

A COMPANY MOVING FORWARD

ANNUAL
REPORT 2021





Pakistan Oxygen is a market leader in industrial and medical gases, medical engineering and pipeline design services, medical equipment, and welding products along with associated solutions. The Company has an 85-years' legacy of trust, quality, and reliability.

To accelerate growth, the Company's Board of Directors has approved significant capital investments in new plants and machinery. This is testament to our commitment towards expanding our production capabilities and footprint across the country. New projects, nearing commissioning, include Pakistan's largest and most advanced Air Separation Unit at Karachi. Work on the Company's fifth Air Separation Unit has also commenced in the KPK province. With these expansions, the Company is poised to more than double its production capacity of industrial and medical gases. A new state-of-the-art electrodes manufacturing plant is also nearing completion. These enhanced manufacturing capabilities will help us fulfill our promise of reliable supply of high quality products and services to our customers.

The talented pool of people working at Pakistan Oxygen is its greatest asset. Dedicated professionals work round-the-clock to enhance customer's value-chains, exploring ideas and new gas applications to support customer's growth and efficiency ambitions. Banking on the strength and resilience of our people and growing infrastructure, we are poised for unprecedented growth because we are **"A Company Moving Forward"**.

YEAR AT A GLANCE

	December 31, 2021	December 31, 2020
	(Rupees in '000)	
Net sales	7,005,454	5,545,137
Cost of sales	(5,645,005)	(4,441,568)
Gross profit	<u>1,360,449</u>	<u>1,103,569</u>
Distribution and marketing expenses	(302,261)	(249,234)
Administrative expenses	(265,258)	(245,902)
Other operating expenses	(76,167)	(55,423)
	<u>(643,686)</u>	<u>(550,559)</u>
Operating profit before other income	716,763	553,010
Other income	36,059	63,296
Operating profit	<u>752,822</u>	<u>616,306</u>
Finance cost	(119,317)	(163,589)
Profit before taxation	<u>633,505</u>	<u>452,717</u>
Taxation	(182,401)	(106,436)
Profit for the year	<u>451,104</u>	<u>346,281</u>
Earnings per share - basic and diluted (Rupees)	<u>9.62</u>	<u>(Restated) 7.39</u>
Total Number of employees at year end	<u>151</u>	<u>143</u>

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OUR LEGACY

1935

Indian Oxygen and Acetylene Company

1949

The Company was incorporated as a private limited company under the name of Pakistan Oxygen and Acetylene Company Limited

1957

The Company's name was changed to Pakistan Oxygen Limited

1995

Renamed as BOC Pakistan Ltd; no change in pattern of shareholding

1997

BOC Pakistan became a strategic partner for Lotte PTA; installed Pakistan's largest Air Separation Unit (ASU) of that time capable of producing 100 Tons Per Day (TPD)

2000

Became a strategic supplier for PARCO, the Company's largest refinery, through an on-site MicroLN generator; also set up an ASU at Taxila for meeting increased Oxygen, Nitrogen and Argon demand in northern Pakistan

2004

BOC Pakistan invested in a 60 TPD Carbon dioxide plant at Multan to meet the demand from the beverage sector in Pakistan

2008

Invested Rs. 214 million in a 23 TPD Carbon dioxide plant at Port Qasim to ensure reliable product availability for key beverage customers

2009

New Nitrous oxide plant commissioned in Lahore

2010

BOC Pakistan announced Rs. 2 billion investment to build Pakistan's largest ASU in Lahore capable of producing up to 135 TPD

2011

BOC Pakistan rebranded as Linde Pakistan on 19 September

2012

135 TPD ASU was commissioned at Sunder Industrial Estate, Lahore

2014

Linde Pakistan invested in a new state-of-the-art Nitrogen generator at PARCO refinery at Qasba Gujrat

2016

Carbon dioxide compression facility commissioned at West Wharf site in Karachi

2018

Linde Pakistan rebranded as Pakistan Oxygen Ltd. after acquisition of majority shareholding of the Company by Adira Capital Holdings (Pvt.) Ltd. ("Adira") and its affiliates. Also commissioned a compression facility in Sukkur

2019

Inaugurated electrode manufacturing plant at West Wharf site in Karachi

2020

Approval of the country's largest 270 TPD ASU at Port Qasim, Karachi

2021

Approval of a new ASU in KPK & 11 TPS electrode plant at Port Qasim, Karachi

VISION

Oxygen for life and sustainable growth

MISSION

Sustained fast growth to lead the market in safe, reliable and innovative solutions for industrial and medical gases, products and engineering services

CODE OF ETHICS

At Pakistan Oxygen, we live and work by a set of principles and values which encompass our foundational principles of safety, integrity, sustainability and respect and core values of Commit to Achieve, Collaborate to Succeed, Innovate to Grow, Passion to Excel and People to Perform. Together our principles and core values underpin all our actions, decisions and behavior and express what we stand for as an organization and what differentiates us from others. These principles and core values are embedded in our organization and resonate in everything we do. To uphold the highest ethical standards, we have developed a Code of Ethics which provides guidance to all employees on:

- Dealings with our customers, suppliers and markets encompassing competition and international trade
- Dealing with governments, product development, ethical purchasing and advertising
- Dealings with stakeholders, financial reporting and communication, insider dealing, protecting company secrets and protecting company assets
- Dealings with our employees, conflicts of interest, avoidance of bribery, gifts and entertainment, data protection, human rights and dealings with each other
- Dealings with communities and the public with regard to our corporate responsibilities and on restrictions to provide support for political activities

All employees of Pakistan Oxygen undergo training on the Code of Ethics and are expected to comply with the standards laid out in the Code.



Chief Executive Officer - **Mr. Matin Amjad**

CORPORATE VALUES



**COLLABORATE
TO SUCCEED**

**PEOPLE TO
PERFORM**

**COMMIT TO
ACHIEVE**

**PASSION
TO EXCEL**

**INNOVATE
TO GROW**



MOVING FORWARD THROUGH THE BRILLIANCE OF OUR PEOPLE

Our greatest asset is the team of people who work round-the-clock and add value to our customers' businesses by providing tailor-made solutions. Through innovation and technology adoption, we create solutions that are efficient, reliable and conform to the highest standards of safety and quality.

This dedicated and professional team contributed towards the national effort to manage the fallout of the COVID-19 pandemic. In the face of many challenges as the virus spread, Pakistan Oxygen ensured a consistent and reliable supply of Oxygen to hospitals across the country. Our people worked tirelessly with the single-minded aim of keeping the plants operational 24/7 and ensuring that life-saving Oxygen was delivered in time to all hospitals serviced by us.



The medical engineering team also worked tirelessly to design and execute project work in collaboration with both the public and private sector healthcare providers to add over 2,700 new hospital beds with Oxygen supply systems.

With innovative Oxygen stock monitoring technology, and efficient scheduling and delivery systems, this team ensured an uninterrupted supply of Oxygen to hospitals that helped save precious lives.



SUPPORTING THE GROWTH OF INDUSTRIES






Pipeline supply

-  Metals
-  Shipbuilding

On-site generation

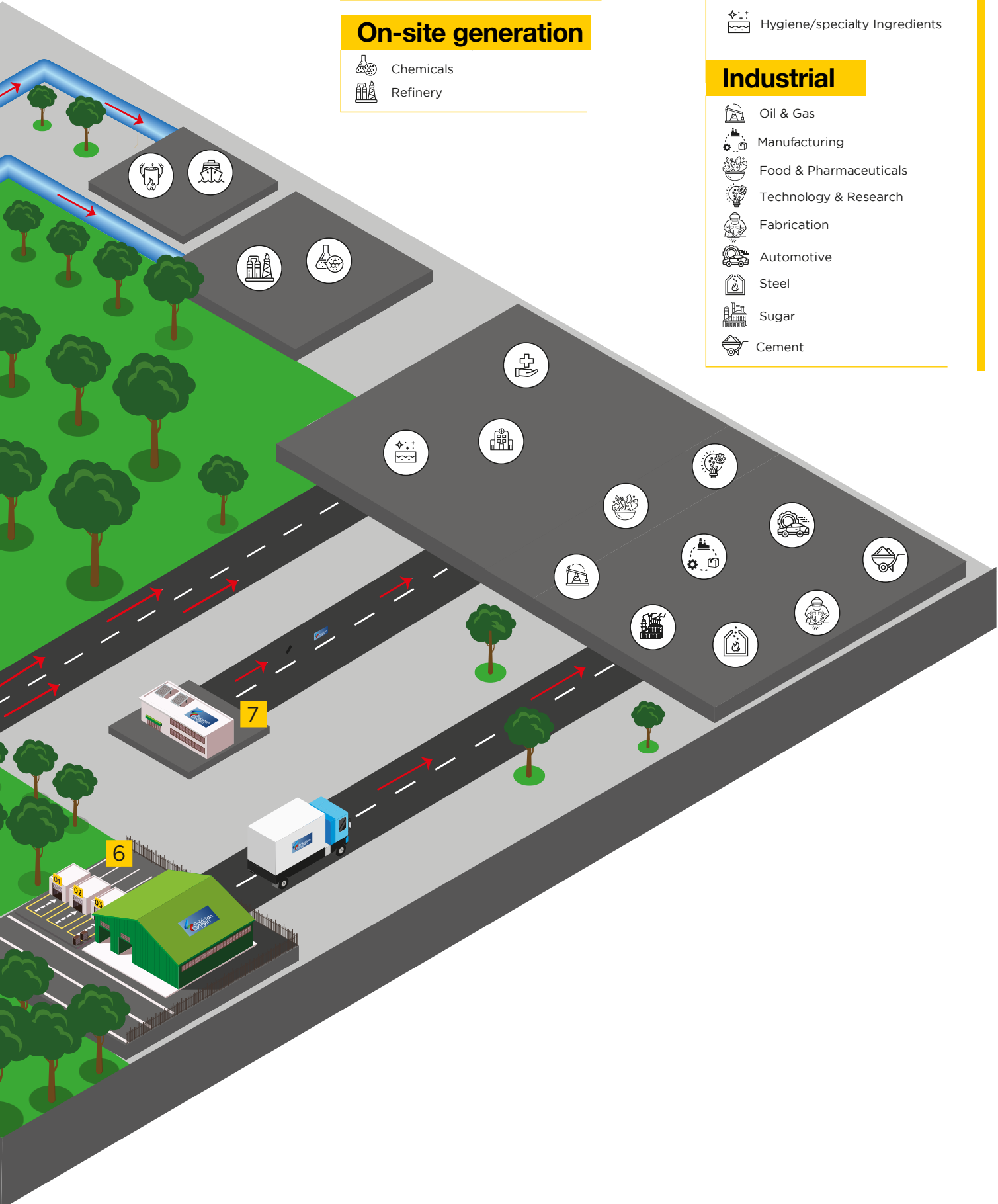
-  Chemicals
-  Refinery

Healthcare

-  Hospitals
-  Private Healthcare
-  Hygiene/specialty Ingredients

Industrial

-  Oil & Gas
-  Manufacturing
-  Food & Pharmaceuticals
-  Technology & Research
-  Fabrication
-  Automotive
-  Steel
-  Sugar
-  Cement



KEY FACILITIES AROUND PAKISTAN

Plants

100 TPD ASU Port Qasim
30 TPD ASU Port Qasim
23 TPD CO₂ Port Qasim
Electrolytic H₂ plant Port Qasim
133 TPD ASU Lahore
N₂O plant Lahore
60 TPD CO₂ plant Multan
On-site N₂ plant Mehmood Kot
Electrode manufacturing plant Karachi
Dry ice plant Karachi
Dissolved Acetylene plant Karachi
Dissolved Acetylene plant Wah Cantt

Future Expansion

270 TPD ASU at Port Qasim
11 TPS Electrode manufacturing plant at Port Qasim
A new ASU in KPK

Offices & Compressing Stations

Karachi Lahore
Sukkur Faisalabad
Taxila



- ▲ 12 Plants
- 5 Offices & Compressing Stations
- ★ Future Expansion



MOVING FORWARD THROUGH INVESTMENTS IN NEW PLANTS

We aspire to be a company that serves its customers with excellence in quality and reliability. The Company's Board of Directors has approved investments in capacity enhancements that include a state-of-the-art 270 TPD ASU plant in Karachi. This will be Pakistan's largest ASU plant. At the same time, work on a new ASU plant has also commenced in the KPK province. These additions will more than double the Company's ASU capacity as well as improve its geographic footprint. The significantly enhanced ASU capacity to produce Nitrogen, Oxygen and Argon gases will well serve the growing demand from industrial customers and at the same time make Pakistan self-reliant in medical Oxygen to face any challenges in the healthcare sector for some years to come.

To lead in the premium welding and hardgoods market, a new European technology Electrode manufacturing plant is under commissioning in Karachi. This expansion will significantly enhance the existing production capacity, enabling us to better serve the growing demand for quality electrodes in the country.

LEADING GASES APPLICATIONS AND SOLUTIONS

From welding and freezing through powering and heating to analyzing and testing, our gases and gas technologies are crucial to just about every process step in industry, commerce, science and research.

As a technology leader, we strive to constantly raise the bar and develop high-quality products and innovative processes that create added value, clearly discernible competitive advantages, and greater profitability for our customers.

Our customers use our gases to improve competitiveness, cut process costs and enhance quality and productivity. Even more importantly, our innovative gas technologies and applications are paving the way for more sustainable, green lifestyle choices and business practices.

Our teams of engineers and market specialists work with industrial customers to understand their business needs and their existing processes and develop gas applications that are tailored specifically to their requirements. With our extensive networking with global partners, we are able to support our customers with our application know-how from all over the world.

Meeting consumer demands for food freshness and quality

Food-grade industrial gases are an effective and natural way of meeting rising consumer demands for quality, variety and freshness in the food and beverage industry. It is a low or zero-additive alternative to conventional preservation techniques. Our state-of-the-art technologies and applications optimize processes, improve quality, increase yield, protect quality during transport and extend shelf life. We are able to support our customers from dairy, meat and fish through bakery, fruit and vegetables to the packaged business through our extensive gases portfolio which covers:

- Aquaculture
- Carbonation
- Chilling & freezing
- Fumigation
- Greenhouse horticulture
- Hydrogenation
- In-transit refrigeration
- Modified and controlled packing
- Purging
- Water treatment

Efficiencies for the steel and metal production facilities

We understand that the steel and metal production industries face stiff competition both locally and from imports. Striking the right balance between profitability and competitiveness is no easy task for steel manufacturers. It calls for vigilant control over fuel consumption, resource management, efficiency, productivity, and quality. POL brings a wide range of

gas solutions to increase productivity, lower fuel consumption and other costs to support the metal industry in attaining their efficiency and profitability objectives. We cover the full spectrum - from ore reduction and metals recycling through refining and casting to reheating and metal working and, finally, heat treatment. Regardless of whether your production is based on ore or scrap, our solutions deliver proven efficiency gains.

Iron making

We offer blast and Cupola furnace solutions for Oxygen enrichment and purging to help increase production capacity, decrease coke consumption, use lower-cost fuels and reduce fuel consumption.

Steel making

Electric arc furnaces can rely on our cost saving oxy-fuel solutions to produce liquid steel to required specifications.

Our solutions deliver proven efficiency gains during vessel preheating. At the refining stage, we supply gases such as Argon and Nitrogen to remove Hydrogen, non-metallic inclusions, and unwanted trace elements.

Metal working (rolling and forging)

Oxy-fuel technologies can increase your throughput, cut energy costs and reduce emissions in the reheat furnaces.

Heat treatment

We have perfected a wide range of heat treatment processes, all dedicated to helping you achieve the microstructure, physical properties, and surface properties you need.



The full spectrum of metal fabrication technologies

From general welding to highly specialized laser job shops, Pakistan Oxygen is able to support the varying application needs across the full application and equipment spectrum, combining both traditional and new cutting, welding and coating processes. We provide the equipment, consumables, and safety gear as well as the safety training to ensure that all the gases you need are installed and handled properly. Our engineers are available to guide you through the extensive range of welding and cutting options and gas mixtures available to help you make the process choice best suited to your budget, productivity and quality demands.

Improved quality of life through therapies and medicines

The pharmaceutical and life sciences industry is dedicated to improving quality of life by developing therapies and medicines that promise longer, healthier, and more active lives. As a supplier of pharmaceutical-grade gases, we understand the pressures facing pharmaceutical companies and have developed numerous gas innovations that help meet this industry's needs. Our expertise will bring you quality and environmental benefits in the following areas in particular:

- Lyophilisation (freeze-drying valuable biologicals)
- Inerting, purging and blanketing
- Reactor cooling
- Solvent recovery and VOC abatement

Traditional mechanical cooling systems can be replaced with cryogenic cooling systems. Our technology seamlessly integrates into existing lyophilisers, allowing pharmaceutical producers to reach lower temperatures than with heat transfer fluids. In addition to providing a reliable source of cooling, our solution eliminates the maintenance associated with compressors. Liquid nitrogen also creates a sterile ice fog that is distributed inside the lyophiliser to simultaneously and uniformly nucleate all of the vials. This results in a wide range of benefits, including cycle time reduction, enhanced process control, process repeatability and improved product quality.

Supporting refineries

Environmental pressures are particularly acute for refineries given the dwindling supplies of natural reserves and the effects of climate change as well as increasingly severe environmental protection laws.

Our gases applications can support the local refineries in addressing their challenges. Our expertise will bring you quality and environmental benefits in the following areas in particular:

- Inerting, purging and blanketing
- NOx removal / SOx removal
- Water treatment

Specialty chemicals

Fine & specialty chemicals cover the manufacture of specialty products used in everything from adhesives,

sealants and coatings to pharmaceuticals, detergents, and electronic goods. Highly complex with a huge portfolio of patented technologies, this sector is under growing pressure to meet increasingly stringent safety and environmental regulations and hone competitiveness, particularly as more and more fine chemicals are evolving into commodities. Manufacturers are challenged to innovate in the search for environmentally cleaner reactions and smart solutions to highly specialized problems. Our gas-enabled technologies can help fine & specialty chemical players meet these challenges.

Unique applications for the pulp and paper industry

Despite the advent of electronic communication, demand for pulp and paper continues to rise. Given the high capital costs and inevitable drain on natural resources in this business, manufacturers are under strong pressure to maximise cost and process efficiencies while reducing environmental impact wherever possible. Oxygen can help to achieve these goals through its use in delignification, bleaching and ozone production and can also help to increase capacity in the chemical recovery boiler or lime kiln. In addition, Oxygen is useful in the forestry sector for wastewater treatment, in particular for odour removal and intensification of the activated sludge process.

Driving innovation with the latest gas applications

We are committed to enhancing production operations and improving quality and safety and our gas-enabled technologies can open new areas of innovation, improve chemical handling, reduce variable and fixed costs, and boost the level of process automation for our customers.

Pakistan Oxygen has the experience and organization to deliver complete turnkey installations including engineering, project handling, revamping, and commissioning. Our portfolios include equipment and control systems customized for each gas which can handle all aspects of operations, safety, optimum heating and energy usage.





MOVING FORWARD THROUGH INNOVATION

Our pledge to continuously improve and achieve operational excellence drives us to make process innovation a primary goal. Through technology adoption and digital transformation initiatives, we have streamlined our processes, developed new products, and added new channels to help us move forward in the business world.

DIGITALIZATION OF DELIVERY SYSTEM

Leading in digital transformation, we have modernized product scheduling, delivery, and invoicing processes. Through an android-based solution, product delivery notes and invoices are digitally generated and transmitted to our customers, thereby both securing the process and improving process lead-times. This will be further enhanced through Artificial Intelligence programming to automate delivery planning and route optimization to further reduce delivery lead-times and save fuel costs.

VALUE CREATION THROUGH REMOTE STOCKS MONITORING

Teletel™ is an IoT solution to remotely monitor and manage the real-time data of storage tanks, tank trucks and other pressure vessels or flowlines. With this device and using a cloud-based platform and specially developed software critical data including inventory level, pressure, temperature, and flowrate can be remotely monitored. Teletel™ has been deployed at almost all hospitals we service to monitor and manage Oxygen stock levels.

Teletel™ has application potential in the food industry, O&G, refineries, chemicals, power & energy sectors.

OPTIMIZING CUSTOMER CONNECT

With an in-house developed customer engagement program, we record and review our interactions with all our customers. The smartphone-based program allows sales teams to develop their monthly customer visits plans efficiently and helps them keep a digital record of the minutes of interactions, helping deliver on our commitments to customers. The solution is GPRS-based allowing for better customer management.

PRISM OF POSSIBILITIES

Pakistan Oxygen Limited offers the most diverse product portfolio to its customers from various sectors including hospitals, metal fabrication, manufacturing, food, chemicals, petrochemicals, pharmaceuticals, glass etc. with our products and services. We also offer solutions and equipment in healthcare including the design & installation of pipelines & Medical Engineering Services (MES), as well as construction of the onsite plants.

OXYGEN

Oxygen is a colorless, odorless and tasteless gas which supports life. It is widely used in clinical practices to provide immediate life support and enable other lifesaving procedures.

It is an ideal gas for industries as well due to its high oxidation characteristic that helps achieve high combustion efficiency and temperatures, desired by various processes especially those dealing in welding & metal fabrication, glass, energy, steel, aircraft, automotive etc.



NITROGEN

Nitrogen is an odorless inert gas that is present in the air. It is widely used in food industry to preserve food quality and improve its shelf life. It has applications in packaged as well as frozen / chilled meat, fruits, and vegetables. In industries, it is required by various processes of metal production, O&G, chemical, pharmaceuticals etc.

MEDICAL ENGINEERING

Our product portfolio covers a range of Medical Gas Pipeline Systems, which includes bedhead units, alarms, zone service units and accessories. From the medical gas source plant to end terminal units, we provide complete medical equipment for pipeline system in the hospitals. Our various products are CE certified and meet the international standards.



SPECIALTY GASES

Advanced production techniques enable us to supply specialty gases that meet the highest standards of accuracy and purity. Significant uses of these gases include being used in online analyzers, gas chromatography, gas detectors and for NMR spectroscopy. In customized proportion, they have applications in the metal fabrication, food, medical and lighting industries

HARDGOODS

Our diverse hardgoods portfolio is a one-stop solution to all the welding needs which offer a wide range of welding consumables, welding machines, and welder's safety PPEs. The various welding electrode brands under E7018, E6013, MIG wire and hardfacing offer welding with smooth arc, minimum spatter, and uniform bead surface that has easy slag detachability. Other products which help in carrying out a smooth welding operation include welding machines, electrode holders, welding helmets, personal protective equipment etc.



ARGON

Argon is a chemically inert gas which is colorless and odorless. It is widely used as a shielding gas in MIG welding and as an ambient gas in steel refining procedures. It has applications in metal fabrication, automotive and aircraft industries.

CARBON DIOXIDE

Carbon dioxide is a colorless gas with a subtle sharp scent and a bitter taste. It is used in the beverages industry for carbonation as well as in other industries for different chemical and water treatments. Medical grade CO₂ is used in different medical and surgical processes such as, in anesthesia and different physical and physiological investigations.



HYDROGEN

Hydrogen has the highest thermal conductivity among all gases which makes it an ideal choice for various welding and metal cutting works. It is used by industry for refining petroleum, treating metals, producing fertilizer, hydrogenation of oil & fats. Liquid Hydrogen is used as a rocket propellant. Hydrogen has a future as the automobile fuel in the Hydrogen fueled cars.



MOVING FORWARD THROUGH AN EXPANDED PRODUCT OFFERING

The Company has a wide range of products which include gases such as Oxygen, Nitrogen, Argon, Acetylene, and Carbon dioxide, along with welding electrodes, and medical equipment to serve a wide spectrum of industrial and healthcare customers. Our product range also includes specialty gases and many innovative IS solutions to move towards our digital transformation journey.

We have a strong presence in the welding consumables and hardgoods market offering a one-stop-shop for all the welding needs of our customers, with a portfolio of welding electrodes and wires, gas regulators and control equipment, auto-darkening helmets, cutting, and grinding discs, and welding machines.

We are a leader in the healthcare segment offering medical gas solutions like medical Oxygen, Entonox, Nitrous oxide, along with specialty medical gases. We also provide medical equipment and turnkey engineering solutions of the highest quality like medical air, vacuum, and AGSS plants, medical gases alarm systems, high precision flowmeters, Entonox delivery systems, bed-head units, OT pendants, OT Lights, sterilization systems and Nurse Call Systems.

Our customer-centric approach focuses on not just selling products but on building and nurturing a relationship to understand and meet our customers' needs of today and tomorrow.

SUSTAINABILITY PROGRAM AT PAKISTAN OXYGEN

In 2021 Pakistan Oxygen Limited established a sustainability program based on the 17 Sustainable Development Goals (SDGs) developed by the United Nations in 2015. The SDGs are a universal call to action to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere.

A multi-disciplinary sustainability council has been established to foster sustainable growth of POL. The council's scope includes not only development, implementation and monitoring of the Company's sustainability KPIs but also review partnerships and relationships, both current and proposed, with stakeholders, i.e., customers, regulators, communities, shareholders and suppliers, introduce new and innovative technologies that further the goal of sustainability within the Company, implement actions to promote such technologies and to set guidelines for managing sustainable change.

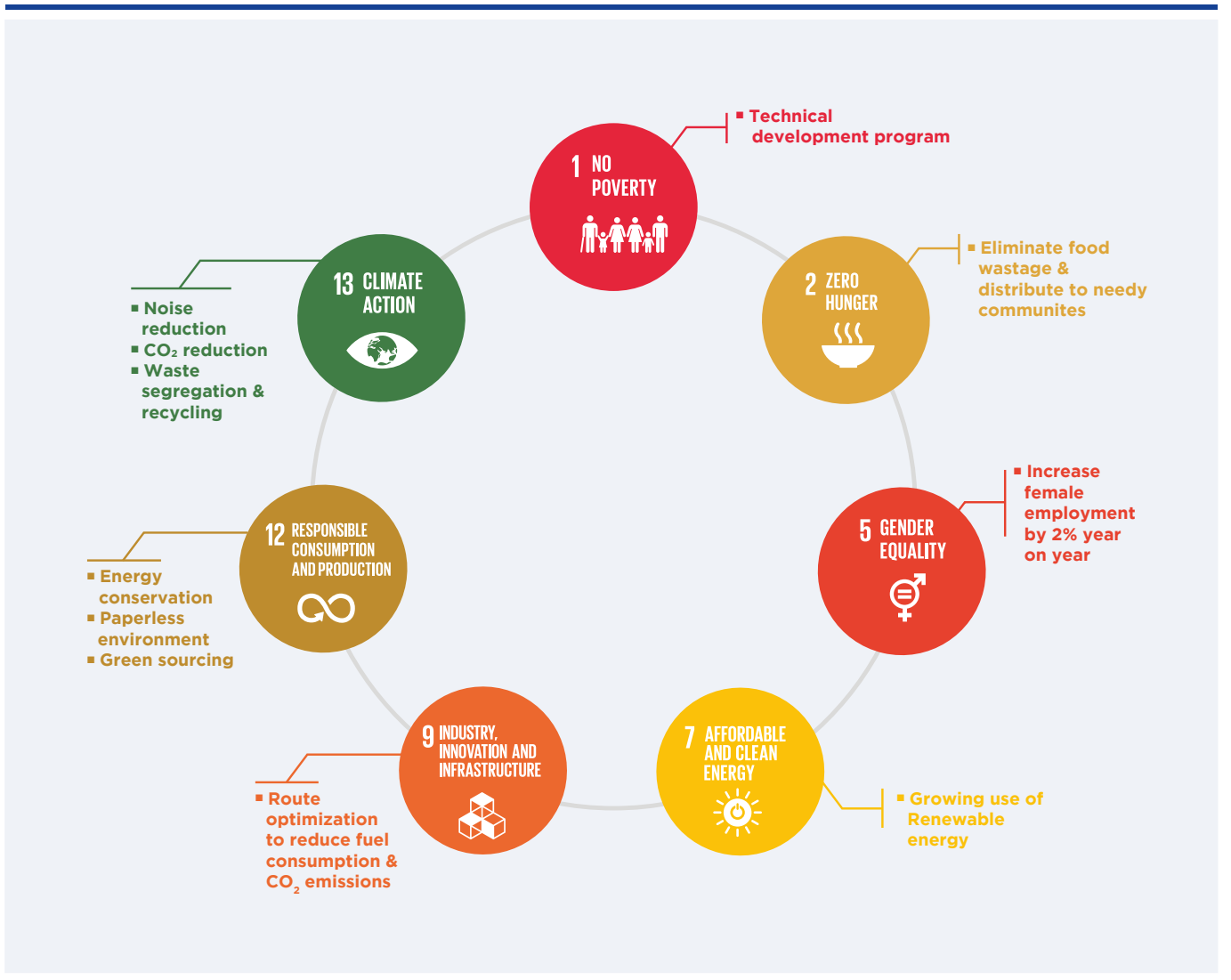
SUSTAINABLE DEVELOPMENT TARGETS 2026

POL has an ambitious Sustainable Development roadmap, comprising of SMART targets for 2026. The targets impact the Environmental, Social and Financial sustainability framework and map up against the SDGs that are relevant to POL operations.

POL's five-year targets are consistent with POL's business model, our mission and values and the strategic business objectives. All functions and functional heads are accountable to deliver these targets. Each target is a business KPI and managed as part of the business.

Sustainability program at POL elaborates on how we intend to achieve goals that create financial, societal and environmental sustainability. The environmental targets focus on water and waste recycling and reuse, reduction in noise and CO₂ levels. The social targets cover people and communities, diversity and inclusion, community engagement and zero hunger.

POL contributes towards most of the UN SDGs with focus on 7 SDGs that are most relevant to the business.



SUSTAINABLE DEVELOPMENT INITIATIVES 2021

UN SDGs →	INPUT AND ACTIVITIES →	OUTPUT AND OUTCOMES
 <p>3 GOOD HEALTH AND WELL-BEING</p>	Focus on healthcare during pandemic	<ul style="list-style-type: none"> • O₂ supply to 170 hospitals ensured without any dry outs • 24/7 COVID 19 monitoring cell to maintain secure O₂ supplies • Strict cylinder disinfection protocols to ensure contractor safety
	Wellbeing of employees	<ul style="list-style-type: none"> • Health and wellness program-health seminars followed by lab tests of 148 employees
	Commitment to safety: 15k Safety trainings delivered to employees and contractors	<ul style="list-style-type: none"> • Achieved zero major incident rate. • Travelled 5.2 million kms without fatality.
 <p>5 GENDER EQUALITY</p>	Committed to diversity and inclusion	<ul style="list-style-type: none"> • Issued gender diversity and anti-sexual harassment policies
 <p>6 CLEAN WATER AND SANITATION</p>	Water conservation	<ul style="list-style-type: none"> • Reuse of wastewater in horticulture after treatment and controlling feed water from plant area, resulting in 2,553,891 liters of water savings.
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	Energy conservation/efficiencies	<ul style="list-style-type: none"> • Reduction in plant energy requirements. 521,433 kWh saved as a result of energy conservation initiatives
 <p>13 CLIMATE ACTION</p>	Clean and green environment	<ul style="list-style-type: none"> • Tree plantation drive-planted 141 trees across 2 Pakistan Oxygen sites.
	Reduction in CO ₂ emissions	<ul style="list-style-type: none"> • 4k tons of Industrial plant CO₂ emissions reduced by capturing vent gasses

PRODUCTS AND SERVICES

Our business and reputation is built around our customers. Whatever the industry or interest, we continue to respond to its needs as quickly and effectively as possible. The ever changing requirements of customers are the driving force behind the development of all our products, technologies and support services. Pakistan Oxygen provides gas products, facilities and turnkey services and solutions which are customized to meet the unique needs of our customers and add value to their businesses. Our competitive advantage is our extensive process engineering, project development and comprehensive product portfolio. We have the widest range of bulk and compressed gases product lines as well as welding consumables, equipments and safety gear. At Pakistan Oxygen, our highly qualified and experienced engineers, product managers, technologists and marketers excel at providing dedicated support. For each gas application, our customers receive the complete solution - gas, know-how, tailor-made hardware and customized services.

