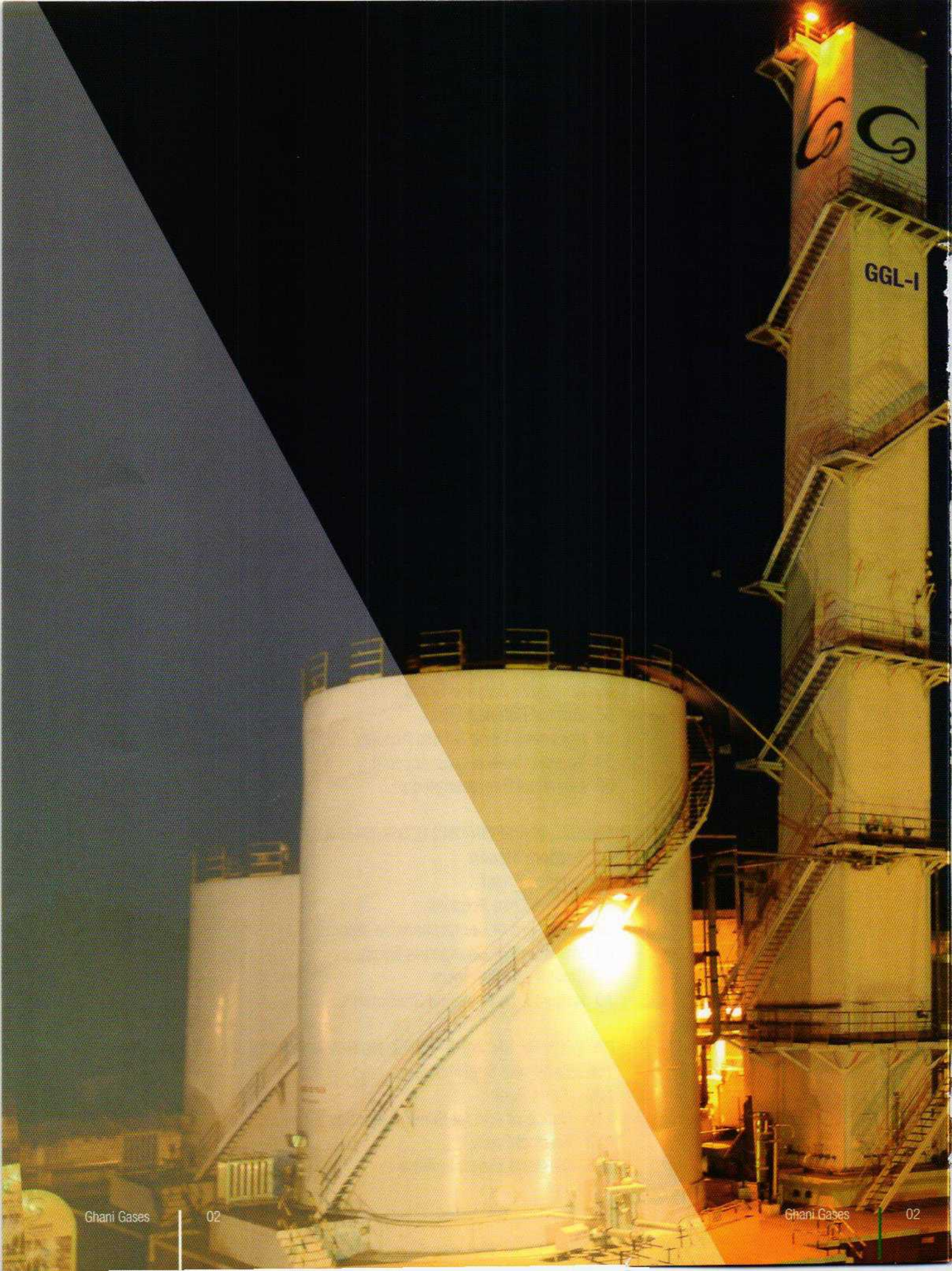
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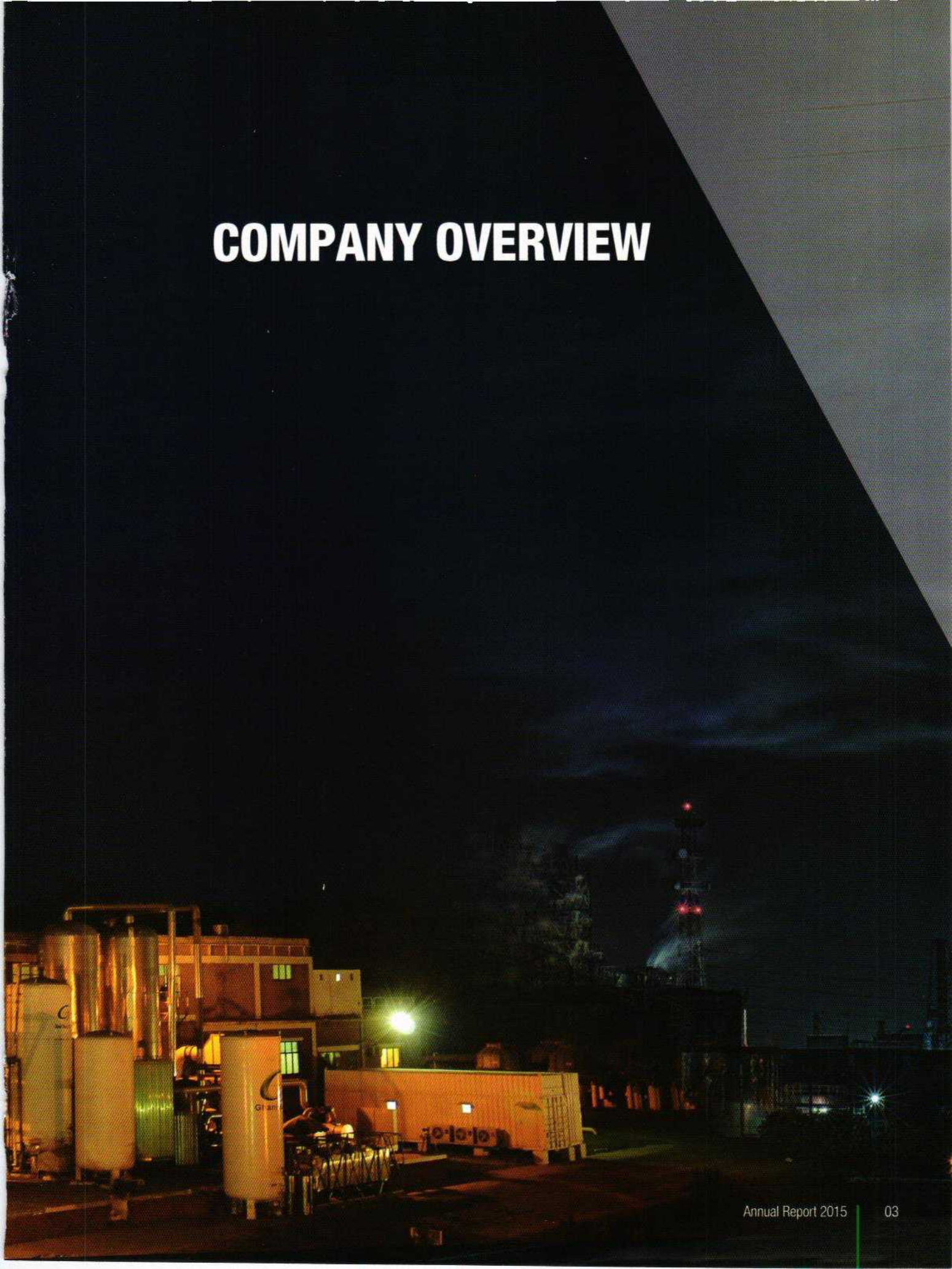
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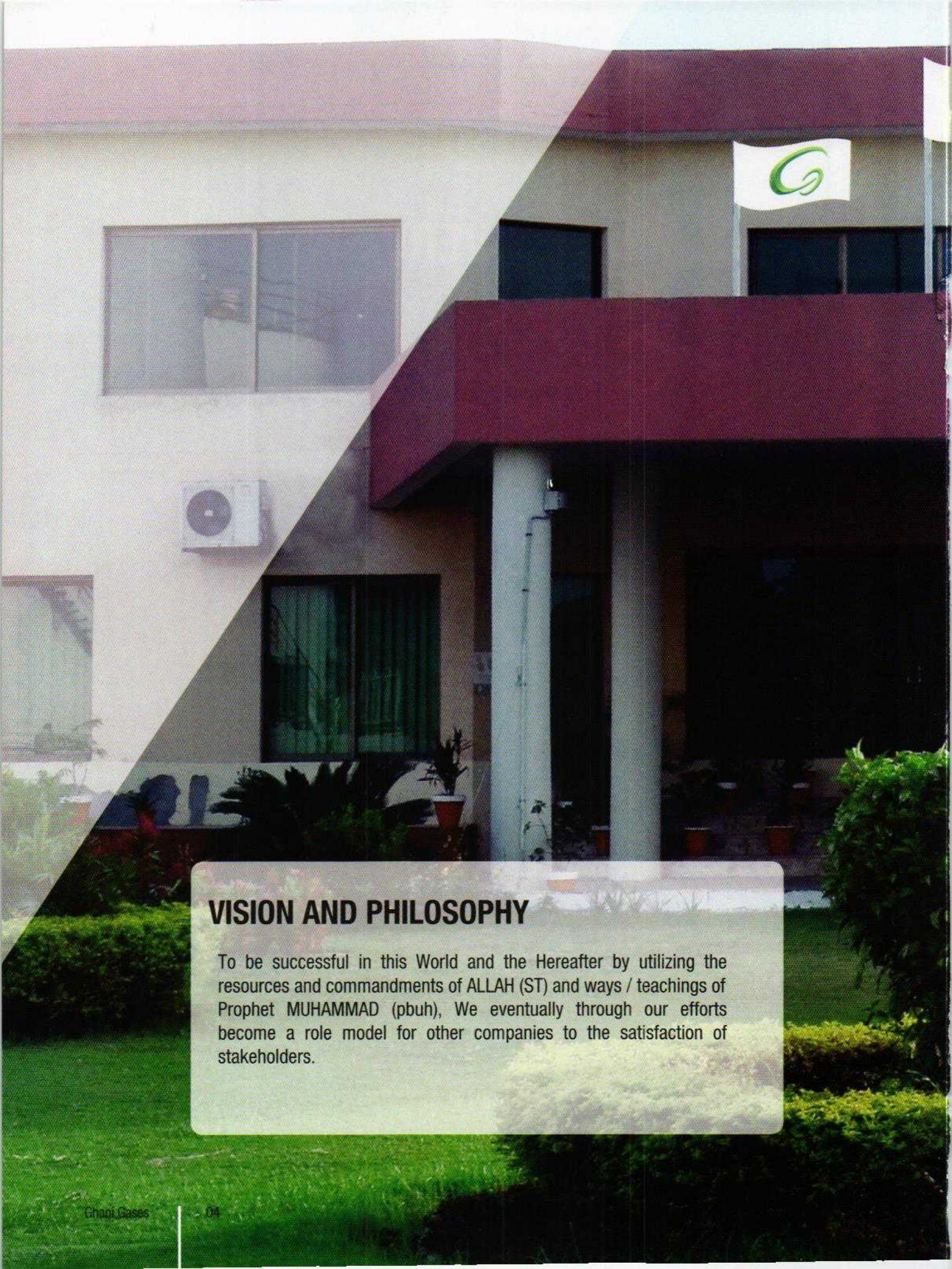
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COMPANY OVERVIEW





VISION AND PHILOSOPHY

To be successful in this World and the Hereafter by utilizing the resources and commandments of ALLAH (ST) and ways / teachings of Prophet MUHAMMAD (pbuh), We eventually through our efforts become a role model for other companies to the satisfaction of stakeholders.



MISSION STATEMENT

To achieve and maintain a high standard of quality product and customers' satisfaction in a manner that is superior to anyone by a wide-margin and to become the leader amongst gases manufacturers.

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.

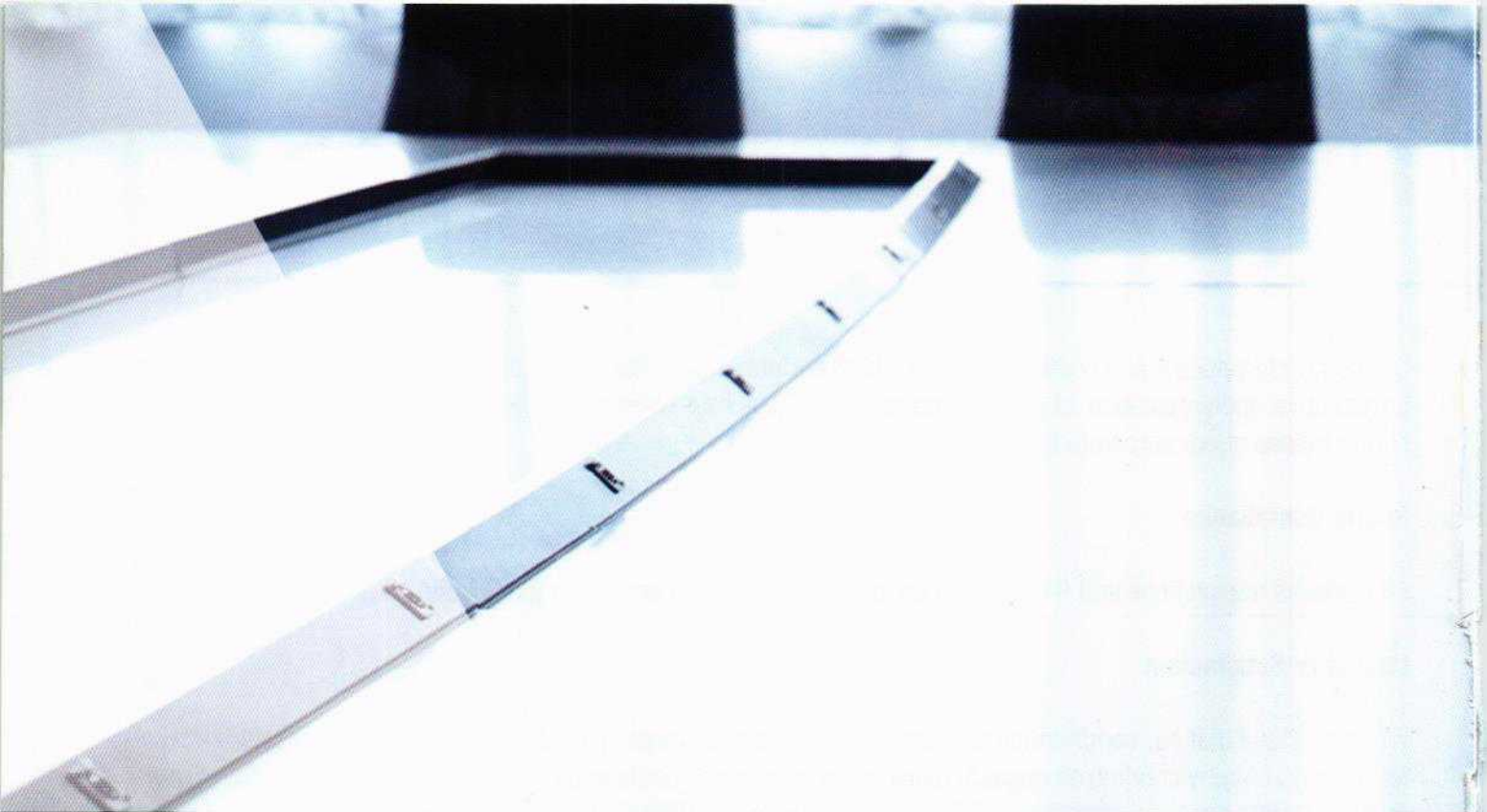


Integrity

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.



exercise a high level of work, use most competencies to



CORPORATE INFORMATION

BOARD OF DIRECTORS

Masroor Ahmad Khan
Atique Ahmad Khan
Hafiz Farooq Ahmad
Mian Zahid Said
Ayesha Masroor
Rabia Atique
Saira Farooq
Farzand Ali

Chairman
Chief Executive Officer
Director
Director
Director
Director
Director
Director

AUDIT COMMITTEE

Mian Zahid Said - Chairman
Masroor Ahmad Khan
Farzand Ali

HR & R COMMITTEE

Mian Zahid Said - Chairman
Atique Ahmad Khan
Ayesha Masroor
Farzand Ali

COMPANY SECRETARY

Farzand Ali, FCS

CHIEF FINANCIAL OFFICER

Asim Mahmud, FCA

AUDITORS

Rizwan & Company,
Chartered Accountants
Member Firm of DFK International

SHARE REGISTRAR

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

**GGL-I Plant**

52-K.M. Lahore Multan Road,
Phool Nagar Distt. Kasur
Ph: (042) 7006353-54, Fax: (042) 7006356
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

GGL - III

Main G.T. Road, Tarnol, Islamabad
Email: sales.west@ghaniglobal.com

REGIONAL MARKETING OFFICE

301-302, 3rd Floor Yousaf Chamber,
KCHSU, Block 7/8, Near MCB Bank,
Shara-e-Faisal Karachi.
Phone: 021-34330595
Email: sales.south@ghaniglobal.com