HEALTHCARE

Medical gases

- Liquid medical Oxygen
- Compressed medical Oxygen
- Nitrous oxide
- Entonox
- Specialty medical gases

Medical equipment

- Medical air, vacuum and AGSS Plants
- Medical gases alarm systems, high precision flowmeters
- Suction injector units, vacuum controllers, Oxygen therapy products and high precision flowmeters
- Entonox delivery systems, complete with apparatus
- Manifolds - semi and fully automatic
- Patient bedhead units and ICU beam systems
- Operation Theatre (OT) - pendants (fixed and movable)
- Fully equipped Modular OT

Medical engineering services

- Consultation, design, installation and service of medical gas pipeline systems (O₂, N₂O, Air, Suction etc)
- Safety, quality, risk analysis and training on medical gases pipeline systems

INDUSTRIAL GASES

Bulk industrial gases

- Liquid Oxygen
- Liquid Nitrogen
- Liquid Argon
- Pipeline and trailer Hydrogen
- Liquid Carbon dioxide
- Industrial pipelines and associated services
- Ultra-Ice™ (dry ice)
- NITROPOD™ (cryogenic dewar)

Compressed industrial gases

- Compressed Oxygen
- Aviation Oxygen
- Compressed Nitrogen
- Compressed Argon
- Compressed Air
- Compressed Hydrogen
- Compressed Carbon dioxide
- Dissolved Acetylene

Specialty industrial Gases

- High purity gases
- Research grade gases
- Gaseous chemicals
- Calibration mixtures
- Argon mixtures
- Welding gas mixtures
- Sterilization gases
- Felix™ Refrigerants

INNOVATIVE SOLUTIONS

- TeleTel™ (remote telemetry)
- Asset Tracking System
- Oxytizer™ (hand sanitizer)
- Oxymat™ (footwear disinfection)
- Oxygizer™ (portable Oxygen canister)

WELDING CONSUMABLES AND HARDGOODS

Welding consumables

- Low Hydrogen welding electrode - Fortrex™ E7018
- Low Hydrogen welding electrode - Matador48™ E7018
- Mild Steel welding electrode Zodian Universal™ E6013
- Mild Steel welding electrode Matador47™ E6013
- Mild Steel welding electrode POL 113™ E6013
- Hard facing welding electrode POLHARD 650™
- Saffire™ arc and gas equipment
- Saffire™ MIG welding wire
- Saffire lite™ MIG welding wire
- Saffire™ Flux cored wire

Welding machines

- MMA ■ MIG ■ TIG

Welding accessories

- Gas regulators
- Cutting torches
- Welding torches
- Cutting machines
- Abrasives (POLCUT® Cutting & POLGRIND® Grinding discs)
- Electrode holders & welding cables
- Gas control equipment
- Auto-darkening helmet
- Flashback arrestor
- Welding and cutting outfit and accessories
- Welding safety & Personal Protective Equipment (PPE)

COMPANY INFORMATION

Waqar Ahmed Malik
Matin Amjad
Siraj Ahmed Dadabhoy
Syed Hassan Ali Bukhari
Shahid Mehmood Umerani
Sheikh Muhammad Abdullah
Shahid Abdul Sattar
Feroz Rizvi
Muhammad Zindah Moin Mohajir
Tushna D Kandawalla
Mohammad Younus Dagha

Non-Executive Chairman
Chief Executive Officer
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Independent Director
Independent Director
Independent Director
Independent Director

Chief Financial Officer

Syed Ali Adnan

Company Secretary

Mazhar Iqbal

Board Audit Committee

Feroz Rizvi
Muhammad Zindah Moin Mohajir
Sheikh Muhammad Abdullah
Shahid Abdul Sattar
Mazhar Iqbal

Chairman
Member
Member
Member
Secretary

Independent Director
Independent Director
Non-Executive Director
Non-Executive Director
Head of Human Resources & Admin,
Company Secretary & Financial Controller

Board Strategy Committee

Waqar Ahmed Malik
Matin Amjad
Siraj Ahmed Dadabhoy
Shahid Mehmood Umerani
Mohammad Younus Dagha
Syed Ali Adnan

Chairman
Member
Member
Member
Member
Secretary

Non-Executive Director
Chief Executive Officer
Non-Executive Director
Non-Executive Director
Independent Director
Chief Financial Officer

Board Human Resource, Remuneration and Nomination Committee

Muhammad Zindah Moin Mohajir
Syed Hassan Ali Bukhari
Shahid Mehmood Umerani
Tushna D Kandawalla
Mazhar Iqbal

Chairman
Member
Member
Member
Secretary

Independent Director
Non-Executive Director
Non-Executive Director
Independent Director
Head of Human Resources & Admin,
Company Secretary & Financial Controller

Share Transfer Committee

Muhammad Zindah Moin Mohajir
Matin Amjad
Wakil Ahmed Khan

Chairman
Member
Secretary

Independent Director
Chief Executive Officer
Manager - Corporate Services

Bankers

Standard Chartered Bank (Pakistan) Limited
Meezan Bank Limited
Habib Bank Limited
Citibank NA
MCB Bank Limited
National Bank of Pakistan Limited
Askari Bank Limited
Dubai Islamic Bank Pakistan Limited
BankIslami Pakistan Limited

External Auditors

BDO Ebrahim & Co.

Internal Auditors

EY Ford Rhodes

Legal advisor

Ayesha Hamid of Hamid Law Associates

Registered office

West Wharf, Dockyard Road, Karachi 74000

Website

www.pakoxygen.com

Entity Credit Rating by PACRA

A/A-1 (Single A/A-One) with "Stable" outlook

Share Registrar

CDC Share Registrar Services Limited

PROFILE OF THE DIRECTORS



Mr. Waqar Ahmed Malik
(Chairman)

Mr. Malik is the Chairman of Pakistan Oxygen Limited (formerly Linde Pakistan, a subsidiary of Linde AG) acquired by Adira Capital Holdings (Private) Limited that he earlier co-founded.

Mr. Malik is a fellow of the Institute of Chartered Accountants in England and Wales and is also an Alumnus of the Harvard Business School and INSEAD.

Earlier his career with The ICI Plc Group based in the UK spanned over 27 years and later with AkzoNobel N.V. based in the Netherlands. For nearly 10 years, he served as Chief Executive Officer of ICI Pakistan Limited and also the Chief Executive Officer and Chairman of Lotte Pakistan Limited (formerly Pakistan PTA Limited). During his career with ICI and AkzoNobel, he worked in Europe and Americas at senior positions.

Mr. Malik joined Fauji Foundation as Managing Director and Chief Executive Officer on 9th April 2020. Details of present offices held by Mr. Malik in other companies/entities are provided in the annexed Statement of Corporate Governance on page No. 51.

Earlier, Mr. Malik also served on the prestigious Boards namely:

- Pakistan Petroleum Limited – Chairman (Non-Executive & Independent);
- Engro Corporation Limited – Director (Non-Executive & Independent);
- Standard Chartered Bank Pakistan Limited – Director (Non-Executive & Independent);
- Engro Polymer and Chemicals Limited – Director (Non-Executive & Independent); and
- TPL Insurance Limited – Director (Non-Executive).

Mr. Malik has been playing an instrumental role in development of Pakistan's Regulatory System as well as for the advocacy to undertake economic reforms. He also served as Director - State Bank of Pakistan (Central Bank of Pakistan), President - Overseas Investors Chamber of Commerce & Industry (OICCI), President - Management Association of Pakistan (MAP) and Director - Pakistan Business Council (PBC).

Mr. Malik is also a member of the visiting faculty of Pakistan Institute of Corporate Governance, Former Member of Board of Governors of Lahore University of Management Sciences (LUMS) and Former Member of Board of Indus Valley School of Arts.

He participates actively in social and philanthropic activities through i-Care Foundation as a Trustee. He also contributes to improve the quality of life of underprivileged by enhancing the level of philanthropic support.

A Trustee of Duke of Edinburgh Trust Pakistan, he was awarded Prince of Wales Medal as a Trustee of the Prince of Wales Pakistan Recovery for the Flood Victims in 2010.



Mr. Matin Amjad
Chief Executive Officer

Mr. Matin Amjad was appointed as Chief Executive Officer of Pakistan Oxygen Limited with effect from March 26, 2018.

Mr. Amjad holds a BSc (Hons) degree in Economics from the London School of Economics & Political Science. He has also attended executive education programs at Oxford University, U.K. and at INSEAD, France. He has completed his Directors Training Program from Pakistan Institute of Corporate Governance.

Mr. Amjad began his professional career in 1998 with ICI Pakistan Limited, which at the time was part of ICI Plc. U.K., and subsequently of AkzoNobel. Mr. Amjad brings with him over 23 years of multi-functional and business experience in a MNC and local company environment with leadership roles in commercial, supply chain, strategy and operations in diverse industrial segments including, pharmaceuticals, animal healthcare, paints and also within ICI Pakistan's chemicals businesses including polyester fibers and soda ash.

Mr. Amjad is also a Non-Executive Director on the Board of Askari Cement Limited.



Mr. Siraj Ahmed Dadabhoy
Director

Mr. Siraj Dadabhoy has more than 26 years of experience in the real estate and financial industries in a range of leadership roles.

Mr. Dadabhoy is a founding partner and Chairman of AION Partners, a New York based real estate private equity and investment management company.

Mr. Dadabhoy is also the founder and Managing Director of AION Global, a developer of real estate in the U.K.

Additionally, Mr. Dadabhoy serves as a member of the Board of Directors of TPL Properties Limited. Mr. Dadabhoy is a 1988 graduate of Indiana University, with a Bachelor of Science in Accounting and Finance. He is also a qualified Certified Public Accountant.



Syed Hassan Ali Bukhari
Director

Syed Hassan Ali Bukhari joined the Board of Pakistan Oxygen Limited on 7th January 2018 and is also a member of the Board Human Resource, Remuneration & Nomination Committee.

Mr. Bukhari is a fellow of the Institute of Chartered Accountants of Pakistan. Mr. Bukhari's corporate experience span over 38 years, in different positions with Mackinnon Mackenzie & Co. of Pakistan until his retirement as Chief Executive & Managing Director of the company in the year 2010.

Mr. Bukhari is now advisor to Chairman of Hilton Pharma (Pvt) Limited since 2011.

Mr. Bukhari has served as a Board member of Karachi Port Trust and Pakistan Institute of Corporate Governance.

His current engagements in other companies/entities include:

- Bank AL-Habib Limited - Independent Director
- Quick Food Industries (Pvt) Limited - Non-Executive Director
- Pakistan Gum and Chemicals Limited - Non-Executive Director

Mr. Bukhari has attended General Management Course at Henley Management College, England.



Mr. Shahid Mehmood Umerani
Director

Mr. Shahid Umerani is currently the Chairman of ValuStrat Consulting Group with the head office in Dubai Silicon Oasis, Dubai and other offices in Riyadh, Jeddah, Doha (ValuStrat LLC), Karachi (ValuStrat (Pvt) Ltd) and London (ValuStrat (UK) Limited and Capital Chartered). The company is a boutique consulting firm with multiple lines providing fixed asset valuation services, strategy and management consulting, due diligence and field verification services, project management and monitoring & research and corporate advisory.

The company extends services to the financial sector including government entities, numerous banks, insurance companies, corporate sector including MNCs, regional and local companies, oil & gas sectors and so on.

Mr. Umerani has been successfully providing services since 1985.



Sheikh Muhammad Abdullah
Director

Sheikh Muhammad Abdullah is the nominee Director of Soorty Enterprises (Pvt.) Limited and joined the Board of Pakistan Oxygen Limited on 7 January 2018. He is a Fellow member of the Institute of Chartered Accountants of Pakistan and possesses 21 years of post-qualification experience of working at senior finance positions.

He is currently working as VP Finance & Corporate in Soorty Enterprises (Private) Limited at Group level. He is also serving as Company Secretary in Group's wind power project, NASDA Green Energy (Pvt.) Ltd. He has diversified experience of working in Finance positions in both listed and non-listed companies including manufacturing as well as service sectors.

He served at Quetta Textile Mills Limited as Head of Finance and Corporate Affairs, JS Group Companies as AVP and CFO and Group GM Finance in automobile sector. He is experienced both in national and international corporate laws, taxes, compliance and project implementations.



Mr. Shahid Abdul Sattar
Director

Mr. Shahid Abdul Sattar is the Executive Director of Paradigm Group.

He is an experienced finance professional, having work experience of over 19 years from retail sector to investment operations. He is a Fellow Member of Association of Chartered Certified Accountants.

Mr. Sattar joined the corporate sector in 2003 as an accountant in Vision International (Pvt) Limited, a complete textile unit; and continued till 2010 as Chief Accountant of the company. He served as nominee Director and CEO in Alpha Beta Capital Market, a brokerage house of Pakistan Stock Exchange from 2011 to 2015.

Apart from private companies, he is also a member of the Board of Directors in HKC Limited and Clifton Land Limited. He joined the Board of Pakistan Oxygen Limited on 30 July 2019.

He is a certified Director from the Institute of Business Administration (IBA) Karachi.

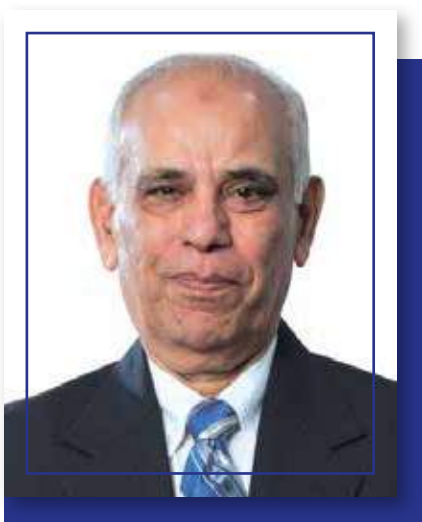


Mr. Feroz Rizvi
Independent Director

Mr. Feroz Rizvi is a Chartered Accountant, having qualified from Institute of Chartered Accountants in England & Wales. He has over 43 years of local & international experience in some of the largest companies in the world.

On returning to Pakistan post qualification, he joined ICI Pakistan Ltd, a subsidiary of ICI PLC, one of the largest chemical companies in the world. He left ICI Pakistan Ltd in 1985 and after five years with Petromin Refinery Riyadh, KSA, he re-joined ICI Pakistan. In 1996 he was seconded to ICI PLC's headquarters in London. During his secondment, he was involved in ICI PLC's strategic shift from industrial to consumer & effect chemicals, leading to a major acquisition of four chemical companies from Unilever PLC for USD 8 bln, as part of the group's major strategic priority. In addition, he was also responsible for a number of divestments of ICI PLC's major industrial chemical businesses in accord with the group's strategic move. He retired from ICI Pakistan Ltd as CFO & Finance Director. He has also been CEO of Pakistan Institute of Corporate Governance.

Mr. Rizvi has extensive experience in corporate & financial strategy, taxation, corporate governance, restructuring and mergers & acquisitions. He is on the Boards of Engro Polymer & Chemicals Ltd and Al Meezan Investment Management Ltd, beside being a nominee of the Federal Government on the Council of the Institute of Chartered Accountants of Pakistan. He is an alumni of INSEAD France and Wharton Business School and lectures on corporate governance, business strategy and related areas to Board members and other senior executives.



Mr. Muhammad Zindah Moin Mohajir
Independent Director

Business experience of Mr. M. Z. Moin Mohajir spans over 41 years. After qualifying as a Chartered Accountant with A.F. Ferguson & Co, he joined Pakistan Security Printing Corporation in 1978, where he was Chief Accountant/ Company Secretary. In 1981, he shifted to Sanofi-Aventis Pakistan Limited (formerly Hoechst Marion Roussel Limited/ Hoechst Pakistan Limited) from where he retired as Director Finance and Administration in October 2011.

He joined the Overseas Investors Chamber of Commerce and Industry (OICCI) in October 2011 and retired from OICCI in October 2021 as Deputy Secretary-General. He serves as the Independent Member of the Board of Directors of GSK Consumer Healthcare Pakistan Limited, Wyeth Pakistan Limited and Loads Limited. He also serves as Chairman of GSK Consumer Healthcare Pakistan Limited.

Mr. Mohajir joined the Board of Pakistan Oxygen Limited on 7 January 2018.



Ms. Tushna D Kandawalla
Independent Director

Ms. Tushna Kandawalla currently holds the position of Managing Director at Captain PQ Chemical Industries (Private) Limited (CPQ). Prior to this she served in the Financial Planning & Strategy Group at Home Box Office (HBO) in New York, and in Arthur Andersen's Audit Practice in Boston. Since joining CPQ in 2004, Ms. Kandawalla has had multi-functional experience in Financial Planning, Strategy, Marketing, Plant Operations, Human Resources and also as the company's CFO.

Community service has always been a passion – she currently serves as a Trustee of The Noorani Foundation, Trustee of The Captain Foundation, Vice President of iCare America Fund and Trustee of the Kandawalla Trust. Previously she has served as Chairperson Friends of LRBT (New York), Chairperson Pakistan Human Development Fund Committee (New York), Area Chair (Pakistan) for Brown University Alumni Schools Committee and Member of the Advisory Board of T2F (Peace Niche).

Ms. Tushna Kandawalla has a B.A. in Economics from Brown University, an M.B.A from Boston University and is a qualified Certified Public Accountant (C.P.A).



Mr. Mohammad Younus Dagha
Independent Director

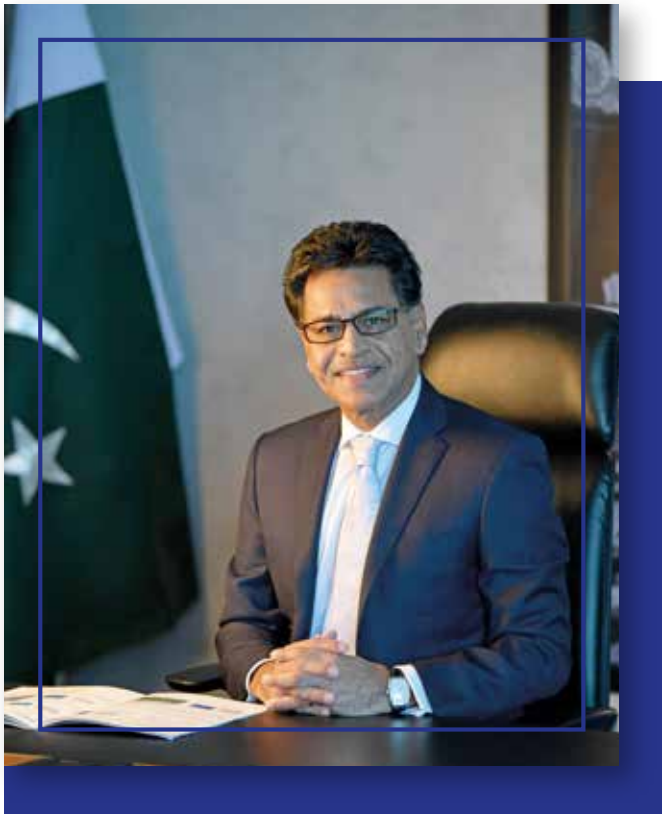
Mr. Mohammad Younus Dagha, retired as a career Civil Servant, having joined Pakistan Administrative Service in 1985. He possesses varied experience in the fields of Energy, Finance, Commerce, Trade Diplomacy and Public Administration. He holds graduate and post graduate degrees in Business Administration, Economics, Law and Commerce equipping him with the required academic background to manage multifaceted assignments in his career.

During his career spanning over 34 years, he successfully handled many challenging assignments from being an Administrator at various tiers in the Provinces of Sindh, Khyber Pakhtunkhwa and Gilgit-Baltistan to Project Director in mega projects. As Secretary Coal & Energy and Secretary Investment GoSindh and later as Federal Secretary Water & Power, he played pivotal role in bringing investment in Thar Coalfield, Wind corridor and other areas which helped overcome power shortages.

During his tenure as Secretary Commerce, exports registered growth of 14% in 2017-18, an exception in the recent past.

Mr. Dagha became Finance Secretary in March 2019 and opted for early retirement in October 2019. He is presently Chairman of the Policy Advisory Board of FPCCI.

CHAIRMAN'S REVIEW REPORT



Dear Shareholders,

I am pleased to present this Review Report to the Shareholders of Pakistan Oxygen Limited (the "Company") as required under Section 192 of the Companies Act, 2017.

You will be glad to learn that for the year 2021, your Company achieved the highest-ever sales in its illustrious 85-year history. Sales and Profit After Tax grew by 26% and 30%, respectively. A complete review of the Company's performance is annexed in the Directors' Report.

An Overview of Performance of the Board

The Board has the collective experience, knowledge, and capability to steer the Company towards sustained success. The Board played an active role in the development of the Company's strategic plans, the setting of business targets and in examining the performance of the management to deliver on key objectives, including the timely and on-budget execution of its expansion projects. The Strategy Committee kept the Board updated on upcoming growth opportunities and on the progress of on-going and new projects. The Company has an effective governance and legal framework in place that ensures compliance with applicable laws and regulations as the

Company moves forward towards its long-term and sustainable growth plans.

The approval of an investment plan of about Rs 2.5 billion to set-up a state-of-the-art Air Separation Plant in the North-West region of Pakistan is planned to improve both the Company's geographic footprint and also its share of the ASU market. Similarly, the Rs 417.5 million investment to establish a latest European technology electrode manufacturing plant at Karachi, significantly improves the Company's ability to cater to the growing demand of its customers.

Evaluation of annual performance of the Board, Audit Committee and Chief Executive Officer

The Board has aligned its mechanism for performance evaluation in-line with SECP guidelines issued in April 2020. Under this mechanism, the Directors have carried out an in-house annual evaluation of the Board's own performance as well as the performance of the Audit Committee and of the Chief Executive Officer of the Company. This mechanism is designed to assess and identify strengths and weaknesses in the performance of the Board, its Audit Committee and the Chief Executive Officer covering sound corporate governance practices, strategy, roles of the Chairman, the Directors, and the CEO, setting objectives and monitoring the effectiveness of the Board and its various Committees.

An evaluation proforma link is circulated to each of the members of the Board and the Audit Committee requiring them to complete the questionnaires online with their comments. Directors provide their candid feedback through the online questionnaire identifying issues, weaknesses, and challenges. Results are compiled by the Company Secretary and shared with the Chairman. Subsequently, the results/findings in the final report are submitted by the Chairman in the meeting of the Board with the intent to formulate requisite strategies and action plans to address the identified challenges / issues for further improvement.

I am pleased to report that overall performance of the Board, its Committee and the CEO of the Company for the year ended December 31, 2021 remained satisfactory.

Directors' Training Program (DTP)

Majority of the Board members have completed their certification in DTP while one Director was granted exemption by SECP based on prescribed qualification and experience.

Out of 10, only three Directors, who do not hold DTP certificates, are well conversant with their duties and responsibilities as Directors of a listed company.

Frequency of the meetings

The Board has constituted Audit committee, Human Resource, Remuneration & Nomination Committee, Strategy Committee and Share Transfer Committee. The Board has determined the terms of reference for each of the aforesaid Committees which are functioning effectively in line with the respective TORs within the framework of the applicable laws and the Code.

During the year seven (7) meetings of the Board of Directors, four (4) meetings of Audit Committee, nine (9) meetings of the Strategy Committee and three (3) meetings of the Human Resource, Remuneration & Nomination Committee were held. All Directors including Independent Directors actively took part in the decision-making process of the Board.

Composition of the Board

In pursuance of the Code, the Company encourages representation of Independent and Non-Executive Directors with gender diversity on its Board.

The existing Board of the Company, comprising 10 (ten) members having core competencies, diversity, requisite skills, knowledge, and experience, fulfils the criteria as considered relevant in the context of the Company's operations.

Details of the composition of the Board and its Committees are appearing in the annexed "Statement on Corporate Governance" on Page No. 49.

Role of the Chairman

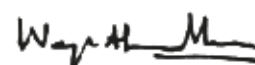
In my capacity as Chairman, I ensure that:

- Board receives adequate, accurate, clear, complete, and reliable information in a timely manner for a thorough discussion.
- Board is properly briefed on all significant matters.
- All key issues are discussed by the Board in a timely manner.
- Environment in board room allows constructive and open debates.
- Viewpoints of all directors are given adequate consideration and that any requests for clarification or additional information are met satisfactorily.
- Board plays a constructive role in devising strategies and policies.
- Strategies and policies agreed by the Board are effectively implemented by the Chief Executive Officer and the management.

- A proper induction program for all new directors is provided to familiarize them with key businesses and issues facing the Company.
- Effective communication with shareholders takes place and Board has full understanding of the views of major shareholders.
- Decisions taken by the Board are in the best interests of the Company and fairly reflect consensus of the Board members.
- Good corporate governance and procedures are in place.

In conclusion, on behalf of the Board, I would take this opportunity to acknowledge with thanks the valuable contribution of my fellow Board members made to the business expansion and development. I also wish to acknowledge the contribution of all employees of the Company in achieving the highest-ever sales in the history of the Company. I also take this opportunity to thank all our customers, vendors, bankers and shareholders for their confidence and continued support to the Company.

Karachi:
March 7, 2022




Waqar Ahmed Malik
Chairman

چیئر مین کا کردار

بطور چیئر مین، میں اس امر کو یقینی بنانا ہوں کہ

- بورڈ کو تفصیلی گفت و شنید کیلئے مناسب، درست، صاف، مکمل اور قابل اعتماد معلومات بروقت موصول ہوتی ہیں۔
- بورڈ کو تمام اہم معاملات پر باقاعدگی سے آگاہ کیا جاتا ہے۔
- بورڈ تمام اہم مسائل پر بروقت گفت و شنید کرتا ہے۔
- تعمیری اور کھلمے مباحثے کیلئے بورڈ روم میں مناسب ماحول فراہم کیا گیا ہے۔
- تمام ڈائریکٹرز کے نقطہ نظر پر مناسب طور سے غور کیا جاتا ہے اور کسی وضاحت یا اضافی معلومات کیلئے کی گئی درخواست کا اطمینان بخش جواب دیا جاتا ہے۔
- حکمت عملی اور پالیسیوں وضع کرنے میں بورڈ تعمیری کردار ادا کرتا ہے۔
- بورڈ کی متفقہ حکمت عملی اور پالیسیوں کو چیف ایگزیکٹو آفیسر اور انتظامیہ موثر طور پر نافذ کرتے ہیں۔
- تمام نئے ڈائریکٹرز کو اہم کاروباری معاملات اور کمپنی کو درپیش مسائل سے آگہی کیلئے ایک مناسب انڈکشن پروگرام فراہم کیا جاتا ہے۔
- شیئر ہولڈرز کے ساتھ موثر گفت و شنید ہوتی ہے اور بورڈ بڑے شیئر ہولڈرز کے نقطہ نظر کو اچھی طرح سمجھتا ہے۔
- بورڈ کے فیصلے کمپنی کے بہترین مفاد میں ہوتے ہیں اور بورڈ ممبران کی اتفاق رائے کی درست عکاسی کرتے ہیں۔
- اچھی کارپوریٹ گورننس اور طریقہ کار طے شدہ ہیں۔

آخر میں، بورڈ کی جانب سے میں اپنے ساتھی بورڈ ممبرز کی کاروباری توسیع اور ترقی میں قابل قدر خدمات پر خلوص سے شکریہ ادا کرتا ہوں۔ میں کمپنی کی تاریخ میں اب تک کی سب سے زیادہ سیلز کے حصول کیلئے کمپنی کے تمام ملازمین کی کاوشوں کا بھی اعتراف کرتا ہوں۔ اس موقع پر میں اپنے تمام صارفین، وینڈرز، بینکرز اور شیئر ہولڈرز کے کمپنی پر اعتماد اور مسلسل تعاون کیلئے اظہار تشکر کرتا ہوں۔



وقار احمد ملک

چیئر مین

کراچی

7 مارچ 2022

چیمبر میں کا جائزہ

عزیز شیمز ہولڈرز

مجھے یہ جائزہ رپورٹ کمپنی ایکٹ 2017 کے سیکشن 192 کے تحت پاکستان آکسیجن لمیٹڈ (دی "کمپنی") کے حصص یافتگان کو پیش کرنے پر خوشی محسوس ہو رہی ہے۔

آپ کو یہ جان کر مسرت ہوگی کہ سال 2021 کیلئے آپ کی کمپنی نے اپنی 85 سالہ شاندار تاریخ کی اب تک کی بلند ترین سیلز کا ہدف حاصل کیا ہے۔ سیلز اور بعد از ٹیکس منافع میں بالترتیب 26% اور 30% اضافہ ہوا۔ کمپنی کی کارکردگی کا مکمل جائزہ منسلک ڈائریکٹرز رپورٹ میں دیا گیا ہے۔

بورڈ کی کارکردگی کا عمومی جائزہ

کمپنی کو مسلسل کامیابی کی طرف لیجانے کیلئے بورڈ مجموعی طور پر وسیع تجربے، علم اور اہلیت کا حامل ہے۔ بورڈ نے کمپنی کے اسٹریٹیجک منصوبوں کی تشکیل، کاروباری اہداف طے کرنے اور اہم مقاصد کے حصول میں انتظامیہ کی کارکردگی کی جانچ کیلئے اپنا کردار بھرپور طور پر ادا کیا، جس میں خاص طور پر توسیعی پروجیکٹس اور بجٹ پر بروقت کارروائی شامل ہے۔ سٹریٹیجی کمیٹی نے بورڈ کو ترقی کے آنے والے مواقع اور جاری اور نئے پروجیکٹس کے بارے میں اپ ڈیٹ رکھا ہے۔ جیسے جیسے کمپنی اپنے طویل المدتی اور پائیدار ترقیاتی منصوبوں پر عملدرآمد کے ساتھ آگے بڑھتی ہے۔ کمپنی کا موثر گورننس اور لیگل فریم ورک کمپنی پر قابل اطلاق قوانین اور ضابطوں پر عمل درآمد کو یقینی بناتا ہے۔

پاکستان کے شمال مغربی علاقہ جات میں اسٹیٹ آف دی آرٹ ایر سپریشن پلانٹ لگانے کیلئے تقریباً 2.5 ارب روپے کی سرمایہ کاری کے منصوبہ کی منظوری، جس سے کمپنی کی جغرافیائی موجودگی میں اضافہ اور ASU مارکیٹ کے شیئر میں بہتری لانے میں بھی مدد ملے گی۔ اسی طرح کراچی میں جدید ترین پورین ٹیکنالوجی پر مبنی الیکٹرو ڈیمینوٹیشن پلانٹ قائم کرنے کیلئے 417.5 ملین روپے کی سرمایہ کاری بھی کی جا رہی ہے جس سے کمپنی اپنے صارفین کی بڑھتی ہوئی طلب کو پورا کرنے کی اہلیت میں نمایاں بہتری لاسکے گی

بورڈ، آڈٹ کمیٹی اور چیف ایگزیکٹو آفیسر کی سالانہ کارکردگی کی جانچ

بورڈ نے کارکردگی کی جانچ کیلئے اپنے مکیزم کو ایس ای سی پی کی رہنمائی اور ہدایت مجریہ اپریل 2020 سے ہم آہنگ کیا ہے۔ اس مکیزم کے تحت ڈائریکٹرز نے بورڈ کی اپنی کارکردگی کے علاوہ آڈٹ کمیٹی اور چیف ایگزیکٹو کی کارکردگی کا اندرون خانہ سالانہ جائزہ لیا ہے۔ یہ مکیزم بورڈ، اس کی آڈٹ کمیٹی اور چیف ایگزیکٹو آفیسر کی کارکردگی کی صلاحیتوں کے استحکام، کمزوریوں کی جانچ اور نشاندہی کیلئے وضع کیا گیا ہے جو بھروسہ کارپوریٹ گورننس کے معمولات، حکمت عملی، چیمبر میں، ڈائریکٹرز اور سی ای او کے کردار کا احاطہ کرتا ہے، بورڈ اور اس کی مختلف کمیٹیز کے اہداف مقرر کرنے اور اس کے موثر ہونے کو مانیٹر کرنے کے کام انجام دیتا ہے۔

بورڈ اور آڈٹ کمیٹی کے ہر ممبر کو جانچ کا پروف فارما کالک بھیجا جاتا ہے تاکہ وہ اپنے تبصروں کے ساتھ آن لائن سوالنامہ مکمل کریں۔ ڈائریکٹرز آن لائن سوالنامے کے ذریعے مسائل، کمزوریوں اور چیلنجز کی نشاندہی کرتے ہوئے صاف گوئی سے اپنے تاثرات کا اظہار کرتے ہیں۔ کمپنی سیکرٹری اس کے نتائج کو مرتب کرتا ہے اور چیمبر میں کے ساتھ شیئر کرتا ہے۔ اس کے بعد چیمبر میں فائنل رپورٹ میں نتائج اور دریافت شدہ معلومات بورڈ کی میٹنگ میں پیش کرتا ہے تاکہ نشاندہی کئے گئے چیلنجز/مسائل کے حل اور مزید بہتری کیلئے درکار حکمت عملی اور کارروائی کے پلان بنائے جاسکیں۔

مجھے یہ اطلاع دیتے ہوئے خوشی محسوس ہو رہی ہے کہ سال تختہ 31 دسمبر 2021 میں بورڈ، اس کی کمیٹی اور کمپنی کے CEO کی کارکردگی تسلی بخش رہی۔

ڈائریکٹرز کا ترقیاتی پروگرام (DTP)

بورڈ ممبرز کی اکثریت نے DTP میں اپنی سرٹیفیکیشن مکمل کر لی ہے جب کہ ایک ڈائریکٹر کو مقررہ قابلیت اور تجربے کی بناء پر SECP کی جانب سے استثنیٰ دیا گیا ہے۔

10 میں سے صرف تین ڈائریکٹرز، جو DTP سرٹیفیکیشن کے حامل نہیں ہیں، لیکچر کمپنیز کے ڈائریکٹرز کے طور پر اپنے فرائض اور ذمہ داریوں سے بخوبی آگاہ ہیں۔

میٹنگز کا توازن

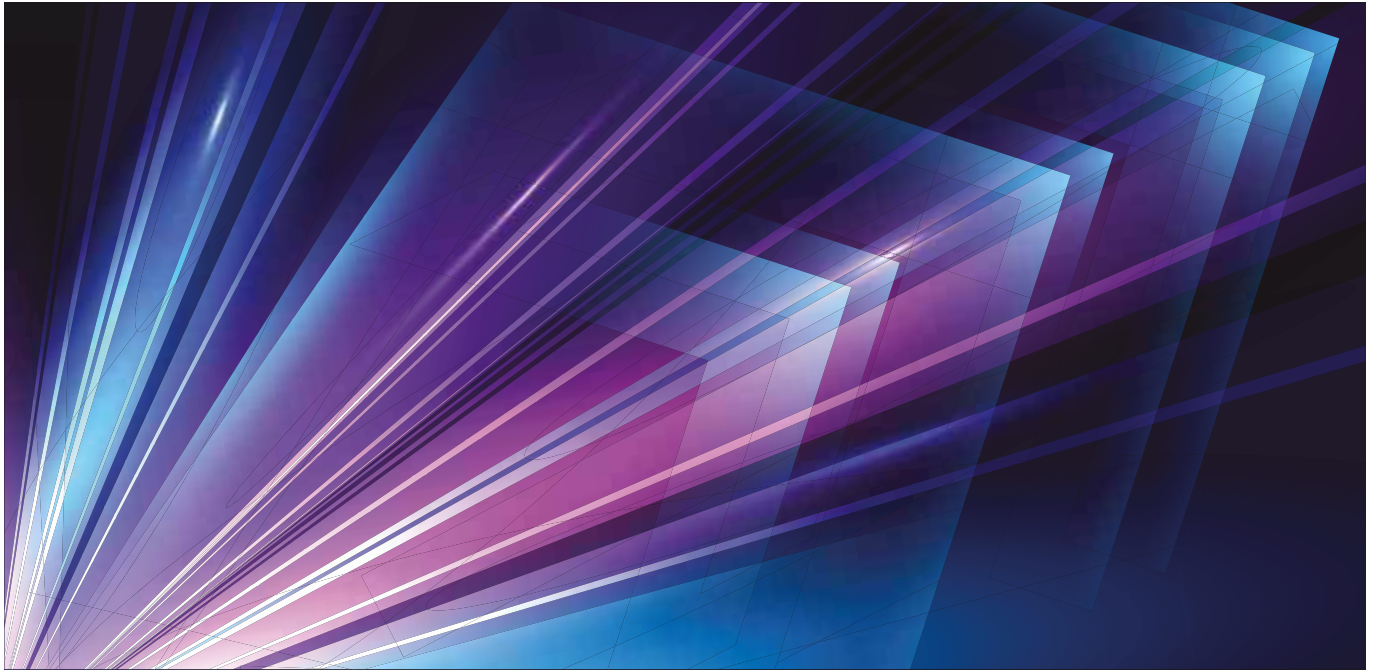
بورڈ نے آڈٹ کمیٹی، ہیومن ریسورس، ریہنڈریشن اینڈ نو مینیشن کمیٹی، اسٹریٹیجی کمیٹی اور شیئر ٹرانسفر کمیٹی تشکیل دی ہے۔ بورڈ نے مذکورہ ہر ایک کمیٹی کیلئے ٹرمز آف ریفرنس کا تعین کیا ہے جو قابل اطلاق قوانین اور کوڈ کے فریم ورک کے اندر متعلقہ ٹی او آر کے مطابق موثر طور پر کام کر رہی ہیں۔ سال کے دوران میں بورڈ آف ڈائریکٹرز کی سات (7)، آڈٹ کمیٹی کی چار (4) اسٹریٹیجی کمیٹی کی نو (9) اور ہیومن ریسورس، ریہنڈریشن اینڈ نو مینیشن کمیٹی کی تین (3) میٹنگز منعقد ہوئیں۔ تمام ڈائریکٹرز بشمول خود مختار ڈائریکٹرز نے بورڈ کی فیصلہ سازی کے عمل میں فعال طور پر حصہ لیا۔

بورڈ کی تشکیل

کوڈ کی بیروی میں کمپنی اپنے بورڈ میں صنفی تنوع کے ساتھ خود مختار اور نوان ایگزیکٹو ڈائریکٹرز کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ کمپنی کا موجودہ بورڈ (10) دس ممبرز پر مشتمل ہے جو بنیادی اہلیت، تنوع، مطلوبہ مہارت، علم اور تجربہ کے حامل ہیں اور کمپنی کے آپریشنز کے تناظر میں موزوں سمجھے جاتے ہیں۔

بورڈ اور اس کی کمیٹیوں کی تشکیل کی تفصیلات منسلک "اسٹیٹمنٹ آن کارپوریٹ گورننس" میں صفحہ نمبر 49 پر درج ہیں۔

DIRECTORS' REPORT



The Directors of your Company take pleasure in presenting the Annual Report together with the Company's audited Financial Statements for the year ended December 31, 2021.