LEGAL ADVISOR

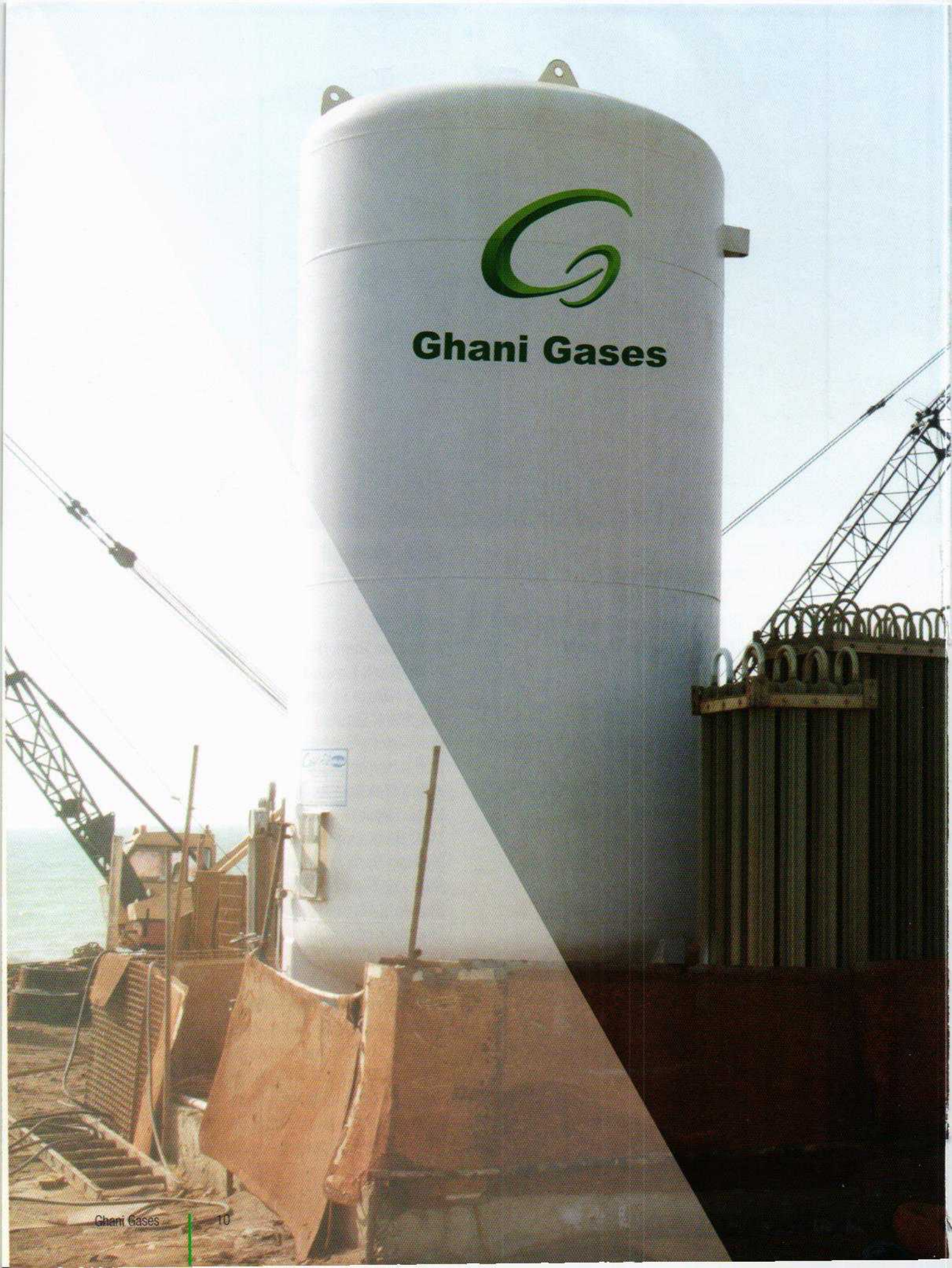
DSK Law, Lahore

BANKERS

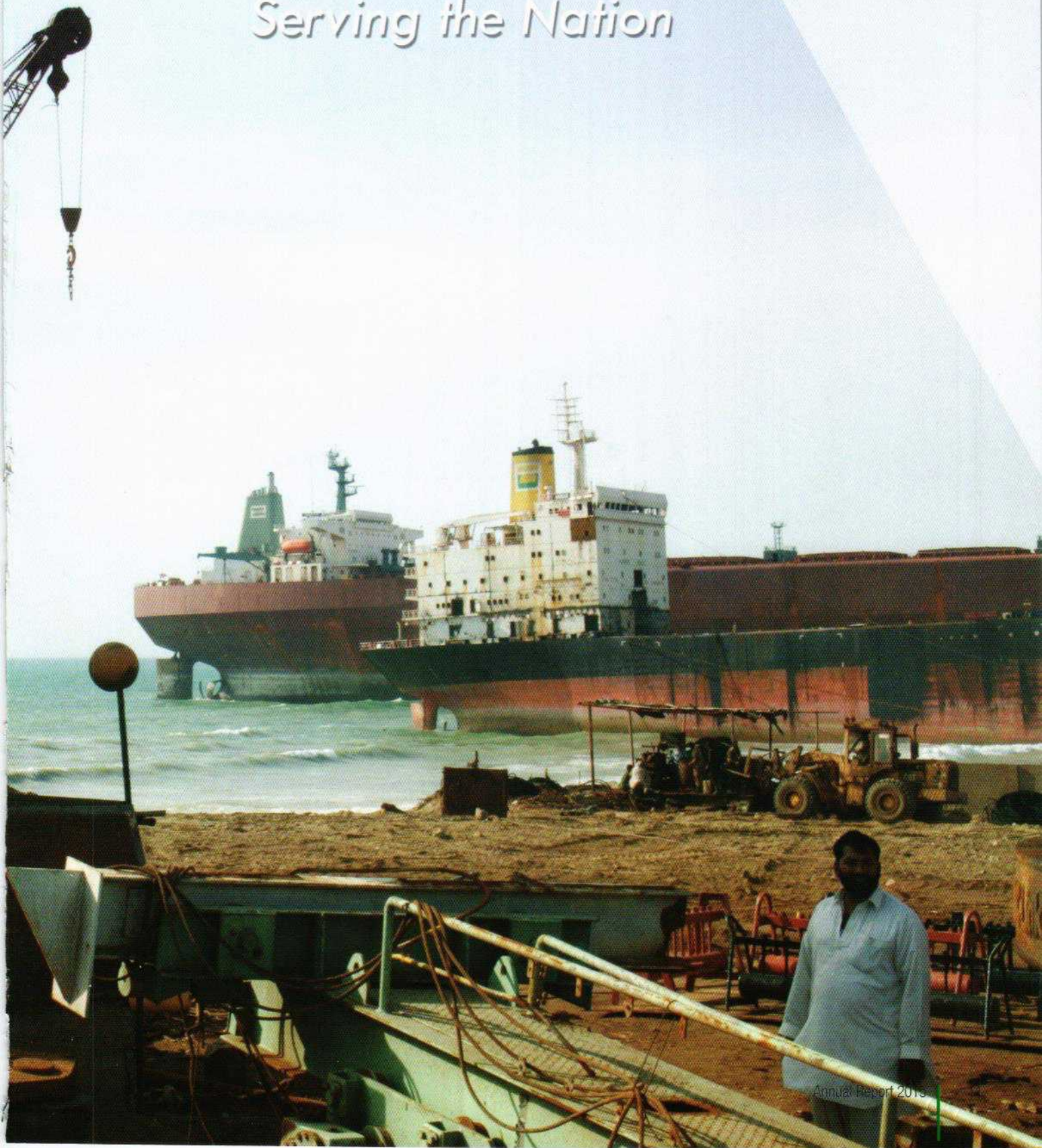
Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Bank Alfalah Limited
Burj Bank Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Metropolitan Bank Limited
Habib Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Standard Chartered Bank
The Bank of Punjab
United Bank Limited

REGISTERED / CORPORATE OFFICE

10-N, Model Town Ext. Lahore-54000, Pakistan
UAN: (042)111-ghani1(442-641)
Phone: 042-35161424-5, Fax: 042-35160393
Email: info@ghaniglobal.com
Website: www.ghaniglobal.com
www.ghanigases.com



Serving the Nation





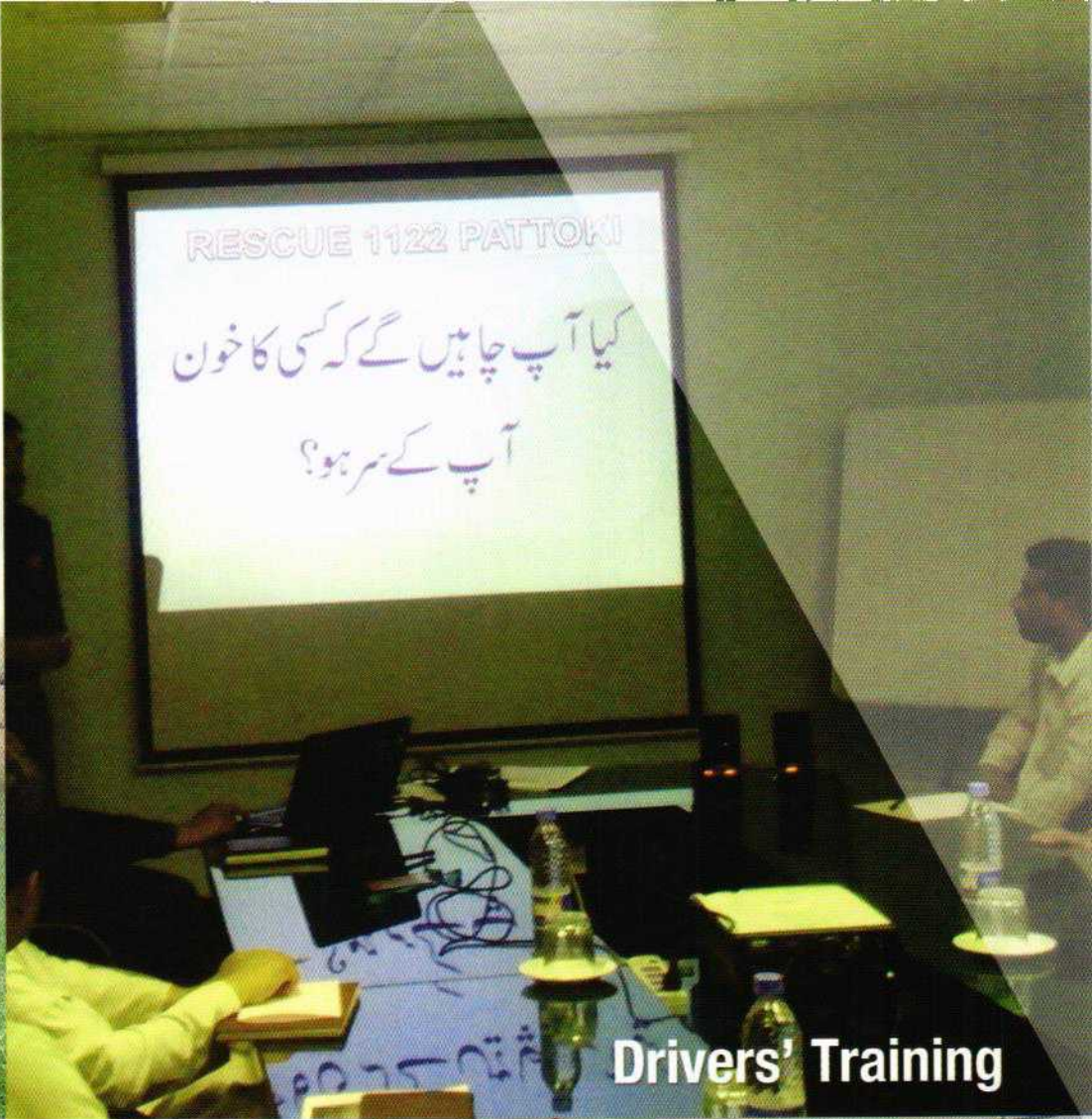
European & Chinese



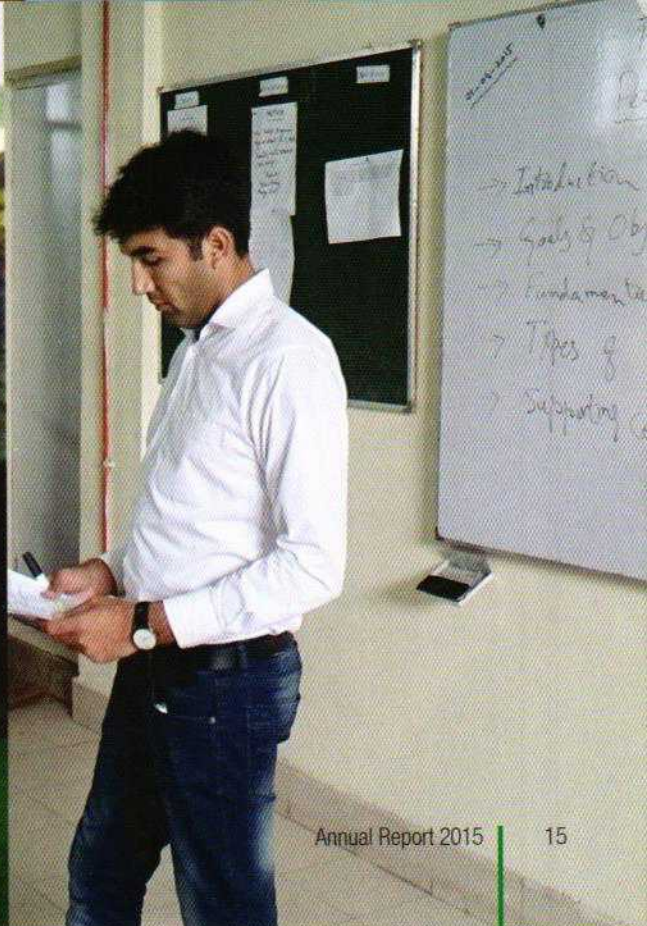


On Job trainings





Drivers' Training



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 have assumed 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 .

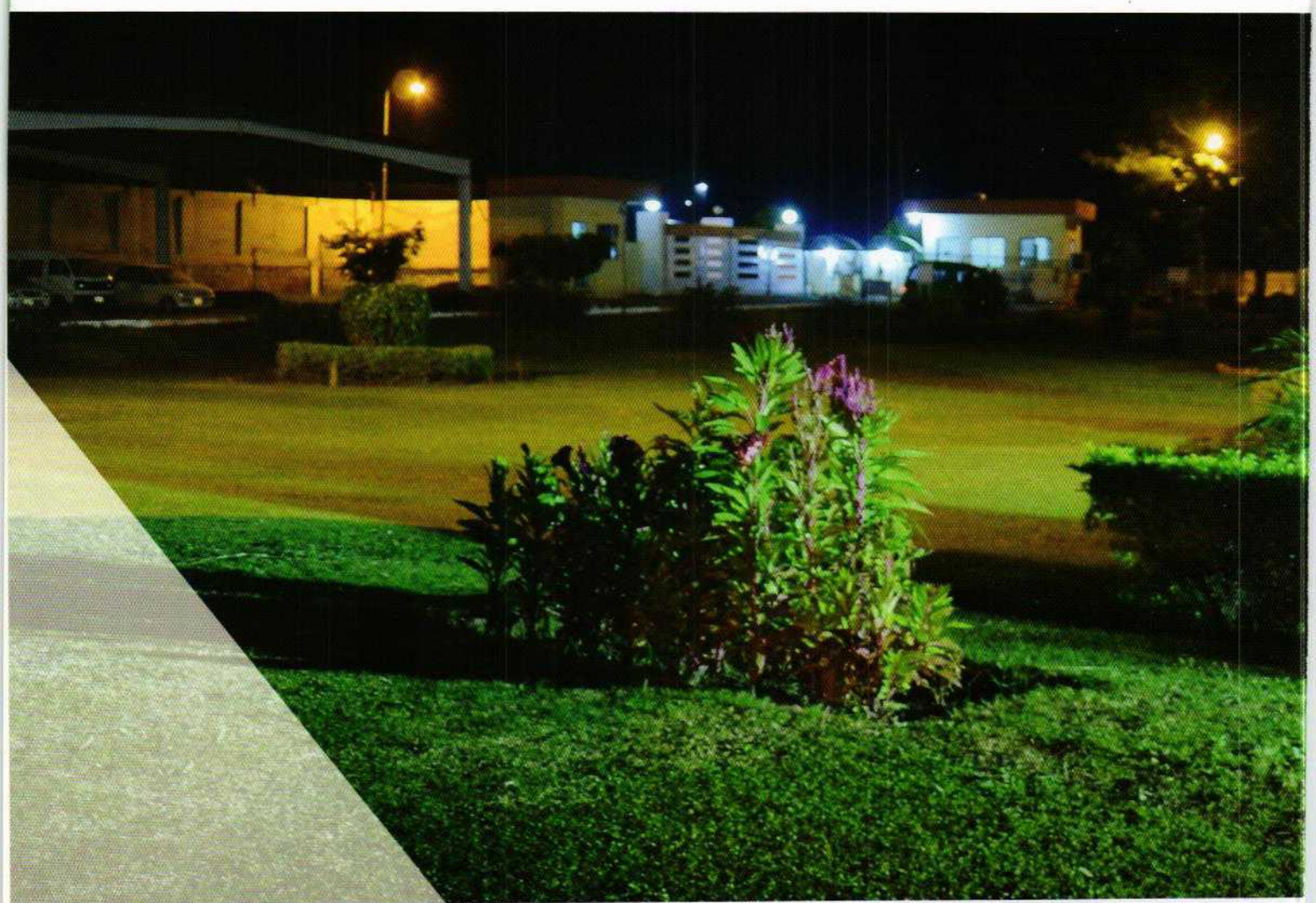
We are carrying out our activities in a manner which:

- 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



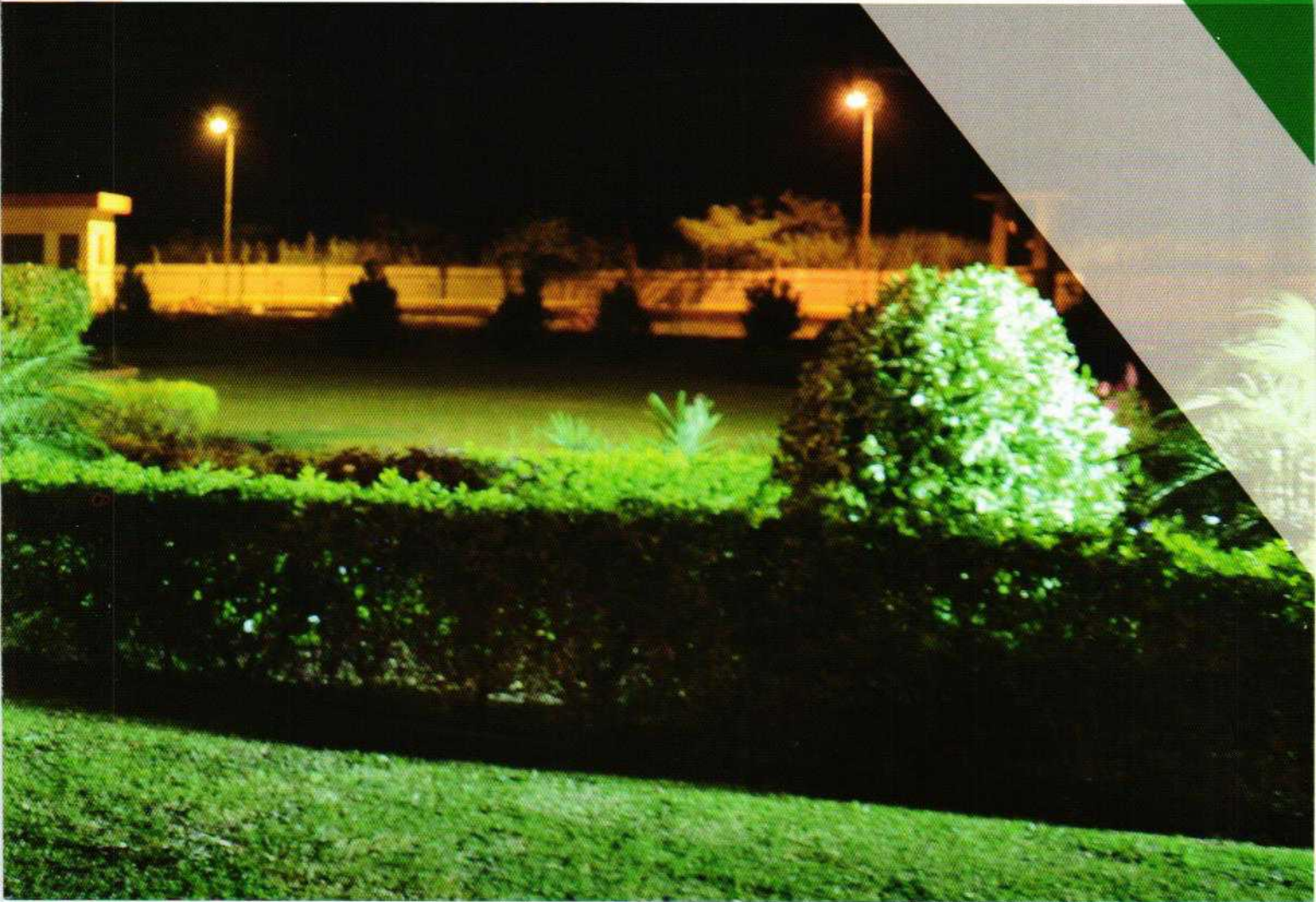
Ghani Gases!

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

"Do more, feel better, live longer"

ISO 14001: 2004 Certified

SAFETY HEALTH QUALITY



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



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

CUSTOMERS' SATISFACTION

Excellent



Very Good

☐

Good

☐

Average

☐

Poor

☐

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

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.

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.

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



Ghani Gases

Manufacturers of Industrial & Medical Gases

GHANI GASES

ghani-gases.com

OXYGEN
REFILLABLES LIQUID
SER NO. 1073
VALVE 2RE

LR258

SAFETY
QUALITY

OUR TOP
PRIORITY

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 ✓	

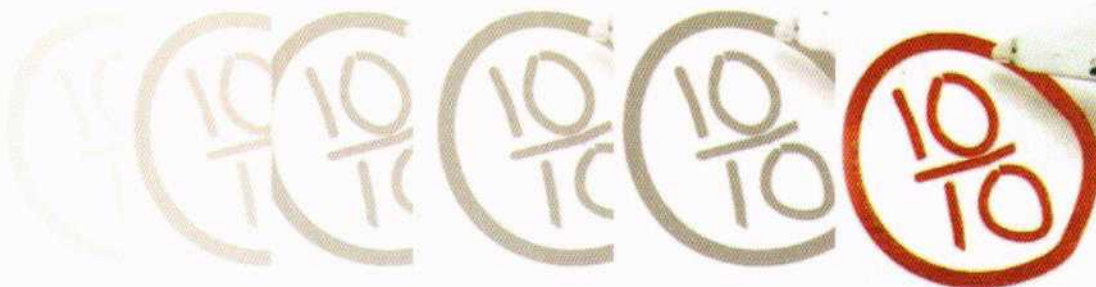
Safety on Site

Mileage Without Accident		4,030,241 KM	
Vehicle Accident		YES	NO ✓
Injury to Drivers		YES	NO ✓
Casualty		YES	NO ✓