National Economy

Despite numerous macroeconomic structural challenges and the once-in-a-century pandemic which affected countries around the world, Pakistan's economy has weathered the storm well. For the first nine-month of FY 2021-2022, LSM grew by 8.99%, with significant growth in sectors such as Chemicals, Steel, Automobile, Oil, Leather and Wood products. The overall GDP growth for FY ended June 30, 2021 was 3.9% and CPI inflation for the Jul-Dec period is 9.8%. Taking note of the above matters and some other macro developments, SBP raised its policy rate to 9.75%.

Overview of the Company's performance

During the year, the Company posted a Net Turnover of Rs. 7 billion, the highest in the Company's long history and up by a robust 26% compared to last year. This was delivered on the back of a strong overall performance in all segments of the Company, industrial or medical gases, the welding portfolio, or the Medical Engineering Services (MES).

The most significant growth was achieved in the Healthcare segment, where hospitals across the country, whether public or private, preferred Pakistan Oxygen to be their Oxygen supplier, placing their trust in the Company to reliably and timely deliver Oxygen. This contributed towards the National effort to save precious lives. The Company introduced an "Emergency Response Center" which relied on indigenously developed telemetric stock monitoring system and an

automated delivery scheduling system that helped ensure that Oxygen-levels were maintained at all our customers.

The MES portfolio also grew from strength to strength with expansion in engineering services and broadening of the medical equipment portfolio. The Company emerged as the go-to Company for healthcare service providers looking to expand or upgrade their facilities to cater to the increasing number of hospitalized COVID-19 patients. In collaboration with both public and private sectors, over 2,700 new patient beds with Oxygen supply systems were created in record time for the treatment of COVID-19 patients.

The industrial gases segment also delivered a strong performance, reflecting the growth momentum in the LSM sector. Despite product non-availability challenges, as Oxygen was prioritized to the Healthcare segment, industrial customers were serviced with product sourced locally and from imports. The CO₂ business posted a record turnover after the re-commissioning of the Company's own manufacturing plant. The Company also secured ratification of its CO₂ manufacturing facility and quality management systems from major food & beverage industry customers. Sales of other gases also grew with significant rise in the demand for hydrogen from merchant customers.

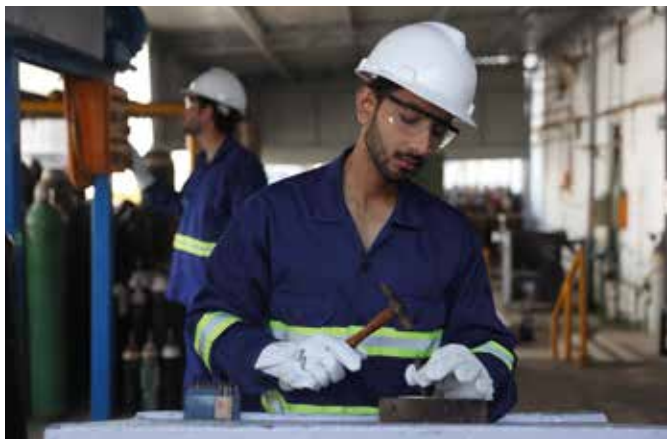
In view of the rising demand of Oxygen and other gases in the country, the Board of Directors of the Company approved a new plant expansion in the KPK Province. This is in addition to the ongoing expansion project at Port Qasim, a 270 TPD ASU plant, which will double the Company's installed capacity by the end of 2022. The KPK project, a ASU plant, would further improve the Company's position to cater to the healthcare needs of the KPK Province as well as service the many industries which are being established in the Special Economic Zones along the CPEC Project.

The initiatives taken in the Welding and Hardgoods segment, including the introduction of locally produced electrodes for the mass consumption market, helped deliver strong growth of 73%. The Board of Director's approval for the setting up of a new state-of-the-art electrode manufacturing plant would provide the additional capacity needed to capture a bigger share of the large mass consumption electrode market.

Gross Profit for the year was recorded at Rs. 1.4 billion, higher by 23% compared to the same period last year, driven by the significant growth in Turnover. The year witnessed a sharp rise in production costs which led the Company to adjust its selling prices and take cost control measures to contain margin erosion.

Overheads for the year, net of other income, stood at Rs. 608 million, higher than last year primarily due to inflation. Finance cost was controlled to Rs. 119 million, a reduction of 27% compared to last year, mainly underpinned by better Working Capital Management and low interest rates during most part of the year.

Profit After Tax and Earnings Per Share (EPS) for the period were recorded at Rs. 451 million and Rs. 9.62, respectively, higher by 30% compared to last year.



Safety, Health, Environment and Quality (SHEQ)

SHEQ remained at the heart of all Company operations throughout the year. Despite the unprecedented challenges posed by COVID-19 and the increased pressure to deliver Oxygen to hospitals, the Company rose to this challenge and ensured that there was no dry out at any hospital, public or private, throughout the COVID-19 peaks. This was achieved by strengthening COVID-19 protocols and putting in place a 24-hour emergency COVID-19 response team.

A Behavioral Safety Program was rolled out across POL. This comprehensive program comprised of workshops covering all functions, followed by a "train the trainer program" for deliver operations. The program aimed to provide positive rewards to change unsafe behaviors, reduce job-related injuries, minimize lost production hours, and improve workplace morale.

Environment

Pakistan Oxygen's commitment towards sustainable environment continued in 2021. The Company made its contribution by not only continuing the tree plantation campaign but also complying with the environmental

standards of emissions, effluents, and solid waste disposal.

We also achieved the Environmental Management Systems-ISO 14001 certification for our new plant at Multan along with other integrated management systems certifications (ISO 9001 and ISO 45001).

Segment Performance:

Healthcare & Medical Engineering Services

In the most challenging environment, the Healthcare team worked round the clock to deliver Oxygen to hospitals across the country preventing any dry out at hundreds of public or private sector hospitals. This tremendous effort helped save precious lives. The segment achieved a new milestone of Rs. 3.1 billion in year 2021 with a record 36% growth over last year. This growth was an outcome of strong performance both in the Medical gases and Medical Engineering portfolios. The segment entered into new partnerships with reputable global healthcare companies in various fields including PSA plants, hospital laundry systems, central sterilization plants and OT related devices and equipment, amongst others. In addition, through in-house R&D, various new products were developed and produced. The Company also managed to obtain registration with the Pakistan Engineering Council for Construction & Operations of Engineering works.

Industrial Gases

The Industrial gases segment continued to face a challenging market situation due to limited product availability as the Company prioritized Oxygen supplies to hospitals throughout the year. The resulting shortfall in supplies was partially mitigated through both local purchase and imports. All ASU plants remained fully loaded and the Company's customer base was effectively managed. The adverse impact of product non-availability was partially mitigated by availing Hydrogen business opportunities in the Chemical sector and capturing growth opportunities in the Food & Beverage sector by selling CO₂ to the key customers. Similarly, an important two-year contract for sale of Nitrogen was also secured with a strategic customer which will contribute to plant loading for the upcoming ASU project.



Welding & Hardgoods

The Company achieved a strong 76% growth in sale of local electrodes and 63% in imported electrode over last year. This was achieved through effective channel engagement and greater presence at end-users. A number of new products were also successfully launched, including welding machines, a new variant of 7018 electrode, cutting and grinding discs, which have strongly positioned the Company to further expand its footprints in the welding and hardgoods business.

Operations

The Company continued its focus on productivity related initiatives to improve manufacturing efficiencies and reliabilities of all its manufacturing sites. During the year, several reliability improvement initiatives were planned and executed resulting in an increase of 12.3% compared to last year. 60TPD CO₂ plant was successfully recommissioned and the site was certified for Halal, FSSC 2200, ISO 9001, ISO 14001, ISO 45001 to serve the food & beverage sector customers.



employees attended various professional development programs at leading local academic institutions in line with their Training Need Analysis (TNAs). Workshops were also conducted by inhouse trainers for developing leadership competencies for first-line managers. Online learning platforms were also made available to management staff, which proved most effective given the pandemic environment.

The well-being of the employees is also a priority. During the year a Health & Wellness Program was launched for all employees. Session by external specialists were conducted on how to maintain a healthy lifestyle followed by medical examinations and one-on-one consulting sessions by healthcare practitioners.

A robust succession planning system is in operation in the Company for all key positions in Commercial, Technical and Corporate streams. In 2021, a number of employees were moved to internal lateral positions with the objective to build organizational capability. Employees identified for succession trainings were developed through assignments and relevant trainings.

Pakistan Oxygen has an enduring heritage with the drive for continuous improvement, innovation, and high performance. A new vision, mission and core values of the Company were rolled out during the Annual Conference 2021. Adhering to the Company's Code of Ethics and Compliance, at all times is another important part of our Company culture. We treat each other and the environment with integrity and respect.

Strong rewards and recognition programs are also in place to promote excellence in the delivery of business goals and reward those individuals who demonstrate the right mix of commitment, dedication and performance.

Information Services (IS)

To maintain its leadership position and remain adaptable to the changing market dynamics, the Company continues to invest in digital initiatives and



All manufacturing sites were operated safely and maintained quality management systems. Further to meet urgent requirement of medical oxygen tanks for hospitals, 8 tanks were refurbished and installed at new sites in record time to support the effort against the pandemic.

Civil construction work was started at Port Qasim on the 11 Tons per shift Electrode manufacturing facility and the 270 TPD ASU. Both key projects are important to meet growing market demand.

Human Resources

Pakistan Oxygen believes that commercial success and sustained profitable growth depends on the recruitment, development, and retention of competent human resources. In order to deliver on the Company's growth strategy, a strong performance recognition culture is promoted and rewarded with commitment to invest in people.

The Company maintained focus on employee's learning and development. A number of the Company's

technology adoption. During the year, the IT services team digitalized liquid product scheduling and delivery processes which resulted in significant improvement in trade working capital management, implemented SAP Production Planning module which improved electrode manufacturing planning and costing processes, deployed an eCommerce online store to enhance sales channels, and revamped Company's website with modern design and look, creating a superior customer experience.

Company's Principal Activities and Business Segments

The Company is engaged in the manufacturing and sale of industrial and medical gases, welding electrodes, hardgoods and medical equipment & engineering services. These activities are recorded under two segments, namely Industrial, Medical & Other Gases and Welding & Others.

Adherence to Best Practices of Corporate Governance

A statement setting out the Company's compliance status on the best practices of corporate governance appears in the "Corporate Governance Section" on Page No. 49.

In addition, a "Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019" together with the Auditors' Review Report to Members thereon appears on Page No. 55 and 57, respectively.

Distribution of Dividends and Appropriation of Profits

Considering the Company's financial performance and future cash flow requirements, the Board of Directors of the Company has recommended issuance of bonus shares in the proportion of 25 shares for every 100 shares held i.e. 25%, subject to approval of the Members at the 73rd Annual General Meeting to be held on April



26, 2022. The effect of issuance of such bonus shares shall be reflected in the next year's financial statements. The appropriations approved by the Directors are as follows:

	(Rupees in thousand)
Un-appropriated profit as at 31 December 2020	358,086
Issuance of bonus shares in proportion of 2 shares for every 10 shares	(78,121)
Transfer to General Reserve	<u>279,965</u>
Net Profit after taxation for the year 2021	451,104
Re-measurement: net actuarial gains recognized in other Comprehensive income	10,797
Un-appropriated profit carried forward	<u>461,901</u>
Subsequent Effects:	
Proposed issue of bonus shares in the proportion of 25 shares for every 100 shares held i.e. 25%	117,181
Transfer to General Reserve	344,720
	<u>461,901</u>
Issue of bonus shares	<u>117,181</u>
EPS - for the year 2021 Rs. 9.62 (2020 (Restated): Rs 7.39)	

Post Balance Sheet Events

There has been no significant event since December 31, 2021 to date, except as provided below:

The Board of Directors in their meeting held on March 7, 2022 has recommended issuance of bonus shares subject to approval of the Members at 73rd Annual General Meeting to be held on April 26, 2022.

Key Operating and Financial Data

An overview of the key operating and financial data for the last 10-year in summarized form is given on Page No. 58 of this Annual Report.

Contribution to National Exchequer

Information with respect to the Company's contribution towards the National Exchequer has been provided in the Statement of Value Added appearing in this Report on Page No. 63.

Risk, Uncertainties and Mitigations

Operational Risks

The Company adheres to the highest standards of ethics, safety and quality assurance to ensure continued and uninterrupted delivery of products and services to its customers. The risk of shortage of production capacity in ASU products is to be mitigated through a new manufacturing strategy. The Company's cost of

production is adversely impacted by the unprecedented increase in energy prices. This is being mitigated through cost pass-through to customers, wherever possible, and through operational cost efficiencies and control initiatives.

Financial Risks

The overall risk exposure associated with the Company's financial assets and liabilities is very limited. The Company believes that it is not exposed to any major concentration of credit risk, exposure to which is managed through application of credit limits to its customers. The Company manages its exposure to financial risks as explained in Note 37 to the financial statements.

Compliance Risks

Your Board and the management have instituted a strong governance and legal framework to ensure compliance to not only applicable laws and regulations but also to stay at par with best international practices.

Board of Directors

No change has taken place in the Board of your Company since the last Annual Report 2020. The current composition of the Board is as follows:

Total number of Directors:

- a) Male: 9
- b) Female: 1

Composition:

- a) Independent Directors: 4
- b) Non-executive Directors: 6

Committees of the Board

The Board has set up four Committees, details of which are provided in "Corporate Governance Section" of the Report on Page No. 49.

Directors' Remuneration

Shareholders at their 71st Annual General Meeting held on April 21, 2020 authorized the Board of Directors of the Company by way of a Special Resolution to determine from time to time, under and pursuant to Article 74 of the Company's Articles of Association, the fees payable to the Directors of the Company on such basis as the Board of Directors may determine including, without limiting the generality of the foregoing, the determination of different fees for the members of the Board of Directors, and for the members of each Committee of the Directors, and for the Chairman of the Board of Directors and for the Chairman of any Committee of Directors.

Chief Executive Officer

Following the election of Directors on January 23, 2020, Mr. Matin Amjad was re-appointed as Chief Executive Officer of the Company in accordance with the provisions of Section 187 of the Companies Act, 2017 on

the existing terms and condition of his employment for a term of three years commencing from February 3, 2020.

Disclosure of Significant Policies on Website

The following policies, as approved by the Board, are available on the Company's website:

- a) Whistleblowing Policy
- b) Anti-Sexual Harassment Policy
- c) Code of Ethics
- d) Gender Diversity Policy

Internal Controls and Risk Management

The Company maintains sound internal control systems to provide reasonable assurance against efficiency and effectiveness of operations, reliability of financial reporting and compliance with applicable laws and regulations. Such systems are monitored effectively by the management; while the Board Audit Committee reviews the internal control systems based on assessment of risks and reports to the Board of Directors.

The Board of Directors ensures and maintains full and effective control over all significant strategic, financial, organizational and compliance risks. The Directors have delegated to the management, the establishment and implementation of the risk management system, to ensure reduction of risk to levels deemed acceptable by the Company.

Auditors

The present auditors, BDO Ebrahim & Co, Chartered Accountants, retire and being eligible, have offered themselves for reappointment. As recommended by the Audit Committee, the Board of Directors recommend their reappointment as auditors of the Company for the year ending December 31, 2022, at a fee/ remuneration to be mutually agreed.

Related Party Transactions

The details of all related party transactions were placed periodically before the Audit Committee and upon its recommendation the same were reviewed and approved by the Board of Directors. The details of all related party transactions are disclosed in Note 39.1 annexed to the annual audited financial statements. All transactions with Company's related parties were carried out at an arm's length price.

Directors' Orientation Program

In pursuance of the Regulations, the Company conducts a detailed orientation program for each of its newly elected or appointed Directors to acquaint them with the Company's vision, mission, code of ethics, business operations, strategy, financial projections and policies enabling them to effectively govern affairs of the Company for and on behalf of the shareholders.

Moreover, the Chairman, at the beginning of term of each Director, issues letters to all newly elected/appointed Directors setting out their roles, obligations, powers and responsibilities in accordance with the Act and Company's Articles of Association.

Directors' Training Program (DTP)

Majority of the Board members have completed their certification in DTP while one Director was granted exemption by SECP based on prescribed qualification and experience. The Chief Executive Officer (a Deemed Director) and Company Secretary also acquired certification in DTP from a recognized local institution.

Pattern of Shareholding

Information with respect to pattern of shareholding along with categories of shareholders as at December 31, 2021 as required under section 227 of the Companies Act, 2017, is given in this report on Page No. 117.

Future Outlook

Economic activities are expected to continue to rise across different sectors. Government incentives in constructions should help stimulate growth. Growth in industry, predominantly construction and small-scale manufacturing and services is forecasted to improve in FY2022 on the back of Government incentives. Demand revival in Automotive sector coupled with recovery in Global Oil Prices should boost growth in both sectors. Similarly with its stable bottom line, E&P sector should continue to show growth in the coming year. While import prices are on the rise, robust demand uptake should offset the hit on margins for the Steel sector.

Your Company remains focused to maintain its strong presence in the Healthcare and Medical Engineering segments, grow its footprint in the Industrial Gases, Welding & Hardgoods market and is confident to deliver growth plans for the coming year.

Although Pakistan's economy is on the path to recovery, yet challenges such as rupee depreciation, rising inflation, widening debt, unbridled hike in fuel price and unexpected withdrawal of exemption from sales tax on supplies to hospitals may impact profitability margins of the Company. The emerging situation in Ukraine with its fall out on oil prices and disruption in demand creates uncertainties for the business environment. However, your Company will remain focused to overcome these challenges and to expand market share and to achieve healthy performance during 2022.

As announced earlier through PSX, your Company's expansion projects for setting up two state-of-the-art air separation plants, one each in the Provinces of Sindh and KPK, are progressing well as per schedule. These plants will also play a key role in strengthening and enhancing the Company's market share across the country thereby creating shareholder value on their investments.

Moreover, as communicated earlier, the Company's new European technology electrode manufacturing facility to be set up at Karachi is also progressing as per plan. This will also enhance the Company's capacity and capability in welding segment to meet the growing demand from the industrial sector.

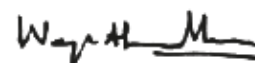
Acknowledgements

The Board of Directors wishes to place on records its sincere appreciation for every employee of the Company for their outstanding efforts to achieve highest ever sales during 2021 in a highly competitive economic environment. The Board of Directors also take this opportunity to express its gratitude to valuable customers, suppliers, contractors, service providers and shareholders who placed their trust in the Company. The Board of Directors are also thankful to all stakeholders for their continued support to the Company.

On behalf of the Board



Matin Amjad
Chief Executive Officer



Waqar Ahmed Malik
Chairman

Karachi: March 7, 2022

مختلف شعبہ جات میں معاشی سرگرمیوں میں اضافہ جاری رہنے کی توقع ہے۔ تعمیراتی شعبے میں حکومتی مراعات کی وجہ سے تیزی کے ساتھ ترقی میں مدد ملی چاہیے۔ حکومتی مراعات کی وجہ سے مالی سال 2022 میں انڈسٹری میں، خاص طور پر تعمیراتی اور چھوٹے پیمانے کی مینوفیکچرنگ اور سروسز میں ترقی کی پیش گوئی کی گئی ہے۔ آٹوموٹیو کے شعبہ میں دوبارہ طلب پیدا ہونے کے ساتھ عالمی سطح پر تیل کی قیمتوں کی بحالی سے ان دونوں شعبہ جات میں تیزی سے جاری ہے۔ اسی طرح مستحکم منافع کے ساتھ، آنے والے سال میں E&P کے شعبہ کی ترقی کا تسلسل جاری رہنا چاہیے۔ جب کہ درآمدی قیمتیں بڑھ رہی ہیں، اسٹیل کے شعبہ میں بڑھتی ہوئی طلب کی وجہ سے مارجن میں ہونے والے منفی اثرات میں کمی ہونی چاہیے۔

آپ کی کمپنی کا فوکس ہیلتھ کیئر اور میڈیکل انجینئرنگ کے شعبوں میں اپنی مضبوط موجودگی برقرار رکھنے، انڈسٹریل گیسز میں اپنے قدم آگے بڑھانے، ویلڈنگ اور ہارڈ گڈز مارکیٹ میں اعتماد قائم رکھنے اور آنے والے سال میں ترقی کے پلان بنانے پر مرکوز ہے۔ اگرچہ پاکستان کی معیشت بحالی کی راہ پر گامزن ہے، تاہم بعض چیلنجز، جیسے روپے کی قدر میں کمی، افراط زر میں اضافہ، قرضہ جات میں وسعت، فیول کی قیمتوں میں بے قابو اضافہ اور غیر متوقع طور پر ہسپتالوں کو سپلائرز پر سیلنگس سے اسٹاکس کا خاتمہ، کمپنی کے منافع کے مارجن پر اثر انداز ہو سکتے ہیں۔ یوکرین میں ابھرتی ہوئی صورتحال کے نتیجے میں تیل کی قیمتوں پر منفی اثر اور اس کی راہ میں حائل رکاوٹ کا رو باری ماحول کیلئے غیر یقینی صورتحال پیدا کرتی ہے۔ تاہم آپ کی کمپنی ان چیلنجز سے نمٹنے اور مارکیٹ شیئر میں اضافے کے ساتھ 2022 کے دوران میں اچھی کارکردگی کے لئے پرعزم ہے۔

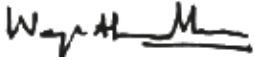
PSX کے ذریعے کئے گئے اعلان کے مطابق آپ کی کمپنی کے دو اسٹیٹ آف دی آرٹ ایگزیکٹو پلانٹس لگانے کے توسیعی پروڈیکٹس پر منصوبہ کے مطابق تیزی سے کام جاری ہے۔ ان میں سے ایک صوبہ سندھ میں اور دوسرا کے پی کے میں لگایا جا رہا ہے۔ یہ پلانٹس ملک میں کمپنی کے مارکیٹ شیئر کو تقویت اور وسعت دینے میں اہم کردار ادا کریں گے اور اس کے ساتھ شیئر ہولڈرز کیلئے سرمایہ کاری پر ان کی قدر میں اضافہ ہوگا۔

مزید برآں، جیسا کہ پہلے مطلع کیا جا چکا ہے، کراچی میں قائم کی جانے والی کمپنی کی نئی یورپین ٹیکنالوجی کے الیکٹروڈ مینوفیکچرنگ فیسلٹی کا کام بھی منصوبے کے مطابق جاری ہے۔ اس سے بھی کمپنی کے ویلڈنگ کے شعبہ کی گنجائش اور اہلیت میں اضافہ ہوگا جو صنعتی شعبہ سے بڑھتی ہوئی طلب کو پورا کرنے کا باعث ہوگا۔

تسلیمات

بورڈ آف ڈائریکٹرز کمپنی کے ہر ملازم کی غیر معمولی کاوشوں کا خلوص دل سے معترف ہے جو انہوں نے 2021 کے دوران انتہائی مسابقتی معاشی ماحول میں اب تک کا بلند ترین سیلز کاریکارڈ قائم کرنے کیلئے انجام دیں۔ اس موقع پر بورڈ آف ڈائریکٹرز اپنے معزز کسٹمرز، سپلائرز، کنٹریکٹرز، سروس پرووائیڈرز اور شیئر ہولڈرز کا شکریہ ادا کرتا ہے جنہوں نے کمپنی پر اپنا اعتماد قائم رکھا۔ بورڈ آف ڈائریکٹرز تمام اسٹیک ہولڈرز کے کمپنی کے ساتھ مستقل تعاون کرنے پر بے حد شکرگزار ہے۔

منجانب بورڈ



دقار احمد ملک

چیرمین



متین امجد

چیف ایگزیکٹو آفیسر

کراچی: 7 مارچ 2022

23 جنوری 2020 کو ہونے والے ڈائریکٹرز کے انتخابات کے بعد جناب متین امجد کو دوبارہ کمپنی کا چیف ایگزیکٹو آفیسر مقرر کیا گیا، جو کمپنیز ایکٹ 2017 کے سیکشن 187 کے پروویژن کے مطابق، ان کی ملازمت کی موجودہ شرائط و ضوابط کی رو سے 3 سال کی مدت کیلئے ہے جس کا آغاز 3 فروری 2020 سے ہوا۔

نمایاں پالیسیز کا ویب سائٹ پر اجراء

بورڈ کی منظور شدہ درج ذیل پالیسیز کمپنی کی ویب سائٹ پر دستیاب ہیں:

(ا) وسل بلونگ پالیسی

(ب) جنسی ہاراسمنٹ کے خلاف پالیسی

(ج) ضابطہ اخلاق

(د) صنفی تنوع کی پالیسی

داخلی کنٹرول اور رسک منجمنٹ

کمپنی کا ایک مستحکم داخلی کنٹرول کا نظام موجود ہے جو آپریشنز کی استعداد اور اثر پذیری کو مناسب طور سے یقینی بنانے کے ساتھ فنانشل رپورٹنگ کی بھرپور مہمندی اور لاگو قوانین اور ضوابط پر عمل درآمد کو بھی یقینی بناتا ہے۔ انتظامیہ ایسے نظام کی موثر نگرانی کرتی ہے جب کہ بورڈ آڈٹ کمیٹی رسکس کی تشخیص کی بنیاد پر داخلی کنٹرول کے نظام کا جائزہ لیتی ہے اور اس کی رپورٹس بورڈ آف ڈائریکٹرز کو پیش کرتی ہے۔ بورڈ آف ڈائریکٹرز تمام نمایاں حکمت عملی، مالیاتی، اداراتی اور کمپلائنس کے رسکس پر مکمل اور موثر کنٹرول کو یقینی بناتا ہے اور اس کو برقرار رکھتا ہے۔ ڈائریکٹرز نے انتظامیہ کو رسک منجمنٹ سسٹم کو قائم کرنے اور اس پر عمل درآمد کی ذمہ داری سونپ دی ہے تاکہ کمپنی کی متصور قابل قبول سطح تک رسک کی کمی کو یقینی بنایا جاسکے۔

آڈیٹرز

موجودہ آڈیٹرز، BDO ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو رہے ہیں اور اہل ہونے کی بنیاد پر انہوں نے خود کو دوبارہ تقرر کیلئے پیش کیا ہے۔ آڈٹ کمیٹی کی تجویز کے مطابق، بورڈ آف ڈائریکٹرز نے 31 دسمبر 2022 کو ختم ہونے والے سال کیلئے ان کو کمپنی کے آڈیٹرز کے طور پر باہمی رضامندی سے طے کی گئی فیس / معاوضے پر دوبارہ تقرر کی سفارش کی ہے۔

ریلیٹیو پارٹیز کے ساتھ لین دین

تمام ریلیٹیو پارٹیز کے ساتھ لین دین کی تفصیلات وقتاً فوقتاً آڈٹ کمیٹی کے سامنے پیش کی گئیں اور ان کی سفارشات پر بورڈ آف ڈائریکٹرز نے ان کا جائزہ لینے کے بعد منظوری دے دی ہے۔ تمام ریلیٹیو پارٹیز کی تفصیلات سالانہ آڈٹ شدہ فنانشل اسٹیٹمنٹس کے ساتھ منسلک نوٹ 39.1 پر دی گئی ہیں۔ کمپنی کی ریلیٹیو پارٹیز کے ساتھ تمام لین دین کے معاملات آرمر لینتھ پر آؤٹس پر طے کئے گئے ہیں۔

ڈائریکٹرز کا اورینٹیشن پروگرام

قواعد و ضوابط کی تعمیل میں کمپنی، ہر نئے منتخب یا تقرر کئے گئے ڈائریکٹر کو کمپنی کے وژن، مشن، ضابطہ اخلاق، کاروباری معاملات کی حکمت عملی، مالیاتی امکانات اور پالیسیز کے بارے میں آگاہی فراہم کرنے کیلئے ایک تفصیلی اورینٹیشن پروگرام کا اہتمام کرتی ہے تاکہ وہ موثر طور پر کمپنی کے معاملات کو شیئر ہولڈرز کی جانب سے انجام دے سکیں۔

اس کے علاوہ چیئر مین ہر ڈائریکٹر کی مدت کے آغاز پر تمام نئے منتخب شدہ / تقرر کئے گئے ڈائریکٹرز کو ایکٹ اور کمپنی کے آرٹیکلز آف ایسوسی ایشن کے مطابق ان کے کردار، فرائض، اختیارات اور ذمہ داریوں کا تعین کرتے ہوئے خطوط جاری کرتا ہے۔

ڈائریکٹرز کا ڈیٹا پرائیویسی (DTP)

بورڈ ممبرز کی اکثریت نے DTP میں اپنی سرٹیفیکیشن مکمل کر لی ہے جب کہ ایک ڈائریکٹر کو SECP کی جانب سے مجوزہ اہلیت اور تجربہ کا حامل ہونے کی بناء پر استثنیٰ دے دیا گیا ہے۔ چیف ایگزیکٹو آفیسر (متصور ڈائریکٹر) اور کمپنی سیکرٹری نے بھی ایک مقامی تسلیم شدہ ادارے سے DTP کی سرٹیفیکیشن حاصل کر لی ہے۔ 10 میں سے صرف تین ڈائریکٹرز کے پاس DTP سرٹیفیکیشن نہیں ہیں، مگر وہ لسٹڈ کمپنیز کے ڈائریکٹرز کے طور پر اپنے فرائض اور ذمہ داریوں سے بخوبی واقف ہیں۔

شیئر ہولڈنگ کا طرز

کمپنیز ایکٹ 2017 کے سیکشن 227 کے تحت مطلوب شیئر ہولڈنگ کے طرز سے متعلق معلومات مع شیئر ہولڈرز کی کیلگری بمطابق 31 دسمبر 2021 اس رپورٹ کے صفحہ نمبر 117 پر درج ہے۔

بیلنس شیٹ کے بعد کے واقعات

31 دسمبر 2021 سے آج کی تاریخ تک کوئی نمایاں واقعہ پیش نہیں آیا، سوائے اس کے جو درج ذیل ہے:

بورڈ آف ڈائریکٹرز نے اپنی میٹنگ منعقدہ 7 مارچ 2022 کو بونس شیئرز کے اجراء کی سفارش کی تھی، جو 26 اپریل 2022 کو منعقد ہونے والے 73 ویں سالانہ اجلاس عام میں ممبرز کی منظوری سے مشروط ہے۔

بنیادی آپریٹنگ اور مالیاتی ڈیٹا

گزشتہ 10 سال کیلئے بنیادی آپریٹنگ اور مالیاتی ڈیٹا کے عمومی جائزے کا خلاصہ اس سالانہ رپورٹ کے صفحہ نمبر 58 پر درج ہے۔

قومی خزانے میں شرکت

کمپنی کے قومی خزانے میں شرکت سے متعلق معلومات اس رپورٹ کے صفحہ نمبر 63 پر اسٹیٹمنٹ آف ویلیو ایڈڈ میں فراہم کی گئی ہیں۔

خدشات، غیر یقینی حالات اور تحقیقات

آپریٹنگ ریسکس

کمپنی اخلاقیات، تحفظ اور معیار کی ضمانت کے اعلیٰ ترین معیارات پر عمل پیرا ہے تاکہ اپنے صارفین کو مسلسل اور بلا تعلق پروڈکٹس اور خدمات کی فراہمی کو یقینی بنایا جائے۔ ASU مصنوعات میں پروڈکشن کی قلت کے خدشے کو مینوفیکچرنگ کی نئی حکمت عملی کے ذریعے کم کیا جائے گا۔ کمپنی کی پروڈکشن کی لاگت پر توانائی کی قیمتوں میں غیر معمولی اضافے سے برا اثر پڑا ہے۔ اس فرق کو صارفین کی طرف بڑھا کر، جہاں ممکن ہو اور آپریشن کی لاگت میں کفایت اور کنٹرول کے اقدامات کے ذریعے ختم کیا جائے گا۔

فنانس ریسکس

کمپنی کو مالی اثاثہ جات اور قرضہ جات میں مجموعی طور پر نقصان کا خدشہ بہت محدود ہے۔ کمپنی کو یقین ہے کہ اسے قرضوں کے سلسلے میں کسی بڑے نقصان کا اندیشہ نہیں ہے کیونکہ اس قسم کے نقصان کے اندیشے کو سٹریٹجک ڈیویڈنڈ کی ادھار کی حد سے قابو کیا جاسکتا ہے۔ کمپنی اپنے مالی نقصان کے اندیشے کو دور کرنے کے انتظامات کرتی ہے جس کی تفصیل فنانس ریسکس اسٹیٹمنٹ کے نوٹ 37 میں درج ہے۔

کمپلائنس ریسکس

آپ کے بورڈ اور انتظامیہ نے نہ صرف قابل اطلاق قوانین اور ضوابط کی تعمیل کو یقینی بنانے کیلئے بلکہ بہترین بین الاقوامی طریقوں کے برابر رہنے کیلئے ایک مضبوط گورننس اور قانونی ڈھانچہ تشکیل دیا ہے۔

بورڈ آف ڈائریکٹرز

گزشتہ سالانہ رپورٹ 2020 سے اب تک آپ کی کمپنی کے بورڈ میں کوئی تبدیلی نہیں ہوئی۔ بورڈ کی موجودہ ترتیب درج ذیل ہے:

ڈائریکٹرز کی کل تعداد:

9 (اے) مرد

1 (بی) خاتون

ہیئت ترکیبی:

4 (اے) خود مختار ڈائریکٹرز

6 (بی) نان ایگزیکٹو ڈائریکٹرز

بورڈ کی کمیٹیاں:

بورڈ نے چار کمیٹیاں تشکیل دی ہیں جن کی تفصیلات رپورٹ کے صفحہ 49 پر ”کارپوریٹ گورننس سیکشن“ میں مہیا کی گئی ہیں۔

ڈائریکٹرز کا معاوضہ

شیمز ہولڈرز نے 71 ویں سالانہ اجلاس عام منعقدہ 21 اپریل 2020 کو ایک خصوصی قرارداد کے ذریعے کمپنی کے بورڈ آف ڈائریکٹرز کو مجاز قرار دیا کہ وہ وقتاً فوقتاً کمپنی کے آرٹیکلز آف ایسوسی ایشن کے آرٹیکل 74 کی پیروی میں کمپنی کے ڈائریکٹرز کو قابل ادائیگی فیس کا تعین اس بنیاد پر کریں جیسا کہ بورڈ آف ڈائریکٹرز متعین کرے بشمول بورڈ آف ڈائریکٹرز کے ممبرز اور ڈائریکٹرز کی ہر کمیٹی کے ممبرز اور چیئرمین آف بورڈ آف ڈائریکٹرز اور ڈائریکٹرز کی کسی بھی کمیٹی کے چیئرمین کیلئے مذکورہ بالا عمومی قواعد کو محدود کئے بغیر، مختلف فیوسوں کا تعین کرے۔

ملازمین کی صحت و عافیت بھی ہماری اولین ترجیحات میں شامل ہے۔ سال کے دوران میں ملازمین کیلئے ہیلتھ اینڈ ویلنیس پروگرام کا آغاز کیا گیا۔ بیرونی اسپیشلسٹ کی جانب سے صحت کو برقرار رکھنے اور صحت بخش طرز زندگی اپنانے کے بارے میں کئی سیشن منعقد کئے گئے اور ہیلتھ کیئر پریکٹیشنرز کی جانب سے طبی معائنے اور فرداً فرداً طبی مشوروں کے سیشنز کا بھی اہتمام کیا گیا۔

کمپنی کے کرسٹل، میکینکل اور کارپوریٹ اسٹریٹجی میں تمام اہم عہدوں کیلئے ایک بھرپور جانشینی کی پلاننگ کا نظام کام کر رہا ہے۔ 2021 میں اداراتی اہلیت بہتر کرنے کیلئے متعدد ملازمین کو اندرونی طور پر دوسری پوزیشنز پر منتقل کیا گیا۔ جانشینی کیلئے شناخت کئے گئے ملازمین کو اضافی ذمہ داریوں اور متعلقہ ٹریننگ کے ذریعے تیار کیا گیا۔

پاکستان آکسیجن کے مستحکم ورثہ میں مسلسل بہتری، جدت اور اعلیٰ کارکردگی شامل ہے۔ سالانہ کانفرنس 2021 کے دوران کمپنی کے نئے وژن، مشن اور بنیادی اقدار کا اعلان کیا گیا۔ کمپنی کی ضابطہ اخلاق اور ان پر ہمیشہ عمل درآمد ہماری کمپنی کے کلچر کا ایک اور اہم حصہ ہے۔ ہم ایک دوسرے کے ساتھ دیانتداری اور احترام کے ماحول میں پیش آتے ہیں۔

کاروباری اہداف کی فراہمی میں اعلیٰ ترین درجہ کے فروغ کیلئے شاندار صلہ اور خدمات کے اعتراف کے پروگرام منعقد کئے جاتے ہیں اور ان افراد کو انعامات دیئے جاتے ہیں جو عہدہ کی پابندی، خلوص نیت اور اچھی کارکردگی کا مظاہرہ کرتے ہیں۔

شعبہ جاتی کارکردگی: انفارمیشن سروسز (IS)

کمپنی نے اپنی قائدانہ حیثیت برقرار رکھنے اور مارکیٹ کے بدلنے ہوئے انداز اپنانے کیلئے ڈیجیٹل اقدامات کے حصول اور ٹیکنالوجی اپنانے کیلئے سرمایہ کاری کی ہے۔ سال کے دوران میں، IT سروسز ٹیم نے لیکویڈ پروڈکٹ کی شیڈولنگ اور ڈیوری کے طریقہ کار کو ڈیجیٹلائز کر دیا جس کے نتیجے میں ٹریڈ ورکنگ کیپٹل منجھٹ میں نمایاں بہتری آئی، SAP پروڈکشن پلاننگ موڈیول پر عمل درآمد کے نتیجے میں الیکٹرو ڈیمینڈ مینجنگ پلاننگ اور کاسٹنگ پروسیجرز میں بہتری آئی۔ ای کامرس آن لائن اسٹور شروع کر دیا گیا تاکہ سیلز چینلز میں اضافہ ہو اور کمپنی کی ویب سائٹس کی جدید یزائن اور شکل کے ساتھ تجدید کی گئی جس سے صارفین کیلئے زیادہ دلچسپی پیدا ہوئی۔

کمپنی کی بنیادی سرگرمیاں اور کاروباری شعبہ جات

کمپنی انڈسٹریل اور میڈیکل گیسز، ویلڈنگ الیکٹروڈز، ہارڈ گڈز اور میڈیکل آلات کی تیاری اور فروخت اور انجینئرنگ کی خدمات کی فراہمی میں مصروف عمل ہے کمپنی اپنی سرگرمیوں کو دو شعبہ جات میں شمار کرتی ہے: انڈسٹریل، میڈیکل اور دیگر گیسز اور ویلڈنگ اور دیگر۔

کارپوریٹ گورننس کے بہترین طرز عمل کی پیروی

کمپنی کے کارپوریٹ گورننس کے بہترین طرز عمل پر عمل درآمد کی صورتحال کے بارے میں "ایٹینٹ" کارپوریٹ گورننس سیکشن "میں صفحہ نمبر 49 پر درج ہے۔

اس کے علاوہ "ایٹینٹ" (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے ساتھ عمل درآمد کا اسٹیٹمنٹ مع آڈیٹر کی جائزہ رپورٹ برائے ممبرز بالترتیب صفحہ نمبر 55 اور 57 پر درج ہے۔

منافع منقسمہ کی تقسیم اور منافع کی تخصیص

کمپنی کی مالیاتی کارکردگی اور مستقبل کے نقد بہاؤ کی ضروریات کو مد نظر رکھتے ہوئے، کمپنی کے بورڈ آف ڈائریکٹرز نے ہر 100 شیئرز کیلئے 25 شیئرز یعنی 25% کے حساب سے بونس شیئرز کے اجراء کی سفارش کی ہے جو 26 اپریل 2022 کو منعقد ہونے والے 73 ویں سالانہ اجلاس عام میں ممبرز کی منظوری سے مشروط ہے۔ ایسے بونس شیئرز کے اجراء کا ذکر اگلے سال کے مالیاتی اسٹیٹمنٹس میں کیا جائے گا۔ ڈائریکٹرز کی جانب سے منظوری کی تخصیص درج ذیل ہے:

روپے (ہزاروں میں)

358,086

غیر تخصیص شدہ منافع (بمطابق 31 دسمبر 2020)

(78,121)

بونس شیئرز کا اجراء: ہر 100 شیئرز کے لئے 2 شیئرز کے تناسب سے

279,965

جنرل ریزرو میں منتقلی

451,104

خالص منافع بعد از ٹیکس برائے سال 2021

10,797

دوبارہ جانچ: خالص ایکچو ریبل منافع، جو دیگر جامع آمدنی میں شمار کیا گیا ہے۔

461,901

* غیر تخصیص شدہ منافع کی منتقلی برائے اگلی ادائیگی

بعد کے اثرات

117,181

مجوزہ بونس شیئرز کا اجراء بہ نسبت ہر ملکیتی 100 شیئرز پر 25 شیئرز یعنی 25%

344,720

جنرل ریزرو میں منتقلی

461,901

117,181

بونس شیئرز کا اجراء

نی شیئرز آمدنی: برائے سال 2021: 9.62 روپے (Restated : 2020 : 7.39 روپے)

گھنٹے ایمرجنسی کوڈ-19 ریسپانس ٹیم تشکیل دے کر ممکن بنایا گیا۔

پورے POL میں ایک Behavioral Safety پروگرام کا آغاز کیا گیا۔ یہ ورکشاپس پر مشتمل جامع پروگرام تھا جو تمام شعبوں کا احاطہ کرتا ہے، اس کے بعد آپریشنز کی انجام دہی کے سلسلے میں "train the trainer program" منعقد کیا گیا۔ پروگرام کا مقصد غیر محفوظ عادتوں کو بدلنا، کام کے دوران میں ضرر پہنچنے میں کمی لانا، غیر پیداواری اوقات کا ریکارڈ سے کم کرنا، اور کام کی جگہ کو بہتر بنانے کی حوصلہ افزائی پیش کرنا ہے۔

ماحولیات

پاکستان آکسیجن کے مستحکم ماحولیات کا عزم 2021 میں بھی جاری رہا۔ کمپنی نے نہ صرف شجر کاری کی مہم میں حصہ لینے کا سلسلہ جاری رکھا بلکہ گیٹوں کے اخراج، بہہ نکلنے والے لیکویٹیز اور ٹھوس ویسٹ ڈسپوزل سے متعلق ماحولیاتی معیارات پر عمل درآمد کیا۔ ہم نے ملتان میں اپنے نئے پلانٹ کے لئے Environmental Management Systems-ISO 14001 سرٹیفیکیشن حاصل کیا ہے اور اس کے ساتھ دیگر مربوط مینجمنٹ سسٹمز سرٹیفیکیشن (ISO 9001 اور ISO 45001) بھی حاصل کئے ہیں۔

شعبہ جاتی کارکردگی: ہیلتھ کیئر اینڈ میڈیکل انجینئرنگ سروسز

ہماری ہیلتھ کیئر ٹیم نے انتہائی مشکل حالات میں ملک بھر میں ہسپتالوں کو آکسیجن پہنچانے کیلئے دن رات کام کیا اور اس بات کو یقینی بنایا کہ سیکٹروں سرکاری اور نجی ہسپتالوں میں کوئی بھی آکسیجن سے محروم نہ رہ جائے۔ اس بھر پور کاوش سے کئی قیمتی جانیں بچانے میں مدد ملی۔ اس شعبہ نے سال 2021 کیلئے 3.1 ارب روپے کا نیا سنگ میل عبور کیا اور گزشتہ سال کے مقابلے میں 36% کاریکارڈ اضافہ ہوا۔ یہ اضافہ میڈیکل گیسز اور میڈیکل انجینئرنگ دونوں پورٹ فولیو کی شاندار کارکردگی کا ثمر ہے۔ اس شعبہ نے کئی معروف عالمی ہیلتھ کیئر کمپنیوں کے ساتھ مختلف شعبوں میں نئی پارٹنرشپ حاصل کی ہے جس میں PSA پلانٹس، ہاسپٹل لائڈری سسٹمز، سینٹرل اسٹریٹجی پلانٹس اور OT سے متعلق ڈیوائسز اور آلات اور دیگر اشیاء شامل ہیں۔ اس کے علاوہ اندرون خانہ R&D کے ذریعے کئی نئی مصنوعات ڈیولپ اور تیار کی گئی ہیں۔ کمپنی انجینئرنگ کے کاموں کے سلسلے میں تعمیر اور آپریشنز کیلئے پاکستان انجینئرنگ کونسل سے رجسٹریشن بھی حاصل کرنے میں بھی کامیاب رہی۔

شعبہ جاتی کارکردگی: انڈسٹریل گیسز

انڈسٹریل گیسز کے شعبہ کو پروڈکٹ کی محدود دستیابی کی بناء پر مارکیٹ میں مسلسل چیلنج کی صورتحال کا سامنا رہا کیونکہ کمپنی نے پورے سال کے دوران میں ہسپتالوں کو ترجیحی طور پر گیس فراہم کی۔ اس کے نتیجے میں فراہمی کی قلت کو کچھ حد تک مقامی خریداری اور درآمدات سے پورا کیا گیا۔ تمام ASU پلانٹس پوری گنجائش کے ساتھ کام کرتے رہے اور کمپنی کے صارفین کی ضروریات کو موثر طور پر پورا کیا گیا۔ پروڈکٹ کی عدم دستیابی سے جو منفی اثر پڑا تھا اسے جزوی طور پر کیمیکل شعبہ میں ہائیڈروجن بزنس کے مواقع حاصل کر کے پورا کیا گیا اور فوڈ اینڈ بیوریج کے شعبہ میں کلیدی صارفین کو CO₂ کی فروخت کر کے بڑھوتی کے مواقع حاصل کئے گئے۔ اسی طرح ہائیڈروجن کی فروخت کیلئے اسٹریٹجک پارٹنرز کے ساتھ ایک اہم دو سالہ معاہدہ کیا گیا جس سے کمپنی کو آنے والے ASU پراجیکٹ کیلئے پلانٹ لوڈنگ میں مدد ملے گی۔

شعبہ جاتی کارکردگی: ویلڈنگ اینڈ ہارڈ گڈز

کمپنی نے مقامی الیکٹروڈ کی فروخت میں 76% کا زبردست اضافہ حاصل کیا جبکہ درآمد شدہ الیکٹروڈ کی فروخت میں بھی گزشتہ سال کے مقابلے میں 63% اضافہ دیکھنے میں آیا۔ یہ اضافہ چینل کے موثر استعمال اور حتمی استعمال کنندگان کی بڑی تعداد میں موجودگی کے باعث حاصل ہوا۔ نیز متعدد نئی پروڈکٹس بھی کامیابی کے ساتھ پیش کی گئیں جس میں ویلڈنگ مشینز، 17018 الیکٹروڈ کا نیا ویریٹی، کٹنگ اینڈ گرائنڈنگ ڈسکس، جن سے کمپنی کو ویلڈنگ اینڈ ہارڈ گڈز کے کاروبار کو مارکیٹ میں مزید وسعت دینے کی مضبوط پوزیشن حاصل ہوئی۔

شعبہ جاتی کارکردگی: آپریشنز

کمپنی نے مینوفیکچرنگ کی استعداد میں بہتری لانے اور اپنی تمام مینوفیکچرنگ سائٹس کو معتبر بنانے کیلئے پیداواریت پر مبنی اقدامات پر توجہ مرکوز رکھی۔ سال کے دوران میں قابل اعتماد بنانے کے کئی اقدامات کی پلاننگ کی گئی اور ان پر عمل درآمد کیا گیا جس سے گزشتہ سال کے مقابلے میں 12.3% اضافہ ہوا۔ 60 TPD CO₂ پلانٹ کو کامیابی کے ساتھ دوبارہ شروع کیا گیا اور سائٹ کو فوڈ اینڈ بیوریج سیکٹر کے صارفین کی خدمات کیلئے ISO 14001, ISO 9001, FSSC 2200, Halal سرٹیفیکیشن حاصل ہوئی۔

تمام مینوفیکچرنگ سائٹس محفوظ طریقے سے کام کرتی رہیں اور ان میں کوآپریٹو مینجمنٹ سسٹمز برقرار رہے۔ مزید برآں ہسپتالوں کیلئے میڈیکل آکسیجن ٹینکس کی فوری ضروریات پوری کرنے کیلئے 8 ٹینکس کی تجدید کی گئی اور وبا کے خلاف کاوشوں میں مدد کیلئے ریکارڈ وقت میں ان کو نئی سائٹس پر نصب کیا گیا۔ پورٹ قاسم پر 11 ٹن فی شفٹ کے حساب سے الیکٹروڈ مینوفیکچرنگ فیسبلٹی اور 270 TPD ASU کے سول ورک کی تعمیر کا کام شروع کیا گیا۔ یہ دونوں بنیادی پروجیکٹس مارکیٹس کی بڑھتی ہوئی طلب کو پورا کرنے کیلئے بہت اہم ہیں۔

شعبہ جاتی کارکردگی: ہیومن ریسورسز

پاکستان آکسیجن اس بات پر یقین رکھتی ہے کہ تجارتی کامیابی اور پائیدار منافع بخش ترقی قابل ہیومن ریسورس کی بھرتی، ترقی اور ان کو برقرار رکھنے پر منحصر ہے اور اسی بناء کمپنی کی ترقی کی حکمت عملی کو آگے بڑھانے کیلئے ایک مضبوط کارکردگی کی شناخت کے کچھ کفر و غ دیا جاتا ہے اور اپنے ملازمین میں سرمایہ کاری کرنے کے عزم کے ساتھ انعام بھی دیا جاتا ہے۔

کمپنی نے ایمپلائز کے سیکھنے اور ان کے ارتقاء پر توجہ مرکوز رکھی۔ کمپنی کے کئی ایمپلائز نے صف اول مقامی تعلیمی اداروں میں اپنی ٹریننگ کی ضروریات کے تجزیے (TNAs) کے مطابق مختلف پیشہ ورانہ ترقی کے پروگراموں میں شرکت کی ہے۔ فرسٹ لائن کے مینیجرز کیلئے لیڈرشپ کی قابلیت اجاگر کرنے کیلئے ان ہاؤس ٹریننگ کی جانب سے ورکشاپس منعقد کی گئیں۔ انتظامیہ کے عملے کو آن لائن لرننگ کے پلیٹ فارم بھی مہیا کئے گئے ہیں جو وبا کے ماحول میں، بہت موثر ثابت ہوئے ہیں۔

ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز نہایت مسرت کے ساتھ سالانہ رپورٹ مع کمپنی کے آڈٹ شدہ مالیاتی گوشوارے برائے سال ختمہ 31 دسمبر 2021 پیش کرتے ہیں۔

قومی معیشت

میکرو اکنامک اسٹریکچر کے بے شمار چیلنجز اور صدیوں میں ایک بار پھیلنے والی وبا کے باوجود، جس نے دنیا بھر کے ملکوں کو بری طرح متاثر کیا، پاکستان کی معیشت اس وبا کے منفی اثرات سے بڑی حد تک محفوظ رہی۔ مالی سال 2021-2022 کے پہلے نو ماہ میں بڑے پیمانے کے مینوفیکچرنگ میں 8.99% اضافہ ہوا، جن میں نمایاں اضافہ کیمیکلز، اسٹیل، آٹوموبائل، آئل، لیڈر اینڈ ووڈ پروڈکٹس کے شعبہ جات میں ہوا۔ 30 جون 2021 کو ختم ہونے والے مالی سال کیلئے مجموعی طور پر جی ڈی پی کی نمو کی شرح 3.9% رہی اور CPI افراط زر جولائی تا دسمبر کی مدت کیلئے 9.8% مذکورہ وجوہات اور کچھ دیگر میکرو اکنامک ارتقاء کے پیش نظر اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ 9.75% تک بڑھا دیا۔

کمپنی کی کارکردگی کا عمومی جائزہ

سال کے دوران میں کمپنی نے 7 ارب روپے کی خالص سیلز پوسٹ کی، جو کمپنی کی طویل تاریخ کی سب سے زیادہ آمدنی ہے اور گزشتہ سال کے مقابلے میں نمایاں طور پر 26% زیادہ ہے۔ یہ کمپنی کے تمام شعبہ جات، چاہے وہ صنعتی یا میڈیکل گیسز ہوں، ویلڈنگ پورٹ فولیو ہو، یا میڈیکل انجینئرنگ سروسز (MES) کے پورٹ فولیو، سب کی مضبوط کارکردگی کی بناء پر حاصل ہوا۔

سب سے نمایاں اضافہ ہیلتھ کیئر کے شعبہ میں ہوا، جہاں ملک بھر کے سرکاری اور نجی ہسپتالوں نے آکسیجن کی فراہمی کیلئے پاکستان آکسیجن کو ترجیح دی اور آکسیجن کی بھرپور منداور بروقت سپلائی کیلئے کمپنی پر اعتماد کیا۔ اس کے سبب ہمیں قیمتی جائیں بچانے کی قومی کوششوں میں شرکت کرنے کا موقع ملا۔ کمپنی نے ایک "ایمرجنسی ریسپانس سینٹر" متعارف کروایا ہے جس نے مقامی طور پر تیار کردہ ٹیلی میٹرک اسٹاک مانیٹرنگ کے نظام اور ایک خود کارڈ پلیوری شیڈولنگ کے نظام پر انحصار کرتے ہوئے اپنے صارفین کے پاس آکسیجن لیول کے برقرار رکھنے کو ممکن بنایا۔

MES پورٹ فولیو بھی انجینئرنگ کی خدمات میں توسیع اور میڈیکل ایکویپمنٹ کے پورٹ فولیو میں وسعت کی بناء پر مضبوط سے مضبوط تر ہو گیا ہے۔ کمپنی ہیلتھ کیئر کی خدمات فراہم کرنے والی مکمل بھروسے مند کمپنی کی طور پر ابھری۔ ان طبی سہولتیں فراہم کرنے والے اداروں کیلئے جو اپنی سہولتوں کو مزید وسیع کرنے اور اپ گریڈ کرنے کیلئے پرعزم ہے تاکہ ہسپتالوں میں موجود کووڈ-19 کے مریضوں کی بڑھتی ہوئی تعداد کی مدد کر سکیں۔ سرکاری اور نجی دونوں شعبہ جات کے اشتراک سے کووڈ-19 کے مریضوں کے علاج کے سلسلے میں 2,700 سے زیادہ نئے مریضوں کے ہیڈز مع آکسیجن سپلائی سسٹمز ایک ریکارڈ وقت میں تیار کئے گئے۔

انڈسٹریل گیسز کے شعبہ نے بھی شاندار کارکردگی کا مظاہرہ کیا جس سے بڑے پیمانے کی مینوفیکچرنگ کے شعبہ میں اضافے کی رفتار کا پتہ چلتا ہے۔ پروڈکٹ کی عدم دستیابی کے چیلنجز کے باوجود، جو ہیلتھ کیئر کے شعبہ میں آکسیجن کی ترجیحی فراہمی کی بناء پر سامنے آئے، صنعتی صارفین کو مقامی اور درآمدات کے ذرائع سے حاصل کردہ پروڈکٹ فراہم کی گئی۔ CO₂ کے کاروبار نے کمپنی کے اپنے مینوفیکچرنگ پلانٹ کے دوبارہ کام شروع کرنے کے بعد ریکارڈ آمدنی پوسٹ کی۔ کمپنی نے بڑے فوڈ اینڈ بیوریج انڈسٹری کے صارفین سے اپنی CO₂ مینوفیکچرنگ فیسلسٹی اور معیاری مینجمنٹ سسٹمز کی توثیق حاصل کر لی۔ دیگر گیسز کی سیلز بھی بڑھی اور مرچنٹ سٹورز سے ہائیڈروجن کی طلب میں نمایاں اضافہ ہوا۔

ملک میں آکسیجن اور دیگر گیسز کی بڑھتی ہوئی طلب کے پیش نظر، کمپنی کے بورڈ آف ڈائریکٹرز نے خیر پختونخوا کے صوبے میں ایک نئے پلانٹ کی توسیع کی منظوری دے دی ہے۔ یہ پلانٹ پورٹ قاسم پر قائم 270 TPD ASU پلانٹ کے لئے جاری توسیعی پروجیکٹ کے علاوہ ہے جو 2022 کے آخر تک کمپنی کی موجودہ گنجائش کو دوگنا کر دے گا۔ KPK پروجیکٹ ASU پلانٹ، جو کمپنی کی پوزیشن کو مزید بہتر کرے گا جس سے نہ صرف KPK کے صوبے میں ہیلتھ کیئر کی ضروریات کو پورا کرنے میں مدد ملے گی بلکہ کئی صنعتوں کو خدمات فراہم کرے گا جو پیک پروجیکٹ کے ساتھ خصوصی اکنامک زون میں قائم کی جا رہی ہیں۔

ویلڈنگ اینڈ ہارڈ گڈز کے شعبہ جات میں اٹھائے گئے اقدامات بشمول بڑے پیمانے پر پکٹ کی مارکیٹ کیلئے مقامی طور پر تیار کئے گئے الیکٹروڈز متعارف کرانے سے 73% کی مضبوط شرح نمو حاصل ہوئی۔ بورڈ آف ڈائریکٹرز کی منظوری سے ایک نئے اسٹیٹ آف دی آرٹ الیکٹروڈ مینوفیکچرنگ پلانٹ لگانے سے اضافی گنجائش فراہم کرنے میں مدد ملے گی جس کے ذریعے الیکٹروڈ کی مارکیٹس کا ایک بڑا حصہ حاصل کرنے کا موقع ملے گا۔

سال کے لئے مجموعی منافع 1.4 ارب روپے ریکارڈ ہوا جو گزشتہ سال کے مقابلے میں 23% زیادہ ہے، اس کی وجہ آمدنی میں نمایاں اضافہ تھی۔ سال میں پروڈکشن کی لاگت میں تیزی سے اضافہ دیکھنے میں آیا جس کے نتیجے میں کمپنی کو قیمت فروخت کو ایڈجسٹ کرنا پڑا اور مارجن میں کٹوتی سے بچنے کیلئے اخراجات پر قابو پانے کے اقدامات کرنا پڑے۔

سال کے لئے اور ہیڈز، دیگر آمدنی نکال کر 608 ملین روپے رہے جو بنیادی طور پر افراط زر کے سبب گزشتہ سال سے زیادہ ہیں۔ مالیاتی لاگت، کڑی نگرانی کے باعث 119 ملین روپے رہی جو گزشتہ سال کی نسبت 27% کم ہے؛ اس کی بڑی وجہ بہتر ورکنگ کیپٹل مینجمنٹ اور سال کے بیشتر حصوں میں کم شرح سود کا ہونا تھی۔

اس سال بعد از ٹیکس منافع اور فی شیئر آمدنی (EPS) بالترتیب 451 ملین روپے اور 9.62 روپے رہی جو گزشتہ سال کے مقابلے میں 30% زیادہ ہے۔

تحفظ، صحت، ماحولیات اور معیار (SHEQ)

SHEQ پورے سال کے دوران میں کمپنی کے تمام آپریشنز کا محور رہا ہے۔ کووڈ-19 کے باعث درجہ غیر معمولی چیلنجز اور ہسپتالوں کو آکسیجن پہنچانے کیلئے اضافی دباؤ کے باوجود، کمپنی نے اس چیلنج کا مقابلہ کرتے ہوئے اس بات کو یقینی بنایا کہ کووڈ-19 کی شدت کے عرصے میں کوئی بھی سرکاری یا نجی ہسپتال آکسیجن سے محروم نہ رہے۔ اس ہدف کا حصول کووڈ-19 کے پروڈکٹوں کو مضبوط کر کے اور 24

MANAGEMENT TEAM



Matin Amjad
Chief Executive Officer



Syed Ali Adnan
Chief Financial Officer



Mazhar Ali
Head of Business Healthcare &
Medical Engineering Services



Arshad Manzoor
Head of Information Systems



Azhar Hussain
Head of Deliver & CAM



Farried Aman Shaikh
Head of Marketing Business
Development & Customer
Services Centre



Hassan Imran
Head of Business Bulk



M. Saad-e-Alam
Head of Operations



Mazhar Iqbal
Head of Human Resources &
Admin, Company Secretary &
Financial Controller



Raphae Fahim
Head of Sales - PGP,
Hardgoods & Distributors
Sales North-West



Shahbaz Khalil
Head of Sales - PGP,
Hard-goods & Distributors
Sales South

CORPORATE GOVERNANCE

Pakistan Oxygen Limited (the “Company”) attaches great importance to good corporate governance and operates its business in full compliance with the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Company’s Articles of Association as well as internal policies and procedures formulated by the Board of Directors. The governance of the Company is further strengthened by its code of ethics, risk management and sound internal control system which ensures objectivity, accountability and integrity. The Company continuously strives towards betterment of its governance in order to perpetuate it into generating long term economic value for its shareholders, customers, employees, other associated stakeholders and the society as a whole.

Compliance Statement

The Board of Directors has complied with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the “Regulations”), the Companies Act, 2017 (the “Act”), the requirements of Rule Book of Pakistan Stock Exchange and the Financial Reporting Framework of Securities & Exchange Commission of Pakistan (SECP).

The Directors are pleased to state as follows:

- The financial statements, prepared by the management of the Company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed and explained.
- The Company maintains sound internal control system which provides reasonable assurance against any material misstatement or loss. Such system is monitored effectively by the management; while the Board Audit Committee reviews internal control based on assessment of risks and reports to Board of Directors.
- There are no significant doubts upon the Company’s ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance.
- Key operating and financial data of last 10-year in a summarized form is given on Page No. 58 of this annual report.
- Information about outstanding taxes and levies is given in the notes to the financial statements.

- Information with respect to significant business plans and decisions for the future prospects of profits have been stated in the Directors Report as approved by the Board.
- The management of the Company is committed to good corporate governance, and appropriate steps are taken to comply with the best practices.

Investment in Retirement Benefits

The value of net asset available as benefits in the staff retirement funds as per their respective financial statements is as follows:

Name of Funds	Un-audited	Audited
Staff Provident Fund	-	Rs 146 million as at 31 July 2021
Employees’ Gratuity Fund	Rs 167 million as at 31 December 2021	Rs 148 million as at 31 December 2020
Management Staff Pension Fund	Rs 87 million as at 31 December 2021	Rs 86 million as at 31 December 2020
Management Staff Defined Contribution Pension Fund	Rs 180 million as at 31 December 2021	Rs 151 million as at 31 December 2020

Composition of Board of Directors

In pursuance of the Code of Corporate Governance (“CCG”), the Company encourages representation of Independent and Non-Executive Directors with gender diversity on its Board.