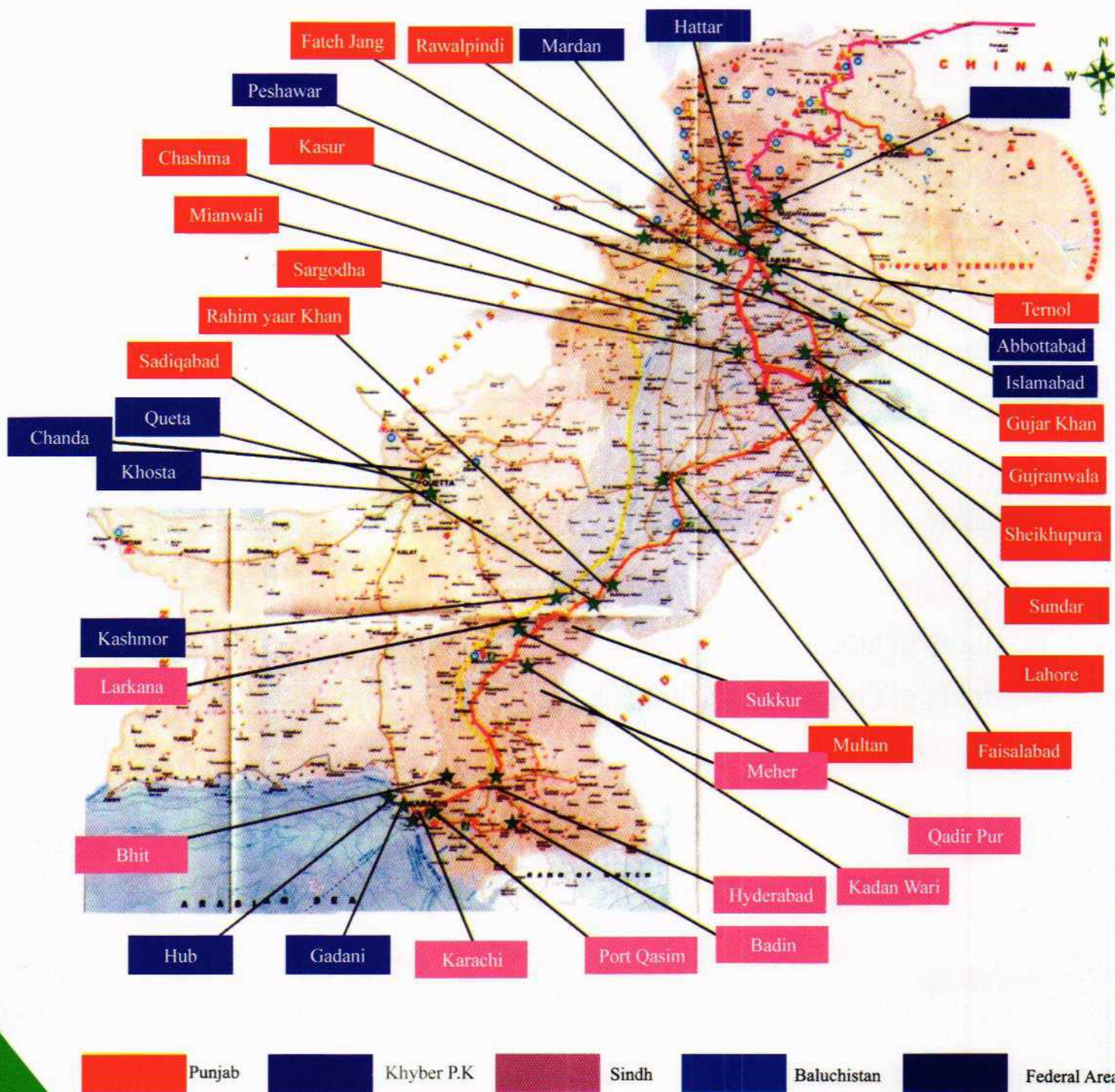
Safety on Site

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

2010 2011 2012 2013 2014 **2015**



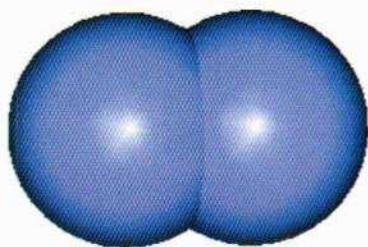
KEY LOCATIONS AROUND PAKISTAN



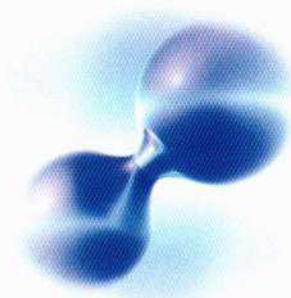
We are where our customers are

PRODUCTS & SERVICES

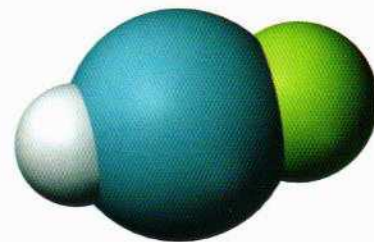
Industrial Gases



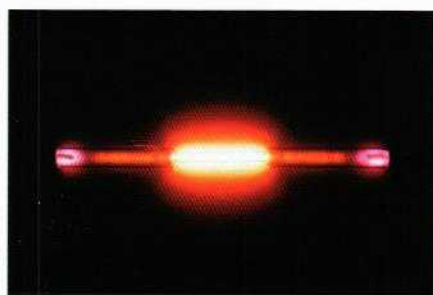
Liquid Oxygen



Liquid Nitrogen



Liquid Argon



Liquid Helium



Liquid CO₂



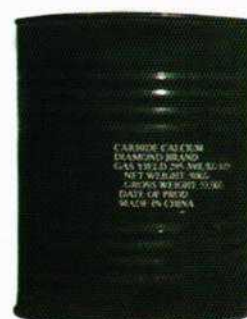
Dissolve Acetylene



Industrial Gases Pipeline



Industrial Cryogenic /
Gases Cylinders



Calcium Carbide

PRODUCTS & SERVICES

Health Care



Compressed Medical Oxygen



Liquid Medical Oxygen



Nitrous Oxide



Pain Relief Mixture



Liquid Medical Cryogenic /
Gases Cylinders



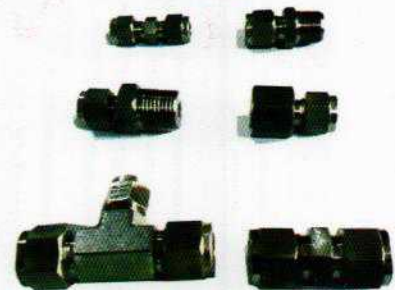
Helium



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

Specialty Gases



CO₂ Mixture



High Purity Gases



Lab Mixture Gas



Lamp Mixture Gas



Argon Mixture Gas



GGL-I Team

We are GHANI GASES



DIRECTORS' REPORT



National Economy

Decades of internal political disputes and low levels of foreign investment have led to slow growth and under-development in Pakistan. Agriculture accounts for more than one-fourth of output and two-fifths of employment. Textiles account for most of Pakistan's export earnings, and Pakistan's failure to diversify its exports has left the country vulnerable to shifts in world demand. Unemployment was 6.0% in 2015, but this fails to capture the true picture, because much of the economy is informal and underemployment remains high. Pakistan's human development continues to lag behind most of the region.

The present government has since made modest progress by implementing fiscal and energy reforms, and in December 2014 the IMF described Pakistan's progress as "broadly on track". Pakistan remains stuck in a low-income, low-growth trap, with growth about 4.2% during 2015 some marginal increase from 2014 which was 4.03%. Whereas Bangladesh has been growing at over 6pc for the past few years while India and China have been able to maintain average growth of 7pc in the last few years.

Policy makers of the country need to address long-standing issues related to the government revenues and the electricity and natural gas sectors in order to spur the amount of economic growth that will be necessary to employ its growing and rapidly urbanizing population, more than half of which is under 22. Other long term challenges include expanding investment in education and healthcare, adapting to the effects of climatic change and natural disasters, and reducing dependence on the foreign donors.

Pakistan has been a relatively fast growing economy in comparison to other developing countries but has lagged far behind the dynamic economies of East Asia and China. The speed at which Pakistan successfully integrates into the global goods, services, financial and labor markets will determine the extent of benefit to external sector. In absence of both diversifications of exports in composition as well as market the chances are that other countries will overtake us. The mindset, focus and efforts of the exporters in Pakistan have to undergo a radical change whereby attention to labor productivity, efficiency within the firm and plant, aggressive market and research and development should replace the traditional mode of looking to the government for concessions and subsidies. Supply of critical infrastructural facilities such as power, natural gas, pipelines and storage, roads and railways, urban mass transit, water supply and sewerage, ports and civil aviation have not kept pace with the growing demands of the industry commerce and general public. Government, despite increased development expenditures, would not be able to meet this demand in any meaningful way.

Once the Gawadar Port is fully operational and linked with the transport network of Central Asia Republics and China, the accrual of additional Economic gains to Pakistan in the coming decade shall be determined. The sooner this network, becomes effective and the Pak-China Economic Corridor network, with Chinese investment of USD46 billion, is completed the economy should be able to extract benefits of at least another 2 percentage point of GDP. The on-going public and private investment projects such as construction of new dams and reservoirs, rehabilitation of canals, barrages and lining of water courses, new power generations plants, Iran Pakistan gas pipeline, Liquefied Natural Gas, oil refinery at Khalifa point, extensive road network in Baluchistan, new science and engineering universities, up-gradation of the quality of technical and vocational education, mass transit systems in Karachi and Lahore, and other projects if completed on time shall give a big boost to the economy bridging some of the supply demand gaps.

Pakistan's Stock Market has achieved enormous growth during the current fiscal year as demonstrated by sharp and impressive rise in KSE-100 index which was at the level of 29,344 at the end of last financial year and was closed 34,398 level by the end of June 2015.

Stability in law and order situation in the business and financial hub of the country, successful operations against terrorism, and somehow capturing of the financial culprits of the nation have enlivened hope for some betterment in the economy as well.



Operations & Performance

Alhamdulillah the company has completed another successful year of operations. During the year, the plant's performance remained satisfactory as the plant is operated by highly qualified, dedicated and experienced team of engineers which resulted in achieving the targeted plant loading. European and Chinese team of experts remain on board to support the local team of professionals. To gain the customer's confidence and have a high level of reliability both the plants are equipped with the largest storage in liquid form. The storage is maintained at the upper limit to meet the customer's need at any given time. The specific power remained close to design which has resulted into economical cost of production.

Continuous loadshedding and curtailment/ load management in sui gas supply, fluctuation in prices of diesel and petrol have a negative bearing on the overall manufacturing and industrial sectors and high costs of production and transportations. Scheduled and un-scheduled loadshedding results in frequent startups, dealing a blow to the production targets. To ensure continuous supply to customers, your company managed the production through high cost alternate energy system to ensure plant operation during crises seasons.

The company enhanced power generation capacity by 1.6 MW by installing two Cummins Diesel Generators at GGL-1. To meet the customers' demand liquid oxygen storage is enhanced by 250,000 LTRS at GGL-II.

Financial Performance

The company's sales during the current year have increased to Rs. 1,967.32 million against the Rs. 1,558.69 million of last year depicting a growth of 26.22% ALHAMDULILLAH. Gross profit has increased to Rs. 569.92 million against the gross profit of Rs. 327.32 million last year, posting an increase in gross profit rate to 33.13% from 24.29%. Distribution cost increased in absolute terms whereas in terms of percentage of net sales it reduced from 7.83% to 6.95% and administrative expenses increased in absolute term and in terms of percentage of net sales from 4.62% to 4.82%. During This year the operating profit has increased to Rs. 363.12 million as against the profit of Rs. 155.40

million last year. During the year the profit before taxation stands at Rs. 249.24 million as compared to last year profit of Rs. 103.54 million. Profit after tax has also increased to Rs. 158.50 million from Rs. 73.14 million, along with earnings per share (EPS) also increased to Rs. 2.13 against EPS of Rs. 0.98 if compared with the last year.

A comparison of the key financial results of your Company for the year ended on June 30, 2015 with the last year is as under:

Particulars	Rupees in '000' except EPS			%
	June 2015	June 2014	Variance	
Sales	1,967,317	1,558,692	408,625	26.22
Net Sales	1,720,131	1,347,426	372,705	27.66
Gross Profit	569,924	327,317	242,607	74.12
- As %age of net sales	33.13%	24.29%		
Distribution cost	119,625	105,471	14,154	13.42
- As %age of net sales	6.95%	7.83%		
Administrative expenses	82,830	62,186	20,644	33.20
- As %age of net sales	4.82%	4.62%		
Operating profit	363,119	155,396	207,723	133.67
- As %age of net sales	21.11%	11.53%		
Profit before taxation	249,239	103,536	145,703	140.73
Net Profit	158,496	73,138	85,358	116.71
Earnings per share	2.13	0.98	1.15	117.35

Sales & Marketing

Ghani Gases is the Pakistan leading Company for Supply of Liquefied/Compressed/Special Gases, present in all major cities of Pakistan.

Oxygen, Nitrogen, Argon, specialty Gases, Gas Mixture and rare gases have been at the of GGL's activities since its creation in 2009. Using these molecules, Ghani Gases continuously reinvents its business, anticipating the needs of current and future markets. Your company innovates to secure progress, to achieve dynamic growth and a consistent performance.

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

The diversity of Ghani Gases' 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.

Major market of your company remains 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, research and fertilizer sectors.

Despite an unprecedented slowdown of the global/national economy, decrease in oil prices, country's law & order situation, political uncertainty and energy crisis, your company achieved the targets set for 2014-15. Our total business increased to 26% as compared to that in 2013-14. 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 2015 priorities were readjusted to focus on cash management, cost control and capital expenditure.

2014-15 was a year of transformation for our Group. Ghani Gases demonstrated an ability to adopt management strategy to the current situation and to act with agility in an evolving world. We 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 Group's ability to achieve solid and sustainable growth. Management of your company is having a vision for the future of the company and its employees, customers and shareholders. In the medium term, we remain confident in the Group's ability to achieve solid and sustainable growth.

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



How is 2016 looking?

Alhamdulillah we are seeing a continued recovery in business in the first part of the year, although it gradually depends on regions and markets. Emerging economies are already seeing a rapid return to growth, but the pace is slower in mature economies. Thus, liquefied gases and chemical volumes have risen gradually, month over month. In addition to a greater number of start-ups than in 2014-15, we should also see an increase in the number of growth-related investments in 2015-16, while remaining cautious, in terms of regular investments. In this context, Ghani Gases expects continuous growth in net profit in 2015-16, in line with its long-term performance. We strengthened our position as the number one supplier of gases.

Alhamdulillah management of your company is seeing a continued recovery in core business in south and west regions. After formal entry in south we are seeing further growth in sale and also expecting price competition. We are proving to be the most reliable supplier in the market without compromising on quality and safety. Our teams are more committed than ever to our ambition of becoming the recognized Pakistan leader in our industry.

The country has been experiencing continuous energy crisis, however, the situation is improving to some extent. To overcome energy crisis, the GGL has been utilizing multiple resources to ensure the availability of products to the customers.

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 improvement in energy crisis will help improve the business activities.

The management of your company has continuously focused on BMR based on its experience, research and updating of technology. As a result, the company has been investing around Rs.175 million to upgrade product storage and to reduce the losses. This venture is expected to complete during the second week of December 2015.

Energy is the only raw material for the manufacturing of industrial and medical gases. The management of company has been looking for different means for uninterrupted and cheap energy solutions. Planning are at a final stage to setup zero waste European technology chemical plant by the group for production of ethyl alcohol followed by food grade CO₂, Sulphuric Acid, Nitrogen based fertilizer and above all energy from biogas. This venture will be a key to meeting cheap electricity need in west and increase in revenues.

Pay out to the Shareholders

The management of your Company strongly believes to pass on return of investment to their shareholders. Keeping this in view, the company has already paid 6% interim cash dividend during April 2015. In addition to above, the company board of directors in their meeting held on 03 October 2015 has recommended to pay 10% final cash dividend thus making the total 16% cash dividend for the year ended on June 30, 2015.

Investment in Associated Company

Your company has invested Rs.45.000 million in shape of equity in Ghani Global Glass Limited. Market value of this investment as on June 30, 2015 stood at Rs.84.330 M.

In addition to above, your company has provided corporate guarantee for Rs.650 million for Ghani Global Glass Limited and has been charging commission @ 0.10% per quarter from the associated company.

Riba-Free Business

Alhamdulillah at the GGL all the business transactions and financial deeds are ensured in accordance with the SHARIA. The name of GGL has been included in the list of Shariah-compliant stocks on KSE website.

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 3181 days without any loss of time or incident Alhamdulillah.

Environmental 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. Recently your company has been certified by "UKAS" for adoption of Environment Management System ISO 14001:2004.

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.

Product Delivery System

GGL is equipped with the country's state-of-the-art and efficient distribution fleet consisting of 20 VIT's having capacity to deliver on more than 266,000 cubic meters at a time. To get the best performance, a competent team is employed to maintain the fleet and ensure that no customer gets high and 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.

Share Price Trend

The share price of Rs. 10 each of your company at one stage rose as high as Rs.35.19 during January 2015, lowered as low as Rs. 21.90 during August 2014 and closed at Rs. 28.30 as on June 30, 2015.



Listing at Islamabad Stock Exchange

To facilitate the shareholders and the financial market your company has also been listed at Islamabad Stock Exchange from January 26, 2015.

Compliance with the Code of Corporate Governance

Ghani Gases has adopted the requirements of the code of Corporate Governance set out by the Karachi Stock Exchange in their Rule Book, relevant for the year ended June 30, 2015 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.

Audit Committee

An audit committee of the Board has been in existence in accordance with the Code of Corporate Governance. After election of directors on October 31, 2014 under section 178 of the Companies Ordinance, 1984, the audit committee was reconstituted. it comprises three members, one member each from independent, non-executive and 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 Listing Regulations.

Four meetings of the audit committee were held during the year ended June 30, 2015. The names of audit committee members and their attendance is as follow:

Name		Attendance
Mian Zahid Said, Chairman	-new appointment	02 out of 02
Masroor Ahmad Khan		04
Farzand Ali	-new appointment	02 out of 02
Hafiz Farooq Ahmad	-ex-member	02 out of 02
Rabia Atique	-ex-member	02 out of 02

Relations with Stakeholder

Ghani Gases is committed to establishing mutually beneficial relations with all suppliers, customers, bankers, employees, stock exchanges, 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 six years, we have 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 present board of directors has been elected under section 178 of the Companies Ordinance, 1984 in the annual general meeting held on October 31, 2014 for a term of three years commencing from October 31, 2014.

Composition of the board of directors is as under:

Independent director	01
Non-Executive directors	04
Executive directors	03
Total	08

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

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

A written notice of the board meeting along with working paper was sent to the members seven days before meetings. A total of nine meetings of the Board of Directors were held during the year ended June 30, 2015.

The attendance of the board members' is as follows:

Name of the Director	No. of meetings attended
Masroor Ahmad Khan	09
Atique Ahmad Khan	08
Hafiz Farooq Ahmad	09
Mian Zahid Said	07 out of 07
Rabia Atique	07
Saira Farooq	06
Farzand Ali	09

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

Remunerations to the CEO and Working Directors

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

Name	Designation	Remuneration before revision	Revised remuneration	Effective date of revision
Atique Ahmad Khan	Chief Executive Officer	Rs. 590,000/-	Rs. 708,000/-	01-11-2014
Hafiz Farooq Ahmad	Director	Rs. 590,000/-	Rs. 708,000/-	01-11-2014
Farzand Ali	Director & Company Secretary	Rs. 174,059/-	Rs. 190,000/-	15-02-2014

Mr. Masroor Ahmad Khan has been ceased to be the working director of the company with effect from 01 November 2014.

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 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. 37.372 million (2014 Rs. 22.956 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, 2015, whose disclosure is required under the reporting framework, is included in the annexed shareholder's information.

Post balance Sheet Events

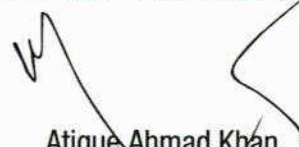
No material changes or commitments affecting the financial position of the company have occurred between the end of financial year of the company and date of this report except sale of investment of Rs.45.000 million comprising 4,500,000 ordinary shares of Ghani Global Glass Limited. Gain on disinvestment will be reflected in the 1st quarter accounts of the company for the period ended September 30, 2015.

Acknowledgement

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).

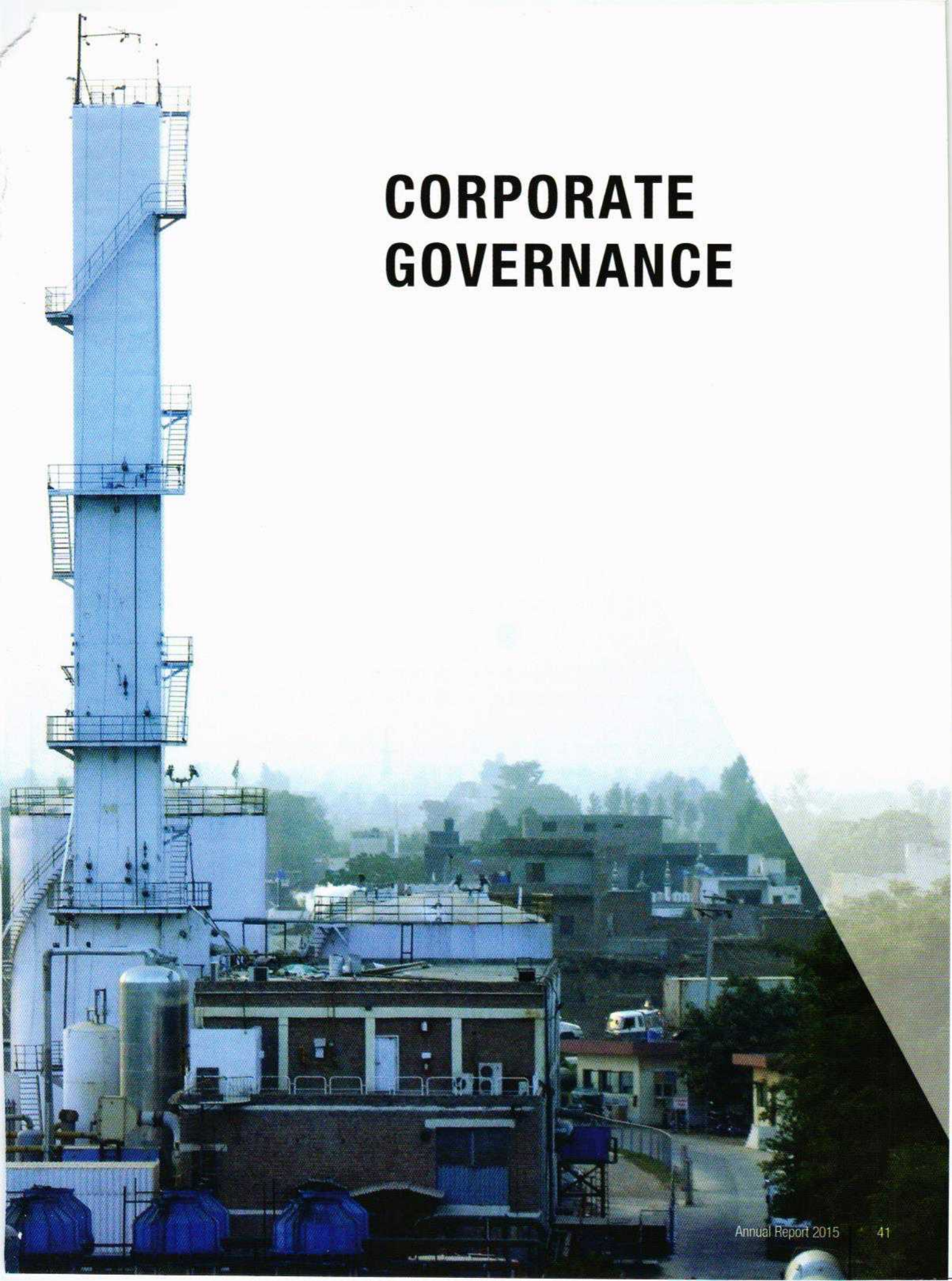
For and on behalf of the Board of Directors


Atique Ahmad Khan
Chief Executive Officer

Lahore
October 03, 2015



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:
 - o Safeguarding of shareholders' interest and a suitable return on equity.
 - o Service customers by providing product, which offer value in terms of price, quality, safety and environment impact.
 - o Respect human rights, provide congenial working environment, offer competitive terms of employment, develop human resource and be an equal opportunity employer.
 - o 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.