The existing Board of the Company, comprising 10 (ten) members and having core competencies, diversity, requisite skills, knowledge and experience, fulfils the criteria as considered relevant in the context of the Company’s operations.

The current composition of the Board is as follows:

Total number of Directors:

- (a) Male: 9
- (b) Female: 1

Composition:

Independent Directors: 4
Non-Executive Directors: 6

The Chairman of the Board, who is Non-Executive, ensures that the Board plays an effective role in fulfilling all its responsibilities while the Non-Executive Directors constructively challenge and help in formulating the strategy.

During the year 7 (seven) meetings of the Board of Directors, 4 (four) meetings of its Audit Committee and 3 (three) meetings of the Human Resource,

Remuneration & Nomination Committee were held. Attendance by each Director in the meetings of the Board and its Committees is as follows:

Name of Directors	Board of Directors	Audit Committee	Human Resource, Remuneration & Nomination Committee
	Attendance (2021)/Total # of meetings held during the year		
	7	4	3
Mr. Waqar Ahmed Malik	7	-	1
Mr. Matin Amjad*	7	-	-
Mr. Siraj Ahmed Dadabhoy	7	-	-
Syed Hassan Ali Bukhari	7	-	3
Sheikh Muhammad Abdullah	5	4	-
Mr. Shahid Mehmood Umerani	7	-	3
Mr. Feroz Rizvi	7	4	-
Mr. Muhammad Zindah Moin Mohajir	7	4	3
Mr. Shahid Abdul Sattar	7	4	-
Ms. Tushna D Kandawalla	6	-	3
Mr. Mohammad Younus Dagha	5	-	-
Syed Ali Adnan**	7	4	-
Mr. Mazhar Iqbal**	7	4	3

*Mr. Matin Amjad, Chief Executive, is a Deemed Director.

**Syed Ali Adnan, Chief Financial Officer and Mr. Mazhar Iqbal, Company Secretary do not hold directorship of the Company.

Leave of absence was granted to Directors who could not attend meetings.

Role and Responsibility of the Chairman and Chief Executive

The Board of Directors has clearly defined the respective roles and responsibilities of the Chairman (Non-Executive) and the Chief Executive.

The role of the Chairman is primarily to manage the Board, its various Committees and to ensure effective oversight of the Company's operations and performance in line with the business plan and strategy. The Chairman also ensures that the Board discharges its various fiduciary and other responsibilities as per the applicable laws and regulations. Additionally, the Chairman sets the agenda of the meeting of the Board and ensures that reasonable time is available for discussion of the same. Moreover, the Chairman, at the beginning of term of each Director, issues letter to Directors setting out their roles, obligations, powers and responsibilities in accordance with the Act and Company's Articles of Association.

The Chief Executive is responsible for all matters pertaining to the operations and functioning of the Company which, among others, include the following:

- making major corporate decisions
- managing the overall operations and resources of the Company
- acting as the main point of communication between the Board of Directors and corporate operations
- communicating, on behalf of the company, with shareholders, government entities, and the customers
- creating and leading the development of the Company's short- and long-term strategy; and
- implementing the Company's vision and mission.

Committees of the Board

The Committees of the Board act in line with their respective terms of reference as determined by the Board. These Committees assist the Board in discharge of its fiduciary responsibilities.

Audit Committee with brief terms of reference

Board Audit Committee (BAC) assists the Board in fulfilling its responsibilities, primarily in reviewing and reporting financial and non-financial information to shareholders and complying with all relevant statutory requirements and best practices of the Code of Corporate Governance. BAC also ascertains that internal control systems are adequate and effective, and reports matters of significance to the Board. BAC is authorized to call for information from management and to consult directly with independent professionals as considered appropriate.

The BAC of the Company consists of two Non-Executive Directors and two Independent Directors including its Chairman who is an Independent Director and financially literate. The Chief Executive Officer does not attend meetings of the Audit Committee while Chief Financial Officer attends meetings by invitation only with a limited participation. The Head of Internal Audit and an Engagement Partner of the External Auditors attend the meetings of the Audit Committee by invitation at which issues relating to accounts and audit are discussed. The Committee meets the External Auditors at least once a year without the Chief Financial Officer and the Head of Internal Audit being present.

The Audit Committee also meets the Head of Internal Audit and other members of the Internal Audit function, at least once in a year, without the Chief Financial Officer and the External Auditors being present. The present members of BAC are as follows:

1. Mr. Feroz Rizvi	Chairman	Independent Director
2. Mr. M Zindah Moin Mohajir	Member	Independent Director
3. Sheikh Muhammad Abdullah	Member	Non-Executive Director
4. Mr. Shahid Abdul Sattar	Member	Non-Executive Director

Mr. Mazhar Iqbal, Company Secretary, is the Secretary of the Committee.

The Internal Audit function has been outsourced by the Company to a professional services firm, M/s EY Ford Rhodes & Co, Chartered Accountants. Consequently, the Company has designated the Company Secretary as Head of Internal Audit who holds the required qualification and experience as prescribed under the Regulations to act as coordinator between the firm providing Internal Audit services and the Board.

Human Resource, Remuneration and Nomination Committee (HRR&NC) with brief terms of reference

HRR&NC assists the Board in the effective discharge of its responsibilities in matters relating to appointments of senior executives and their remuneration as well as management performance review, succession planning and career development. The HRR&NC supports the Board in search of potential candidates for election of directors including filling up casual vacancy(ies)

occurring on the Board. The HRR&NC also nominates candidate(s) and assists the Board in evaluation of their skills, knowledge and experience as considered relevant in the context of Company's operations.

The HRR&NC comprises of two Non-Executive Directors and two Independent Directors including the Chairman who is an Independent Director. The present members are as follows:

1. Mr. M Zindah Moin Mohajir	Chairman	Independent Director
2. Syed Hassan Ali Bukhari	Member	Non-Executive Director
3. Mr. Shahid Mehmood Umerani	Member	Non-Executive Director
4. Ms. Tushna D Kandawalla	Member	Independent Director

The Secretary of the Committee is Mr. Mazhar Iqbal, Head of Human Resources & Admin, Company Secretary & Financial Controller.

Strategy Committee with brief terms of reference

The Strategy Committee formulates strategic policies and provides advisories to Board members on important business direction including organizational matters and mergers & acquisitions, thereby supporting Board and CEO in achieving Company's strategic goals to deliver a long-term shareholder value creation.

The Committee comprises 5 members including 3 Non-Executive Directors, 1 Independent Director and Chief Executive Officer. The present members of the Committee are as follows:

1. Mr. Waqar Ahmed Malik	Chairman	Non-Executive Director
2. Mr. Matin Amjad	Member	Chief Executive Officer
3. Mr. Siraj Ahmed Dadabhoy	Member	Non-Executive Director
4. Mr. Shahid Mehmood Umerani	Member	Non-Executive Director
5. Mr. Mohammad Younus Dagha	Member	Independent Director

Syed Ali Adnan, Chief Financial Officer, is the Secretary of the Committee.

Share Transfer Committee

The Committee approves registration, transfers and transmission of shares, a summary of which is subsequently notified to the Board.

This Committee comprises of the following members:

1. Mr. M Zindah Moin Mohajir	Chairman	Independent Director
2. Mr. Matin Amjad	Member	Chief Executive Officer

The Secretary of the Committee is Mr. Wakil Ahmed Khan, Manager - Corporate Services.

Engagement of Directors in other companies/entities

Mr. Waqar Ahmed Malik

- Fauji Fertilizer Company Limited - Non-Executive Chairman
- Fauji Cement Company Limited - Non-Executive Chairman
- Fauji Fertilizer Bin Qasim Limited - Non-Executive Chairman

- Mari Petroleum Company Limited - Non-Executive Chairman
- Fauji Foundation - CEO and MD
- Fauji Infravest Foods Ltd - Non-Executive Chairman
- Foundation Wind Energy-I Ltd - Non-Executive Chairman
- Foundation Wind Energy-II Ltd - Non-Executive Chairman
- FFC Energy Ltd - Non-Executive Chairman
- Foundation Power Co Daharki Ltd - Non-Executive Chairman
- Fauji Fresh n Freeze Ltd - Non-Executive Chairman
- Fauji Kabirwala Power Co Ltd - Non-Executive Chairman
- FFBL Power Company Ltd - Non-Executive Chairman
- Foundation Solar Energy Pvt Ltd - Non-Executive Chairman
- Fauji Akbar Portia Marine Terminal Ltd - Non-Executive Chairman
- Daharki Power Holdings Co Ltd - Non-Executive Chairman
- Fauji Trans Terminal Ltd - Non-Executive Chairman
- Fauji Oil Terminal & Distribution Co Ltd - Non-Executive Chairman
- Askari Cement Ltd - Non-Executive Chairman
- Pakistan Maroc Phosphore - Non-Executive Chairman
- Askari Bank Ltd - Non-Executive Chairman
- Rafhan Maize Products Co Ltd - Independent and Non-Executive Director
- Advisory Board of Institute of Business Administration - Member
- Pakistan Mobile Communication Limited - Advisory & Board membership (Non-Executive)
- i-Care Pakistan - Trustee

Mr. Matin Amjad

- Askari Cement Limited - Director
- BOC Pakistan (Private) Limited - CEO & Chairman
- Pakistan Oxygen Limited - Staff Provident Fund - Chairman
- Pakistan Oxygen Limited - Employees Gratuity Fund - Chairman
- Pakistan Oxygen Limited - Management Staff Pension Fund - Trustee
- Pakistan Oxygen Limited - Management Staff Defined Contribution Pension Fund - Trustee
- Pakistan Oxygen Limited - Share Transfer Committee - Member

Mr. Siraj Ahmed Dadabhoy

- Aion Partners - Executive Chairman
- Adira Capital Holdings (Private) Limited - Director
- Alpha Beta Capital (Private) Limited - Director
- TPL Properties Limited - Director
- Aion Global - Chief Executive Officer

Syed Hassan Ali Bukhari

- Bank Al Habib Limited - Director
- Quick Food Industries Pvt Ltd - Director

- Pakistan Gum and Chemicals Limited – Director
- HR and Remuneration Committee of Bank Al Habib Limited – Member
- Credit Risk Management Committee of Bank Al Habib Limited – Member
- Audit Committee of Bank Al Habib Limited – Member
- IFRS 9 Committee of Bank Al Habib Limited – Member
- Hilton Pharma Staff Provident Fund – Trustee
- Nafis and Sardar Yasin Malik Foundation – Trustee
- Hilton Pharma (Private) Limited – Advisor

Sheikh Muhammad Abdullah

- Soorty Enterprises (Private) Limited – VP Finance and Corporate
- NASDA Green Energy (Pvt.) Ltd – Company Secretary
- Skyline Enterprises (Pvt.) Ltd – Company Secretary

Mr. Shahid Mehmood Umerani

- Valustrat Consulting Group (including Regional Offices and Subsidiaries in the Middle East) – Chairman

Mr. Feroz Rizvi

- Engro Polymer & Chemicals Limited – Director
- Al Meezan Investment Management Limited – Director
- Board Audit Committee Engro Polymer & Chemicals Limited – Chairman
- Board Audit Committee Al Meezan Investment Management Limited – Chairman
- Peoples Committee Engro Polymer & Chemicals Limited – Member
- Institute of Chartered Accountants of Pakistan – Nominee Member of Federal Government

Mr. Muhammad Zindah Moin Mohajir

- GSK Consumer HealthCare Pakistan Limited – Chairman
- Wyeth Pakistan Limited – Director
- Loads Limited – Director
- Board Audit Committee of Wyeth Pakistan Limited – Chairman
- Board Audit Committee of Loads Limited – Chairman
- Board Audit Committee of GSK Consumer HealthCare Pakistan Limited – Member
- HR and Remuneration Committee of GSK Consumer HealthCare Pakistan Limited – Member
- Share Transfer Committee of Wyeth Pakistan Limited – Member

Mr. Shahid Abdul Sattar

- Adira Capital Holdings (Pvt) Limited – Chief Executive
- Alpha Beta Capital (Private) Limited – Chief Executive
- Paradigm Pakistan Limited – Chief Executive
- Paradigm Services (Pvt) Limited – Chief Executive
- Paradigm RE (Pvt) Limited – Chief Executive
- Paradigm Factors (Pvt) Limited – Chief Executive
- Clifton Land Limited – Chief Executive
- HKC Limited – Director

- A - Naseer Charitable Trust – Trustee
- Karachi Tax Bar – Member

Ms. Tushna D Kandawalla

- Captain PQ Chemical Industries (Pvt) Ltd – Managing Director
- iCare America Fund – Vice President
- Captain Foundation – Trustee
- Kandawalla Trust – Trustee
- The Noorani Foundation – Trustee

Mr. Mohammad Younus Dagha

- Policy Advisory Board of FPCCI – Chairman

Internal and External Audit

Internal Audit

The Internal Audit function has been outsourced by the Company to a professional services firm, M/s EY Ford Rhodes & Co, Chartered Accountants. Consequently, the Company has designated the Company Secretary as Head of Internal Audit who holds the required qualification and experience as prescribed under the Regulations to act as coordinator between the firm providing Internal Audit services and the Board.

At Pakistan Oxygen Limited, Internal Audit aims to assist the Board of Directors and management in discharging their responsibilities by identifying and carrying out independent, objective audits aimed at creating value and improvement of business processes. It helps the organization to achieve its objectives by assessing and helping to improve the effectiveness of risk management, control mechanisms and the governance, management and monitoring of processes through a systematic and targeted approach.

To maintain the highest level of independence, Internal Audit has a functional reporting relationship directly to the Board Audit Committee (BAC). Such a reporting structure allows the Internal Audit to be completely independent from the Company's operations and to receive appropriate support in fulfilling the required role. In addition, the Internal Audit has unrestricted access to the Board Audit Committee Chairman, the Chief Executive Officer and the Chief Financial Officer of the Company to ensure that effective reporting and communication lines exist and guidance is sought as required. In order to ensure transparency of Internal Audit, all reports are shared with the External Auditors and all material findings from both Internal and External Audits are fully analyzed and discussed by the Audit Committee and the Board.

The BAC reviews all Internal Audit reports which are also discussed in detail with the BAC Chairman regularly. The work of Internal Audit is focused on areas of material risks to the Company, determined on the basis of a risk-based planning approach.

The Internal Audit follows the key principles of objectivity in gathering, assessment and communication of findings; independence from the audited entity; unlimited access to relevant information; integrity in execution of its functions and

confidentiality. Internal Audit also follows the Company's Code of Ethics.

External Audit

Shareholders appoint the External Auditors on a yearly basis at the Annual General Meeting of the Company as proposed by the Audit Committee and recommended by the Board of Directors. The annual financial statements are audited by independent External Auditors (BDO Ebrahim & Co.) and half-year financial reports are subject to a review by the same firm. Annual and six-monthly financial statements are initialed by the External Auditors before presenting them to the Audit Committee and the Board of Directors for approval. In addition to conducting audits and reviews, the auditors also report on any matters arising from the audit particularly in the key areas of focus.

Best Corporate Practices

The Company is committed to integrity in all its business dealings. Integrity and ethical values are prerequisites for everyone at the Company.

Governance standards and best corporate practices are regularly reviewed and updated by the Board to ensure their effectiveness and relevance in line with the Company's objective including implementation thereof.

The directors are also updated on promulgation of or amendment to a law, rule or regulation as notified by Securities & Exchange Commission of Pakistan and Pakistan Stock Exchange from time to time for information and compliance therewith.

The Board with active participation of all members in its meetings formulates and approves policies, strategies, business plans and provides guidance on operations and matters of significant importance. Additionally, the Board gives priority to compliance with all applicable legal and listing requirements.

Code of Ethics

The Company is committed to conducting its business in accordance with all applicable laws, rules and regulations and the highest ethical standards.

The Company has in place a Code of Ethics. This policy is designed to help employees conduct business in a legal and legitimate way and avoid violations of the Code of Ethics. Hence, all Company personnel, working at all levels and grades, including Senior Managers, Officers, Directors, Employees (whether permanent or temporary) are expected to conduct themselves with honesty, fairness and highest ethical standards, follow the Code of Ethics in letter and spirit, as well as abide by all anticorruption/bribery laws of Pakistan, and any other country where such Company personnel may conduct business for and on behalf of the Company, and avoid even the perception of impropriety or a conflict of interest.

The Company has a zero-tolerance approach to bribery and corruption in order to eliminate such undesirable behavior from the Company.

Insider Trading

The Company strictly observes 'closed period' prior to announcement of its interim and final results as prescribed in the Rule Book of Pakistan Stock Exchange during which no director, CEO, CFO, Company Secretary, Head of Internal Audit, designated executives, as determined by the Board, and their spouses can directly or indirectly deal in the shares of the Company.

During the year under review, no trading in the shares of the Company was carried out by its Directors, Chief Executive, Chief Financial Officer, Company Secretary, Head of Internal Audit, designated executives of the Company and their spouses.

Competition Law

The Company strongly believes in free and fair competition as embodied in its Code of Ethics. The Company fully supports healthy competition in the country and aggressively but fairly competes with its competitors staying within the bounds of applicable laws. At Pakistan Oxygen, we endeavor to win a business in a legitimate manner and to provide better products & services to our customers.

The Legal & Secretarial Department of the Company also endeavors to keep all the functional heads of the Company well informed of the importance of the competition laws and shares with them all related news items that appear from time to time in the press to ensure compliance with the competition laws.

Disclosure and Transparency

For the purpose of transparency, the Company always aims to provide shareholders and public up-to-date information about its business activities through the stock exchange, the press, its website and periodic financial statements as the case may be. The Company also publishes a financial calendar, which appears in its annual report, showing a tentative schedule for the announcement of financial results to be made in a calendar year.

Moreover, the Company follows the Companies Act, 2017 and applicable International Financial Reporting Standards (IFRS) and endeavors to provide as much supplementary information in the financial statements as possible.

Material Interests of Board of Directors

At the time of election/appointment and thereafter, on an annual basis, each of the Directors is required to disclose his/her directorship or membership held in any other body corporate or firm in compliance with Section 205 of the Companies Act, 2017. List of offices held by the Directors is maintained and updated as and when any change is notified by a Director which helps determine the related parties.

Related Party Transactions

The details of all related party transactions are placed before the Audit Committee and upon its recommendations the same are put up before the Board for review and approval.

Evaluation of the Board's Own Performance, its Committee(s) and Chief Executive Officer

The Board has aligned its mechanism for performance evaluation in line with the SECP's guidelines issued in April 2020. On the basis of this mechanism, the Directors have carried out in-house annual evaluation of the Board's own performance as well as performance of the Audit Committee and Chief Executive Officer of the Company. The mechanism is designed to assess and identify strengths and weaknesses in the performance of the Board, its Audit Committee and Chief Executive Officer covering sound corporate governance practices, strategy, roles of the Chairman, Directors & CEO, objective settings, effectiveness of the Board and its committees.

An evaluation proforma link is circulated to each of the members of the Board and Audit Committee requiring them to complete the questionnaires online with their comments. Directors provide their candid feedback through online questionnaires identifying issues, weaknesses and challenges. Results are compiled by the Company Secretary and shared with the Chairman. Subsequently, the results/findings in final report are submitted by the Chairman in the meeting of the Board with the intent to formulate the requisite strategies and action plans to address the identified challenges/issues for further improvement.

Annual General Meeting

The Company considers the Annual General Meeting as the most appropriate forum for open and transparent discussions with its shareholders where they get an opportunity to review business performance as well as financial information as contained in the annual report and accounts. The event not only provides an opportunity for the shareholders to raise questions to the Directors present but is also an opportunity for informing the shareholders about the future direction of the Company.

As the Company believes in transparency and disclosure of information for all its stakeholders, the Company, as required, gives notice of the general meeting in the press well before the prescribed time and offers free transportation service between a pre-designated generally convenient place and the venue of the meeting to encourage maximum attendance of its members at the general meeting.

Pattern of Shareholding

A statement showing the pattern of shareholding together with additional information thereon is given on

Page No. 117 and 118 to disclose the aggregate number of shares with the breakup of certain classes of shareholders as at December 31, 2021.

Details of shareholders, holding 10% or more shares as at December 31, 2021, are given hereunder:

S/No.	Name of Shareholders	Shares Held	%-age
1	Adira Capital Holdings (Private) Limited	15,536,694	33.15
2	Soorty Enterprises (Private) Limited	5,624,698	12.00

The highest, lowest and closing (year-end) market prices of Pakistan Oxygen shares during 2021 were as under:

Highest	28.04.2021	Rs 177.95
Lowest	16.04.2021	Rs 139.40
Closing (at year-end)	31.12.2021	Rs 152.92

STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

For the Year ended December 31, 2021

Pakistan Oxygen Limited (the "Company") has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are 10 as per the following:
 - a. Male: 9
 - b. Female:1
2. The composition of Board is as follows:
 - a) **Independent Directors**
 1. Mr. Feroz Rizvi
 2. Mr. Muhammad Zindah Moin Mohajir
 3. Mr. Mohammad Younus Dagha
 4. Ms. Tushna D Kandawalla
 - b) **Non-executive Directors**
 1. Mr. Waqar Ahmed Malik
 2. Mr. Siraj Ahmed Dadabhoy
 3. Syed Hassan Ali Bukhari
 4. Mr. Shahid Mehmood Umerani
 5. Sheikh Muhammad Abdullah
 6. Mr. Shahid Abdul Sattar
 - c) **Deemed Directors**
Mr. Matin Amjad – CEO
3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The company has prepared a Code of Ethics as its 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;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. 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. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations.
9. Majority of the Board members have completed their certification in DTP while one Director was granted exemption by SECP based on prescribed qualification and experience. The Chief Executive Officer (a Deemed Director) and Company Secretary also acquired certification in DTP from a recognized institution. Three Directors, out of 10, who do not hold DTP certificates, are well conversant with their duties and responsibilities as Directors of a listed company.
10. No new appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit has been made. However, the Board has approved their annual remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:
 - a) **Audit Committee**

Mr. Feroz Rizvi	Chairman	Independent Director
Mr. Muhammad Zindah Moin Mohajir	Member	Independent Director
Sheikh Muhammad Abdullah	Member	Non-Executive Director
Mr. Shahid Abdul Sattar	Member	Non-Executive Director
 - b) **Human Resource, Remuneration & Nomination Committee**

Mr. Muhammad Zindah Moin Mohajir	Chairman	Independent Director
Syed Hassan Ali Bukhari	Member	Non-Executive Director
Mr. Shahid Mehmood Umerani	Member	Non-Executive Director
Ms. Tushna D Kandawalla	Member	Independent Director
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.

14. The frequency of meetings of the committees was as per the following:

- a) Audit Committee 4 meetings held
- b) Human Resource,
Remuneration &
Nomination Committee 3 meetings held

15. The Board has outsourced the Internal Audit function to M/s EY Ford Rhodes & Co., Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in

compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors of the Company;

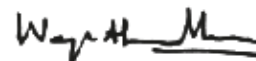
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

On behalf of the Board



Matin Amjad
Chief Executive Officer



Waqar Ahmed Malik
Chairman

Karachi: March 7, 2022



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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PAKISTAN OXYGEN LIMITED ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Pakistan Oxygen Limited for the year ended December 31, 2021 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2021.

KARACHI

DATED: MARCH 7, 2022

UDIN: CR2021100671pvn2H9Ql

CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

TEN-YEAR FINANCIAL REVIEW

	2012	2013	2014
	(Rupees in '000)		
Operating Results			
Sales	3,739,405	4,016,101	3,925,036
Gross Profit	954,170	764,231	710,372
Profit from Operations	564,252	350,459	295,078
Profit before Taxation	315,414	245,408	177,402
Taxation	(39,125)	(63,941)	(50,515)
Profit after Taxation	276,289	181,467	126,887
Dividends	175,271	137,713	112,674
Bonus shares issued			
Capital Employed			
Paid-up Capital	250,387	250,387	250,387
Revenue Reserves and Unappropriated Profits	1,428,510	1,452,807	1,440,580
Shareholders' Fund	1,678,897	1,703,194	1,690,967
Deferred Liabilities	204,192	291,789	339,425
Lease liabilities	-	-	-
Long-term Liabilities & Borrowings (net of cash)	538,037	959,159	1,171,059
	2,421,126	2,954,142	3,201,451
Represented by:			
Non - Current Assets	2,631,493	3,076,995	3,214,373
Working Capital	(210,367)	(122,853)	(12,922)
	2,421,126	2,954,142	3,201,451
Statistics			
Expenditure on Fixed Assets	839,481	684,267	400,265
Annual Depreciation & Amortisation	268,203	244,873	290,509
Earnings per share-Rupees (Restated)	5.89	3.87	2.71
Dividend per share-Rupees (Note 1)	7.00	5.50	4.50
Dividend Cover ; Times (Note 1)	1.58 x	1.32 x	1.13 x
Net Asset Backing per share-Rupees (Restated)	35.82	36.34	36.08
Return on average Shareholders' Fund (based on profit after tax)	16.95%	10.73%	7.48%
Dividend on average Shareholders' Fund (Note 1)	10.75%	8.14%	6.64%
Return on average Capital Employed (based on profit before financial charges & tax)	16.44%	16.44%	9.59%
Price/Earning Ratio (unadjusted) - times	26.04 x	46.20 x	76.64 x
Dividend Yield ratio (Note 1)	4.56%	3.08%	2.17%
Dividend Payout ratio (Note 1)	63.44%	75.89%	88.80%
Fixed Assets/Turnover Ratio	1.42	1.31	1.22
Debt/Equity Ratio	31:69	39:61	37:63
Current ratio	1.17	1.06	0.86
Interest Cover - Times	8.13 x	3.34 x	2.51 x
Debtors turnover Ratio	20.78	17.79	14.49
Gross Profit Ratio (as percentage of Turnover)	25.52%	18.10%	18.10%
Market Value per Share at year end	153.49	178.86	207.48

2015	2016	2017	2018	2019	2020	2021
(Rupees in '000)						
3,914,176	3,954,638	4,412,652	4,860,059	4,666,590	5,545,137	7,005,454
829,223	895,994	991,727	1,109,531	1,065,756	1,103,569	1,360,449
351,619	420,199	435,398	654,850	569,929	616,306	752,822
191,805	309,589	340,021	538,531	396,879	452,717	633,505
(50,951)	(92,703)	(99,988)	(139,836)	(96,294)	(106,436)	(182,401)
140,854	216,886	240,033	398,695	300,585	346,281	451,104
125,194	125,194	137,713	175,271	-	-	-
			75,116	65,101	78,121	117,181
250,387	250,387	250,387	250,387	325,503	390,604	468,725
1,469,133	1,562,974	1,716,975	3,648,593	3,818,236	4,111,221	4,524,471
1,719,520	1,813,361	1,967,362	3,898,980	4,143,739	4,501,825	4,993,196
399,414	397,383	356,990	317,812	282,803	259,292	235,765
-	-	-	-	29,530	23,210	20,588
1,371,743	1,184,877	1,146,845	1,288,606	1,505,282	1,289,282	2,642,317
3,490,677	3,395,621	3,471,197	5,505,398	5,961,354	6,073,609	7,891,866
3,193,016	3,212,333	3,030,626	4,661,754	4,575,999	4,597,390	6,019,310
297,661	183,288	440,571	843,644	1,385,355	1,476,219	1,872,556
3,490,677	3,395,621	3,471,197	5,505,398	5,961,354	6,073,609	7,891,866
279,445	350,411	175,133	210,914	254,493	407,448	1,802,659
328,713	344,959	358,751	367,847	359,643	379,052	379,442
3.01	4.63	5.12	8.51	6.41	7.39	9.62
5.00	5.00	5.5	7.00	-	-	-
1.13 x	1.73 x	1.74 x	2.27 x	-	-	-
36.69	38.69	41.97	83.18	88.40	96.04	106.53
8.26%	12.28%	12.70%	13.59%	7.47%	8.01%	9.50%
7.34%	7.09%	7.29%	5.98%	-	-	-
9.51%	12.20%	12.68%	14.59%	9.94%	10.23%	10.73%
38.68 x	42.22 x	43.13 x	24.69 x	25.73 x	20.75 x	15.89 x
4.30%	2.56%	2.49%	3.33%	-	-	-
88.88%	57.72%	57.37%	43.96%	-	-	-
1.23	1.23	1.46	1.04	1.02	1.21	1.16
43:57	36:64	25:75	6:94	0:100	5:95	20:80
1.09	0.75	0.89	0.89	1.03	1.22	1.27
2.52 x	3.80 x	4.57 x	5.63 x	3.29 x	3.77 x	6.31 x
10.68	8.25	7.44	7.25	6.17	7.73	11.21
21.19%	22.66%	22.47%	23%	23%	20%	19%
116.25	195.37	220.85	210.00	165.00	153.33	152.92

PROFIT AND LOSS ACCOUNT

VERTICAL AND HORIZONTAL ANALYSIS

	2021	2020	2019	2018	2017	2016
	(Rupees in '000)					
Net sales	7,005,454	5,545,137	4,666,590	4,860,059	4,412,652	3,954,638
Cost of sales	(5,645,005)	(4,441,568)	(3,600,834)	(3,750,528)	(3,420,925)	(3,058,644)
Gross profit	1,360,449	1,103,569	1,065,756	1,109,531	991,727	895,994
Distribution and marketing expenses	(302,261)	(249,234)	(253,805)	(207,554)	(285,079)	(235,127)
Administrative expenses	(265,258)	(245,902)	(223,943)	(207,487)	(235,669)	(229,614)
Other operating expenses	(76,167)	(55,423)	(45,454)	(55,429)	(62,813)	(32,046)
Other income	36,059	63,296	27,375	15,789	27,232	20,992
Operating profit	752,822	616,306	569,929	654,850	435,398	420,199
Finance costs	(119,317)	(163,589)	(173,050)	(116,319)	(95,377)	(110,610)
Profit before tax	633,505	452,717	396,879	538,531	340,021	309,589
Taxation	(182,401)	(106,436)	(96,294)	(139,836)	(99,988)	(92,703)
Profit for the year	451,104	346,281	300,585	398,695	240,033	216,886

	(Percentage of sales)					
Net sales	100	100	100	100	100	100
Cost of sales	(81)	(80)	(77)	(77)	(78)	(77)
Gross profit	19	20	23	23	22	23
Distribution and marketing expenses	(4)	(4)	(5)	(4)	(6)	(6)
Administrative expenses	(4)	(4)	(5)	(4)	(5)	(6)
Other operating expenses	(1)	(1)	(1)	(1)	(1)	(1)
Other operating income	0.5	1.1	0.6	0.3	1	1
Operating profit	11	11	12	13	10	11
Finance costs	(2)	(3)	(4)	(2)	(2)	(3)
Profit before tax	9	8	9	11	8	8
Taxation	(3)	(2)	(2)	(3)	(2)	(2)
Profit for the year	6	6	6	8	5	5

	(Percentage increase / (decrease) over preceding year)					
Net sales	26	19	(4)	10	12	1
Cost of sales	27	23	(4)	10	12	(1)
Gross profit	23	4	(4)	12	11	8
Distribution and marketing expenses	21	(2)	22	(27)	21	(4)
Administrative expenses	8	10	8	(12)	3	1
Other operating expenses	37	22	(18)	(12)	96	21
Other operating income	(43)	131	73	(42)	30	1
Operating profit	22	8	(13)	50	4	32
Finance costs	(27)	(5)	49	22	(14)	(12)
Profit before tax	40	14	(26)	58	10	61
Taxation	71	11	(31)	40	8	82
Profit for the year	30	15	(25)	66	11	54

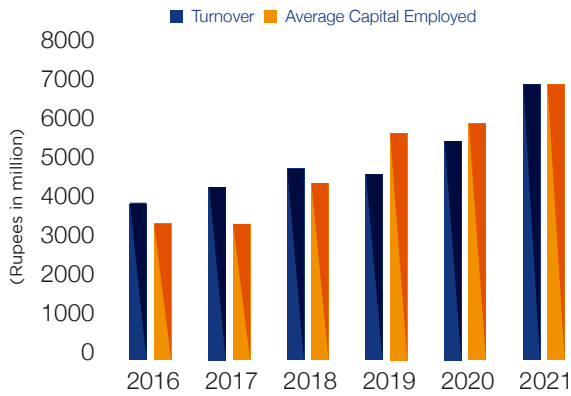
STATEMENT OF FINANCIAL POSITION

VERTICAL AND HORIZONTAL ANALYSIS

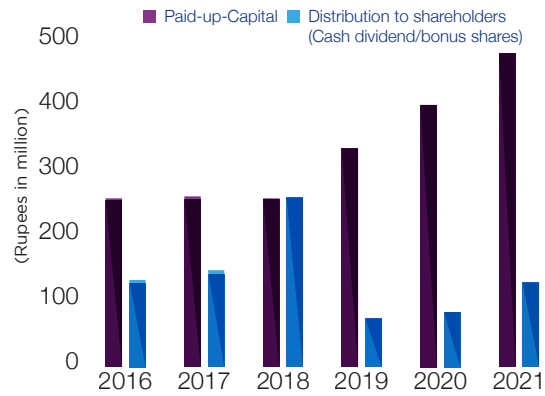
	2021	2020	2019	2018	2017	2016
(Rupees in '000)						
Equity and Liabilities						
Total equity	4,993,196	4,501,825	4,143,739	3,898,980	1,967,362	1,813,361
Total non-current liabilities	1,823,548	603,633	505,849	502,630	813,374	833,241
Total current liabilities	2,990,205	2,283,719	2,413,481	2,295,628	2,306,546	2,291,000
Total equity and liabilities	9,806,949	7,389,177	7,063,069	6,697,238	5,087,282	4,937,602
Assets						
Total non-current assets	6,019,310	4,597,390	4,575,999	4,661,754	3,030,626	3,212,333
Total current assets	3,787,639	2,791,787	2,487,070	2,035,484	2,056,656	1,725,269
Total assets	9,806,949	7,389,177	7,063,069	6,697,238	5,087,282	4,937,602
(Percentage of Balance Sheet Total)						
Vertical Analysis						
Equity and Liabilities						
Total equity	51	61	59	58	39	37
Total non-current liabilities	19	8	7	8	16	17
Total current liabilities	30	31	34	34	45	46
Total equity and liabilities	100	100	100	100	100	100
Assets						
Total non-current assets	61	62	65	70	60	65
Total current assets	39	38	35	30	40	35
Total assets	100	100	100	100	100	100
(Percentage increase / (decrease) over preceeding year)						
Horizontal Analysis - Year on Year						
Equity and Liabilities						
Total equity	11	9	6	98	8	5
Total non-current liabilities	202	19	1	(38)	(2)	(48)
Total current liabilities	31	(5)	5	-	1	70
Total equity and liabilities	33	5	5	32	3	6
Assets						
Total non-current assets	31	-	(2)	54	(6)	1
Total current assets	36	12	22	(1)	19	17
Total assets	33	5	5	32	3	6

KEY FINANCIAL DATA

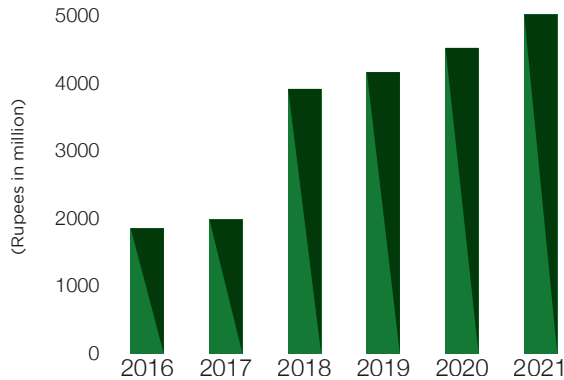
Turnover (net) and average capital employed



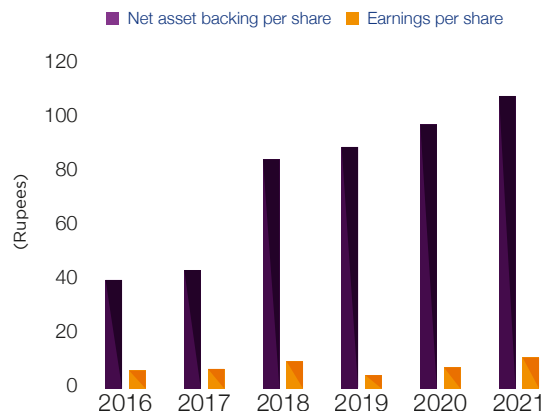
Paid-up capital and distribution to shareholders



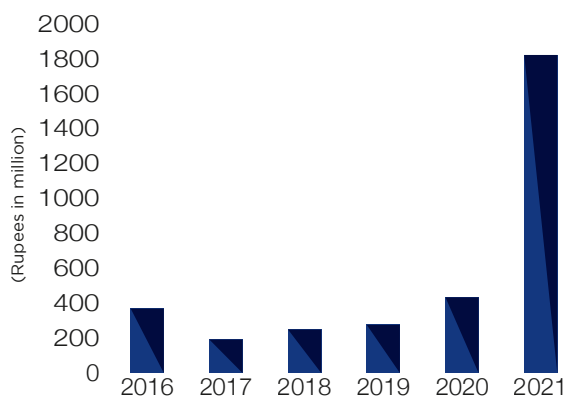
Shareholders' fund



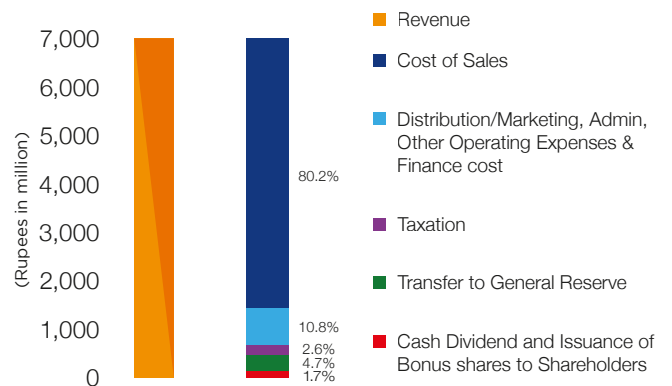
Break up values and EPS



Capital Expenditure



Application of Revenue 2021



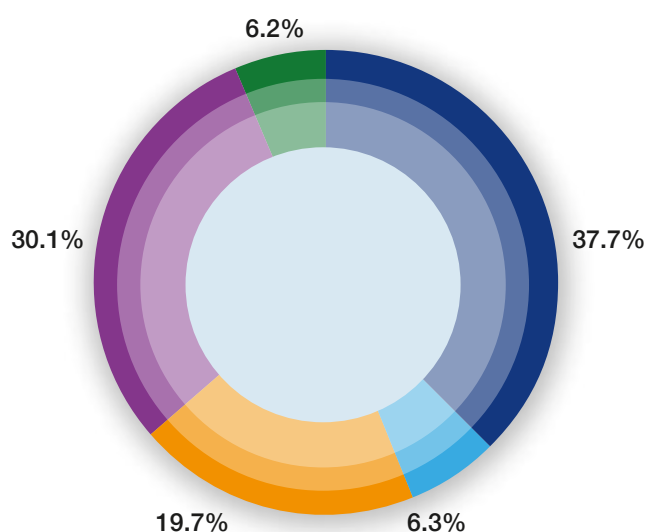
STATEMENT OF VALUE ADDED

The statement below shows the amount of wealth generated by the Company employees and its assets during the year and the way this wealth has been distributed:

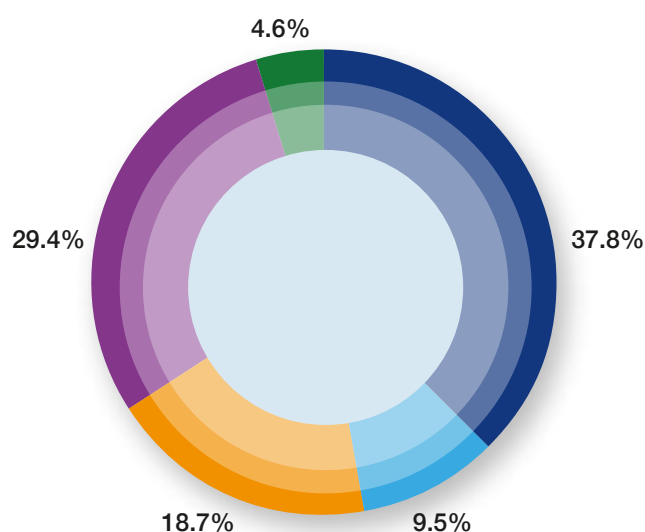
	December 31, 2021	December 31, 2020
(Rupees in '000)		
Wealth Generated		
Total Revenue (net of trade discount and sales tax)	7,041,513	5,608,433
Bought-in-material & services	(5,149,771)	(3,894,157)
	1,891,742	1,714,276
Wealth Distributed		
To Employees		
Salaries, wages and benefits	569,646	504,943
To Government		
Income Tax on Profit, Workers' Funds, Import Duties (exclusive of capital items) and un-adjustable Sales Tax	372,234	320,411
To Providers of Capital		
Issuance of bonus shares to shareholders*	117,181	78,121
To Lenders		
Finance cost	119,317	163,589
Retained in the Business		
Represented by depreciation and transfer to general reserve for replacement of fixed assets	713,365	647,212
	1,891,742	1,714,276

*Includes proposed Bonus shares issued subsequent to year end.

Wealth Generated and Distributed 2021



Wealth Generated and Distributed 2020



Net Retention

To Lenders

To Government

To Employees

To Shareholders

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAKISTAN OXYGEN LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of PAKISTAN OXYGEN LIMITED (the Company), which comprise the statement of financial position as at December 31, 2021, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2021 and of the profit and other comprehensive income, its cash flows and the changes in equity for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S. NO	KEY AUDIT MATTERS	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
1.	TRADE DEBTS	
	As disclosed in note 19 to the financial statements of the Company for the year ended December 31, 2021, the Company has a trade debts balance amounting to Rs. 653.763 million, which represents a significant element of the statement of financial position.	Our audit procedures included the following: We tested the design and effectiveness of internal controls implemented by the Company through the trade debts cycle.

S. NO	KEY AUDIT MATTERS	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
	<p>A discrepancy in the valuation or existence of trade debt could cause the assets to be materially misstated, which would impact the Company's reported financial position as the valuation of aforesaid head is one of the main drivers of movements in the total assets of the Company.</p> <p>Management estimates the collectible amount of trade debts through expected credit loss (ECL) approach. An estimated provision is made against trade debts on the basis of lifetime expected credit loss model as explained in note 4.22.1 whereas trade debts considered irrecoverable are written off.</p> <p>In view of the significance of trade debts in relation to the total assets of the Company, we considered impairment of trade receivables as a key audit matter due to the significant management judgment involved in determining the provision for expected credit losses and that the existence and carrying amount of trade debts could be material to the performance of the Company.</p>	<p>We circularized confirmation to a sample of trade debts with the outstanding balance at the end of the reporting period.</p> <p>We examined on a sample basis; evidence related to post year-end receipts.</p> <p>We considered the appropriateness for expected credit losses (ECL) against trade debts as per the Company's policy and assessed compliance with applicable accounting standards.</p> <p>We reviewed the methodology developed and applied by the Company to estimate the ECL in relation to trade debts and evaluated the assumptions used in applying the ECL methodology based on historical information and qualitative factors as relevant for such estimates.</p> <p>We evaluated the relevance, completeness, and accuracy of the source data used for computation of ECL.</p> <p>We checked the mathematical accuracy of the ECL model by performing recalculation on test basis.</p> <p>The adequacy of the disclosures and presentation in the financial statements regarding allowance for ECL was also assessed, based on the applicable accounting standards and requirements of Companies Act, 2017.</p>
2.	PROVISION FOR OBSOLESCENCE IN INVENTORIES	
	<p>As disclosed in note 17 and 18 to the financial statements, the Company has net inventories of Rs. 286.112 million and Rs. 1,041.152 million as at December 31, 2021 for stores and spares and stock in trade, respectively. The total inventories represent a significant portion of the Company's total assets.</p>	<p>Our audit procedures included the following:</p> <p>We evaluated the significant assumptions and methodologies applied by management to identify and provide for slow moving and obsolete inventory categories.</p> <p>We compared the ageing and provisioning percentages used by management in the current year to those applied in prior years and checked the reasonableness of provisioning basis using our understanding of industry practices.</p>

S. NO	KEY AUDIT MATTERS	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
	<p>The Company estimates the provision for slow moving and obsolete inventory of stock in trade based on their ageing and sales performance of individual stock categories and make specific provisions by individual stock categories. The Company also writes down the value of such inventories based on the net realizable value of inventories.</p> <p>Further, the provision for all slow moving and obsolete inventories of stores, spares and loose tools are based on the inventory days and specific identification of inventories through verification by management.</p> <p>In view of the significance of inventories in relation to the total assets of the Company, we considered provision for obsolescence in inventories as a key audit matter due to the significant management judgment involved in determining the provision for obsolescence of inventories and that the existence and carrying amount of inventories could be material to the performance of the Company.</p>	<p>We reviewed the year on year movement in provision for each category of inventories considering subsequent write offs, reversals on re-use and disposals.</p> <p>We compared the cost of inventories as at December 31, 2021 to their net realizable value subsequent to year end.</p> <p>We performed a recalculation of the inventory provision made to an individual inventory category based on the inventory ageing report. Further, we checked for damaged and obsolete inventory that were physically identifiable during stock count observation.</p>
3.	CAPITALIZATION OF PROPERTY, PLANT AND EQUIPMENT	
	<p>The Company continued to invest in capital projects with significant capital expenditure incurred during the year ended December 31, 2021. The significant level of capital expenditure requires consideration of the nature of the costs incurred to ensure that their capitalization in property, plant and equipment meets the specific recognition criteria given in the Company's accounting policy, in particular for assets constructed by the Company, and the useful lives assigned by management are appropriate. For these reasons, we considered it a key audit matter.</p> <p>Refer to note 14 to the financial statements.</p>	<p>Our audit procedures included the following:</p> <p>We assessed and tested the design and operation of its key controls over capital expenditure and tested the amounts capitalized to supporting evidence and evaluated whether assets capitalized satisfied the required recognition criteria. We also assessed the useful lives assigned with reference to the Company's historical experience, including assessing the level of fully depreciated assets held by the Company.</p> <p>We reviewed the minutes of the Company's Board of Directors and Audit Committee to evaluate the completeness of management's consideration of any events that warranted changes to the useful lives.</p> <p>We visited the sites where significant capital projects are ongoing to understand the nature of the projects.</p>

S. NO	KEY AUDIT MATTERS	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
		We ensured and assessed the adequacy of the disclosures presented in the financial statements regarding property, plant and equipment was also assessed, based on the applicable accounting standards and requirements of Companies Act, 2017.

Information Other than the Financial Statements and Auditor’s Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:


- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Zulfikar Ali Causer.

KARACHI

DATED: 07 MAR 2022

UDIN: AR2021100673F0nXuaWe



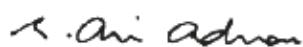
BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION

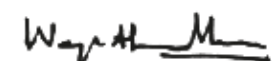
As at December 31, 2021

		December 31, 2021	December 31, 2020
	Note	(Rupees in '000)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	14	5,935,707	4,510,405
Intangible assets	15	27,359	29,818
Investment in subsidiary		10	10
Long term loans	16	5,395	6,318
Long term deposits		50,839	50,839
		6,019,310	4,597,390
CURRENT ASSETS			
Stores and spares	17	286,112	237,915
Stock-in-trade	18	1,041,152	653,012
Trade debts	19	653,763	595,604
Loans and advances	20	90,896	48,706
Deposits and prepayments	21	399,993	242,342
Other receivables	22	589,234	399,296
Taxation - net		296,734	395,073
Cash and bank balances	23	429,755	219,839
		3,787,639	2,791,787
TOTAL ASSETS		9,806,949	7,389,177
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 70,000,000 (2020: 70,000,000) Ordinary shares of Rs. 10 each		700,000	700,000
Issued, subscribed and paid-up capital 46,872,483 (2020: 39,060,403) Ordinary shares of Rs. 10 each	24	468,725	390,604
Revenue reserves			
General reserves		2,234,950	1,954,985
Unappropriated profit		461,901	358,086
		2,696,851	2,313,071
Capital reserves		1,827,620	1,798,150
		4,993,196	4,501,825
NON-CURRENT LIABILITIES			
Long term deposits	25	224,693	208,630
Lease liabilities	27	20,588	23,210
Long term financing	26	1,125,955	109,705
Deferred capital grant	28	216,547	2,796
Deferred liabilities	29	235,765	259,292
		1,823,548	603,633
CURRENT LIABILITIES			
Trade and other payables	30	1,417,497	1,063,879
Short term borrowings	31	1,394,044	1,083,064
Un-claimed dividend		19,428	19,945
Current portion of deferred capital grant	28	45,780	9,827
Current portion of lease liabilities	27	2,623	2,078
Current maturity of long term financing	26	110,833	104,926
		2,990,205	2,283,719
TOTAL EQUITY AND LIABILITIES		9,806,949	7,389,177
CONTINGENCIES AND COMMITMENTS			
	32		

The annexed notes from 1 to 44 form an integral part of these financial statements.


Syed Ali Adnan
 Chief Financial Officer


Matin Amjad
 Chief Executive Officer

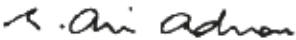

Waqar Ahmed Malik
 Chairman

STATEMENT OF PROFIT OR LOSS

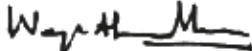
For the year ended December 31, 2021

		December 31, 2021	December 31, 2020
	Note	(Rupees in '000)	
Gross sales	5	7,758,276	6,143,995
Trade discount and sales tax	5	(752,822)	(598,858)
Net sales		7,005,454	5,545,137
Cost of sales	6	(5,645,005)	(4,441,568)
Gross profit		1,360,449	1,103,569
Distribution and marketing expenses	7	(302,261)	(249,234)
Administrative expenses	8	(265,258)	(245,902)
Other operating expenses	9	(76,167)	(55,423)
		(643,686)	(550,559)
Operating profit before other income		716,763	553,010
Other income	10	36,059	63,296
Operating profit		752,822	616,306
Finance costs	11	(119,317)	(163,589)
Profit before taxation		633,505	452,717
Taxation	12	(182,401)	(106,436)
Profit for the year		451,104	346,281
Earnings per share - basic and diluted (Rupees)	13	9.62	(Restated) 7.39

The annexed notes from 1 to 44 form an integral part of these financial statements.


Syed Ali Adnan
 Chief Financial Officer


Matin Amjad
 Chief Executive Officer

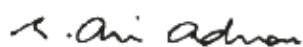

Waqar Ahmed Malik
 Chairman

STATEMENT OF COMPREHENSIVE INCOME

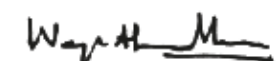
For the year ended December 31, 2021

		December 31, 2021	December 31, 2020
	Note	(Rupees in '000)	
Net profit for the year		451,104	346,281
Other comprehensive income for the year			
Items that will not be reclassified to statement of profit or loss			
Gain on re-measurement of defined benefit plans - net	35.1	15,207	16,627
Tax impact		(4,410)	(4,822)
		10,797	11,805
Items that may be reclassified to statement of profit or loss			
Changes in fair value of cash flow hedge		41,507	-
Tax impact		(12,037)	-
		29,470	-
Total comprehensive income for the year		491,371	358,086

The annexed notes from 1 to 44 form an integral part of these financial statements.


Syed Ali Adnan
 Chief Financial Officer


Matin Amjad
 Chief Executive Officer

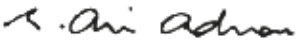

Waqar Ahmed Malik
 Chairman

STATEMENT OF CASH FLOWS

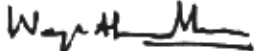
For the year ended December 31, 2021

	December 31, 2021	December 31, 2020
Note	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Cash generated from operations	645,162	948,674
Finance cost paid	(108,846)	(183,969)
Income tax paid	(122,916)	(152,982)
Post retirement medical benefits paid	(272)	(571)
Long term deposits - receivable	923	(78)
Long term deposits - payable	16,063	15,114
Net cash generated from operating activities	430,114	626,188
CASH FLOW FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(1,799,228)	(406,137)
Addition to intangible assets	(3,431)	(1,311)
Proceeds from disposal of property, plant and equipment	3,200	7,932
Interest received on balances with banks	1,428	787
Net cash used in investing activities	(1,798,031)	(398,729)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term financing	1,376,787	227,254
Repayment of long term financing	(104,926)	-
Repayment of lease liabilities	(4,491)	(5,972)
Dividend paid	(517)	(200)
Net cash generated from financing activities	1,266,853	221,082
Net (decrease) / increase in cash and cash equivalents	(101,064)	448,541
Cash and cash equivalents at beginning of the year	(863,225)	(1,311,766)
Cash and cash equivalents at end of the year	(964,289)	(863,225)

The annexed notes from 1 to 44 form an integral part of these financial statements.


Syed Ali Adnan
 Chief Financial Officer


Matin Amjad
 Chief Executive Officer



Waqar Ahmed Malik
 Chairman

STATEMENT OF CHANGES IN EQUITY

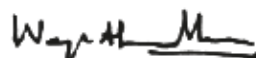
For the year ended December 31, 2021

	Issued, subscribed and paid-up capital	Revenue reserves			Capital reserves			Total
		General reserves	Unappropriated profit	Sub Total	Cash flow hedging reserve	Surplus on revaluation of property, plant and equipment	Sub Total	
(Rupees in '000)								
Balance as at January 01, 2020	325,503	1,725,250	294,836	2,020,086	-	1,798,150	1,798,150	4,143,739
Total comprehensive income for the year								
Profit for the year	-	-	346,281	346,281	-	-	-	346,281
Other comprehensive income for the year	-	-	11,805	11,805	-	-	-	11,805
	-	-	358,086	358,086	-	-	-	358,086
Transactions with owners of the Company, recognized directly in equity - distributions								
Issuance of bonus shares in proportion of 2 shares for every 10 shares	65,101	-	(65,101)	(65,101)	-	-	-	-
Transfer to general reserve	-	229,735	(229,735)	-	-	-	-	-
	65,101	229,735	(294,836)	(65,101)	-	-	-	-
Balance as at December 31, 2020	390,604	1,954,985	358,086	2,313,071	-	1,798,150	1,798,150	4,501,825
Total comprehensive income for the year								
Profit for the year	-	-	451,104	451,104	-	-	-	451,104
Other comprehensive income for the year	-	-	10,797	10,797	29,470	-	29,470	40,267
	-	-	461,901	461,901	29,470	-	29,470	491,371
Transactions with owners of the Company, recognized directly in equity - distributions								
Issuance of bonus shares in proportion of 2 shares for every 10 shares	78,121	-	(78,121)	(78,121)	-	-	-	-
Transfer to general reserve	-	279,965	(279,965)	-	-	-	-	-
	78,121	279,965	(358,086)	(78,121)	-	-	-	-
Balance as at December 31, 2021	468,725	2,234,950	461,901	2,696,851	29,470	1,798,150	1,827,620	4,993,196

The annexed notes from 1 to 44 form an integral part of these financial statements.


Syed Ali Adnan
 Chief Financial Officer


Matin Amjad
 Chief Executive Officer


Waqar Ahmed Malik
 Chairman

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

1 LEGAL STATUS AND OPERATIONS

Pakistan Oxygen Limited ("the Company") was incorporated in Pakistan under the repealed Companies Act, 1913 (now Companies Act, 2017), as a private limited company in 1949 and converted into a public limited company in 1958. Its shares are quoted on Pakistan Stock Exchange Limited.

The address of registered office of the Company is West Wharf, Dockyard Road, Karachi, Pakistan. Manufacturing facilities are disclosed in note 14.5.

The Company is principally engaged in the manufacturing of industrial and medical gases, welding electrodes and marketing of medical equipment.

The Company has a wholly owned subsidiary, BOC Pakistan (Private) Limited ("BOCPL"), which has not carried out any business activities since its incorporation. Accordingly, the Securities & Exchange Commission of Pakistan ("SECP") has granted status of inactive company to BOCPL. SECP has also granted exemption from application of sub-section (1) of section 228 of the Companies Act, 2017 requiring consolidation of subsidiary in the preparation of financial statements for the current year.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements represent standalone financial statements of the Company.

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ from IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis, except as otherwise disclosed. These financial statements are prepared following accrual basis of accounting except for cash flow information.

The preparation of these financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historic experience and other factors including reasonable expectations of future events.

2.3 Functional and presentation currency

The financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency. All financial information presented in Pakistani Rupees has been rounded to the nearest thousand unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

Information about judgements made by the management in the application of the accounting and reporting standards, as applicable in Pakistan, that have significant effect on the financial statements, and estimates that have a significant risk of resulting in a material adjustment in the subsequent years are provided below:

Income taxes

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

Provision for slow and non-moving inventory

The management continuously reviews its inventory for existence of any items which may have become obsolete. These estimates are based on historical experience and are continuously reviewed.

Staff retirement benefits

Certain actuarial assumptions have been adopted, as disclosed, in these financial statements for determining present value of defined benefit obligations and fair value of plan assets. Any changes in the assumptions in future years might effect gains and losses in those years.

Property, plant and equipment

The Company estimates the residual values and useful lives of property, plant and equipment. Any changes in these estimates and judgements would have an impact on financial results of subsequent years.

Trade debts and other receivables

An estimated provision is made on the basis of lifetime expected credit loss model as explained in note 4.22.1 whereas debts considered irrecoverable are written off.

Impairment of assets

In accordance with the accounting policy, the management carries out an annual assessment to ascertain whether any of the Company's assets are impaired. This assessment may change due to technological developments.

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Standards / amendments that are effective in current year and relevant to the Company

The Company has adopted the amendments to the following approved accounting standards as applicable in Pakistan which became effective during the year from the dates mentioned below against the respective standard:

		Effective date (annual periods beginning on or after)
IFRS 7	Financial Instruments: Disclosures - Amendments regarding replacement issues in the context of the IBOR reform	January 01, 2021
IFRS 9	Financial Instruments - Amendments regarding replacement issues in the context of the IBOR reform	January 01, 2021
IFRS 16	Leases - Amendments regarding replacement issues in the context of the IBOR reform	January 01, 2021
IFRS 16	Leases - Amendments regarding rent concessions related to Covid - 19	June 01, 2020

3.2 Standards / amendments that are effective in current year and not relevant to the Company

The Company has adopted the amendments to the following approved accounting standards as applicable in Pakistan which became effective during the year from the dates mentioned below against the respective standard which are not relevant to the Company:

IFRS 4	Insurance Contracts - Amendments regarding replacement issues in the issues in the context of the IBOR reform	January 01, 2021
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

Effective date (annual periods beginning on or after)

IAS 39 Financial Instruments - Amendments regarding replacement issues in the context of the IBOR reform

January 01, 2021

3.3 Standards / amendments not yet effective

The following amendments to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard:

Effective date (annual periods beginning on or after)

IFRS 3 Business Combinations - amendments updating a reference to the Conceptual Framework

January 01, 2022

IFRS 16 Leases - amendments regarding extended practical relief regarding Covid - 19 related rent concessions

April 01, 2021

IAS 1 Presentation of Financial Statements - amendments regarding the classification of liabilities as current or non-current

January 01, 2023

IAS 1 Presentation of Financial Statements - amendments regarding disclosure of Accounting Policies

January 01, 2023

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors' - amendments in the definition of Accounting Estimates

January 01, 2023

IAS 12 Income Taxes - amendments in Deferred Tax related to Assets and Liabilities arising from a single transaction

January 01, 2023

IAS 16 Property, Plant and Equipment' - amendments regarding proceeds before intended use

January 01, 2022

IAS 37 Provisions, Contingent Liabilities and Contingent Assets - amendments regarding the costs to include when assessing whether a contract is onerous

January 01, 2022

3.4 Standards or interpretations not yet effective

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1 First Time Adoption of International Financial Reporting Standards

IFRS 17 Insurance Contracts

The Company expects that the adoption of the other amendments and interpretations of the standards will not have any material impact and therefore will not affect the Company's financial statements in the period of initial application.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year. The principal accounting policies are summarised below:

4.1 Revenue recognition

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

i) Revenue from sale of goods or rendering of services is recognised when or as performance obligations are satisfied by transferring control (i.e. at the time when deliveries are made or services are rendered) of a promised good or service

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

to a customer, and control either transfers over time or at a point in time. Revenue from sale of goods and rendering of services is measured net of sales tax, returns, trade discounts and volume rebates.

- ii) Rental income is recognized over the period of relevant agreement based on agreed rate and other service income is recognized in statement of profit or loss on rendering of relevant services.
- iii) Return on bank deposits is recognized on time proportion using the effective rate of return.
- iv) Miscellaneous income is recognized on receipt basis.

4.2 Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the Company's management to make decisions about resources to be allocated to the segment and to 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, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and liabilities, such as, cash and bank balances and related income and expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment.

4.3 Dividend and appropriation to reserves

Dividend distribution to the Company's shareholders and appropriation to reserves are recognised in the financial statements in the period in which these are approved.

4.4 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in statement of profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of prior years.

Deferred

Deferred tax is recognised using the balance sheet liability method in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax recognised is based on expected manner of realisation or settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax losses and unutilised tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carried forward unused tax losses can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

4.5 Property, plant and equipment

Operating fixed assets

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any, except freehold land and leasehold land which are stated at revalued amount less impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and its cost can be reliably

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

measured. Cost incurred to replace a component of an item of property, plant and equipment is capitalised and the asset so replaced is retired from the use. Normal repairs and maintenance are charged to the statement of profit or loss during the year in which they are incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised in statement of profit or loss on a straight-line basis over the estimated useful life of an item of property, plant and equipment. Freehold land and leasehold are not depreciated. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Gains and losses on disposal

Gains or losses on disposal of an item of property, plant and equipment are recognised in the statement of profit or loss.

Capital work in progress

Capital work in progress is stated at cost and consists of expenditures incurred and advances made in respect of tangible and intangible assets in the course of their construction and installation. Transfers are made to the relevant asset category as and when assets are available for intended use.

Right of use asset

The right-of-use asset is initially measured at the amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred.

The right-of-use asset is subsequently depreciated using straight line method from the commencement date to the earlier of the end of useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

4.6 Intangible assets

An intangible asset is recognised if it is probable that future economic benefits attributable to the asset will flow to the enterprise and the cost of such asset can be measured reliably.

Cost directly associated with identifiable software that will have probable economic benefits beyond one year, is recognised as an intangible asset. Direct cost includes the purchase cost of software and other directly attributable costs of preparing the software for its intended use.

Computer software acquisition or development cost is stated at cost less accumulated amortisation and impairment losses, if any, and is amortised on straight-line basis over its estimated useful life.

4.7 Investment in subsidiary

Investment in subsidiary is stated at cost net of provision for impairment, if any. The investment has been classified as a long term investment.

4.8 Impairment

The carrying amounts of Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment losses are recognised in the statement of profit or loss.

4.9 Stores and spares

Stores and spares are stated at cost determined using moving average method. Provision is made for slow moving and obsolete items, if any. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

4.10 Stock-in-trade

Stock-in-trade is stated at the lower of cost and net realisable value. The cost is determined using moving average method, and includes expenditure incurred in acquiring the stocks, conversion costs and other costs incurred in bringing the inventory to its existing location and condition. Net realisable value is the estimated selling price in the ordinary course of

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

business, less the estimated costs of completion and costs necessary to make the sale. Stock in transit is valued at cost comprising invoice value plus other charges incurred thereon.

4.11 Trade debts and other receivables

Trade debts and other receivables are recognised and carried at original invoiced amount which is the fair value of the consideration to be received in future for goods sold less allowance for expected credit loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

4.12 Cash and bank balances

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

4.13 Cash and cash equivalents

Cash and cash equivalents comprises of cash balances and bank deposits. For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand, balances with banks and short-term running finance. Running finances under mark-up arrangements are shown with short term borrowings in current liabilities on the statement of financial position.

4.14 Staff retirement benefits

Defined benefit plans

The Company operates:

- i) an approved defined benefit gratuity scheme for certain eligible employees. Minimum qualifying period for entitlement to gratuity is five years continuous service with the Company. This gratuity scheme had been curtailed with effect from August 2018 for officers and January 2020 for supervisors. No new members have been inducted in this scheme since then, respectively. There are 88 members in this scheme.
- ii) an approved defined benefit pension scheme for certain management staff. The scheme provides for pension to employees and their wives for life and to specified number of children upto a given age. This pension scheme had been curtailed with effect from October 01, 2006. No new members have been inducted in this scheme since then. The members in this scheme are 19.

Both the above schemes are funded and contributions to them are made monthly on the basis of an actuarial valuation and in line with the provisions of the Income Tax Ordinance, 2001. Actuarial valuations of these schemes are carried out at each year end.

- iii) a scheme to provide post retirement medical benefits to members of Management Staff Pension Funds, retiring on or after July 01, 2000. Provision is made annually to cover obligations under the scheme, by way of a charge to statement of profit or loss, calculated in accordance with the actuarial valuation. However, with effect from January 01, 2009, the scheme has been discontinued and a one-time lump sum payment was made to the beneficiaries on the basis of their entitlement ascertained by a qualified actuary as at December 31, 2008. In the case of retirees, it was elective to opt for the one-time lump sum payment. The member in this scheme are 3.

Amount recognised in the statement of financial position with respect to above schemes represent the present value of obligations under the schemes as reduced by the fair value of plan assets, if any. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefit available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurements of net defined benefit liability / (asset) which comprises actuarial gains / (losses), return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest) are recognised immediately in other comprehensive income.

Net interest is calculated by applying discount rate at the beginning of reporting period to the net defined benefit liability or asset at the beginning of that reporting period adjusted for contribution and benefit payments, service cost, including past service cost and settlement gains / (losses) are recognised in statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

Defined contribution plans

The Company operates:

- i) a recognised defined contribution pension fund for the benefit of its officer cadre employees. Monthly contributions are made by the Company to the Fund at the rate of 8.9% of basic salary plus house rent and utility allowances, in respect of each member.
- ii) a recognised contributory provident fund for all permanent employees who have completed six months service. For officer cadre employees, equal monthly contributions are made, both by the Company and the employees at the rate of 5.42% and 6.5% of basic salary plus house rent and utility allowances, depending on the length of employees' service. In case of other employees, equal monthly contributions are made, both by the Company and the employees at the rate of 8.33% and 10% of basic salary plus applicable cost of living allowance, depending on the length of employees' service.

4.15 Compensated absences

The liability for accumulated compensated absences of employees is recognised in the period in which employees render service that increases their entitlement to future compensated absences.