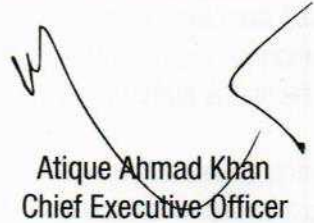
- The Company, consistent with its commitments to sustainable development, has a systematic approach to the management of health, safety and environment.
- The Company is committed to observe laws of Pakistan and is fully aware of its social responsibility. It would assist the community in activities 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 of Directors



Atique Ahmad Khan
Chief Executive Officer

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED ON 30 JUNE 2015

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in regulations No. 5.19.23 of Karachi Stock Exchange Rule Book 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 Director	Atique Ahmad Khan Hafiz Farooq Ahmad Farzand Ali
Non-Executive Directors	Masroor Ahmad Khan Ayesha Masroor Rabia Atique Saira Farooq



The independent director meets the criteria of independence as contained in the Code.

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 NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy on the board is 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 paper, 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 three members, of whom one director each from non-executive, executive and 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 two directors are executive and one each is non executive and independent director.
18. The board has set up an effective internal audit function/ or has outsourced the 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. We confirm that all other material principles enshrined in the CCG have been complied with.

On behalf of the Board of Directors



(ATIQUE AHMAD KHAN)
Chief Executive Officer

Lahore
October 03, 2015.

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

We have reviewed the Statement of Compliance (the Statement) with the best practices contained in the Code of Corporate Governance (the Code) for the year ended **30 June 2015** prepared by the Board of Directors of **GHANI GASES LIMITED** (the Company) comply with the regulations of the respective Stock Exchanges, where the Company is listed.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code for the year ended on **30 June 2015**.

Lahore: 03 OCT 2015



Rizwan & Company
Chartered Accountants

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The Board 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 the company's assets;
- b) Review of preliminary announcements of results prior to publication;
- c) 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;
 - the 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
- d) Facilitating the external audit and discussion with the external auditors of major observations arising from the 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 managements response thereto;
- f) Ensuring coordination between the internal and external auditors;
- 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 the best practices of corporate governance and identification of significant violations thereof;
- n) Consideration of any other issue or matter as may be assigned by the Board of Directors; and
- 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 HUMAN RESOURCE AND REMUNERATION (HR&R) COMMITTEE

The Board adopted the responsibilities contained in clause (xxv) of the Code 2012 from (i) to (iv) as the Terms of Reference (TOR) of the 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 CEO;
- iii) recommending to the board the selection, evaluation, compensation (including retirement benefits) of Chief Executive Officer, Working Director(s), 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.




Ghani Gases

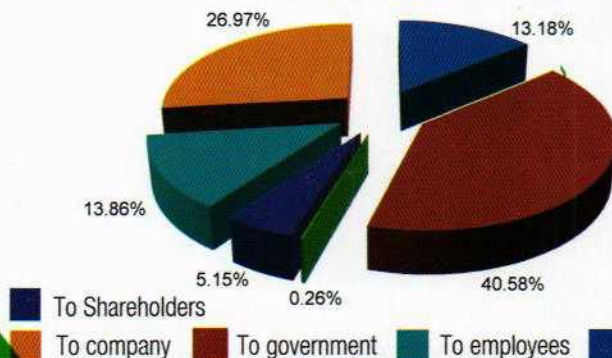
STAKE HOLDER INFORMATION



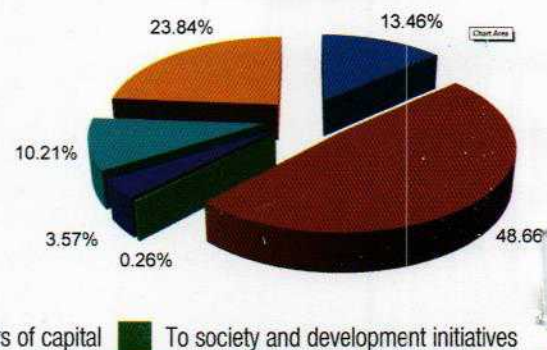
VALUE ADDED STATEMENT

	2015 (Rupee in '000)	(%)	2014 (Rupee in '000)	(%)
Wealth Generated / Value added:				
Turnover (including sales tax)	1,967,318		1,558,692	
Less: Purchased materials and services	(1,112,379)		(1,054,305)	
Valued added	854,939		504,387	
Other income	10,057		3,401	
Wealth Created	864,996	100	507,788	100
Wealth Distribution				
To employees				
Salaries, benefits and other costs	119,894	13.86	68,367	13.46
To Government				
Income tax, sales tax, WPPF	351,040	40.58	247,113	48.66
To society and development initiatives				
Donations to education, health and environment	2,207	0.26	1,295	0.26
To providers of capital				
Dividend to shareholders	44,565	5.15	18,116	3.57
Profit on borrowed funds	114,012	13.18	51,860	10.21
To company				
Depreciation, amortization and Retained profit	233,278	26.97	121,037	23.84
	864,996	100	507,788	100

Value Allocated 2015



Value Allocated 2014



SIX YEARS AT A GLANCE

Rs. (in 000)

	2015	2014	2013	2012	2011	2010
Operating Results						
Sales (gross)	1,967,317	1,558,692	1,401,534	849,749	520,773	314,935
Gross profit	569,924	327,306	390,607	275,302	145,531	25,509
Profit/(Loss) before tax	249,239	103,536	158,003	94,392	85,013	(62,558)
Financial data						
Fixed assets	2,525,060	2,334,225	1,398,107	1,322,419	1,222,849	823,078
Capital work in progress	41,612	14,030	171,827	96 913	12,102	265,233
Intangible assets	70	350	630	910	11,20	
Long term deposits	68,151	64,162	79,169	65,865	42,153	17,384
Long term assets	45,133	45,000	-	-	-	-
Current assets	963,017	679,629	898,157	404,189	254,612	178,414
Current liabilities	821,671	676,662	462,651	355,658	252,257	172,856
Financed by:	2,821,372	2,460,734	2,085,239	1,534,638	1,280,579	1,111,255
Ordinary capital	742,746	742,746	724,630	724,630	724,500	724,500
Reserves	30,000	30,000	30,000	30,000	30,000	30,000
Un appropriated profit/(loss)	341,627	227,696	172,674	57,000	(29,489)	(108,933)
Shareholder's equity	1,114,373	1,000,442	927,304	811,630	725,011	645,567
Loan from sponsors (interest fee)	1,027,969	1,004,104	611,381	437,433	250,137	100,772
Banks and others	679,030	456,188	546,554	285,575	305,431	364,916
Finances and deposits	1,706,999	1,460,292	1,157,935	723,008	555,568	465,688
Funds invested	2,821,372	2,460,734	2,085,239	1,534,638	1,280,579	1,111,255
Earning per-share (Rs.)	2.13	0.98	2.05	1.19	1.10	(0.89)
Break-up-value (Rs.)	15.00	13.47	12.80	11.20	10.01	8.91
Cash Dividend %	16	5	-	-	-	-
Bonus Share % Interim	-	5	-	-	-	-

HORIZONTAL BALANCE SHEET

AS AT JUNE, 30

	2015		2014		2013		2012		2011		2010	
	Rupees in '000'	%	Rupees in '000'	%	Rupees in '000'	%	Rupees in '000'	%	Rupees in '000'	%	Rupees in '000'	%
ASSETS												
Non Current Assets												
Property, Plant and Equipment	2,293,837	282.2	2,182,343	288.5	1,191,106	146.5	1,125,140	138.4	1,174,845	144.5	812,912	100.0
Operating Fixed Assets	231,223	2,274.3	151,882	1,493.9	207,001	2,036.1	197,511	1,942.7	48,005	472.2	10,167	100.0
Assets subject to Ijarah Financing	41,612	15.7	14,030	5.3	171,827	64.8	96,913	36.5	12,102	4.6	265,234	100.0
Capital Work in Progress	2,566,672	235.8	2,348,255	215.8	1,569,934	144.3	1,419,564	130.4	1,234,952	113.5	1,088,312	100.0
	70	-	350	-	630	-	910	-	1,120	-	-	100.0
Intangible Assets	45,133	-	45,000	-	-	-	-	-	-	-	-	100.0
Long Term Investments	68,151	392.0	64,162	369.1	79,169	455.4	65,865	378.9	42,153	242.5	17,384	100.0
Long Term Deposits and Prepayments	2,680,026	242.4	2,457,767	222.3	1,649,733	149.2	1,486,339	134.4	1,278,225	115.6	1,105,696	100.0
Current Assets												
Stores, Spares parts and loose tools	70,765	2,758.3	68,865	2,684.2	49,797	1,941.0	35,036	1,365.6	19,961	778.0	2,566	100.0
Stock-In-Trade	36,206	190.2	23,225	122.0	13,752	72.2	11,182	58.7	31,880	167.5	19,035	100.0
Trade Debts	294,870	1,504.2	157,264	802.2	144,349	736.3	31,264	159.5	39,731	202.7	19,604	100.0
Loans and advances	139,002	527.9	94,960	360.6	383,320	1,455.7	32,609	123.8	6,260	23.8	26,332	100.0
Trade deposits and short term prepayments	43,843	1,814.5	17,620	729.2	18,914	782.8	8,270	342.3	3,708	153.5	2,416	100.0
Balance with Statutory Authorities	7,419	3,058.2	-	-	-	-	-	-	1,159	477.7	243	100.0
Other Receivables	78	103.2	972	1,285.6	93	123.0	168	222.2	33,152	43,849.0	76	100.0
Advance Tax	144,095	639.3	82,234	364.8	45,108	200.1	26,189	116.2	14,731	65.4	22,540	100.0
Cash and Bank Balance	226,739	264.9	234,489	273.9	242,824	263.7	259,471	303.1	104,030	121.5	85,605	100.0
	963,017	539.8	679,629	380.9	898,157	503.4	404,189	226.5	254,612	142.7	178,414	100.0
TOTAL ASSETS	3,643,043	283.7	3,137,396	244.3	2,547,890	198.4	1,890,528	147.2	1,532,837	119.4	1,284,111	100.0
EQUITY AND LIABILITIES												
Share Capital and Reserves												
Authorized Share Capital	1,250,000	172	1,250,000	172	730,000	101	730,000	101	725,000	100.0	725,000	100.0
Ordinary Shares Of Rs. 10 each	742,746	103	742,746	103	724,630	100	724,630	100	724,500	100.0	724,500	100.0
Issued, subscribed and paid up share capital	30,000	100	30,000	100	30,000	100	30,000	100	30,000	100.0	30,000	100.0
Capital Reserve - Share Premium	341,627	(313.61)	227,696	(209.02)	172,674	(158.51)	57,232	(52.54)	(29,488)	27.1	(108,933)	100.0
Unappropriated Profit / (Loss)	1,114,373	172.6	1,000,442	155.0	927,304	143.6	811,862	125.8	725,012	112.3	645,567	100.0
TOTAL EQUITY												
Non-Current Liabilities												
Long Term Financing	494,111	148.9	373,088	112.4	408,146	123.0	129,000	38.9	243,333	73.3	331,821	100.0
Loan from Sponsors	1,027,969	1,020.1	1,004,104	996.4	611,381	606.7	437,433	434.1	250,137	248.2	100,772	100.0
Liabilities against assets subject to Ijarah Financing	81,153	1,624.9	49,007	981.2	114,058	2,283.7	132,375	2,650.4	30,798	616.6	4,994	100.0
Long term security deposits	19,450	69.2	21,550	76.7	24,350	86.7	24,200	86.1	31,300	111.4	28,100	100.0
Deferred Taxation	84,316	-	12,543	-	-	-	-	-	-	-	-	100.0
	1,706,999	366.6	1,460,292	313.6	1,157,935	248.7	723,008	155.3	555,568	119.3	465,688	100.0
Current Liabilities												
Trade and other Payables	139,271	157.9	124,621	141.3	132,413	150.2	100,606	114.1	108,900	123.5	88,181	100.0
Accrued profit on financing	12,712	166.6	14,076	184.4	10,363	135.8	9,156	120.0	10,197	133.6	7,632	100.0
Short term Borrowings	420,689	1,684.2	376,583	1,507.6	117,618	470.9	91,058	364.5	25,000	100.1	24,979	100.0
Current portion of Long Term Liabilities	206,695	409.7	143,781	285.0	196,160	388.8	146,934	291.3	102,591	203.4	50,447	100.0
Provision for Taxation	42,304	2,615.9	17,601	1,088.4	6,097	377.0	7,904	488.8	5,569	344.4	1,617	100.0
	821,671	475.4	676,662	391.5	462,851	267.7	355,658	205.8	252,257	145.9	172,856	100.0
Total Liabilities	2,528,670	396.0	2,136,954	334.7	1,620,586	253.8	1,078,666	168.9	807,825	126.5	638,544	100.0
TOTAL EQUITY AND LIABILITIES	3,643,043	283.7	3,137,396	244.3	2,547,890	198.4	1,890,528	147.2	1,532,837	119.4	1,284,111	100.0

AS AT JUNE, 30

	2015		2014		2013		2012		2011		2010	
	Rupees in '000'	%	Rupees in '000'	%	Rupees in '000'	%	Rupees in '000'	%	Rupees in '000'	%	Rupees in '000'	%
ASSETS												
Non Current Assets												
Property, Plant and Equipment												
Operating Fixed Assets	2,293,837	63.0	2,182,343	69.6	1,191,106	46.7	1,125,140	59.5	1,174,845	76.6	812,912	63.3
Assets subject tojarah Financing	231,223	6.3	151,882	4.8	207,001	8.1	197,511	10.4	48,005	3.1	10,167	0.8
Capital Work in Progress	41,612	1.1	14,030	0.4	171,827	6.7	96,913	5.1	12,102	0.8	265,234	20.7
	2,566,672	70.5	2,348,255	74.8	1,569,934	61.6	1,419,564	75.1	1,234,952	80.6	1,088,312	84.8
Intangible Assets												
Long Term Investments	70	0.0	350	0.0	630	0.0	910	0.0	1,120	0.1	-	-
Long Term Deposits and Prepayments	45,133	1.2	45,000	1.4	-	-	-	-	-	-	-	-
	68,151	1.9	64,162	2.0	79,169	3.1	65,865	3.5	42,153	2.7	17,384	1.4
	2,680,026	73.6	2,457,767	78.3	1,649,733	64.7	1,486,339	78.6	1,278,225	83.4	1,105,696	86.1
Current Assets												
Stores, Spares parts and loose tools	70,765	1.9	68,865	2.2	49,797	2.0	35,036	1.9	19,961	1.3	2,566	0.2
Stock-in-Trade	36,206	1.0	23,225	0.7	13,752	0.5	11,182	0.6	31,880	2.1	19,035	1.5
Trade Debts	294,870	8.1	157,264	5.0	144,349	5.7	31,264	1.7	39,731	2.6	19,604	1.5
Loans and advances	139,002	3.8	94,960	3.0	383,320	15.0	32,609	1.7	6,260	0.4	26,332	2.1
Trade deposits and short term prepayments	43,843	1.2	17,620	0.6	18,914	0.7	8,270	0.4	3,708	0.2	2,416	0.2
Balance with Statutory Authorities	7,419	0.2	-	-	-	-	-	-	1,159	0.1	243	0.0
Other Receivables	78	0.0	972	0.0	93	0.0	168	0.0	33,152	2.2	76	0.0
Advance Tax	144,095	4.0	82,234	2.6	45,108	1.8	26,189	1.4	14,731	1.0	22,540	1.8
Cash and Bank Balance	226,739	6.2	234,489	7.5	242,824	9.5	259,471	13.7	104,030	6.8	85,605	6.7
	963,017	28.4	679,629	21.7	898,157	35.3	404,189	21.4	254,612	16.6	178,414	13.9
TOTAL ASSETS	3,643,043	100.0	3,137,396	100.0	2,547,890	100.0	1,890,528	100.0	1,532,837	100.0	1,284,111	100.0
EQUITY AND LIABILITIES												
Share Capital and Reserves												
Authorized Share Capital	1,250,000	34.3	1,250,000	39.8	730,000	28.7	730,000	38.6	725,000	47.3	725,000	56.5
Ordinary Shares Of Rs. 10 each	742,746	20.4	742,746	23.7	724,630	28.4	724,630	38.3	724,500	47.3	724,500	56.4
Issued, subscribed and paid up share capital	30,000	0.8	30,000	1.0	30,000	1.2	30,000	1.6	30,000	2.0	30,000	2.3
Capital Reserve - Share Premium	341,627	9.4	227,696	7.3	172,674	6.8	57,232	3.0	(29,488)	(1.9)	(108,933)	(8.5)
Unappropriated Profit / (Loss)	1,114,373	30.6	1,000,442	31.9	927,304	36.4	811,862	42.9	725,012	47.3	645,567	50.3
TOTAL EQUITY												
Non-Current Liabilities												
Long Term Financing	494,111	13.6	373,088	11.9	408,146	16.0	129,000	6.8	243,333	15.9	331,821	25.8
Loan from Sponsors	1,027,969	28.2	1,004,104	32.0	611,381	24.0	437,433	23.1	250,137	16.3	100,772	7.8
Liabilities against assets subject tojarah Financing	81,153	2.2	49,007	1.6	114,058	4.5	132,375	7.0	30,798	2.0	4,994	0.4
Long term security deposits	19,450	0.5	21,550	0.7	24,350	1.0	24,200	1.3	31,300	2.0	28,100	2.2
Deferred Taxation	84,316	2.3	12,543	0.4	-	-	-	-	-	-	-	-
	1,706,999	46.9	1,460,292	46.5	1,157,935	45.4	723,008	38.2	555,568	36.2	465,688	36.3
Current Liabilities												
Trade and other Payables	139,271	3.8	124,621	4.0	132,413	5.2	100,606	5.3	108,900	7.1	88,181	6.9
Accrued profit on financing	12,712	0.3	14,076	0.4	10,363	0.4	9,156	0.5	10,197	0.7	7,632	0.6
Short term Borrowings	420,689	11.5	376,583	12.0	117,618	4.6	91,058	4.8	25,000	1.6	24,979	1.9
Current portion of Long Term Liabilities	206,695	5.7	143,781	4.6	196,160	7.7	146,934	7.8	102,591	6.7	50,447	3.9
Provision for Taxation	42,304	1.2	17,601	0.6	6,097	0.2	7,904	0.4	5,569	0.4	1,647	0.1
	821,671	22.6	676,662	21.6	462,651	18.2	355,658	18.8	252,257	16.5	172,856	13.5
Total Liabilities	2,528,670	69.4	2,136,954	68.1	1,620,586	63.6	1,078,666	57.1	807,825	52.7	638,544	49.7
TOATL EQUITY AND LIABILITIES	3,643,043	100.0	3,137,396	100.0	2,547,890	100.0	1,890,528	100.0	1,532,837	100.0	1,284,111	100.0

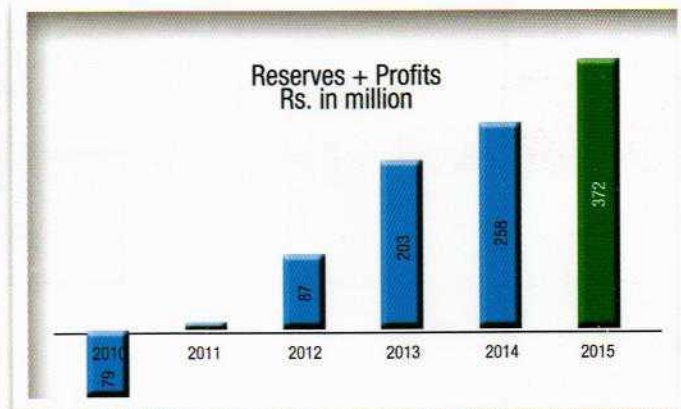
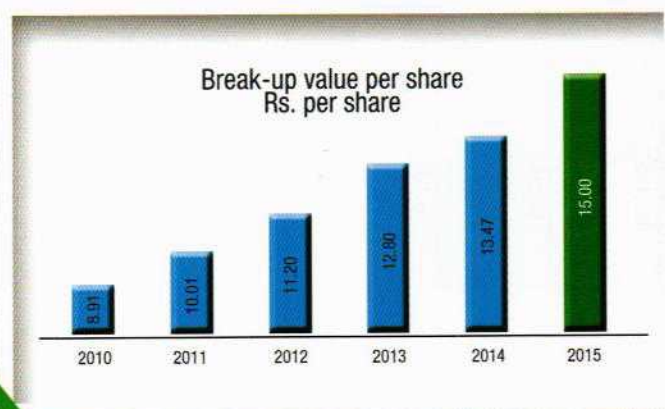
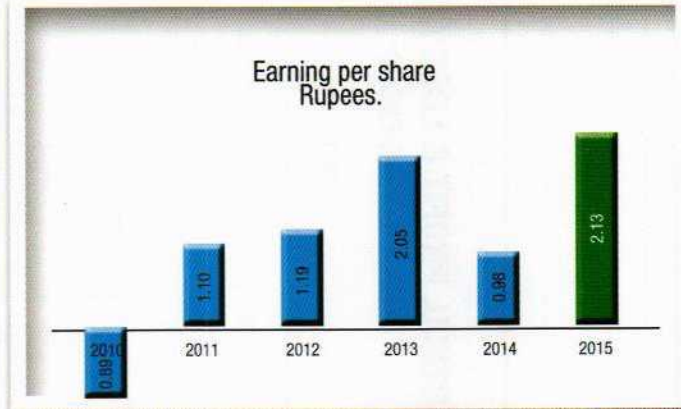
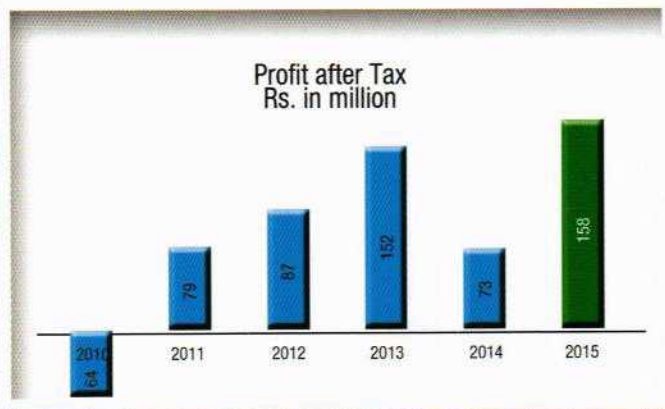
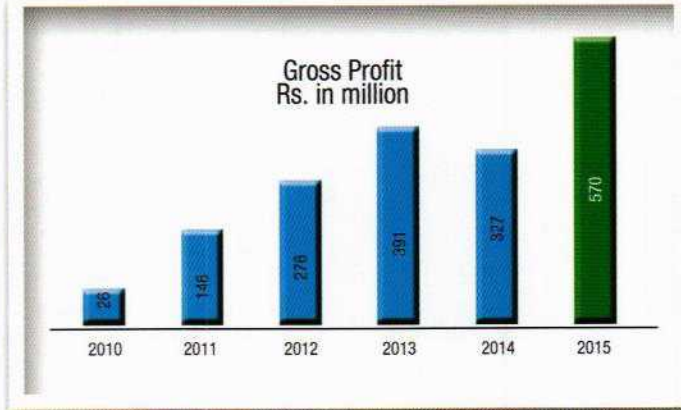
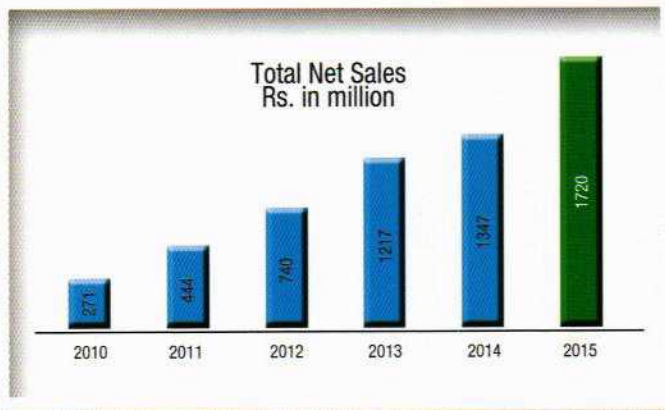
HORIZONTAL PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED

	2015		2014		2013		2012		2011		2010	
	Rupees	%	Rupees	%	Rupees	%	Rupees	%	Rupees	%	Rupees	%
Net Sales	1,720,131	635.6	1,347,426	497.9	1,217,455	449.9	740,142	273.5	444,463	164.2	270,617	100.00
Cost of sales	(1,150,207)	(469.3)	1,020,109	416.2	826,848	337.3	464,608	189.6	298,932	122.0	245,108	100.00
Gross Profit	569,924	2,234.3	327,317	1,283.2	390,607	1,531.3	275,534	1,080.2	145,531	570.5	25,508	100.00
Distribution Cost	(119,625)	(228.6)	105,471	201.5	110,492	211.1	94,222	180.0	63,091	120.6	52,335	100.00
Administrative Expenses	(82,830)	(161.9)	62,186	121.5	60,060	117.4	57,441	112.3	46,782	91.4	51,166	100.00
Other operating Expenses	(14,407)	(511.8)	7,665	272.3	9,467	336.3	7,538	267.8	6,407	227.6	2,815	100.00
	(216,862)	(204.0)	175,322	164.9	180,019	169.3	159,201	149.7	116,280	109.4	106,316	100.00
Other Income	353,062	436.9	151,995	188.1	210,588	260.6	116,333	144.0	29,251	36.2	80,808	100.00
Operating Profit	10,057	19.0	3,401	6.4	2,824	5.3	51,155	96.8	112,884	213.7	52,821	100.00
Finance Cost	363,119	1,297.5	155,396	555.2	213,412	762.5	167,488	598.4	142,135	507.9	27,987	100.00
	(114,013)	(329.8)	51,860	150.0	55,409	160.3	72,864	210.8	57,121	165.2	34,571	100.00
Profit Before Taxation	249,239	(398.4)	103,536	(165.5)	158,003	(252.6)	94,624	(151.3)	85,014	(135.9)	(62,558)	100.00
Taxation	(90,743)	(5,514.0)	30,398	1,847.1	6,097	370.5	7,904	480.3	5,569	338.4	1,646	100.00
Profit after taxation	158,496	(246.9)	73,138	(113.9)	151,906	(236.6)	86,720	(135.1)	79,445	(123.7)	(64,204)	100.00

VERTICAL PROFIT & LOSS ACCOUNT **FOR THE YEAR ENDED**

	2015	2014	2013	2012	2011	2010
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Net Sales	1,720,131	1,347,426	1,217,455	740,142	444,463	270,617
	100.00	100.00	100.00	100.00	100.00	100.00
Cost of sales	(1,150,207)	1,020,109	826,848	464,608	298,932	245,108
Gross Profit	569,924	327,317	390,607	275,534	145,531	25,508
	33.1	24.3	32.1	37.2	32.7	9.43
Distribution Cost	(119,625)	105,471	110,492	94,222	63,091	52,335
Administrative Expenses	(82,830)	62,186	60,060	57,441	46,782	51,166
Other operating Expenses	(14,407)	7,665	9,467	7,538	6,407	2,815
	(216,862)	175,322	180,019	159,201	116,280	106,316
	(12.6)	13.0	14.8	21.5	26.2	39.29
Other Income	353,062	151,995	210,588	116,333	29,251	80,808
	20.5	11.3	17.3	15.7	6.6	29.86
Operating Profit	10,057	3,401	2,824	51,155	112,884	52,821
	0.6	0.3	0.2	6.9	25.4	19.52
Finance Cost	363,119	155,396	213,412	167,488	142,135	27,987
	21.1	11.5	17.5	22.6	32.0	10.34
Profit Before Taxation	(114,013)	51,860	55,409	72,864	57,121	34,571
	(6.6)	3.8	4.6	9.8	12.9	12.77
Taxation	249,239	103,536	158,003	94,624	85,014	(62,558)
	14.5	7.7	13.0	12.8	19.1	-23.12
Profit after taxation	(90,743)	30,398	6,097	7,904	5,569	1,646
	(5.3)	2.3	0.5	1.1	1.3	0.61
	158,496	73,138	151,906	86,720	79,445	(64,204)
	9.2	5.4	12.5	11.7	17.9	-23.72

GRAPHICAL REPRESENTATION



GRAPHICAL REPRESENTATION

Total Equity
Rs. in million

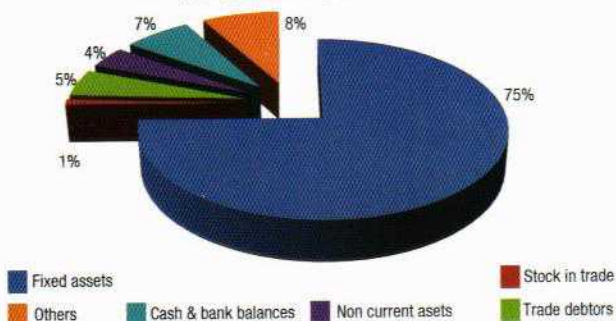


Fixed Assets
Rs. in million

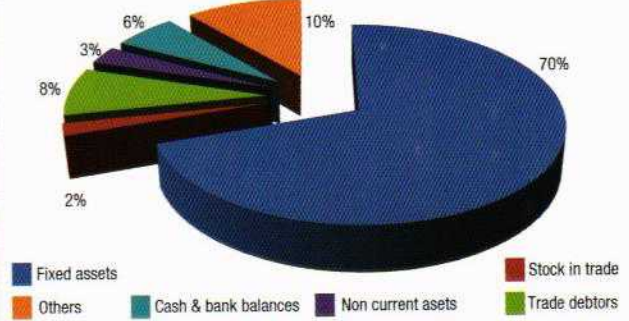


Balance Sheet Composition Assets

As at June 30, 2014

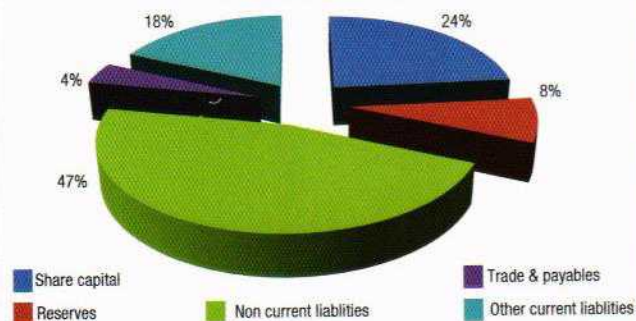


As at June 30, 2015

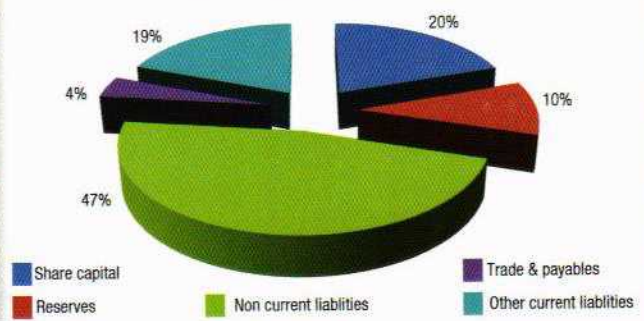


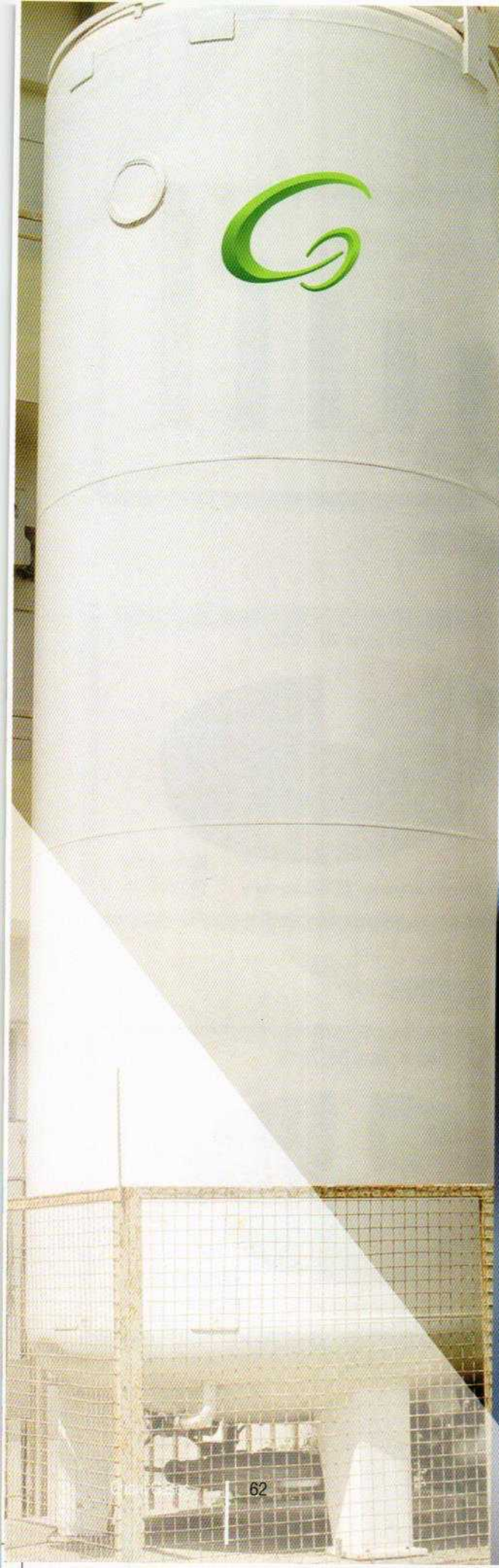
Share Capital, Reserves & Liabilities

As at June 30, 2014



As at June 30, 2015







ANNUAL AUDITED FINANCIAL STATEMENTS

AUDITORS' REPORT TO THE MEMBERS

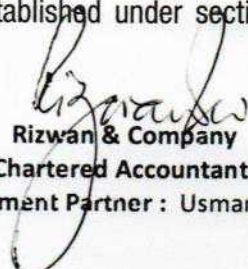
We have audited the annexed balance sheet of **GHANI GASES LIMITED** as at **30 JUNE 2015** and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- (a) In our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;
- (a) In our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;
- (b) In our opinion —
 - (i) The balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - (ii) The expenditure incurred during the year was for the purpose of the company's business; and
 - (iii) The business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- (c) In our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at **30 June 2015** and of the profit, comprehensive profit, its cash flows and changes in equity for the year then ended; and
- (d) In our opinion Zakat deductible at source under the Zakat and Ushr ordinance, 1980 (XVIII of 1980) was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Lahore: 03 OCT 2015


Rizwan & Company
Chartered Accountants
Engagement Partner : Usman Sheikh

BALANCE SHEET

AS AT 30 JUNE 2015

ASSETS

Non-current assets

Property, plant and equipment

Operating fixed assets

Assets subject to ijarah financing

Capital work in progress

Intangible assets

Long term investment

Long term deposits and prepayments

Current assets

Stores, spare parts and loose tools

Stock in trade

Trade debts

Loans and advances

Trade deposits and short term prepayments

Balance with statutory authorities

Other receivables

Advance tax

Cash and bank balances

TOTAL ASSETS

EQUITY AND LIABILITIES

Share capital and reserves

Authorized share capital

125,000,000 (2014: 125,000,000) ordinary shares of Rs. 10 each

Issued, subscribed and paid up share capital

Capital reserve - Share premium

Unappropriated profit

Total equity

Non-current liabilities

Long term financing

Loan from sponsors

Liabilities against assets subject to ijarah financing

Long term security deposits

Deferred taxation

Current liabilities

Trade and other payables

Accrued profit on financing

Short term borrowings

Current portion of long term liabilities

Provision for taxation

Total liabilities

TOTAL EQUITY AND LIABILITIES

CONTINGENCIES AND COMMITMENTS

The annexed notes from 1 to 48 form an integral part of these financial statements.

Note	2015 (Rupees '000)	2014
5	2,293,837	2,182,343
6	231,223	151,882
7	41,612	14,030
	2,566,672	2,348,255
8	70	350
9	45,133	45,000
10	68,151	64,162
	2,680,026	2,457,767
11	70,765	68,865
12	36,206	23,225
13	294,870	157,264
14	139,002	94,960
15	43,843	17,620
16	7,419	-
17	78	972
	144,095	82,234
18	226,739	234,489
	963,017	679,629
	3,643,043	3,137,396
	1,250,000	1,250,000
19	742,746	742,746
20	30,000	30,000
	341,627	227,696
	1,114,373	1,000,442
21	494,111	373,088
22	1,027,969	1,004,104
23	81,153	49,007
24	19,450	21,550
25	84,316	12,543
	1,706,999	1,460,292
26	139,271	124,621
27	12,712	14,076
28	420,689	376,583
29	206,695	143,781
	42,304	17,601
	821,671	676,662
	2,528,670	2,136,954
	3,643,043	3,137,396
30	-	-

ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)

HAFIZ FAROOQ AHMAD
(DIRECTOR)

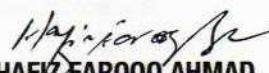
PROFIT AND LOSS ACCOUNT

FOR YEAR ENDED 30 JUNE 2015

	Note	2015 (Rupees '000)	2014
Gross Sales - Local		1,967,317	1,558,692
Less:			
Sales tax		(247,186)	(211,266)
Net sales		1,720,131	1,347,426
Cost of sales	31	(1,150,207)	(1,020,109)
Gross Profit		569,924	327,317
Distribution cost	32	(119,625)	(105,471)
Administrative expenses	33	(82,830)	(62,186)
Other operating expenses	34	(14,407)	(7,665)
		(216,862)	(175,322)
		353,062	151,995
Other income	35	10,057	3,401
		363,119	155,396
Finance cost	36	(114,013)	(51,860)
Share of profit / (loss) of associated companies	9	133	-
Profit before taxation		249,239	103,536
Taxation	37	(90,743)	(30,398)
Profit after taxation		158,496	73,138
Earnings per share			
- basic and diluted	38	2.13	0.98

The annexed notes from 1 to 48 form an integral part of these financial statements.


ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)


HAFIZ FAROOQ AHMAD
(DIRECTOR)

STATEMENT OF COMPREHENSIVE INCOME

FOR YEAR ENDED 30 JUNE 2015

	2015 (Rupees '000)	2014
Net profit for the year	158,496	73,138
Other comprehensive income	-	-
Total comprehensive income for the year	158,496	73,138

The annexed notes from 1 to 48 form an integral part of these financial statements.



ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)



HAFIZ FAROOQ AHMAD
(DIRECTOR)

STATEMENT OF CHANGES IN EQUITY

FOR YEAR ENDED 30 JUNE 2015

Share capital	Capital reserve - Share premium	Unappropriated profit	Total
(Rupees '000)			

Balance as at 30 June 2013

724,630	30,000	172,674	927,304
---------	--------	---------	---------

Net profit for the year
Other comprehensive income
for the year
Total comprehensive income

-	-	73,138	73,138
-	-	-	-
-	-	73,138	73,138

Transactions with owners:

Issue of bonus shares @ 2.5%
Total transactions with owners

18,116	-	(18,116)	-
18,116	-	(18,116)	-

Balance as at 30 June 2014

742,746	30,000	227,696	1,000,442
---------	--------	---------	-----------

Net profit for the year
Other comprehensive income
for the year
Total comprehensive income

-	-	158,496	158,496
-	-	-	-
-	-	158,496	158,496

Transactions with owners:

Interim dividend @ Rs. 0.6 per share
Total transactions with owners

-	-	(44,565)	(44,565)
-	-	(44,565)	(44,565)

Balance as at 30 June 2015

742,746	30,000	341,627	1,114,373
---------	--------	---------	-----------

The annexed notes from 1 to 48 form an integral part of these financial statements.

ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)

HAFIZ FAROOQ AHMAD
(DIRECTOR)

CASH FLOW STATEMENT

FOR YEAR ENDED 30 JUNE 2015

	Note	2015 (Rupees '000)	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from/ (used in) operating activities	39	191,607	443,469
Finance cost paid		(115,377)	(48,147)
Income tax paid		(56,127)	(43,478)
		(171,504)	(91,625)
Net cash from / (used in) operating activities		20,103	351,844
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(158,925)	(74,537)
Addition in capital work in progress		(153,572)	(771,021)
Proceeds from disposal of property, plant and equipment		25,789	20,926
Long term investments		-	(45,000)
Long term deposits received / (paid)		(3,989)	15,007
Net cash used in investing activities		(290,697)	(854,625)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - net		164,298	(36,500)
Loan from sponsors - net		23,865	342,723
Short term borrowings - net		44,106	258,965
Dividend paid		(19,110)	(1,954)
Long term security deposit payable		(2,100)	(2,800)
Liabilities against assets subject to ijarah financing - net		51,785	(65,988)
Net cash generated from financing activities		262,844	494,446
Net increase / (decrease) in cash and cash equivalents		(7,750)	(8,335)
Cash and cash equivalents at the beginning of the year		234,489	242,824
Cash and cash equivalents at the end of the year		226,739	234,489

The annexed notes from 1 to 48 form an integral part of these financial statements.

ATIQUE AHMAD KHAN

(CHIEF EXECUTIVE OFFICER)

Hafiz Farooq Ahmad

HAFIZ FAROOQ AHMAD

(DIRECTOR)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

1 THE COMPANY AND ITS OPERATIONS

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

2 STATEMENT OF COMPLIANCE

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

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

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

	Effective date (accounting periods beginning on or after)
Amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	01 July 2016
Amendments to IFRS 7 Financial Instruments: Disclosures	01 July 2016
IFRS 10 Consolidated Financial Statements	01 January 2015
IFRS 11 Joint Arrangements	01 January 2015
IFRS 12 Disclosure of Interests in Other Entities	01 January 2015
IFRS 13 Fair Value Measurement	01 January 2015
IFRS 14 Regulatory Deferral Accounts	01 January 2016
IFRS 15 Revenue from Contracts with Customers	01 January 2017
Amendments to IAS 1 Presentation of Financial Statements	01 January 2016
Amendments to IAS 16 Property, Plant and Equipment	01 January 2016
Amendments to IAS 19 Employee Benefits	01 January 2016
Amendments to IAS 27 Separate Financial Statements	01 January 2015 and 01 January 2016
Amendments to IAS 28 Associates and Joint Ventures	01 January 2015 and 01 January 2016
Amendments to IAS 34 Interim Financial Reporting	01 January 2016
Amendments to IAS 38 Intangible Assets	01 January 2016
Amendments to IAS 41 Agriculture	01 January 2016

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

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

The following International Financial Reporting Standards and Interpretations have been issued by the International Accounting Standards Board (IASB), which have not been notified upto 30 June 2015 by the Securities and Exchange Commission of Pakistan for the purpose of applicability in Pakistan:

	Effective date (accounting periods beginning on or after)
IFRS 1 First time adoption of International Financial Reporting Standards	01 July 2009
IFRS 9 Financial Instruments - Classification and Measurement	01 January 2015

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

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that have become effective during the year and are mandatory for accounting periods on or after 01 July 2014 but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed in these financial statements.

3 BASIS OF PREPARATION

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

3.2 Significant accounting judgments and critical accounting estimates / assumptions

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

a) Income taxes

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

b) Useful lives, patterns of economic benefits and impairments

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

c) Provision for doubtful debts

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

d) Provision for slow moving /obsolete items

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

3.3 Functional and presentation currency

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Taxation

Current

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

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

4.2 Trade and other payables

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

4.3 Provisions

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

4.4 Property, plant and equipment

Owned

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

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

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

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

Ijarah assets

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

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

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

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

Capital work in progress

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

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

Impairment

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

4.5 Stores, spare parts and loose tools

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

4.6 Stock in trade

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

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

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

4.7 Trade debts

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

4.8 Other receivables

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

4.9 Cash and bank balance

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

4.10 Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities 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.

4.11 Impairment of financial assets

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

4.12 Off setting of financial assets and financial liabilities

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

4.13 Derivative financial instruments

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

4.14 Foreign currency translation

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

4.15 Revenue recognition

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

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

4.16 Employees' benefits

Defined contribution plan

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

Compensated absences

Compensated absences are accounted for 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 Related party transactions and transfer pricing

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

4.19 Cash and cash equivalents

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

4.20 Dividends

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

4.21 Intangible assets

Goodwill

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

Goodwill is stated at cost less any identified impairment loss.

Other intangible assets

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

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

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

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

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

4.22 Operating segments

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the chief executive officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Company's format for segment reporting is based on its products and services.

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

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

4.23 Investment in associated undertakings

Investment in associates and related parties where the Company can exercise significant influence; has intention and ability to hold the investment for more than twelve months of acquisition and are not held for sale are accounted for using the equity method of accounting. Under this method the investments are stated at cost plus the Company's equity in undistributed earnings and losses after acquisition, less any impairment in the value of individual investment.

Unrealised gains on transactions between the Company and its associate are eliminated to the extent of the Company's interest in the associate.

Impairment in value, if any, is recognized in profit and loss in the period it arises.

OPERATING FIXED ASSETS - TANGIBLE

DESCRIPTION	2015											
	BALANCE AS AT 01 JULY 2014			FOR THE YEAR			BALANCE AS AT 30 JUNE 2015			DEPRECIATION RATES		
	Cost	Accumulated Depreciation	Net Book Value	Additions	Transfer Cost / (Accumulated Depreciation)	Disposal (Cost) / Accumulated Depreciation	Depreciation Charge	Cost	Accumulated Depreciation		Net Book Value	
(Rupees '000)												
Land - Freehold	49,637	-	49,637	-	-	-	-	-	49,637	-	49,637	-
Land- Leasehold	25,826	1,286	24,540	-	-	-	-	527	25,826	1,813	24,013	-
Buildings	237,218	59,402	177,816	765	-	-	-	17,834	237,983	77,236	160,747	10
Plant and machinery	2,043,010	147,193	1,895,817	125,225	30,971	-	-	41,245	2,199,206	190,640	2,008,566	-
					(2,202)							
Furniture and fixtures	21,022	6,205	14,817	2,258	-	-	-	1,596	23,280	7,801	15,479	10
Office equipment	2,363	619	1,744	164	-	-	-	180	2,527	799	1,728	10
Computers	3,823	2,197	1,626	1,291	-	-	-	735	5,114	2,932	2,182	30
Vehicles	24,911	8,565	16,346	34,460	10,183	(27,888)	-	5,346	41,666	10,181	31,485	20
					(4,908)							
	2,407,810	225,467	2,182,343	164,163	41,154	(27,888)		67,463	2,585,239	291,402	2,293,837	
					(7,110)	8,638						

DESCRIPTION	BALANCE AS AT 01 JULY 2013					FOR THE YEAR				BALANCE AS AT 30 JUNE 2014				DEPRECIATION RATES
	Cost	Accumulated Depreciation	Net Book Value	Additions	Transfer		Disposal (Cost) / Accumulated Depreciation	Depreciation Charge	Cost	Accumulated Depreciation	Net Book Value			
					Cost / (Accumulated Depreciation)	Accumulated Depreciation								
(Rupees '000)														
Land - Freehold	49,637	-	49,637	-	-	-	-	-	49,637	-	49,637	-	-	
Land- Leasehold	25,826	759	25,067	-	-	-	-	527	25,826	1,286	24,540	-	-	
Buildings	155,875	47,929	107,946	81,343	-	-	-	11,473	237,218	59,402	177,816	10	10	
Plant and machinery	1,099,869	118,511	981,358	847,475	100,000	(4,334)	23,968	2,043,010	147,193	1,895,817	-	-	-	
Furniture and fixtures	17,463	4,733	12,730	3,559	-	-	1,472	21,022	6,205	14,817	10	10	10	
Office equipment	1,711	457	1,254	652	-	-	162	2,363	619	1,744	10	10	10	
Computers	3,191	1,646	1,545	632	-	-	551	3,823	2,197	1,626	30	30	30	
Vehicles	18,830	7,261	11,569	16,574	6,867	(17,360)	3,088	24,911	8,565	16,346	20	20	20	
	1,372,402	181,296	1,191,106	950,235	106,867	(21,694)	41,241	2,407,810	225,467	2,182,343				
					(5,286)	2,356								

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

Description	Cost	Accumulated Depreciation	Net Book Value	Sales proceeds	Mode of disposal	Particulars of purchaser
------(Rupees '000)-----						
Vehicles						
Toyota GLI	1,794	914	880	1,225	Negotiation	Mr. Amir Mehmood Farooqi
Toyota Altis	1,840	972	868	1,400	Negotiation	Mr. Farrukh Mehmood
Honda Civic	1,649	1,227	422	950	Negotiation	Mr. Akif Mehmood
Toyota Altis	1,840	956	884	1,450	Negotiation	Muhammad Naveed
Honda City	928	731	197	725	Negotiation	Muhammad Naveed
Honda CD 70	69	38	31	66	Negotiation	Mr. Bilal Zulfiqar
Honda CD 70	69	38	31	65	Negotiation	Mr. Kamran Farzand
Land Cruiser	9,500	2,232	7,268	8,300	Negotiation	Mr. Tahir Bashir Khan
Mercedes Benz	10,200	1,530	8,670	11,000	Ijarah Financing	Standard Chartered Modaraba
2015	27,889	8,638	19,251	25,181		
2014	17,360	2,356	15,004	20,926		

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

	2015	2014
	(Rupees '000)	(Rupees '000)
Cost of sales	56,744	34,572
Administrative expenses	10,719	6,669
	67,463	41,241

Note

Cost of sales

Administrative expenses

6 ASSETS SUBJECT TO IJARAH FINANCING - tangible

DESCRIPTION	2015							DEPRECIATION RATES %			
	BALANCE AS AT 01 JULY 2014			FOR THE YEAR			BALANCE AS AT 30 JUNE 2015				
	Cost	Accumulated Depreciation	Net Book Value	Additions	Transfer	Disposal	Depreciation Charge		Cost	Accumulated Depreciation	Net Book Value
					(Cost) / Accumulated Depreciation	(Cost) / Accumulated Depreciation					
(Rupees '000)											
Plant and machinery	142,373	6,377	135,996	100,779	(30,971)	-	3,497	212,181	7,672	204,509	
Vehicles	24,065	8,179	15,886	19,973	(10,183)	(613)	3,536	33,242	6,528	26,714	
					4,908	279					
	166,438	14,556	151,882	120,752	(41,154)	(613)	7,033	245,423	14,200	231,223	
					7,110	279					

2014											
DESCRIPTION	BALANCE AS AT 01 JULY 2013			FOR THE YEAR				BALANCE AS AT 30 JUNE 2014			DEPRECIATION RATES %
	Cost	Accumulated Depreciation	Net Book Value	Additions	Transfer	Disposal	Depreciation Charge	Cost	Accumulated Depreciation	Net Book Value	
					(Cost) /	Cost /					
					Accumulated Depreciation	(Accumulated Depreciation)					
(Rupees '000)											
Plant and machinery	197,402	8,709	188,693	44,971	(100,000)	-	2,382	142,373	6,377	135,996	
Vehicles	22,783	4,475	18,308	8,149	4,714 (6,867)	-	4,276	24,065	8,179	15,886	20
	220,185	13,184	207,001	53,120	572 (106,867)	-	6,658	166,438	14,556	151,882	
					5,286	-					

6.1 Particulars of assets subject to Ijarah financing disposed of during the year are as follows:

Description	Cost	Accumulated Depreciation	Net Book Value	Sales proceeds	Mode of disposal	Particulars of purchaser
Vehicles						
Suzuki Bolan	613	279	334	608	Insurance Claim	Pak Qatar Takatful
2015	613	279	334	608		
2014						

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

	Note	2014 (Rupees '000)	2013 (Rupees '000)
Cost of sales	31	3,497	2,382
Administrative expenses	33	3,536	4,276
		7,033	6,658

7 CAPITAL WORK IN PROGRESS

	2015			2014				
	Balance as at 01 July 2014	Additions during the year	Transfer during the year	Balance as at 30 June 2015	Balance as at 01 July 2013	Additions during the year	Transfer during the year	Balance as at 30 June 2014
	65	24,027	(765)	23,327	12,972	68,436	(81,343)	65
	13,965	129,545	(125,225)	18,285	158,855	702,585	(847,475)	13,965
	14,030	153,572	(125,990)	41,612	171,827	771,021	(928,818)	14,030

7.1 Borrowing cost amounting to Rupees Nil (2014: 39,586 million) has been capitalized during the year. Capitalization rate used for the purpose was Nil (2014 : 11.31%).

8 INTANGIBLE ASSETS

DESCRIPTION	2015								RATES %
	BALANCE AS AT 01 JULY 2014			FOR THE YEAR		BALANCE AS AT 30 JUNE 2015			
	Cost	Accumulated Amortization	Net Book Value	Additions	Amortization Charge	Cost	Accumulated Amortization	Net Book Value	
	(Rupees '000)								
ERP Software	1,400	1,120	280	-	280	1,400	1,400	-	20
Goodwill	70	-	70	-	-	70	-	70	
	1,470	1,120	350	-	280	1,470	1,400	70	

DESCRIPTION	2014										RATES %
	BALANCE AS AT 01 JULY 2013			FOR THE YEAR			BALANCE AS AT 30 JUNE 2014				
	Cost	Accumulated Amortization	Net Book Value	Additions	Amortization Charge	Cost	Accumulated Amortization	Net Book Value			
ERP Software Goodwill	1,400	840	560	-	280	1,400	1,120	280	20		
	70	-	70	-	-	70	-	70			
	1,470	840	630	-	280	1,470	1,120	350			

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

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

The Company assessed the recoverable amount at 30 June 2015 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.

9 LONG TERM INVESTMENTS

Note	2015 (Rupees '000)	2014
Beginning balance	45,000	-
Investment made during the year	-	45,000
Share of profit / (loss) of associated companies	133	-
Ending balance	45,133	45,000

- 9.1 Share of profit of associated companies is based on audited financial statements for the year ended 30 June 2015 (2014: audited financial statements for the year ended 30 June 2014). The company invested in associated company on 28 June 2014, share of loss of associated companies computed to Rupees 246 for the year ended 30 June 2014, however, due to rounding off of figures to nearest thousands, no figure appeared to be disclosed in corresponding figure.

- 9.2 The company's interest in associated companies is as follows:

Ghani Global Glass Limited - Unquoted

4,500,000 (2014: 4,500,000) fully paid ordinary shares of
Rupees 10 each

Country of incorporation: Pakistan

Cost: Rupees 45 million (2014: 45 million)

Value based on net assets as at 30 June 2015

Carrying value on equity method

Note	2015 (Rupees '000)	2014
	45,133	45,000
	45,133	45,000

- 9.3 The Company's share in assets, liabilities, revenues and profit of associated company based on most recent available financial statements is as follows:

	Assets	Liabilities	Revenues	Profit / (Loss) after tax	Holding (%)
	(Rupees '000)				
30 June 2015					
Ghani Global Glass Limited	110,800	-	-	133	9.000
30 June 2014					
Ghani Global Glass Limited	44,729	752	-	-	9.375

- 9.4 Although the Company has less than 20% shareholding in Ghani Global Glass Limited, however, this company has been treated as associated company since the Company has representation on its Board of Directors.

10 LONG TERM DEPOSITS AND PREPAYMENTS

Considered good:

Note	2015 (Rupees '000)	2014
Security deposits for utilities	49,075	47,075
Security deposits for rented premises	846	646
Deposits against fuel supply	113	113
Deposits against Ijarah facilities	18,117	15,972
Prepayments with National Highway Authority	-	356
	68,151	64,162

		2015 (Rupees '000)	2014
11	STORES, SPARE PARTS AND LOOSE TOOLS		
	Stores	16,604	13,726
	Spare parts	53,848	54,730
	Loose tools	313	409
		70,765	68,865
12	STOCK IN TRADE		
	Finished goods	36,206	23,225
13	TRADE DEBTS		
	<i>Considered good:</i>		
	Unsecured	13.1 294,870	157,264
13.1	The age of trade debts at balance sheet date was:		
	Age of trade debts		
	Not past due	212,324	147,324
	0 - 180 Days	54,661	2,150
	180 - 365 Days	20,936	1,585
	1 - 2 Years	1,416	702
	More than two years	5,533	5,503
		294,870	157,264
14	LOANS AND ADVANCES		
	<i>Unsecured and Considered good:</i>		
	Loans to employees	277	192
	Advances		
	To employees against expenses	916	1,999
	To suppliers and contractors	137,809	92,769
		138,725	94,768
		139,002	94,960
15	TRADE DEPOSITS AND SHORT TERM PREPAYMENTS		
	<i>Considered good:</i>		
	Security deposits	19,984	14,874
	Short term prepayments	252	1,108
	Bank guarantee margin	23,607	1,638
		43,843	17,620
16	BALANCE WITH STATUTORY AUTHORITIES		
	Sales tax refundable	7,419	-

	Note	2015 (Rupees '000)	2014
17 OTHER RECEIVABLES			
<i>Considered good:</i>			
Bank Profit receivables		78	120
Commission receivable		-	852
		<u>78</u>	<u>972</u>
18 CASH AND BANK BALANCES			
Cash in hand		844	311
Balances with banks in:			
Current accounts		135,624	55,431
Deposit accounts	18.1	90,271	178,747
		<u>225,895</u>	<u>234,178</u>
		<u>226,739</u>	<u>234,489</u>

18.1 The rate of return on deposit accounts ranges from 3.2% to 4.9% (2014: 3% to 8%) per annum.

19 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2015 (No. of Shares)	2014		2015 (Rupees '000)	2014
72,450,000	72,450,000	Ordinary shares of Rupees 10 each fully paid in cash	724,500	724,500
13,000	13,000	Ordinary shares of Rupees 10 each issued for consideration other than cash	130	130
1,811,575	1,811,575	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	18,116	18,116
<u>74,274,575</u>	<u>74,274,575</u>		<u>742,746</u>	<u>742,746</u>

19.1 Movement during the year

2015 (No. of Shares)	2014		2015 (Rupees '000)	2014
74,274,575	72,463,000	Opening balance	742,746	724,630
-	1,811,575	Issued during the year as bonus share	-	18,116
<u>74,274,575</u>	<u>74,274,575</u>	Closing balance	<u>742,746</u>	<u>742,746</u>

20 CAPITAL RESERVE - SHARE PREMIUM

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

21 LONG TERM FINANCING

From banking companies - secured:

	Note	2015 (Rupees '000)	2014
Finance 1	21.1	-	30,000
Finance 2	21.2	332,088	350,000
Finance 3	21.3	20,071	53,442
Finance 4	21.4	39,556	43,975
Finance 5	21.5	250,000	-
		641,715	477,417
Less: Current portion taken as current liability	29	147,604	104,329
		494,111	373,088

- 21.1** This Islamic finance facility carried profit at the rate of 6 months KIBOR plus 2.25% per annum (2014: 6 months KIBOR plus 2.25% per annum) and was secured against 1st exclusive specific hypothecation charge over plant and machinery for Rupees 150 million and second charge over entire remaining fixed assets of the Company and personal guarantees of directors of the Company. This finance facility was repayable biannually in six years including one year grace period.
- 21.2** This Islamic finance facility carries profit at the rate of 3 months KIBOR plus 195 BPS (2014: 3 months KIBOR plus 195 BPS). It is secured against the 1st exclusive specific charge over all the present & future fixed assets valued at Rupees 400 million and present & future current assets valued at Rupees 67 million of the Company's South Plant operations, and personal guarantees of executive directors of the Company. In addition, the facility is also secured against 1st pari passu charge over all the present & future fixed assets and current assets of Company's North Plant operations for first year post COD. This finance facility is repayable quarterly in six years including two years grace period.
- 21.3** This Islamic finance facility carries profit ranging from 3 months KIBOR plus 150 BPS (2014: 3 months KIBOR plus 175 to 3 months KIBOR plus 225 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 present and future current assets of the company for Rupees 135 million, and personal guarantees of executive directors of the Company. This finance facility is repayable quarterly.
- 21.4** This Islamic finance facility carries profit at the rate of 6 months KIBOR plus 1.95% (2014: 6 months KIBOR plus 2.25%). This Islamic finance facility is secured against the 1st exclusive specific hypothecation charge over plant and machinery of the Company for Rupees 75 million (2014: Rupees 60 million). This finance facility is repayable monthly.
- 21.5** This Islamic finance facility carries profit at the rate of 1 year KIBOR plus 1.75% (2014: Nil). This Islamic finance facility is secured against the specific hypothecation charge registered with SECP on the specific asset of the company amounting to Rupees 300 million (2014: Nil). This finance facility is repayable quarterly in five years including one year grace period.

22 LOAN FROM SPONSORS - unsecured

This loan has been obtained from sponsors of the Company, which is unsecured and interest free. There is no fixed tenure or schedule for repayment of this loan. The repayment is at the option of the Company. The fair value of loan from sponsors is estimated at present value of all future cash flows discounted using weighted average borrowing cost of the Company.

23 LIABILITIES AGAINST ASSETS SUBJECT TO IJARAH FINANCING

The amount of future rentals and periods during which they fall due are as under:

	Note	2015 (Rupees '000)	2014
Not later than one year		68,641	46,271
Later than one year and not later than five year		88,085	52,348
		156,726	98,619
Less : Future financial charges		16,482	10,160
Present value of minimum Ijarah payments	23.1	140,244	88,459
Less : Current portion taken as current liability	29	59,091	39,452
		81,153	49,007

23.1 Break up of net Ijarah obligation

Within one year	59,091	39,452
Within two to five years	81,153	49,007
	140,244	88,459

23.2 Minimum Ijarah payments have been discounted at an implicit profit rate ranging from 3 months KIBOR plus 1.75% to 6 months KIBOR plus 2.25% per annum with a floor of 8% and cap of 24% (2014: 3 months KIBOR plus 2% to 6 months KIBOR plus 3% per annum with a floor of 10% and cap of 24%). The balance number of rentals payable are 35 (2014: 36). In case of termination of the agreement, the Company shall pay entire amount of minimum Ijarah payments for un-expired period of Ijarah agreement.

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

24 LONG TERM SECURITY DEPOSITS

From customers	24.1	19,450	21,550
----------------	------	--------	--------

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

25 DEFERRED TAXATION

This comprises of following

Taxable temporary differences

Accelerated tax depreciation	407,795	378,926
Ijarah arrangements	29,113	20,930

Deductible temporary differences

Unused tax losses	(252,632)	(277,510)
Unused tax credits	(99,960)	(109,803)
	84,316	12,543

26 TRADE AND OTHER PAYABLES

Trade creditors	
Advances from customers	
Accrued liabilities	
Workers' Profit Participation Fund	
Unclaimed dividend	
With holding tax	

Note

2015
(Rupees '000)

2014

49,000	55,437
23,905	15,806
27,233	44,566
13,111	8,412
25,619	164
403	236
139,271	124,621

26.1 Workers' Profit Participation Fund

Beginning balance	
Provision for the year	
Profit on funds utilized in Company's business	
Paid during the year	

8,412	8,471
13,111	5,449
245	442
21,768	14,362
(8,657)	(5,950)
13,111	8,412

27 ACCRUED PROFIT ON FINANCING

Long term financing	
Short term borrowings	

6,686	8,507
6,026	5,569
12,712	14,076

28 SHORT TERM BORROWINGS

From banking companies - secured:

Finance 1	
Finance 2	
Finance 3	
Finance 4	
Finance 5	
Finance 6	
Finance 7	
Finance 8	

28.1	-	127,500
28.2	50,000	50,000
28.3	14,212	13,583
28.4	30,000	50,000
28.5	129,977	135,500
28.6	100,000	-
28.7	56,500	-
28.8	40,000	-
	420,689	376,583

28.1 This facility had been availed against sanctioned limit of Rupees 150 million and carried profit at the rate of 3 months KIBOR plus 2% (2014: 3 months KIBOR plus 2%) and secured against first pari passu charge on fixed assets of the Company.

28.2 This facility has been availed against sanctioned limit of Rupees 50 million and carry profit at the rate of respective KIBOR plus 1.50% (2014: respective KIBOR plus 1.50%) and secured against first pari passu charge on current assets of the company.

28.3 This facility has been availed against sanctioned limit of Rupees 35 million and carry profit at the rate of respective months KIBOR plus 1.50% (2014: respective months KIBOR plus 2.25%) and secured against first pari passu charge on present and future current assets of the company.

- 28.4** This facility from banking company has been availed against sanctioned limit of Rupees 50 million and carry profit at the rate of respective months KIBOR plus 1.5% (2014: respective months KIBOR plus 1.5%) and secured against first pari passu charge on current assets of the Company.
- 28.5** This facility from banking company has been availed against sanctioned limit of Rupees 136 million and carry profit ranging from respective months KIBOR plus 1.25% to 1.5% (2014: respective months KIBOR plus 1.5% to 2%) and secured against first pari passu charge on current assets of the Company.
- 28.6** This facility from banking company has been availed against sanctioned limit of Rupees 100 million and carry profit ranging from matching KIBOR plus 1.5% (2014: Nil) and secured against first pari passu charge on current assets of the Company.
- 28.7** This facility from banking company has been availed against sanctioned limit of Rupees 60 million and carry profit ranging from matching KIBOR plus 1.5% (2014: Nil) and secured against first pari passu charge on all present and future current assets of the Company and personal guarantees of directors.
- 28.8** This facility from banking company has been availed against sanctioned limit of Rupees 40 million and carry profit ranging from respective months KIBOR plus 1.25% with floor of 5% and cap of 35% (2014: Nil) and secured against ranking charge over present and future current assets of the Company.