4.16 Lease liability

Lease liability is initially measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in the rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

4.17 Deferred capital grant

The deferred capital grant is measured upon initial recognition as the difference between fair value of the loan and loan proceeds. The fair value of the loan is the present value of the loan proceed received, discounted using the prevailing market rates of interest for a similar instrument.

4.18 Trade and other payables

Trade and other payables are stated at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

4.19 Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of obligation. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimates.

4.20 Surplus on revaluation of property, plant and equipment

Any revaluation increase arising on the revaluation of property, plant and equipment is recognised in other comprehensive income and presented as a separate component of equity as "Surplus on revaluation of property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in statement of profit or loss, in which case the increase is credited to statement of profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of property, plant and equipment is charged to statement of profit or loss to the extent that it exceeds the balance, if any, held in the surplus on revaluation of property, plant and equipment relating to a previous revaluation of that asset. The revaluation surplus on property, plant and equipment is a capital reserve, and is not available for distribution to the shareholders.

4.21 Foreign currency transactions and translations

Transactions in foreign currencies are translated into Pakistan Rupees at exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are retranslated into Pakistan Rupees at the exchange rate prevailing at that date. Foreign currency differences, if any, arising on retranslation are recognised in statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

4.22 Financial instruments

4.22.1 Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Company as at statement of financial position date are carried at amortised cost.

Amortised cost

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at fair value through profit or loss:

- (i) it is held with in a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment

The Company recognises loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortised cost and contract assets. The Company measures loss allowance at an amount equal to lifetime ECLs.

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether the financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

4.22.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument.

4.22.3 Recognition and measurement

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at amortised cost. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

4.22.4 Derecognition

The financial assets are de-recognised when the Company loses control of the contractual rights that comprise the financial assets. The financial liabilities are de-recognised when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

4.23 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has a legally enforceable right to set-off the recognised amounts and the Company intends to settle either on a net basis or realise the asset and settle the liability simultaneously.

4.24 Borrowings and their cost

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of cost of that asset.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

4.25 Contingencies

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4.26 Earnings per share

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

4.27 Related party transactions

Transactions with related parties are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

4.28 Derivative financial instruments

When a derivative is designated as the hedging instrument to hedge the exposure to variability in cash flows attributable to a particular risk associated with a recognised asset or liability, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the cash flow hedge reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit and loss account.

When the hedge item is a non-financial asset, the amount accumulated in equity is included in the carrying amount of the asset when the asset is recognised. In other cases the amount accumulated in equity is reclassified to profit or loss in the same period the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. Derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative.

5 SEGMENT INFORMATION

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

Industrial, medical and other gases

This segment covers business with large-scale industrial customers, typically in the oil, chemical, food and beverage, metals, and glass sectors and medical customers in healthcare sector. Gases and services are supplied as part of customer specific solutions. These range from supply by pipeline or from dedicated on-site plants to the large users and supply by road tankers in liquefied form to others. Gases for cutting and welding, hospitals, laboratory applications and a variety of medical purposes are also distributed in cylinders. This segment also covers the supply of associated medical equipment.

Welding and others

This segment covers sale of welding electrodes, packaged chemicals and a range of associated equipments, such as, cutting and welding products and associated safety equipments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

5.1 Segment results are as follows:

	December 31, 2021			December 31, 2020		
	Industrial, medical and other gases	Welding and others	Total	Industrial, medical and other gases	Welding and others	Total
	(Rupees in '000)					
Gross sales	6,359,503	1,398,773	7,758,276	5,115,893	1,028,102	6,143,995
Less:						
Trade discount	8,651	-	8,651	8,308	-	8,308
Sales tax	545,725	198,446	744,171	442,967	147,583	590,550
	554,376	198,446	752,822	451,275	147,583	598,858
Net sales	5,805,127	1,200,327	7,005,454	4,664,618	880,519	5,545,137
Less:						
Cost of sales	4,624,802	1,020,203	5,645,005	3,694,258	747,310	4,441,568
Distribution and marketing expenses	262,242	40,019	302,261	219,150	30,084	249,234
Administrative expenses	230,138	35,120	265,258	216,220	29,682	245,902
	5,117,182	1,095,342	6,212,524	4,129,628	807,076	4,936,704
Segment result	687,945	104,985	792,930	534,990	73,443	608,433
Unallocated corporate expenses:						
Other operating expenses			(76,167)			(55,423)
Other income			36,059			63,296
			(40,108)			7,873
Operating profit			752,822			616,306
Finance costs			(119,317)			(163,589)
Taxation			(182,401)			(106,436)
Profit for the year			451,104			346,281

5.2 Transfers between business segments, if any, are recorded at cost. There were no inter segment transfers during the year.

5.3 There was no major customer whose revenue accounted for more than 10% of the Company's total revenue.

5.4 The segment assets and liabilities as at December 31, 2021 are as follows:

	December 31, 2021			December 31, 2020		
	Industrial, medical and other gases	Welding and others	Total	Industrial, medical and other gases	Welding and others	Total
	(Rupees in '000)					
Segment assets	7,370,546	546,186	7,916,732	5,615,991	380,945	5,996,936
Unallocated assets			1,890,217			1,392,241
Total assets			9,806,949			7,389,177
Segment liabilities	146,320	2,807	149,127	289,145	1,309	290,454
Unallocated liabilities			4,664,626			2,596,898
Total liabilities			4,813,753			2,887,352

5.5 All non-current assets of the Company as at December 31, 2021 were located within Pakistan. Depreciation expense mainly relates to industrial, medical and other gases segment.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

6 COST OF SALES		December 31, 2021	December 31, 2020
	Note	(Rupees in '000)	
Fuel and power		1,689,729	1,306,407
Raw materials consumed		1,192,227	829,985
Depreciation	14.4	341,825	339,155
Salaries, allowances and other benefits	6.1	292,094	235,720
Transportation expenses		500,286	361,799
Repairs and maintenance		96,254	103,411
Consumable spares		106,352	82,907
Insurance		46,078	22,668
Travelling and conveyance		33,805	31,753
Safety and security expenses		37,897	29,224
Communications and stationery		8,768	5,308
Rent, rates and taxes		5,291	4,568
Staff training, development and other expenses		2,021	1,431
Miscellaneous expenses		1,355	1,480
Cost of goods manufactured		4,353,982	3,355,816
Opening stock of finished goods		377,803	413,523
Purchase of finished goods		1,621,845	1,051,426
Write down / (reversal) of inventory to net realisable value		8,014	(1,394)
Closing stock of finished goods		(716,639)	(377,803)
		5,645,005	4,441,568

6.1 Salaries, allowances and other benefits include amounts in respect of:

Defined benefit schemes	1,424	932
Defined contribution plans	5,934	5,020
	7,358	5,952

7 DISTRIBUTION AND MARKETING EXPENSES

Salaries, allowances and other benefits	7.1	220,942	190,783
Travelling and conveyance		25,666	21,047
Depreciation	14.4	12,887	14,174
Communications and stationery		5,999	7,357
Repairs and maintenance		7,401	5,475
Safety and security expenses		1,874	1,873
Electricity expense		3,018	2,145
Rent, rates and taxes		272	295
Sales promotion and symposium		7,718	2,029
Staff training, development and other expenses		13,191	1,242
Miscellaneous expenses		3,293	2,814
		302,261	249,234

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

7.1 Salaries, allowances and other benefits include amounts in respect of:		December 31, 2021	December 31, 2020
	Note	(Rupees in '000)	
Defined benefit schemes		4,094	4,408
Defined contribution plans		18,437	18,013
		22,531	22,421

8 ADMINISTRATIVE EXPENSES

Salaries, allowances and other benefits	8.1	145,711	138,319
Travelling and conveyance		16,883	13,466
Communications and stationery		13,176	13,963
Depreciation	14.4	18,840	17,587
Repairs and maintenance		22,376	15,080
Electricity expense		14,509	14,242
Directors' fee and remuneration		18,940	17,488
Amortization	15.1	5,890	8,136
Safety and security expenses		1,302	1,662
Staff training, development and other expenses		2,483	1,227
Insurance		828	407
Rent, rates and taxes		1,580	1,547
Miscellaneous expenses		2,740	2,778
		265,258	245,902

8.1 Salaries, allowances and other benefits include amounts in respect of:

Defined benefit schemes		487	1,779
Defined contribution plans		10,996	9,634
		11,483	11,413

9 OTHER OPERATING EXPENSES

Workers' Profit Participation Fund		34,190	24,472
Workers' Welfare Fund		16,109	11,879
Legal and professional charges		23,524	16,398
Auditors' remuneration	9.1	2,342	2,239
Donations		2	340
Exchange loss - net		-	95
		76,167	55,423

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

9.1 Auditors' remuneration

		December 31, 2021	December 31, 2020
	Note	(Rupees in '000)	
Audit fee		1,164	1,058
Audit of retirement funds, workers' profit participation fund and fee for special certifications		443	473
Fee for review of half yearly financial statements		285	259
Out-of-pocket expenses		450	449
		2,342	2,239

10 OTHER INCOME

Income from financial asset:			
Mark-up income on saving and deposit accounts		1,428	787
Income from non financial assets:			
Gain on disposal of property, plant and equipment		2,825	4,825
Insurance claim		15,686	50,006
Liabilities no longer payable written back		-	1,631
Others		16,120	6,047
		36,059	63,296

11 FINANCE COSTS

Mark-up / profit on long term financing	11.1	3,249	1,611
Mark-up / profit on short term running finances	11.2	109,045	155,034
Finance cost on lease liability		2,414	3,231
Bank charges		4,609	3,713
		119,317	163,589

11.1 This represents markup on financing arrangement entered into by the Company with a commercial bank under "Refinance Scheme for Payment of Salaries to the Workers and Employees of Business Concerns" introduced by the State Bank of Pakistan.

11.2 This includes profit of Rs. 86.916 million (2020: Rs. 133.036 million) on facilities obtained under Islamic mode of financing.

12 TAXATION

		December 31, 2021	December 31, 2020
		(Rupees in '000)	
Current			
For the year		221,255	160,870
For prior years		-	(25,586)
Deferred		(38,854)	(28,848)
		182,401	106,436

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

12.1 Relationship between tax expense and accounting profit

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the Company's applicable tax rate as follows:

	December 31, 2021	December 31, 2020
	(Rupees in '000)	
Profit before taxation	633,505	452,717
Tax at the applicable tax rate of 29%	183,716	131,288
Prior year reversal	-	(25,586)
Others	(1,315)	734
	182,401	106,436

12.2 The returns of total income for and upto the tax year 2021 have been filed by the Company and the said returns, as per the provisions of Section 120 of the Income Tax Ordinance, 2001 ("the Ordinance"), have been taken to be the deemed assessment orders passed by the concerned Commissioner on the day the said returns were furnished. However, the Commissioner may, at any time during a period of five years from the date of filing of return, select the deemed assessment order for audit.

13 EARNINGS PER SHARE – BASIC AND DILUTED

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. There is no dilutive effect on the basic earnings per share of the Company.

	December 31, 2021	December 31, 2020
	(Rupees in '000)	
Profit for the year	451,104	346,281
	(Number in '000)	
		(Restated)
Weighted average number of ordinary shares at the year end	46,873	46,873
		(Restated)
Earnings per share - basic and diluted	9.62	7.39

13.1 The earning per share of prior year has been restated due to issue of bonus shares during the year.

14 PROPERTY, PLANT AND EQUIPMENT

		December 31, 2021	December 31, 2020
		(Rupees in '000)	
	Note		
Operating fixed assets	14.1	4,219,369	4,423,422
Capital work in progress	14.6	1,698,716	66,120
Right-of-use assets - Buildings	14.7	17,622	20,863
		5,935,707	4,510,405

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

14.1 Operating fixed assets

The following is the statement of operating fixed assets:

Freehold land	Leasehold land	Buildings on			* Plant and Machinery	Vehicles	Furniture, fittings and equipments	Computer equipments	Total
		freehold land	Leasehold land	customers' land					

(Rupees in '000)

Net carrying value basis year ended December 31, 2021

Opening net book value	1,637,301	375,000	169,563	30,738	3,740	2,127,467	57,403	8,269	13,941	4,423,422
Addition (at cost)	-	-	10,985	-	-	117,403	18,757	3,679	15,808	166,632
Disposal (NBV)	-	-	-	-	-	(21)	(288)	-	(65)	(374)
Depreciation charged	-	-	(14,245)	(4,831)	-	(316,622)	(20,529)	(2,318)	(11,766)	(370,311)
Closing net book value	1,637,301	375,000	166,303	25,907	3,740	1,928,227	55,343	9,630	17,918	4,219,369

Gross carrying value basis year ended December 31, 2021

Cost / revalued amount	1,637,301	385,526	298,822	104,029	21,841	6,212,685	171,498	78,752	89,449	8,999,903
Accumulated depreciation	-	(10,526)	(132,519)	(78,122)	(18,101)	(4,284,458)	(116,155)	(69,122)	(71,531)	(4,780,534)
Closing net book value	1,637,301	375,000	166,303	25,907	3,740	1,928,227	55,343	9,630	17,918	4,219,369

Depreciation rate
(% per annum)

	-	-	2.5 to 5	2.5 to 5	2.5 to 5	5 to 10	20	10 to 20	25 to 33.33	-
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Net carrying value basis year ended December 31, 2020

Opening net book value	1,466,221	375,000	182,067	34,858	3,740	2,287,054	61,943	10,867	19,197	4,440,947
Addition (at cost)	171,080	-	1,448	565	-	154,878	19,209	814	4,778	352,772
Disposal (NBV)	-	-	-	-	-	-	(4,105)	-	(47)	(4,152)
Depreciation charged	-	-	(13,952)	(4,685)	-	(314,465)	(19,644)	(3,412)	(9,987)	(366,145)
Closing net book value	1,637,301	375,000	169,563	30,738	3,740	2,127,467	57,403	8,269	13,941	4,423,422

Gross carrying value basis year ended December 31, 2020

Cost / revalued amount	1,637,301	385,526	287,837	104,029	21,841	6,095,282	152,741	75,073	73,640	8,833,270
Accumulated depreciation	-	(10,526)	(118,274)	(73,291)	(18,101)	(3,967,815)	(95,338)	(66,804)	(59,699)	(4,409,848)
Closing net book value	1,637,301	375,000	169,563	30,738	3,740	2,127,467	57,403	8,269	13,941	4,423,422

Depreciation rate
(% per annum)

	-	-	2.5 to 5	2.5 to 5	2.5 to 5	5 to 10	20	10 to 20	25 to 33.33	-
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* This includes capital spares having cost of Rs. 106.38 million (2020: Rs. 106.38 million) and net book value of Rs. 26.218 million (2020: Rs. 32.940 million).

14.2 Fair value measurement

Fair value of lands are based on the valuations carried out by an independent valuer M/s KG Traders (Private) Limited on the basis of market value.

Fair value of lands are based on assumptions considered to be level 2 in the fair value hierarchy due to significant observable inputs used in the valuation.

Valuation techniques used to derive level 2 fair values - Land

Fair value of land has been derived using a sales comparison approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input in this valuation approach is price / rate per square foot in particular locality. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the valuation.

There were no transfers between levels 2 and 3 for recurring fair value measurements during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

- 14.3 As at December 31, 2021, plant and machinery includes cylinders held by customers and Vacuum Insulated Evaporator (VIEs) installed at certain customers' sites for supply of gas products. Cost and net book values of such cylinders and VIEs are as follows:

	Cost		Net book value	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	(Rupees in '000)			
Cylinders	271,030	271,964	144,429	157,297
Vacuum Insulated Evaporator	754,892	754,892	247,689	286,157
	1,025,922	1,026,856	392,118	443,454

- 14.4 Depreciation has been allocated as follows:

	Note	December 31,	December 31,
		2021	2020
		(Rupees in '000)	
Cost of sales	6	341,825	339,155
Distribution and marketing expenses	7	12,887	14,174
Administrative expenses	8	18,840	17,587
		373,552	370,916

- 14.5 Particulars of the Company's immovable property (i.e. land and building) are as follows:

Particulars	Location	Total area (Sq. yard)
Manufacturing plant and head office	P.O.Box 4845, West Wharf, Dockyard Road, Karachi.	24,000
Manufacturing plant	Plot EZ/1/P-5(SP-1), Eastern Industrial Zone, Port Qasim, Karachi.	48,400
Manufacturing plant	P.O.Box 205 Shalamar Link Road, Mughalpura, Lahore.	36,270
Manufacturing plant	Plot No. 705, Sundar Industrial Estate Lahore.	15,723
Land (Open plot)	Plot No. C-1, Sundar Industrial Estate Lahore.	7,334
Land (Open plot)	Mousa Shumali Kawali, Tehsil Hub, Gadani.	5,506
Manufacturing plant	Wah Cantonment, Kabul Road.	25,168
Beach hut	Plot No. 101-N, Sandspit.	250

- 14.6 Capital work in progress

The movement in capital work in progress during the year is as follows:

	Land and Buildings	Plant and machinery	Advances to suppliers against vehicles	Furniture, fittings, office and computer equipments	Total
	(Rupees in '000)				
As at January 01, 2020	497	11,779	-	4,796	17,072
Additions during the year	178,397	201,369	19,209	8,473	407,448
Transfers to operating fixed assets	(172,528)	(155,493)	(19,209)	(5,542)	(352,772)
Transfers to intangible assets	-	-	-	(5,628)	(5,628)
As at December 31, 2020	6,366	57,655	-	2,099	66,120
Additions during the year (note 14.6.1)	15,096	1,736,240	27,680	23,643	1,802,659
Transfers to operating fixed assets	(10,985)	(120,628)	(15,342)	(19,677)	(166,632)
Transfers to intangible assets	-	-	-	(3,431)	(3,431)
As at December 31, 2021	10,477	1,673,267	12,338	2,634	1,698,716

- 14.6.1 Additions to plant and machinery include borrowing cost capitalised during the year amounting to Rs. 41.423 million (2020: Rs. Nil). The effective interest rate used to determine the amount of borrowing cost was 4%.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

14.7 Right-of-use assets - Buildings

Note	December 31, 2021	December 31, 2020
(Rupees in '000)		
Net Carrying value basis		
Right of use assets as on January 01	20,863	28,565
Effects of reassessment of lease liabilities	-	315
Additions	-	2,175
Deletions	-	(5,534)
Depreciation during the year	(3,241)	(4,658)
Net book value at December 31	17,622	20,863
Gross Carrying value basis		
Cost	30,004	30,004
Accumulated depreciation	(12,382)	(9,141)
	17,622	20,863
Depreciation rate % per annum	12.5 to 20	12.5 to 21.4

15 INTANGIBLE ASSETS

Computer software	15.1	27,359	29,818
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15.1 Net carrying value basis

Opening net book value at January 01	29,818	32,326
Additions during the year	3,431	5,628
	33,249	37,954
Amortisation for the year	(5,890)	(8,136)
Net book value at December 31	27,359	29,818
Gross carrying value basis		
Cost	72,518	69,087
Accumulated amortisation	(45,159)	(39,269)
Net book value	27,359	29,818

15.2 Intangible assets are amortised over an estimated useful life of 8 years and the amortisation is allocated to administrative expenses.

16 LONG TERM LOANS

Note	December 31, 2021	December 31, 2020
(Rupees in '000)		
Loans - considered good		
Employees	8,027	9,005
Current portion shown under current assets:		
Employees	(2,632)	(2,687)
	5,395	6,318

16.1 These are interest free loans recoverable in monthly instalments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

17 STORES AND SPARES		December 31, 2021	December 31, 2020
	Note	(Rupees in '000)	
Stores		-	452
Spares		409,484	365,233
		409,484	365,685
Provision against slow moving stores and spares	17.1	(123,372)	(127,770)
		286,112	237,915

17.1 The Company has reversed a provision against slow moving stores and spares amounting to Rs. 4.398 million during the year (2020: charged a provision of Rs. 12.165 million).

18 STOCK-IN-TRADE		December 31, 2021	December 31, 2020
	Note	(Rupees in '000)	
Raw and packing materials in hand		324,513	275,211
Finished goods - in hand		716,639	377,801
	18.1	1,041,152	653,012

18.1 The cost of raw and packing materials and finished goods has been adjusted net of provision for slow moving and obsolete stock by Rs. 28.980 million (2020: Rs. 23.039 million). During the year, a provision amounting to Rs. 12.730 million (2020: reversed a provision of Rs. 7.026 million) in respect of slow moving and obsolete stock has been recorded. The Company has also written off slow moving and obsolete stock amounting to Rs. 6.790 million (2020: 1.88 million) by utilising the provision.

19 TRADE DEBTS		December 31, 2021	December 31, 2020
	Note	(Rupees in '000)	
Unsecured			
Considered good		653,763	595,604
Considered doubtful		74,011	84,899
	19.1	727,774	680,503
Allowance for expected credit losses	19.3	(74,011)	(84,899)
		653,763	595,604

19.1 These include balances due from related parties as follows:

Engro Polymer and Chemicals Limited	4,786	1,609
Soorty Enterprises (Private) Limited	176	25
Fauji Foundation Hospital	2,302	4,694
Fauji Fertilizer Bin Qasim Limited	253	1,007
Mari Petroleum Company	261	1,360
Wyeth (Pakistan) Limited	13	13
Archroma Pakistan Limited	4,738	4,133
Loads Limited	164	207
GSK Consumer Healthcare Pakistan Limited	40	-
FFC Energy Limited	1	-
	12,734	13,048
Past due considered doubtful as per Company's credit policy	(1,678)	(2,497)
	11,056	10,551

The ageing of the trade debts due from related parties as at the statement of financial position are as under:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

The ageing of the trade debts due from related parties as at the statement of financial position are as under:

	December 31, 2021	December 31, 2020
	(Rupees in '000)	
Not past due	9,747	9,301
Past due from 1- 90 days	1,126	1,248
Past due from 90 days onward	1,861	2,499
	12,734	13,048
Past due considered doubtful as per Company's credit policy	(1,678)	(2,497)
	11,056	10,551

19.2 The maximum amount due from related parties at the end of any month during the year was Rs. 17.689 million (2020: Rs. 30.279 million).

19.3 Allowance for expected credit losses		December 31, 2021	December 31, 2020
		(Rupees in '000)	
	Note		
Balance at beginning of the year		84,899	84,899
Reversal of expected credit losses		(10,888)	-
Balance at end of the year		74,011	84,899

20 LOANS AND ADVANCES

Loans - considered good			
Current maturity of long term loan to employees	16	2,632	2,687
Advances- considered good			
Employees		1,009	45
Supplier		87,255	45,974
		90,896	48,706

21 DEPOSITS AND PREPAYMENTS

Security deposits		158,798	110,296
Other deposits		239,717	125,066
Prepayments		1,478	6,980
		399,993	242,342

22 OTHER RECEIVABLES

Considered good			
Receivable from defined benefit funds	35.1	45,427	33,434
Receivable from defined contribution funds		2,570	-
Sales tax recoverable		499,680	365,862
Insurance claim		50	-
Derivative financial asset	22.1	41,507	-
		589,234	399,296

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

22.1 During the year, the Company has entered into forward foreign exchange contract with commercial bank. The notional amount of this contract amounted to EUR 4,883,199. The forward foreign exchange contract was revalued and resulted in an unrealized gain of Rs. 41.507 million (2020: Rs. Nil). The contract matures on February 04, 2022 at the latest. Management has carried out hedge effectiveness testing and the hedging relationship was deemed to be effective, therefore, no ineffective portion was recognized in the statement of profit and loss.

23 CASH AND BANK BALANCES		December 31, 2021	December 31, 2020
	Note	(Rupees in '000)	
Cash in hand		1,027	391
Cash at bank - current and savings accounts	23.1	428,728	219,448
		429,755	219,839

23.1 This includes an amount of Rs. 125.769 million held in savings accounts (2020: Rs. 132.369 million). The mark-up on saving account is 7.25% per annum (2020: 5.50% per annum). None of the balances are kept in shariah compliant bank accounts.

24 SHARE CAPITAL

24.1 Authorised share capital

December, 31 2021	December, 31 2020		December, 31 2021	December, 31 2020
(Number of Shares)			(Rupees in '000)	
70,000,000	70,000,000	Ordinary shares of Rs 10 each	700,000	700,000

24.2 Issued, subscribed and paid-up capital

December, 31 2021	December, 31 2020		December, 31 2021	December, 31 2020
(Number of Shares)			(Rupees in '000)	
452,955	452,955	Ordinary shares of Rs. 10 each fully paid in cash	4,530	4,530
672,045	672,045	Ordinary shares of Rs. 10 each issued for consideration other than cash	6,720	6,720
45,747,483	37,935,403	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	457,475	379,354
46,872,483	39,060,403		468,725	390,604

24.3 During the year, the Company issued bonus shares in proportion of 2 shares for every 10 shares held i.e. 20% amounting to Rs. 78.121 million.

24.4 The Company has one class of ordinary shares which carries no rights to fixed income. The holders of shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the general meetings of the Company. All shares rank equally with regard to the Company's residual assets.

25 LONG TERM DEPOSITS		December 31, 2021	December 31, 2020
		(Rupees in '000)	
Deposits			
Against cylinders		214,138	198,075
Others		10,555	10,555
		224,693	208,630

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

26 LONG TERM FINANCING		December 31, 2021	December 31, 2020
	Note	(Rupees in '000)	
Secured from banking companies			
Temporary economic relief facility	26.1	1,125,955	-
Refinance facility	26.2	110,833	214,631
		1,236,788	214,631
Less: current portion shown under current liabilities		(110,833)	(104,926)
		1,125,955	109,705

26.1 This represents long term finance agreements entered into by the Company with certain banks to avail long term financing facility including Islamic / Temporary Economic Refinance Facility (I/TERF) for an amount of Rs. 4.9 billion and Rs. 0.2 billion for import and construction of the ASU 270 TPD plant and 11 TPS Electrode plant respectively. The loans are repayable in thirty two quarterly installments over the period of eight years beginning May 2023. (I/TERF) amounting Rs. 3.8 billion is fixed at 4% (SBP rate 1% + Bank Spread 3%) whereas, the remaining of the financing amount is based on 3 month Karachi Interbank Offer Rate (KIBOR) + 1.40% per annum. The facility is secured against charge over certain fixed assets of the Company.

26.2 This represents financing arrangement entered into by the Company with a commercial bank for an amount of Rs. 234 million under "Refinance Scheme for Payment of Salaries to the Workers and Employees of Business Concerns" introduced by the State Bank of Pakistan on the service charge basis at the rate of 2%. The loan is repayable in eight quarterly instalments over the period of 30 months beginning from January 2021. The facility is secured against specific plant and machinery of the Company.

27 LEASE LIABILITIES		December 31, 2021	December 31, 2020
	Note	(Rupees in '000)	
Lease liabilities recognized as on January 01		25,288	32,118
Effects of reassessment of lease liabilities		-	315
Addition during the year		-	2,175
Deletions during the year		-	(6,578)
Interest accrued		2,414	3,231
Less: Repayment of lease liabilities		(4,491)	(5,972)
	27.1	23,211	25,288

27.1 Break up of lease liabilities

Lease liabilities	23,211	25,288
Less: Current portion	(2,623)	(2,078)
	20,588	23,210
Maturity analysis-contractual undiscounted cash flow		
Less than one year	5,110	4,491
One to five year	23,937	25,790
More than five year	2,264	5,219
Total undiscounted lease liability	31,311	35,500

27.2 When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate which is 10% (2020: 10%).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

28 DEFERRED CAPITAL GRANT		December 31, 2021	December 31, 2020
	Note	(Rupees in '000)	
Capital grant	28.1	262,327	12,623
Current portion shown under current liability		(45,780)	(9,827)
		216,547	2,796

28.1 During the year, the Company received term finance facility amounting to Rs, 1,385.486 million from certain banks under "Islamic / Temporary Economic Refinance Facility (I/TERF)" introduced by the State Bank of Pakistan. The loans are repayable in thirty two quarterly installments over the period of eight years beginning May 2023. The facility is secured against charge over certain fixed assets of the Company.

In the year 2020, the Company received term finance facility amounting to Rs. 227.253 million from Habib Bank Limited under "Refinance Scheme for Payment of Salaries to the Workers and Employees of Business Concerns" introduced by the State Bank of Pakistan to finance salaries and wages of all employees of the Company. The tenor of the term finance is two and a half year inclusive of six months grace period and is repayable in eight equal quarterly installments beginning from January 2021.

Deferred capital grant has been recorded accordingly in respect of these facilities under IAS-20 Government grants.

29 DEFERRED LIABILITIES		December 31, 2021	December 31, 2020
	Note	(Rupees in '000)	
Deferred taxation	29.1	226,821	249,227
Staff retirement benefit funds	35.1	8,944	10,065
		235,765	259,292

29.1 Deferred taxation

Taxable temporary differences:			
Accelerated tax depreciation		279,302	317,554
Remeasurement: actuarial gain on defined benefit plans - net		4,410	6,749
Fair value hedge		12,037	-
Deductible temporary differences:			
Slow moving stores and spares and stock-in-trade		(45,509)	(43,735)
Employees' benefit plans		(1,678)	(6,442)
Allowance for expected credit losses and other provisions		(21,741)	(24,899)
		226,821	249,227

30 TRADE AND OTHER PAYABLES

Creditors		312,471	290,454
Accrued liabilities		750,989	599,565
Advances from customers		208,624	78,990
Payable to staff retirement benefit funds		2,740	2,447
Workers' Profits Participation Fund		3,610	4,472
Workers' Welfare Fund		44,679	33,050
Mark-up payable		36,734	28,677
Other payables		57,650	26,224
		1,417,497	1,063,879

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

31 SHORT TERM BORROWINGS

Conventional facilities

The Company has arrangement for running finance facility under mark-up arrangement from Standard Chartered Bank (Pakistan) Limited (SCB) amounting to Rs. 850 million (2020: Rs. 850 million). The unutilized running finance facility as at year end is Rs. 330 million (2020: Rs. 850 million).

The rate of mark-up on running finance facility is 3 months KIBOR + 0.50% (2020: 3 Months KIBOR + 0.50%) per annum. The arrangements are secured by way of Joint Pari Passu charge against hypothecation of current assets and certain fixed assets (i.e. VIEs and Cylinders only).

The Company also has facility for opening letters of credit and issuing bank guarantees as at December 31, 2021 amounting to Rs. 875 million (2020: Rs. 475 million) from SCB. The unutilized balance as at year ended is Rs. Nil (2020: Rs. 197.831 million).

Islamic facilities

The Company has arrangements for running musharakah facilities from certain banks. The overall facilities under running musharakah amount to Rs. 1,425 million (2020: Rs. 1,425 million). The unutilized running musharkah facilities as at year end is Rs. 216 million (2020: Rs. 121 million).

The rate of profit on the running musharakah facilities ranges from 1 month KIBOR + 0.15% to 1 month KIBOR + 0.35% (2020: 1 month KIBOR + 0.15% to 3 months KIBOR + 0.65%) per annum. The arrangements are secured by way of Joint Pari Passu charge against hypothecation of current assets and certain fixed assets (i.e. VIEs and Cylinders only).

The Company also has facilities for opening letters of credit and issuing bank guarantees as at December 31, 2021 amounting to Rs. 375 million (2020: Rs. 300 million). The unutilized balance as at year end is Rs. 349 million (2020: Rs. 184.300 million).

32 CONTINGENCIES AND COMMITMENTS

32.1 Contingencies

The Company has disputed the unilateral increase in rentals of one of its leased premises being exorbitant, unreasonable and unjustified. Therefore, a civil suit has been filed against the lessor. The Court has directed parties to maintain status quo. The amount not acknowledged as debt in this regard as at December 31, 2021 amounted to Rs. 56.063 million (2020: Rs. 53.249 million).

32.2 Commitments

32.2.1 Capital commitments outstanding as at December 31, 2021 amounted to Rs. 381.724 million (2020: Rs. 32.541 million).

32.2.2 Commitments under letters of credit for inventory items as at December 31, 2021 amounted to Rs. 505 million (2020: Rs. 275.749 million).

32.2.3 Banks have provided guarantees to various parties on behalf of the Company in normal course of business. Guarantees outstanding as at December 31, 2021 amounted to Rs. 134.209 million (2020: Rs. 109.521 million).

32.2.4 Commitments under letters of credit for fixed assets as at December 31, 2021 amounted to Rs. 2,263.392 million (2020: Rs. Nil).