	Note	2015 (Rupees '000)	2014
29	CURRENT PORTION OF LONG TERM LIABILITIES		
Long term financing	21	147,604	104,329
Liabilities against assets subject to ijarah financing	23	59,091	39,452
		206,695	143,781

30 CONTINGENCIES AND COMMITMENTS

30.1 Contingencies

- 30.1.1** Bank guarantees issued by the Company's bankers in the ordinary course of business aggregating to Rupees 5 million (2014: Rupees 5 million) against supply of petroleum products.
- 30.1.2** Bank guarantees issued by the Company's bankers in the ordinary course of business aggregating to Rs. 9.491 million (2014: Nil) against supply of liquid gases, contract with controller of military accounts (Defence Purchase) Rawalpindi.
- 30.1.3** The Company has filed two separate constitutional petitions before The Honorable Lahore High Court on the ground that the company was not required to pay any Advance Tax on electricity bills due to huge carried forward tax losses and available refunds. The Honorable Lahore High Court has granted stay orders upon furnishing bank guarantees in favour of LESCO amounting to Rupees 3.14 million (2014: Rupees 3.14 million). The outcome of the cases is pending. The management is hopeful that matter shall be decided in favour of the company.

30.1.4 The company has provided corporate guarantee amounting to Rupees 650 million (2014: Rupees 650 million) to banks against financing facilities on behalf of associated company namely Ghani Global Glass Limited.

30.2 Commitments

30.2.1 Commitments in respect of letter of credit amounted to Rupees 258.19 million (2014: Rupees 129.64 million).

30.2.2 Commitments for capital expenditure amounted to Rupees 10 million (2014: Rupees 66 million).

	Note	2015 (Rupees '000)	2014
31 COST OF SALES			
Fuel and power		418,774	307,921
Consumable stores		19,320	12,105
Salaries, wages and other benefits	31.1	55,285	28,468
Communication		749	513
Repairs and maintenance		22,391	12,652
Traveling, vehicle running and conveyance		5,464	4,475
Insurance		4,268	2,993
Depreciation	5.2 & 6.2	60,241	36,954
Staff welfare		7,680	4,263
Transportation		4,123	1,788
Other overheads		46,962	18,730
Cost of goods manufactured		645,257	430,862
Finished goods			
Opening stock		23,225	13,752
Purchases		517,931	598,720
Closing stock		(36,206)	(23,225)
		504,950	589,247
		1,150,207	1,020,109

31.1 Salaries, wages and other benefits includes Rupees 2.81 million (2014: Rupees 1.08 million) in respect of retirement benefits.

	Note	2015 (Rupees '000)	2014
32 DISTRIBUTION COST			
Salaries, wages and other benefits	32.1	25,711	14,130
Transportation charges		68,919	74,410
Traveling, boarding, lodging and conveyance		2,046	1,970
Communication		576	525
Vehicle running and maintenance		2,900	3,164
Staff welfare		1,356	500
Advertisement and business promotion		-	29
Loading and unloading		884	313
Postage and courier		194	93
Repair and maintenance		1,898	534
Other expenses		15,141	9,803
		119,625	105,471

- 32.1** Salaries, wages and other benefits includes Rupees 1.81 Million (2014: Rupees 0.65 million) in respect of retirement benefits.

33 ADMINISTRATIVE EXPENSES

	Note	2015 (Rupees '000)	2014
Salaries, wages and other benefits	33.1	38,815	25,769
Rent, rates and taxes		4,665	3,830
Electricity and other utilities		1,701	1,438
Traveling and conveyance		3,224	2,477
Vehicle running and maintenance		2,367	2,446
Donation & charity	33.2	2,207	1,295
Printing and stationery		1,787	1,691
Communication		1,459	1,183
Fee and subscription		895	3,100
Advertisement		148	202
Insurance		1,181	1,261
Depreciation	5.2 & 6.2	14,255	10,945
Amortization	8.1	280	280
Staff welfare		3,982	3,831
Repair and maintenance		644	717
Others		5,220	1,721
		82,830	62,186

- 33.1** Salaries, wages and other benefits includes Rupees 2.26 million (2014: Rupees 2.12 million) in respect of retirement benefits.

- 33.2** The directors and their spouses have no interest in the donees.

34 OTHER OPERATING EXPENSES

	Note	2015 (Rupees '000)	2014
Legal and professional		606	1,576
Workers profit participation fund		13,111	5,449
Auditors' remuneration			
Statutory audit		550	500
Half yearly review and other certifications		115	115
Out of pocket expenses		25	25
		690	640
		14,407	7,665

35 OTHER INCOME

Income from financial assets	35.1	3,851	1,814
Income from other than financial assets	35.2	6,206	1,587
		10,057	3,401

	Note	2015 (Rupees '000)	2014
35.1 Income from financial assets:			
Profit on bank deposits		1,251	962
Commission on corporate guarantee		2,600	852
		3,851	1,814
35.2 Income from other than financial assets:			
Gain on disposal of assets		6,206	1,587
		6,206	1,587
36 FINANCE COST			
Profit on:			
Long term financing		63,798	16,854
Short term borrowings		38,388	24,672
Liabilities against assets subject to ijarah financing		10,349	8,876
Workers' profit participation fund		245	442
		112,780	50,844
Bank charges and commission		1,233	1,016
		114,013	51,860
37 TAXATION			
Charge for the year:			
Current		18,606	17,601
Prior year		364	254
		18,970	17,855
Deferred		71,773	12,543
		90,743	30,398
37.1	Assessment up to tax year 2014 is finalized (deemed assessment) and the available tax losses of the company are Rupees 835.416 million (2013: Rupees 556.441 million)		
37.2	Due to current 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, the Company falls under ACT and provision on accounting profit has been made accordingly net off tax credit under section 65B of the Income Tax Ordinance, 2001. No other provision for current tax was required keeping in view of the taxable business losses. Relationship between income tax expense and accounting profit for current year is not meaningful due to application of ACT.		
38 EARNINGS PER SHARE			
Profit attributable to ordinary shareholders	(Rupees '000)	158,496	73,138
Weighted average number of ordinary shares outstanding during the year	(Number)	74,274,575	74,274,575
Earnings per share - basic and diluted	(Rupees)	2.13	0.98

- 38.1** 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.

39 CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation

Adjustments to reconcile profit to net cash provided by operating activities

Depreciation on operating fixed assets

Depreciation on asset against ijarah financing

Amortization of intangible assets

Profit on financings

Share of (profit) / loss of associated companies

Gain on disposal of assets

Cash flows from operating activities before working capital changes

Cash flows from working capital changes

(Increase) / decrease in current assets:

Stores, spare parts and loose tools

Stock in trade

Trade debts

Loans and advances

Trade deposits and short term prepayments

Balance with statutory authorities

Other receivables

Increase / (decrease) in current liabilities:

Trade and other payables

Net cash generated from / (used in) working capital changes

Cash generated from / (used in) operating activities

Note

2015
(Rupees '000)

2014

249,239

103,536

67,463

41,241

7,033

6,658

280

280

114,013

51,860

(133)

-

(6,206)

(1,587)

182,450

98,452

431,689

201,988

(1,900)

(19,068)

(12,981)

(9,473)

(137,606)

(12,915)

(44,042)

288,360

(26,223)

1,294

(7,419)

-

894

(879)

(10,805)

(5,838)

(240,082)

241,481

191,607

443,469

40 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	2015			2014		
	Chief	Directors	Executives	Chief	Directors	Executives
	Executive Officer			Executive Officer		
	(Rupees '000)			(Rupees '000)		
Managerial remuneration	8,024	12,736	18,991	6,360	13,416	15,874
Medical	385	611	661	306	665	845
Provident fund contribution	668	1,061	1,545	598	1,254	1,333
	9,077	14,408	21,197	7,264	15,335	18,052
No. of persons	1	3	13	1	3	9

- 40.1 Company maintained vehicles have been provided to Chief Executive Officer, all directors and executives of the company.
- 40.2 The aggregate amount charged in financial statements for the year against fees for four (4) Board meetings and four (4) audit committee meetings was Rupees Nil (2014: Nil).

41 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	2015 (Rupees '000)	2014
Associated companies / undertakings			
	Receivable against services	-	283
	Investment in shares	-	45,000
	Commission Income	2,600	852
	Sales	117	-
	Purchases	-	544
Others			
Provident fund trust	Contribution	13,360	10,694
Sponsors	Loan received / (repaid)	23,865	342,723
Directors and key management personnel			

These transactions have been disclosed in note 40.

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

42 PROVIDENT FUND RELATED DISCLOSURES

The following information is based on un-audited financial statements of Ghani Gases Employees' Provident Fund as at 30 June

42.1 Information of Provident Fund

	2015 (Rupees '000)	2014
Size of the fund (total assets)	46,869	38,812
Cost of investments made	34,435	22,220
Fair value of investments made	37,373	22,956

(%)

Percentage of investments made

73 57

42.2 Breakup of cost of investments

	2015 (%)	2014	2015 (Rupees '000)	2014
Investment plus deposit certificates	70	72	24,000	16,000
Investment in saving accounts with banks	30	28	10,435	6,220
	100	100	34,435	22,220

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

43 FINANCIAL RISK MANAGEMENT

43.1 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:

	2015 (Rupees '000)	2014
Floating rate instruments		
Financial assets		
Bank balances	90,271	178,747
Financial liabilities		
Long term financing	641,715	477,417
Liabilities against assets subject to ijarah financing	140,244	88,459
Short term borrowings	420,689	376,583

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 (Rupees '000)	Effects on Profit Before Tax
Bank Balances - deposit accounts			
	2015	+1.50 -1.50	1,354 (1,354)
	2014	+1.50 -1.50	2,681 (2,681)

Long term financing

	Changes in Interest Rate	Effects on Profit Before Tax (Rupees '000)
2015	+2.00 -2.00	(12,834) 12,834
2014	+2.00 -2.00	(9,548) 9,548

Liabilities against assets subject to ijarah financing

2015	+2.00 -2.00	(2,805) 2,805
2014	+2.00 -2.00	(1,769) 1,769

Short term borrowing

2015	+2.00 -2.00	(8,414) 8,414
2014	+2.00 -2.00	(7,532) 7,532

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

Exposure to credit risk

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

	Note	2015 (Rupees '000)	2014
Long term deposits	10	68,151	64,162
Trade debts	13	294,870	157,264
Loans to employees	14	277	192
Trade deposits	15	19,984	14,874
Other receivables	17	78	972
Bank balances	18	225,895	234,178
		609,255	471,642

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 30 June 2015 and does not expect any party to fail to meet their obligation.

Cash at banks

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

	Agency	Rating		2015	2014
		Short term	Long term	(Rupees '000)	
Banks					
MCB Bank Limited	PACRA	A1+	AAA	477	4,359
National Bank of Pakistan	PACRA	A1+	AAA	360	17
United Bank Limited	JCR-VIS	A-1+	AA+	618	372
Allied Bank Limited	PACRA	A1+	AA+	1,994	29
Faysal Bank Limited	PACRA	A1+	AA	5,379	10,317
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	67,477	2,589
BankIslami Pakistan Limited	PACRA	A1	A+	82	193
Meezan Bank Limited	JCR-VIS	A-1+	AA	34,612	22,783
Burj Bank Limited	JCR-VIS	A-2	A-	1,429	1,718
Al-Baraka Bank (Pakistan) Limited	JCR-VIS	A-1	A	34,600	143,022
Bank Alfalah Limited	PACRA	A1+	AA	2,480	2,704
The Bank of Khyber	PACRA	A1	A	5,411	20,056
Askari Bank Limited	JCR-VIS	A-1+	AA	811	20,044
Soneri Bank Limited	PACRA	A1+	AA-	546	1,395
Habib Bank Limited	JCR-VIS	A-1+	AAA	1,500	486
Bank Al Habib Limited	PACRA	A1+	AA+	3,165	2,501
Dubai Islamic Bank Limited	JCR-VIS	A-1	A+	63	-
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA	4,674	1,552
The Bank of Punjab	PACRA	A1+	AA-	60,217	39
				225,895	234,178

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

(c) Liquidity risk

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

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

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

Carrying Amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years
(Rupees '000)			

2015

Long term financing	648,401	648,401	154,290	494,111
Liabilities against assets subject to ijarah financing	140,244	156,726	68,641	88,085
Loan from sponsors	1,027,969	1,027,969	-	1,027,969
Long term security deposits	19,450	19,450	-	19,450
Trade and other payables	139,271	139,271	139,271	-
Short term borrowings	426,715	426,715	426,715	-
	2,402,050	2,418,532	788,917	1,629,615

Carrying Amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years
(Rupees '000)			

2014

Long term financing	485,924	485,924	112,836	373,088
Liabilities against assets subject to ijarah financing	88,459	98,619	46,271	52,348
Loan from sponsors	1,004,104	1,004,104	-	1,004,104
Long term security deposits	21,550	21,550	-	21,550
Trade and other payables	124,621	124,621	124,621	-
Short term borrowings	382,152	382,152	382,152	-
	2,106,810	2,116,970	665,880	1,451,090

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

43.2 Fair values of financial assets and liabilities

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

43.3 Financial instruments by categories

2015	
Loans and advances	Total
(Rupees '000)	
Long term deposits	68,151
Trade debts	294,870
Loans and advances	139,002
Trade deposits	19,984
Other receivables	78
Cash and bank balances	226,739
	748,824

Assets as per balance sheet

Long term deposits	68,151	68,151
Trade debts	294,870	294,870
Loans and advances	139,002	139,002
Trade deposits	19,984	19,984
Other receivables	78	78
Cash and bank balances	226,739	226,739
	748,824	748,824

Liabilities as per balance sheet

Long term financing	641,715
Loan from sponsors	1,027,969
Liabilities against assets subject to ijarah financing	140,244
Long term security deposits	19,450
Accrued profit on financings	12,712
Short term borrowings	420,689
Trade and other payables	139,271
	2,402,050

2014

Loans and advances	Total
(Rupees '000)	

Assets as per balance sheet

Long term deposits	64,162	64,162
Trade debts	157,264	157,264
Loans and advances	94,960	94,960
Trade deposits	14,874	14,874
Other receivables	972	972
Cash and bank balances	234,489	234,489
	566,721	566,721

2014
**Financial Liabilities
at amortized cost
(Rupees '000)**
Liabilities as per balance sheet

Long term financing	477,417
Loan from sponsors	1,004,104
Liabilities against assets subject to ijarah financing	88,459
Long term security deposits	21,550
Accrued profit on financings	14,076
Short term borrowings	376,583
Trade and other payables	124,621
	2,106,810

43.4 Capital risk management

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

No changes were made in the objectives, policies or processes from the previous year. The Company monitors capital using gearing ratio, which is debt divided by equity plus net debt. Debt represents long term financing (including current portion) plus liabilities against assets subject to ijarah financing and short term borrowings obtained by the Company as referred to in notes 21, 23 and 28. 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 2015 and 30 June 2014 is as follows:

	Note	2015 (Rupees '000)	2014
Debt	21, 23 & 28	1,202,648	942,459
Equity		1,114,373	1,000,442
Total capital employed		2,317,021	1,942,901
Gearing ratio		51.90%	48.51%

44 SEGMENT INFORMATION

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

Industrial and Medical Gases

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

Other Segments

This segment covers business of trading of chemicals.

44.2 Segment results are as follows:

	2015			2014		
	Industrial and Medical Gases	Other Segments	Total	Industrial and Medical Gases	Other Segments	Total
	(Rupees '000)			(Rupees '000)		
Net Sales	1,107,227	612,904	1,720,131	844,789	502,637	1,347,426
Cost of Sales	(675,804)	(474,403)	(1,150,207)	(593,231)	(426,878)	(1,020,109)
Gross Profit	431,423	138,501	569,924	251,558	75,759	327,317
Distributions Cost	(118,357)	(1,268)	(119,625)	(104,694)	(777)	(105,471)
Administrative Expenses	(81,795)	(1,035)	(82,830)	(61,403)	(783)	(62,186)
	(200,152)	(2,303)	(202,455)	(166,097)	(1,560)	(167,657)
Segment Profit / (Loss)	231,271	136,198	367,469	85,461	74,199	159,660
Unallocated corporate expenses						
Other Operating Expenses			(14,407)			(7,665)
Other Income			10,057			3,401
			363,119			155,396
Finance Cost			(114,013)			(51,860)
Share of profit / (loss) of associated companies			133			-
Profit before taxation			249,239			103,536
Taxation			(90,743)			(30,398)
Profit after taxation			158,496			73,138

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

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

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

	2015			2014		
	Industrial and Medical Gases	Other Segments	Total	Industrial and Medical Gases	Other Segments	Total
	(Rupees '000)			(Rupees '000)		
Segment assets	3,218,397	197,829	3,416,226	2,872,300	29,635	2,901,935
Unallocated assets			226,817			235,461
Total assets			3,643,043			3,137,396
Segment liabilities	2,457,571	28,795	2,486,366	2,087,484	31,869	2,119,353
Unallocated liabilities			42,304			17,601
Total liabilities			2,528,670			2,136,954

44.6 All non-current assets of the company as at 30 June 2015 were located within Pakistan.

45 NUMBER OF EMPLOYEES

Total number of employees at year end

Average number of employees during the year

2015	2014
(Number)	

260	260
-----	-----

254	231
-----	-----

46 PLANT CAPACITY AND ACTUAL PRODUCTION

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

2015	2014
(Cubic Meter)	

Industrial and medical gases

Production at normal capacity - gross

Production at normal capacity - net of normal losses

Actual production - net of normal losses

51,240,000	25,620,000
------------	------------

45,750,000	22,875,000
------------	------------

24,887,938	14,505,202
------------	------------

46.1 Reason for low production

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

47 DATE OF AUTHORIZATION

These financial statements have been authorized for issue by Board of Directors of the Company on
03 OCT 2015.

48 GENERAL

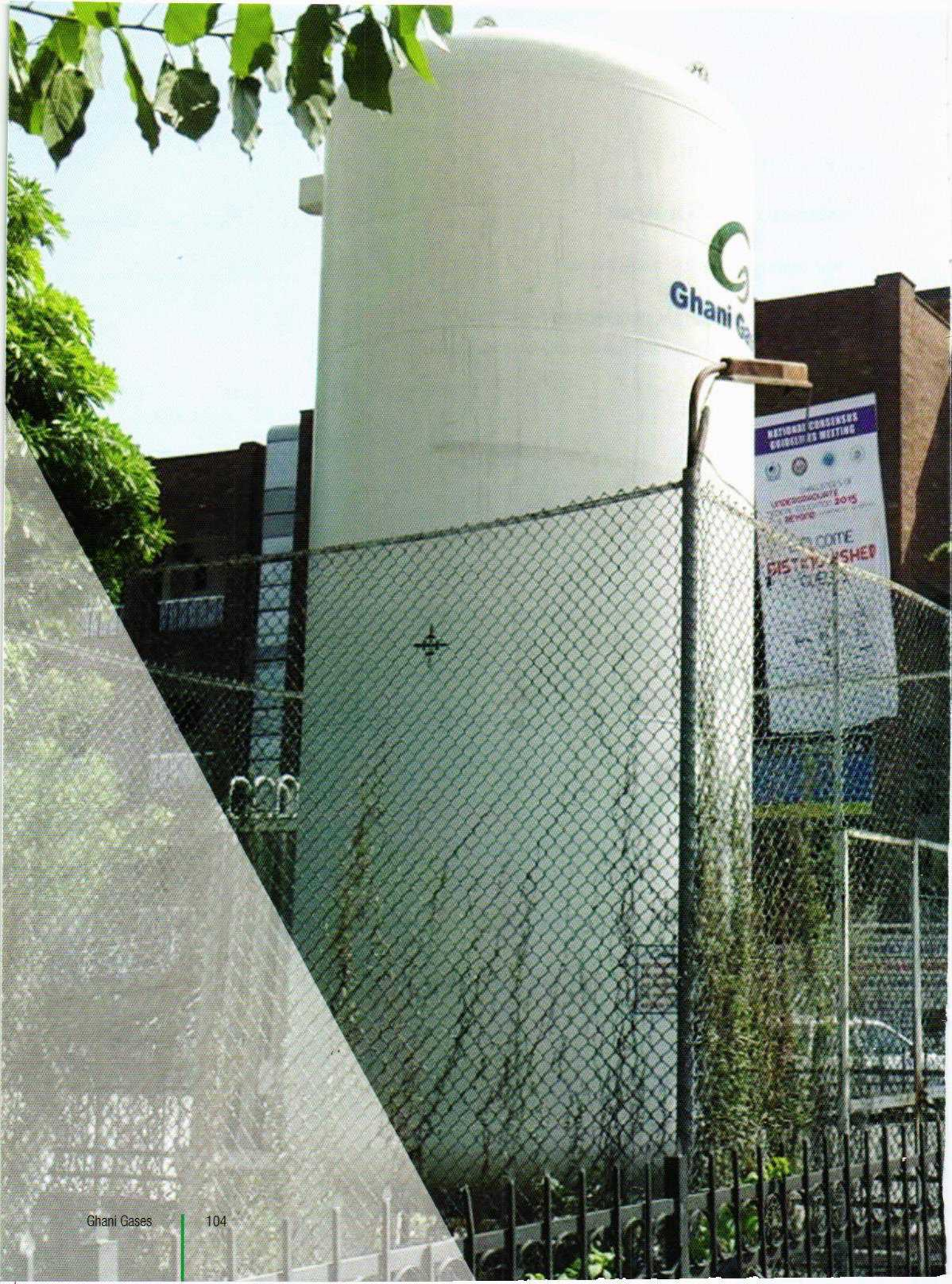
48.1 Corresponding figures have been re-arranged / re-classified wherever necessary to facilitate comparison. However, no significant reclassification has been made during the year.

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

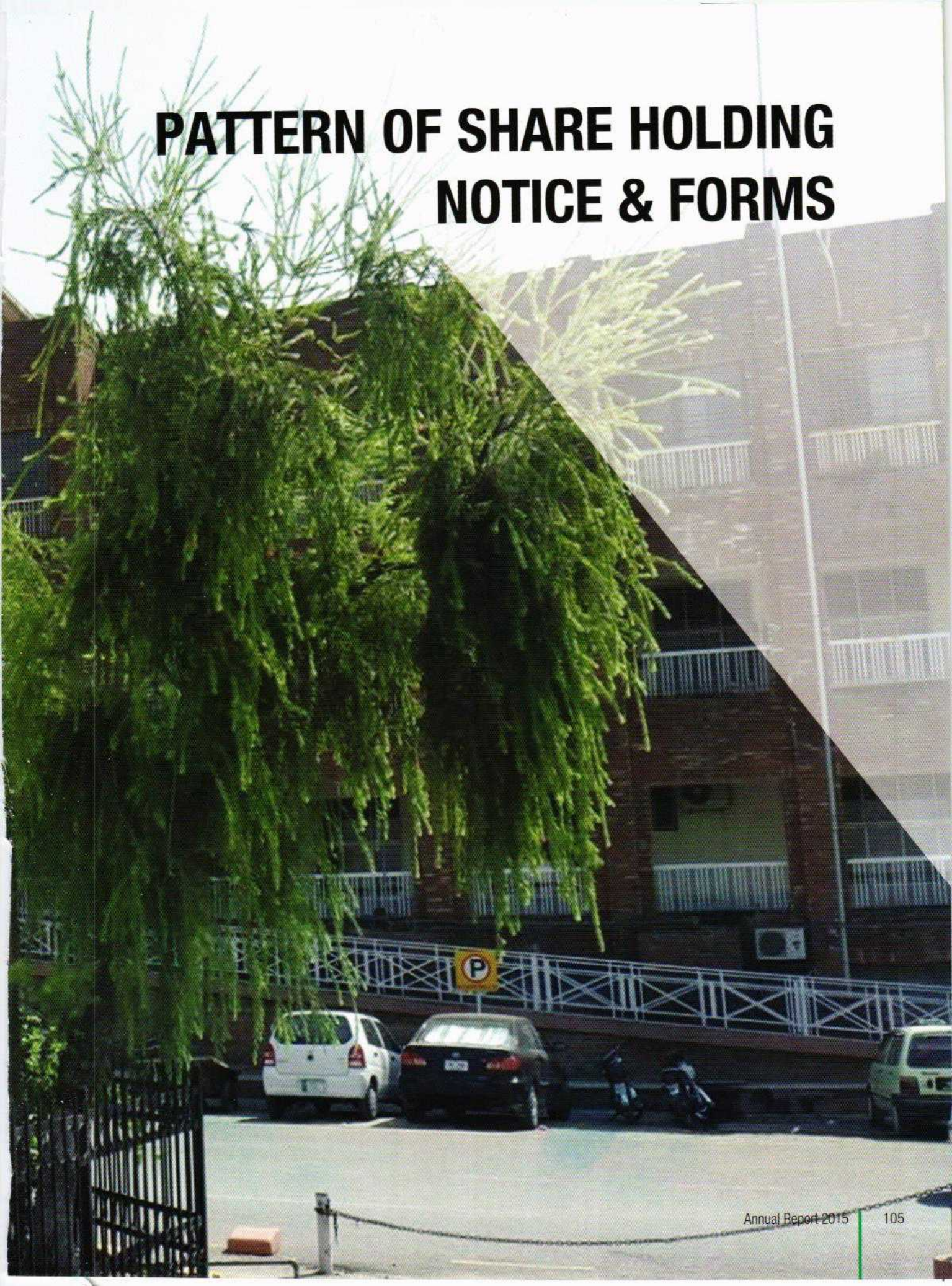
48.3 The Board of Directors in its meeting held on 03 October 2015 has proposed a final cash dividend for the year ended 30 June 2015 at the rate of Rupees One per share, amounting to Rupees 74.274 million for approval of the members in the Annual General Meeting to be held on 31 October 2015.

ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)

HAFIZ FAROOQ AHMAD
(DIRECTOR)



PATTERN OF SHARE HOLDING NOTICE & FORMS



PATTERN OF SHARE HOLDING

AS AT JUNE 30, 2015

FROM - 34

NUMBER OF SHARES		NO. OF SHAREHOLDERS	NUMBER OF SHARES HELD	% ON ISSUED
FROM	TO			
1	100	231	3,867	0.01
101	500	167	68,334	0.09
501	1,000	462	321,590	0.43
1,001	5,000	501	1,365,471	1.84
5,001	10,000	169	1,327,127	1.79
10,001	15,000	46	591,532	0.80
15,001	20,000	45	824,448	1.11
20,001	25,000	28	664,862	0.90
25,001	30,000	8	219,063	0.29
30,001	35,000	6	196,775	0.26
35,001	40,000	5	189,125	0.25
40,001	45,000	2	88,562	0.12
45,001	50,000	12	592,832	0.80
50,001	55,000	5	260,320	0.35
55,001	60,000	3	180,000	0.24
60,001	65,000	4	250,113	0.34
65,001	70,000	4	273,500	0.37
70,001	75,000	5	365,792	0.49
75,001	80,000	2	154,500	0.21
80,001	85,000	3	247,375	0.33
85,001	90,000	2	180,000	0.24
90,001	95,000	1	91,000	0.12
95,001	100,000	7	697,000	0.94
100,001	105,000	1	105,000	0.14
110,001	115,000	1	110,500	0.15
115,001	120,000	1	120,000	0.16
125,001	130,000	2	259,000	0.35
130,001	135,000	1	133,500	0.18
145,001	150,000	2	300,000	0.40
155,001	160,000	1	157,000	0.21
195,001	200,000	5	1,000,000	1.35
245,001	250,000	1	245,250	0.33
290,001	295,000	1	290,500	0.39
295,001	300,000	1	300,000	0.40
300,001	305,000	1	303,000	0.41
310,001	315,000	1	310,735	0.42
320,001	325,000	1	322,875	0.43
365,001	370,000	1	367,500	0.49
400,001	405,000	1	403,500	0.54
555,001	560,000	1	557,000	0.75
895,001	900,000	1	900,000	1.21

NUMBER OF SHARES FROM TO		NO. OF SHAREHOLDERS	NUMBER OF SHARES HELD	% ON ISSUED
1,420,001	1,425,000	2	2,846,737	3.83
1,495,001	1,500,000	1	1,500,000	2.02
3,080,001	3,085,000	1	3,081,970	4.15
3,090,001	3,095,000	1	3,092,220	4.16
3,895,001	3,900,000	1	3,895,922	5.25
4,025,001	4,030,000	1	4,027,405	5.42
5,200,001	5,205,000	1	5,201,287	7.00
6,700,001	6,750,000	1	6,704,500	9.03
9,000,000	9,100,000	1	9,074,687	12.22
9,500,001	9,600,000	1	9,556,157	12.87
9,900,001	10,000,000	1	9,955,142	13.40
		<u>1,754</u>	<u>74,274,575</u>	<u>100</u>

CATEGORIES OF SHAREHOLDERS

as at June 30, 2015

Categories of Shareholders	Number of Shareholders	Number of Shares held	Percentage %
Directors, chief Executive Officer, and their Spouse(s) and minor Children	8	38,657,623	52.04
Modaraba Companies	2	20,072	0.02
Joint Stock Companies	25	7,702,652	10.37
General Public:			
a. Local	1682	27,248,261	36.69
b. Foreign	36	355,467	0.48
Foreign Investors - other than Individuals	1	290,500	0.40
TOTAL	1754	74,274,575	100

INFORMATION REQUIRED UNDER CODE OF CORPORATE GOVERNANCE

Directors, CEO and their spouse and minor children

	Shares Held	Percentage of Holding
1 Mr. Masroor Ahmad Khan	9,955,142	13.40
2 Mr. Atique Ahmad Khan	9,074,687	12.22
3 Hafiz Farooq Ahmad	9,556,157	12.87
4 Mian Zahid Said	500	0.00
5 Mrs. Ayesha Masroor	3,092,220	4.16
6 Mrs. Rabia Atique	3,895,922	5.25
7 Mrs. Saira Farooq	3,081,970	4.15
8 Mr. Farzand Ali	1,025	0.00

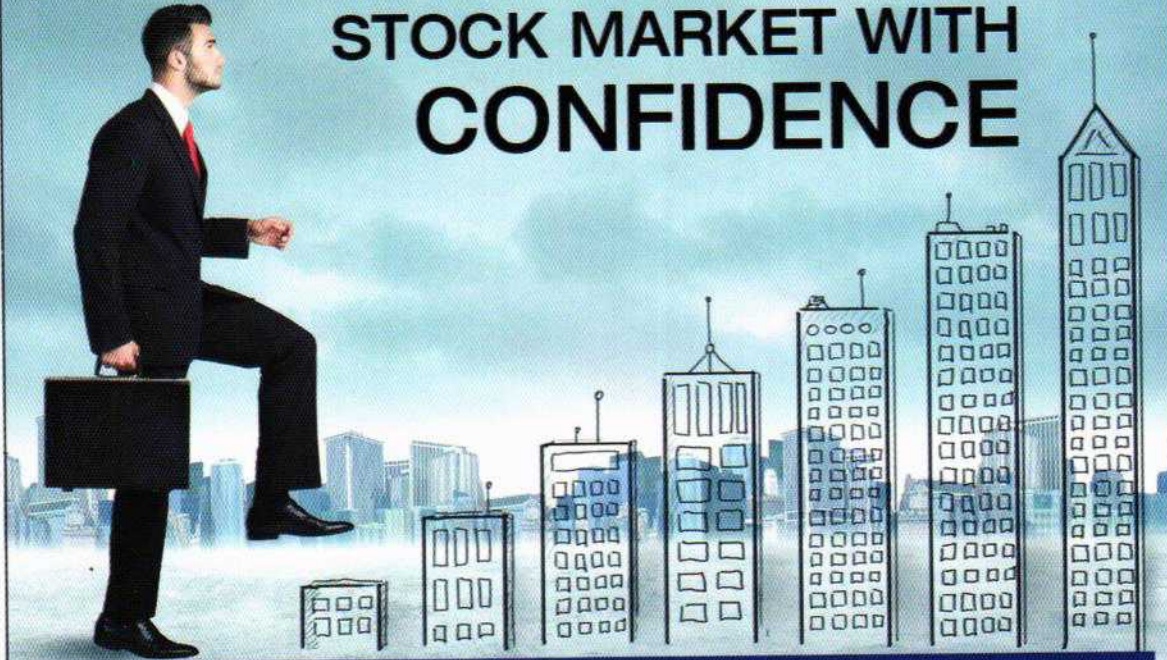
	Shares Held	Percentage of Holding
Modaraba and Mutual Funds		
1 First Al-Noor Moadaraba	20,000	0.03
2 Golden Arrow Selected Stocks Fund Ltd.	72	0.00
Joint Stock Companies		
1 Capital Vision Securities (Pvt.) Ltd.	10	0.00
2 InvestForum (SMC-PVT) Ltd	512	0.00
3 Bawany Air Product Ltd (200)	512	0.00
4 NH Securiites (Pvt.) Ltd.	1,025	0.00
5 Horizon Securities (Pvt.) Ltd.	1,512	0.00
6 Stock Master Securities (Pvt.) Ltd.	1,537	0.00
7 S.Z. Securities (Pvt.) Ltd.	2,500	0.00
8 AMCAP Securities (Pvt.) Ltd.	3,000	0.00
9 NCC - PRE Settlement Delievery Account	6,000	0.01
10 DIN capital (Pvt.) Ltd.	6,000	0.01
11 HH Misbah Securities (Pvt.) Ltd.	10,250	0.01
12 B & B Securities (Pvt.) Ltd.	15,000	0.02
13 Darson Securities (Pvt.) Ltd.	19,574	0.03
14 ASDA Securities (Pvt.) Ltd.	20,000	0.03
15 FDM Capital Securities (Pvt.) Ltd.	25,000	0.03
16 CS Capital (Pvt.) Ltd.	25,000	0.03
17 FDM Capital Securities (Pvt.) Ltd.	25,250	0.03
18 Pearl Securities (Pvt.) Ltd. MF	35,000	0.05
19 Managing Comit-AIAbbas Edu& Welfare Society	50,000	0.07
20 Multiline Securities (Pvt.) Ltd.	53,183	0.07
21 Ali Hussain Rajabali Ltd.	105,000	0.14
22 DJM Securities (Pvt.) Limited	303,000	0.41
23 Fawad Yusuf Securities (Pvt.) Ltd.	1,425,000	1.92
24 Sherman Securities (Pvt.) Limited	5,201,287	7.00
25 PAIR Investment Company Ltd	367,500	0.49
Shareholders holding 05% or more voting interest in the Company		
*1 Mr. Masroor Ahmad Khan	9,955,142	13.40
*2 Mr. Atique Ahmad Khan	9,074,687	12.22
*3 Hafiz Farooq Ahmad	9,556,157	12.87
*4 Mrs. Rabia Atique	3,895,922	5.25
Mrs. Tahira Naheed	6,704,500	9.03
Mrs. Farnaz Fayyaz	4,027,405	5.42
Sherman Securities (Pvt.) Limited	5,201,287	7.00

*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

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
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- 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

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UAN: 051 111 11 7327

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 08th Annual General Meeting of Ghani Gases Limited will be held at Park Lane Hotel, M.M. Alam Road, Gulberg-III, Lahore, on Saturday 31 October, 2015 at 11:30 AM to transact the following business:-

1. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2015 together with Directors' and Auditors' Report thereon.
2. To approve the final cash dividend at Re. 1.00 per share i.e. 10% as recommended by the Board of Directors in addition to interim cash dividend at Rs. 0.60 per share i.e. 06% already paid during April 2015 for the year ended June 30, 2015.
3. To appoint auditors of the Company for the year ending June 30, 2016 and to fix their remuneration. The retiring auditors M/S Rizwan & Company, Chartered Accountants, being eligible, have offered themselves for re-appointment.
4. Any other business with permission of the Chair.

By Order of the Board of Directors

Place: Lahore
Dated: October 09, 2015


FARZAND ALI
Director & Company Secretary

Notes:

1. The register of member of the company will remain closed and no transfer of shares will be accepted, for registration from October 27, 2015 to November 02, 2015 (both days inclusive). Transfer received in order at the office of the share registrar

M/s. THK Associates (Pvt) Limited, Second Floor, State Life Building No.3,
Dr. Ziauddin Ahmed Road, Karachi-75530 Telephone No. 021-111-000-322
Fax No. 0213-5655595, Email: secretariat@thk.com.pk

at the close of business on October 26, 2015 will be in time for purpose of determination of entitlement to the transferees.

2. 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. A proxy should be a member.

Proxy in order to be effective must be duly signed, witnessed and deposited at the Registered/ Corporate office of the Company not less than 48 hours before the meeting.

3. The shareholder/proxy shall produce his/her original CNIC or passport at the time of the meeting.
4. Shareholders are requested to promptly notify the office of the Share Registrar of any change in their addresses.
5. CDC account holder will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A. FOR ATTENDING THE MEETING:

- i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account, and their registration details are uploaded as per the regulations, shall authenticate his identity by showing his original computerized national identity card (CNIC) or original passport at the time of attending the meeting.
- ii. In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. FOR APPOINTING PROXIES:

- i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account, and their registration details are uploaded as per the CDC regulations, shall submit the proxy form as per the above requirement.
 - ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
 - iii. Attested copies of CNIC or the passport, of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv. The proxy shall produce his original CNIC or original passport at the time of the meeting.
 - v. In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the company.
6. Form of proxy is attached with the notice of meeting being sent to the members.
7. In compliance with the directives issued by the Securities and Exchange Commission of Pakistan and/or federal board of revenue from time to time, the members who have not yet provided their dividend mandate information and/or CNIC and/or NTN (as the case may be) are requested to kindly provide the same at the earliest as follows;
- The shareholders who hold company's shares in physical form are requested to submit the above information to the share registrar at the address mentioned above.
 - The Shareholders maintaining their shareholdings under Central Depository System (CDS) are advised to submit the above information directly to relevant participant/CDC Investor Account Service.
8. Members are also requested to update their tax paying status (filer/Non-filer) on the company's share registrar.

The above information may please be provided as follows:

Folio/ CDC ID/AC#	Name	National Tax #	CNIC # (In case of individuals)	Income tax return for the year 2014 filed (Yes or No)

This would enable us to process future dividend payments, if any, in accordance with the tax payment status of the member in pursuant to the provisions of Finance Act, 2015, effective July 1, 2015 whereby the rates of deduction of income tax under Section 150 of the Income Tax Ordinance, 2001 from dividend payment have been revised as follows:

1.	Rate of tax deduction for filer of income tax returns	12.5%
2.	Rate of tax deduction for non-filer of income tax returns	17.5%

The audited financial statement of the Company for the year ended June 30, 2015 have been placed at the Company's website www.ghaniglobal.com

FORM OF PROXY

8th Annual General Meeting

GHANI GASES LIMITED

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

(being a member of the company) as my/our proxy to attend, act and vote for me/us on my/our behalf at 8th Annual General Meeting of the members of the Company to be held at Lahore on Saturday October 31, 2015 at 11:30 AM and at any adjournment(s) thereof.

Signed this _____ day of October 2015.

Sign by the said Member

Signed in the presence of:

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

Information required		For Member (Shareholder)	For Proxy (If member)	For alternate Proxy (*)
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.

Notes:

1. A member entitled to attend and vote at Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy must be a member.
2. This Proxy form, duly completed and signed, together with Board Resolution / Power authorized in writing. If any, under which it is signed or a materially certified copy thereof, should be deposited, with the Registered / Corporate Office of the Company, 10-N, Model Town Ext. Lahore -54000, Telephone No. 042-35161424-5 not later than 48 hours before the time of holding the meeting.
3. The instrument appointing a proxy should be signed by the member or his/her attorney duly authorized in writing. If the member is a corporate entity its common seal should be affixed on the instrument.
4. Any alteration made in this instrument of proxy should be initialed by the person who signs it.
5. Attested copies of CNIC or the passport of the beneficial owners and of the proxy shall be provided with the proxy form.
6. If a member appoints more than one proxy and more than one instruments of proxies are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
7. In the case of joint holders the vote of the senior who tender a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holder, and for this purpose seniority will be determined by the order in which the names stand in the Register of Members.
8. The proxy shall produce his / her original CNIC or passport at the time of the meeting.

AFFIX
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Shares Department
Ghani Gases Limited

10-N, Model Town, Lahore 54000, Pakistan.
UAN: 111 GHANI 1 (442-641)
Tel: 042 35161424-5

DIVIDEND MANDATE FORM

Members of Ghani Gases Limited

Subject: Dividend Mandate Form

It is to inform you that under section 250 of the Companies Ordinance, 1984 a shareholder may, if so desire, directs the Company to pay dividend through his / her / its bank account.

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan from time to time relating to the subject you being the registered shareholder of National Refinery Limited are hereby given the opportunity to authorize the Company to directly credit in your bank account cash dividend, if any, declared by the Company in future.

PLEASE NOTE THAT THIS DIVIDEND MANDATE IS OPTIONAL AND NOT COMPULSORY, IN CASE YOU DO NOT WISH YOUR DIVIDEND TO BE DIRECTLY CREDITED INTO YOUR BANK ACCOUNT THEN THE SAME SHALL BE PAID TO YOU THROUGH THE DIVIDEND WARRANTS.

Do you wish the cash dividend declared by the Company, if any, is directly credited in your bank account, instead of issue of dividend warrants. Please tick "✓" any of the following boxes:

YES

NO

If yes, then please provide the following information:

(i) Shareholder's Detail	
Name of the shareholder	
Folio No. / CDC No.	
CNIC No.	
Passport No. (in case of Foreign Shareholder)	
Land Line Phone No.	
Cell No.	
(ii) Shareholder's Bank Detail	
Title of Bank Account	
Bank Account Number	
Bank's Name	
Branch Name and Address	

The Company is hereby authorized to directly credit cash dividend declared by it, if any, from time to time, in the above-mentioned bank account.

It is stated that the above-mentioned information is correct, and that I will intimate the changes in the above-mentioned information to the company and the concerned Share Registrar as soon as they occur.

Signature of the Member/Shareholder

Date:

Note:

- The shareholders who hold shares in physical form are requested to submit the attached Dividend Mandate Form after duly filled in to the Share Registrar concerned.
- Shareholders maintaining their shareholdings under Central Depository System (CDS) are advised to submit this form directly to relevant Participant/ CDC Investor Account Service.
- Please attach attested photocopy of the CNIC/Passport (as the case may be).

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THK Associates (Pvt.) Ltd.,

2nd Floor, State Life Building-3,
Dr. Ziauddin Ahmed Road, Karachi-75530,
Telephone No. 021-111-000-322



Ghani Global Group

Corporate Office:
10-N, Model Town, Lahore 54000, Pakistan.
UAN: 111 GHANI 1 (442-641)
Tel: 042 35161424-5, Fax: +92 42 35160393
www.ghaniglobal.com