32.2.5 Commitments under forward contract as at December 31, 2021 amounted to Rs. 1,025.472 million (2020: Rs. Nil).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

33 CASH GENERATED FROM OPERATIONS		December 31, 2021	December 31, 2020
	Note	(Rupees in '000)	
Profit before taxation		633,505	452,717
Adjustments for non-cash charges and other items:			
Depreciation	14.4	373,552	370,916
Gain on disposal of property, plant and equipment	10	(2,825)	(4,825)
Mark-up income on saving and deposit accounts	10	(1,428)	(787)
Finance costs	11	119,317	163,589
Amortisation	15.1	5,890	8,136
Liabilities no longer payable written back		-	(1,631)
Post retirement medical benefits		945	1,041
Working capital changes	33.1	(483,794)	(40,482)
		645,162	948,674

33.1 Working capital changes

Increase in current assets:			
Stores and spares		(48,197)	(32,002)
Stock-in-trade		(388,140)	(48,531)
Trade debts		(58,159)	243,305
Loans and advances		(42,190)	(21,218)
Deposits and prepayments		(157,651)	(41,119)
Other receivables		(135,018)	(186,452)
		(829,355)	(86,017)
Increase in current liabilities:			
Trade and other payables		345,561	45,535
		(483,794)	(40,482)

34 CASH AND CASH EQUIVALENTS

Cash and bank balances	23	429,755	219,839
Short term borrowings - running finance under mark-up arrangement		(1,394,044)	(1,083,064)
		(964,289)	(863,225)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

35 STAFF RETIREMENT BENEFITS

35.1 Defined benefit schemes

The actuarial valuation of pension, gratuity and medical benefit schemes was carried out at December 31, 2021. The projected unit credit method using the following significant assumptions, has been used for the actuarial valuation:

	December 31, 2021		
	Pension Fund	Gratuity Fund	Medical Scheme
	(Percent % per annum)		
Financial assumptions			
Rate of discount	11.75%	11.75%	11.75%
Expected rate of pension increase	6.75%	-	-
Expected rate of salary increase			
for first three years following valuation	-	11.75%	-
long term (fourth year following valuation)	-	11.75%	-
Medical cost escalation rate	-	-	9.75%
Demographic assumptions			
Mortality rate	SLIC (2001-05)-1	SLIC (2001-05)-1	SLIC (2001-05)-1
Rates of employee turnover	Moderate	Moderate	Moderate

The amounts recognised in statement of financial position are as follows:

	December 31, 2021			
	Pension Fund	Gratuity Fund	Medical Scheme	Total
	(Rupees in '000)			
Present value of defined benefit obligation	51,736	162,777	8,944	223,457
Fair value of plan assets	(93,786)	(166,154)	-	(259,940)
(Asset) / liability in statement of financial position	(42,050)	(3,377)	8,944	(36,483)

Movements in the present value of defined benefit obligation

Present value of defined benefit obligation - beginning of the year	67,885	141,553	10,064	219,502
Current service cost	-	8,190	-	8,190
Interest cost	6,380	13,984	945	21,309
Re-measurements : Actuarial (gains) / losses on obligation	(16,199)	2,805	(1,794)	(15,188)
Benefits paid	(6,330)	(3,755)	(271)	(10,356)
Present value of defined benefit obligation - end of the year	51,736	162,777	8,944	223,457

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

	December 31, 2021			Total
	Pension Fund	Gratuity Fund	Medical Scheme	
(Rupees in '000)				
Movements in the fair value of plan assets				
Fair value of plan assets - beginning of the year	(92,577)	(150,488)	-	(243,065)
Interest income on plan assets	(8,678)	(14,815)	-	(23,493)
Re-measurements: Return on plan assets over interest (income) / loss	379	(398)	-	(19)
Benefits paid	6,330	3,754	-	10,084
Contribution to fund	760	(4,207)	-	(3,447)
Fair value of plan assets - end of the year	(93,786)	(166,154)	-	(259,940)

Movement in the net defined benefit liability / (asset)				
Opening balance	(24,692)	(8,935)	10,064	(23,563)
Net periodic benefit (income) / cost for the year	(2,298)	7,358	945	6,005
Contribution paid during the year	760	(4,207)	-	(3,447)
Benefits paid during the year	-	-	(271)	(271)
Re-measurements recognised in other comprehensive (income) / loss during the year	(15,820)	2,407	(1,794)	(15,207)
Closing balance	(42,050)	(3,377)	8,944	(36,483)

Amounts recognised in total comprehensive income

The following amounts have been charged in respect of these benefits to statement of profit or loss and other comprehensive income:

Component of defined benefit costs recognised in statement of profit or loss				
Current service cost	-	8,190	-	8,190
Net interest cost	-	-	-	-
Interest cost on defined benefit obligation	6,380	13,984	945	21,309
Interest income on plan assets	(8,678)	(14,815)	-	(23,493)
	(2,298)	7,358	945	6,006

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

	December 31, 2021			
	Pension Fund	Gratuity Fund	Medical Scheme	Total
	(Rupees in '000)			
Component of defined benefit costs (re-measurement) recognised in other comprehensive income				
Re-measurements: Actuarial (gain) / loss on obligation				
(Gain) / loss due to change in financial assumptions	(12,726)	733	(1,403)	(13,396)
(Gain) / loss due to change in demographic assumptions	-	-	-	-
(Gain) / loss due to change in experience adjustments	(3,472)	2,072	(391)	(1,791)
	(16,198)	2,805	(1,794)	(15,187)
Re-measurements: Net return on plan assets over interest income				
Actual return on plan assets	(9,506)	(16,233)	-	(25,739)
Interest income on plan assets	9,884	15,835	-	25,719
	378	(398)	-	(20)
Net re-measurement recognised in other comprehensive income	(15,820)	2,407	(1,794)	(15,207)
Total defined benefit cost recognised in statement of profit or loss and other comprehensive income				
	(18,118)	9,765	(849)	(9,201)
Actual return on plan assets	9,506	16,233	-	25,739
Expected contributions to funds in the following year	(4,674)	7,802	1,004	4,132
Expected benefit payments to retirees in the following year	4,933	4,818	816	10,567
Re-measurements: Accumulated actuarial (gains) / losses recognised in equity	(15,820)	2,407	(1,794)	(15,207)
Weighted average duration of the defined benefit obligation (years)	6.69	7.07	6.93	
Analysis of present value of defined benefit obligation				
Type of Members:				
Pensioners	51,736	-	-	51,736
Beneficiaries	-	-	8,944	8,944
Officers	-	100,280	-	100,280
Supervisors	-	62,497	-	62,497
	51,736	162,777	8,944	223,457
Vested / Non-Vested				
Vested benefits	51,736	152,061	8,944	212,741
Non - vested benefits	-	10,716	-	10,716
	51,736	162,777	8,944	223,457
Type of benefits				
Accumulated obligations	51,736	77,389	8,944	138,069
Amounts attributed to future salary increase	-	85,388	-	85,388
	51,736	162,777	8,944	223,457

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

December 31, 2021			
Pension Fund	Gratuity Fund	Medical Scheme	Total
(Rupees in '000)			

Disaggregation of fair value of plan assets

The fair value of the plan assets at statement of financial position date for each category are as follows:

Cash and cash equivalents (comprising bank balances as adjusted for current liabilities)

393	1,597	-	1,990
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Debt instruments (Quoted / not quoted)

AAA

92,113	156,766	-	248,879
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AA

-	7,333	-	7,333
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92,113	164,099	-	256,212
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Equity instruments (Quoted) - Oil and gas sector

716	458	-	1,174
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Mutual Fund (Quoted)

Money Market Fund

-	-	-	-
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Stock Market Fund

-	-	-	-
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Income Fund

-	-	-	-
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Assets Allocation Fund

564	-	-	564
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Islamic Income Fund

-	-	-	-
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Islamic Asset Allocation Fund

-	-	-	-
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Islamic Stock Fund

-	-	-	-
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564	-	-	564
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93,786	166,154	-	259,940
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Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	December 31, 2021		
	Pension Fund	Gratuity Fund	Medical Scheme
(Rupees in '000)			
Discount rate +0.5%	55,057	157,184	8,643
Discount rate -0.5%	53,520	168,708	9,263
Long term pension / salary increase +0.5%	53,597	168,869	-
Long term pension / salary decrease -0.5%	44,973	156,984	-
Withdrawal rates : Light	-	-	-
Withdrawal rates: Heavy	-	-	-
Medical cost +1% - effect on service cost and interest cost	-	-	34
Medical cost +1% - effect on defined benefit obligation	-	-	291
Medical cost -1% - effect on service cost and interest cost	-	-	(32)
Medical cost -1% - effect on defined benefit obligation	-	-	(276)

The sensitivity analysis prepared presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

Defined benefit schemes

The actuarial valuation of pension, gratuity and medical benefit schemes was carried out at December 31, 2020. The projected unit credit method using the following significant assumptions, has been used for the actuarial valuation:

	December 31, 2020		
	Pension Fund	Gratuity Fund	Medical Scheme
	(Percent % per annum)		
Financial assumptions			
Rate of discount	9.75%	9.75%	9.75%
Expected rate of pension increase	7.75%	-	-
Expected rate of salary increase			
for first three years following valuation	-	11.00%	-
long term (fourth year following valuation)	-	9.75%	-
Medical cost escalation rate	-	-	9.75%
Demographic assumptions			
Mortality rate	SLIC (2001-05)-1	SLIC(2001-05)-1	SLIC(2001-05)-1
Rates of employee turnover	Moderate	Moderate	Moderate

The amounts recognised in statement of financial position are as follows:

	December 31, 2020			
	Pension Fund	Gratuity Fund	Medical Scheme	Total
	(Rupees in '000)			
Present value of defined benefit obligation	67,885	141,553	10,065	219,503
Fair value of plan assets	(92,577)	(150,488)	-	(243,065)
(Asset) / liability in statement of financial position	(24,692)	(8,935)	10,065	(23,562)

Movements in the present value of defined benefit obligation

Present value of defined benefit obligation - beginning of the year	78,333	129,201	9,550	217,084
Current service cost	-	7,371	-	7,371
Interest cost	8,505	14,790	1,041	24,336
Re-measurements: Actuarial (gains) / losses on obligation	(12,724)	(1,935)	45	(14,614)
Benefits paid	(6,229)	(7,874)	(571)	(14,674)
Present value of defined benefit obligation - end of the year	67,885	141,553	10,065	219,503

Movements in the fair value of plan assets

Fair value of plan assets - beginning of the year	(87,009)	(132,654)	-	(219,663)
Interest income on plan assets	(9,430)	(15,158)	-	(24,588)
Re-measurements: Return on plan assets over interest income	(1,666)	(346)	-	(2,012)
Benefits paid	6,229	7,874	-	14,103
Contribution to fund	(701)	(10,204)	-	(10,905)
Fair value of plan assets - end of the year	(92,577)	(150,488)	-	(243,065)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

	December 31, 2020			
	Pension Fund	Gratuity Fund	Medical Scheme	Total
	(Rupees in '000)			
Movement in the net defined benefit liability / (asset)				
Opening balance	(8,676)	(3,453)	9,550	(2,579)
Net periodic benefit (income) / cost for the year	(925)	7,003	1,041	7,119
Contribution paid during the year	(701)	(10,204)	-	(10,905)
Benefits paid during the year	-	-	(571)	(571)
Re-measurements recognised in other comprehensive (income) / loss during the year	(14,391)	(2,281)	45	(16,627)
Closing balance	(24,693)	(8,935)	10,065	(23,563)

Amounts recognised in total comprehensive income

The following amounts have been charged in respect of these benefits to statement of profit or loss and other comprehensive income:

Component of defined benefit costs recognised in statement of profit or loss

Current service cost	-	7,371	-	7,371
Net interest cost				
Interest cost on defined benefit obligation	8,505	14,790	1,041	24,336
Interest income on plan assets	(9,430)	(15,158)	-	(24,588)
	(925)	7,003	1,041	7,119

Component of defined benefit costs (re-measurement) recognised in other comprehensive income

Re-measurements: Actuarial (gain)/loss on obligation				
(Gain) / loss due to change in financial assumptions	(151)	720	110	679
(Gain) / loss due to change in demographic assumptions	-	-	-	-
(Gain) / loss due to change in experience adjustments	(12,573)	(2,655)	(65)	(15,293)
	(12,724)	(1,935)	45	(14,614)
Re-measurements: Net return on plan assets over interest income				
Actual return on plan assets	(11,339)	(15,969)	-	(27,308)
Interest income on plan assets	9,672	15,623	-	25,295
	(1,667)	(346)	-	(2,013)
Net re-measurement recognised in other comprehensive income	(14,391)	(2,281)	45	(16,627)
Total defined benefit cost recognised in statement of profit or loss and other comprehensive income	(15,316)	4,722	1,086	(9,508)
Actual return on plan assets	11,339	15,969	-	27,308
Expected contributions to funds in the following year	(2,298)	7,358	945	6,005
Expected benefit payments to retirees in the following year	5,012	4,361	758	10,131
Re-measurements: Accumulated actuarial (gains) / losses recognised in equity	(14,390)	(2,281)	45	(16,626)
Weighted average duration of the defined benefit obligation (Years)	8.12	7.84	7.95	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

	December 31, 2020			Total
	Pension Fund	Gratuity Fund	Medical Scheme	
(Rupees in '000)				
Analysis of present value of defined benefit obligation				
Type of Members:				
Pensioners	67,885	-	-	67,885
Beneficiaries	-	-	10,065	10,065
Officers	-	100,281	-	100,281
Supervisors	-	41,272	-	41,272
	67,885	141,553	10,065	219,503
Vested / Non-Vested				
Vested benefits	67,885	132,817	10,065	210,767
Non - vested benefits	-	8,736	-	8,736
	67,885	141,553	10,065	219,503
Type of benefits				
Accumulated obligations	67,885	69,648	10,065	147,598
Amounts attributed to future salary increase	-	71,905	-	71,905
	67,885	141,553	10,065	219,503
Disaggregation of fair value of plan assets				
The fair value of the plan assets at statement of financial position date for each category are as follows:				
Cash and cash equivalents (comprising bank balances and adjusted for current liabilities) - quoted				
	1,730	9,842	-	11,572
Debt instruments				
AAA	80,891	118,388	-	199,279
AA	8,535	21,695	-	30,230
	89,426	140,083	-	229,509
Equity instruments (Quoted) - Oil and gas sector				
	878	563	-	1,441
Mutual funds - Quoted				
Money Market Fund	-	-	-	-
Stock Market Fund	-	-	-	-
Income Fund	-	-	-	-
Assets Allocation Fund	543	-	-	543
Islamic Income Fund	-	-	-	-
Islamic Asset Allocation Fund	-	-	-	-
Islamic Stock Fund	-	-	-	-
	543	-	-	543
	92,577	150,488	-	243,065

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	December 31, 2020		
	Pension Fund	Gratuity Fund	Medical Scheme
	(Rupees in '000)		
Discount rate +0.5%	65,224	136,171	9,677
Discount rate -0.5%	70,738	147,279	10,477
Long term pension / salary increase +0.5%	70,779	146,919	-
Long term pension / salary decrease -0.5%	65,165	136,459	-
Medical cost +1% - effect on service cost and interest cost	-	-	38
Medical cost +1% - effect on defined benefit obligation	-	-	371
Medical cost -1% - effect on service cost and interest cost	-	-	(36)
Medical cost -1% - effect on defined benefit obligation	-	-	(350)

The sensitivity analysis prepared presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

35.2 Defined contribution plan

Staff Provident Fund

The following information is based on latest audited financial statements of the Fund:

	July 31, 2021	July 31, 2020
	(Rupees in '000)	
Size of the Fund (Net of Liabilities)	146,402	130,478
Cost of investment made	119,326	98,237
Fair value / amortised cost of the investments	143,229	127,731
Percentage of investment made (%) - based on fair value / amortised cost	98	98

Break up of the investments is as follows:

	July 31, 2021	July 31, 2020	July 31, 2021	July 31, 2020
	(Rupees in '000)		(% of total investment)	
National savings schemes	52,510	62,262	36.66	48.74
Government securities	78,308	41,801	54.67	32.73
Listed securities	-	9,621	-	7.53
Term Finance Certificate	7,794	7,625	5.44	5.97
Cash and bank balances	4,617	6,423	3.22	5.03
	143,229	127,731	100	100

Investments out of the Staff Provident Fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

36 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	December 31, 2021		December 31, 2020	
	Chief Executive	Executives	Chief Executive	Executives
	Rupees in '000			
Managerial remuneration	30,127	105,004	26,520	100,789
Bonus, house rent, utilities, etc.	20,447	104,245	15,853	102,054
Company's contribution to staff retirement benefits	6,824	29,545	6,007	30,318
Medical and others	270	8,573	111	7,262
	57,668	247,367	48,491	240,423
Number of persons (including those who worked part of the year)	1	42	1	42

36.1 The Chief Executive and certain executives of the Company are provided with company maintained cars as per terms of employment. During the year, cars were sold to executives, as per the Company policy. Provision in respect of compensated absences is also made and charged in financial statements as per the requirements of International Financial Reporting Standards.

36.2 Aggregate amount charged in the financial statements for fee to ten Non-Executive Directors was Rs.18.940 million (2020: Ten Non-Executive Directors - Rs.17.448 million).

36.3 Professional indemnity insurance cover is available to the Directors. The Chief Executive and executives are also covered under the group life insurance as per their terms of employment.

37 FINANCIAL RISK MANAGEMENT

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

Risk management is carried out by the management under policies approved by the Board of Directors.

37.1 Credit risk

Credit risk represents the risk of financial loss that would be recognised at the reporting date if counter parties failed to perform as contracted. The Company's credit risk is primarily attributable to its receivables and its balances at bank. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. Deposits are provided to suppliers or counterparties as per agreement and are refundable upon termination of agreement with them. Management does not anticipate any impairment there against.

	Note	December 31,	December 31,
		2021	2020
		(Rupees in '000)	
Deposits		449,354	286,201
Trade debts	37.1.1	653,763	595,604
Bank balances		428,728	219,448
		1,531,845	1,101,253

37.1.1 The Company mostly deals with reputable organizations and believes it is not exposed to any major concentration of credit risk. The Company has policies that limit the amount of credit exposure to any customer.

According to the age analysis, trade debts include balances which are due by not later than 90 days valuing Rs. 535.564 million (2020: Rs. 532.294 million). Trade debts due by more than 90 days as at December 31, 2021 amounted to Rs. 118.199 million (2020: Rs. 63.310 million), net of allowance for impairment for expected credit losses. The Company recognises allowance for Expected Credit Losses (ECLs) on trade debts.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

The movement in the allowance for expected credit losses in respect of trade debts is as follows:

	December 31, 2021	December 31, 2020
	(Rupees in '000)	
Opening balance	84,899	84,899
Reversal of expected credit losses	(10,888)	-
Closing balance	74,011	84,899

37.2 Liquidity risk

Liquidity risk is that the risk the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk 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. Following are the contractual maturities of the Company's financial liabilities:

	December 31, 2021					December 31, 2020				
	Carrying amount	On Demand	Contractual cash flows	Maturity upto one year	Maturity after one year	Carrying amount	On Demand	Contractual cash flows	Maturity upto one year	Maturity after one year
	(Rupees in '000)									
Lease liabilities	20,588	-	(26,201)	-	(20,588)	23,210	-	(31,009)	-	(23,210)
Current portion of lease liabilities	2,623	-	(5,110)	(2,623)	-	2,078	-	(4,491)	(2,078)	-
Long term financing	1,125,955	-	(1,718,118)	-	(1,125,955)	109,705	-	(114,496)	-	(109,705)
Current portion of long term financing	110,833	-	(144,496)	(110,833)	-	104,926	-	(117,070)	(117,070)	-
Long term deposits	224,693	-	(224,693)	(224,693)	-	208,630	-	(208,630)	(208,630)	-
Trade and other payables	1,157,844	-	-	(1,157,844)	-	916,243	-	-	(916,243)	-
Short term borrowings	1,394,044	(1,394,044)	-	-	-	1,083,064	(1,083,064)	-	-	-
	4,036,580	(1,394,044)	(2,118,618)	(1,495,993)	(1,146,543)	2,447,856	(1,083,064)	(475,696)	(1,244,021)	(132,915)

37.3 Market risk

i) Foreign exchange risk

Foreign exchange 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. Foreign exchange risk arises from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The Company is not exposed to foreign exchange risk arising from currency exposures.

ii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest / mark-up rates. Sensitivity to interest / mark-up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. As at the reporting date, the interest / profit bearing financial instruments comprised bank balances in savings accounts, short, medium and long term financing.

The short term financing which carries floating rate, a hypothetical change of 100 basis points in interest rates at the statement of financial position date would have decreased profit for the year by approximately Rs. 17 million (2020: Rs. 15 million). The analysis assumes that all other variables remain constant. The above analysis is performed using hypothetical change which is not necessarily indication of the actual impact on Company's financial position and performance. The analysis is performed on the same basis as for 2020.

iii) 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 is not exposed to price risk.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

37.4 Fair values of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	December 31, 2021				
	Carrying amount		Fair value		
	Amortised cost	Fair value	Level 1	Level 2	Level 3
(Rupees in '000)					
Financial assets					
measured at amortised cost					
Trade debts	653,763	-	-	-	-
Loans to employees	9,036	-	-	-	-
Deposits	449,354	-	-	-	-
Others receivables	50	-	-	-	-
Cash and bank balances	429,755	-	-	-	-
Financial assets measured at fair value through other comprehensive income					
Derivative financial asset	-	41,507	41,507	-	-
Financial liabilities measured at amortised cost					
Lease liabilities	20,588	-	-	-	-
Current portion of lease liabilities	2,623	-	-	-	-
Long term financing	1,125,955	-	-	-	-
Current maturity of long term financing	110,833	-	-	-	-
Long term deposits	224,693	-	-	-	-
Trade and other payables	1,157,844	-	-	-	-
Short term borrowings	1,394,044	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

	December 31, 2020				
	Carrying amount		Fair value		
	Amortised cost	Fair value	Level 1	Level 2	Level 3
	(Rupees in '000)				
Financial assets					
measured at amortised cost					
Trade debts	595,604	-	-	-	-
Loans to employees	45	-	-	-	-
Deposits	286,201	-	-	-	-
Cash and bank balances	219,839	-	-	-	-
Financial liabilities					
measured at amortised cost					
Lease liabilities	23,210	-	-	-	-
Current portion of lease liabilities	2,078	-	-	-	-
Long term financing	109,705	-	-	-	-
Current maturity of long term financing	104,926	-	-	-	-
Long term deposits	-	-	-	-	-
Trade and other payables	-	-	-	-	-
Short term borrowings	1,083,064	-	-	-	-

38 CAPITAL MANAGEMENT

The Company's objectives when managing capital is to safeguard the entity's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors also monitors the level of dividends to the ordinary shareholders.

As of the date of statement of financial position, the Company's debt comprises of long-term Islamic / Temporary Economic Refinancing Facility (I/TERF), salary refinance obtained under SBP scheme and short-term running finances.

The Company is not subject to externally imposed capital requirements.

39 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of associated companies, entities with common directors, major shareholders, key management personnel inclusive of directors (disclosed in note 36) and post retirement benefit plans. Amounts due from and to related parties are shown under respective notes to the financial statements. Transactions with related parties and associated undertakings other than those which have been disclosed elsewhere in these financial statements are given below:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

39.1 Transactions with related parties are summarised as follows:

Related Party	Nature of transactions	December 31,	December 31,
		2021	2020
		(Rupees in '000)	
Major shareholders and associated companies by virtue of common directorship	Sale of goods	107,284	185,404
	Purchase of goods and receipt of service	111,294	56,582
	Mark up	68,915	26,128
	Issuance of bonus shares	40,897	44,946
	Profit on Saving accounts	-	665
	Bank charges	226	-
Directors	Meeting fee	18,940	17,488
	Issuance of bonus shares	5,669	4,724
Staff retirement benefits	Charge in respect of staff retirement funds	40,427	38,745
	Re-measurement: Actuarial gain / (loss) recognised in other comprehensive income	15,207	16,627
Key management personnel	Compensation	305,035	288,914
	Issuance of bonus shares	24	20

39.2 The names of related parties with whom the Company has entered into transactions during the year are as follows:

Name of the related party	Relationship and percentage of shareholding (%)
Adira Capital Holdings (Private) Limited company by	Holds 33% shares of the Company and associated virtue of common directorship
Soorty Enterprises (Private) Limited	Holds 12% shares of the Company. virtue of common directorship
Engro Polymer and Chemicals Limited	Associated company by virtue of common directorship
Archroma Pakistan Limited	Associated company by virtue of common directorship
Fauji Fertilizer Company Limited	Associated company by virtue of common directorship
Fauji Fertilizer Bin Qasim Limited	Associated company by virtue of common directorship
Fauji Foundation	Associated company by virtue of common directorship
Fauji Cement Company Limited	Associated company by virtue of common directorship
Mari Petroleum Company Limited	Associated company by virtue of common directorship
Atlas Honda Cars (Pakistan) Limited	Associated company by virtue of common directorship
Askari Cement Limited	Associated company by virtue of common directorship
FFC Energy Limited	Associated company by virtue of common directorship
GSK Consumer Healthcare Pakistan Limited	Associated company by virtue of common directorship
FPCL - FFBL Power Company Limited	Associated company by virtue of common directorship
Rafhan Maize Products Company Limited	Associated company by virtue of common directorship
Atlas Honda Cars (Pakistan) Limited	Associated company by virtue of common directorship
Captain PQ Chemical Industries (Pvt) Limited	Associated company by virtue of common directorship
Bank Islami Pakistan Limited	Associated company by virtue of common directorship

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

Name of the related party	Relationship and percentage of shareholding (%)
Askari Bank Limited	Associated company by virtue of common directorship
Shahid Mehmood Umerani	Director, holds 7.200395% shares of the Company.
Syed Hassan Ali Bukhari	Director, holds 0.002560% shares of the Company.
Siraj Ahmed Dadabhoy	Director, holds 0.053244% shares of the Company.
Feroz Rizvi	Director, holds 0.000399% shares of the Company
Muhammad Zindah Moin Mohajir	Director, holds 0.000399% shares of the Company
Waqar Ahmed Malik	Director
Sheikh Muhammad Abdullah	Director
Tushna D Kandawalla	Director
Key Management Personnel	Employees
Staff Provident Fund	Retirement Fund
Management Staff Pension Fund (DC)	Retirement Fund
Pakistan Employees Gratuity Fund	Retirement Fund
Management Staff Pension Fund (DB)	Retirement Fund

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

There are no transactions with key management personnel (executives) other than under their terms of employment, as disclosed elsewhere in these financial statements.

40	PRODUCTION CAPACITY	Unit of quantity	Number of shifts	Capacity		Actual production	
				December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
				Oxygen/Nitrogen	Cubic meters	Triple shift	82,233,900
Hydrogen	Cubic meters	Triple shift	3,400,056	3,400,056	2,496,613	1,540,565	
Dissolved acetylene	Cubic meters	Single shift	268,152	268,152	81,882	65,079	
Nitrous oxide	Gallons	Triple shift	39,422,000	39,422,000	17,917,470	17,496,967	
Carbon dioxide	Metric tons	Triple shift	27,850	27,850	5,085	-	
Electrodes	Metric tons	Double shift	4,738	2,211	3,500	1,923	

40.1 In case of almost all of the above mentioned products, production is demand driven and, hence, the variance and utilisation is attributable to demand. Additionally, countrywide load shedding of electricity and non availability of natural gas throughout the year also contributed towards reduced utilisation of plants.

41 IMPACTS OF COVID-19 ON THE FINANCIAL STATEMENTS

On January 30, 2020, The International Health Regulations Emergency Committee of the World Health Organization declared the COVID-19 outbreak "Public Health Emergency of International Concern". Many countries including Pakistan have enacted protection measures against COVID-19, with a significant impact on economic activities in these countries. The evolution of COVID-19 as well as its impact on the global and the local economy is difficult to predict at this stage. As of the release date of these financial statements, there has been no specifically material quantifiable impact of COVID-19 on the Company's financial condition or results of operations except those disclosed in notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

42 NUMBER OF EMPLOYEES

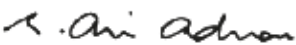
	December 31, 2021	December 31, 2020
	(Rupees in '000)	
Total Number of employees as at December 31	151	143
Average number of employees during the year	146	138
Total number of employees working in the Company's factory as at December 31	76	73
Average number of employees working in the Company's factory during the year	79	49

43 DATE OF AUTHORISATION FOR ISSUE

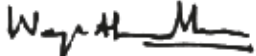
These financial statements were authorised for issue on March 7, 2022 by the Board of Directors of the Company.

44 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and better presentation, the effect of which is immaterial.


Syed Ali Adnan
Chief Financial Officer


Matin Amjad
Chief Executive Officer


Waqar Ahmed Malik
Chairman

BOC PAKISTAN (PRIVATE) LIMITED

BOC Pakistan (Private) Limited ("BOCPL") is a wholly owned subsidiary of Pakistan Oxygen Limited.

Consolidation

As explained in note 1 to the financial statement of Pakistan Oxygen Limited for the year ended December 31, 2021, the Securities and Exchange Commission of Pakistan ("SECP") has granted exemption to Pakistan Oxygen Limited from the application of sub-section (1) of section 228 of the Companies Act, 2017 requiring consolidation of subsidiary in the preparation of financial statements for the year ended December 31, 2021.

Financial highlights of BOCPL

	December 31, 2021	December 31, 2020
	(Rupees in '000)	
Profit after taxation	263	385
Net assets / shareholders fund	12,784	12,521
Total assets	13,338	13,075

General

The annual accounts of BOCPL are available for the inspection to the members at its registered office situated at P.O Box 4845, Dockyard Road, West Wharf, Karachi - 74400, on their request without any cost.

SHAREHOLDERS' INFORMATION

Stock Exchange Listing

Pakistan Oxygen Limited is a public limited company and its shares are traded on Pakistan Stock Exchange Limited.

The Company's shares are quoted in leading dailies under the heading of Chemical sector.

Market capitalization and market price of Pakistan Oxygen's Share

Market capitalization

As at December 31, 2021, the market capitalization of Pakistan Oxygen Share stood at Rs. 7.17 billion with a market price of Rs. 152.92 per share and breakup value of Rs. 106.53 per share.

Market Price Share

Highest price per share during the year Rs. 177.95

Lowest price per share during the year Rs. 139.40

Closing price per share at year-end Rs. 152.92

Financial calendar

The Company follows the period of January 01 to December 31 as the Financial Year.

Financial Results for the year 2022 will be announced as per the following tentative schedule:

1 st quarter ending March 31, 2022	April 2022
2 nd quarter ending June 30, 2022	August 2022
3 rd quarter ending September 30, 2022	October 2022
Year ending December 31, 2022	February 2023

Announcements of the Financial Results for the year ended December 31, 2021 were made as follows:

1 st quarter ended March 31, 2021	April 27, 2021
2 nd quarter ended June 30, 2021	August 26, 2021
3 rd quarter ended September 30, 2021	October 27, 2021
Year ended December 31, 2021	March 7, 2022

Annual General Meeting

The Seventy-Third Annual General Meeting of the shareholders will be held on April 26, 2022 at 2:00 p.m. at the Company's Registered Office, West Wharf, Dockyard Road, Karachi.

A member entitled to attend, speak and vote at the Annual General Meeting may appoint another Member as a proxy to attend and vote on his/her behalf.

Investor relations contact

Mr. Wakil Ahmed Khan

(Manager – Corporate Services)

Email: Wakil.Khan@pakoxygen.com

Phone: (021) 32316914

Fax: (021) 32312968

In compliance with the requirements of Section 195 of the Companies Act 2017, CDC Shares Registrar Services Limited (CDC) acts as an Independent Share Registrar of the Company.

Enquiries concerning lost share certificates, dividend payment, change of address, verification of transfer deeds and share transfers may please be addressed to CDC at:

CDC Shares Registrar Services Limited

CDC House, 99-B, Block 'B', S.M.C.H.S.,

Main Shahrah-e-Faisal

Karachi – 74400

Telephone No.: (92-21) 111-111-500

Fax No.: (92-21) 34326031

Timings: 9:00 am to 1:00 pm and
from 2:30 pm to 4:30 pm (Monday to Friday)

Email: info@cdcsrsl.com

Public information

Financial analysts, stock brokers and interested investors desiring financial statements of the Company may visit our website at <http://www.pakoxygen.com>

معلومات برائے شیئر ہولڈرز اسٹاک ایکسچینج لسٹنگ

پاکستان آکسیجن لمیٹڈ ایک پبلک لمیٹڈ کمپنی ہے اور اس کے شیئرز کا کاروبار پاکستان اسٹاک ایکسچینج لمیٹڈ میں انجام دیا جاتا ہے۔

کمپنی کے شیئرز کی معلومات معروف روزناموں میں "یکمیکل سیکٹر" کے عنوان کے تحت شائع ہوتی ہیں۔

مارکیٹ میں سرمایہ کاری اور پاکستان آکسیجن کی شیئر کی مارکیٹ میں قیمت

مارکیٹ میں سرمایہ کاری

31 دسمبر 2021 کو پاکستان آکسیجن شیئر کی مارکیٹ میں 7.17 بلین روپے کی سرمایہ کاری تھی جب کہ مارکیٹ میں فی شیئر قیمت 152.92 روپے اور بریک اپ ویلیو 106.53 روپے فی شیئر تھی۔

مارکیٹ میں حصص کی قیمت

سال کے دوران میں سب سے زیادہ فی شیئر قیمت	177.95 روپے
سال کے دوران میں سب سے کم فی شیئر قیمت	139.40 روپے
سال کے اختتام پر فی شیئر آخری قیمت	152.92 روپے

مالیاتی کلینڈر

کمپنی کا مالیاتی کلینڈر کی مدت یکم جنوری سے 31 دسمبر تک ہوتی ہے۔

سال 2022 کے مالیاتی نتائج کے اعلان کا عارضی شیڈول درج ذیل ہے:

پہلی سہ ماہی ختمتہ 31 مارچ 2022	اپریل 2022
دوسری سہ ماہی ختمتہ 30 جون 2022	اگست 2022
تیسری سہ ماہی ختمتہ 30 ستمبر 2022	اکتوبر 2022
سال ختمتہ 31 دسمبر 2022	فروری 2023

سال ختمتہ 31 دسمبر 2021 کے مالیاتی نتائج کا اعلان درج ذیل شیڈول کے مطابق کیا گیا:

پہلی سہ ماہی ختمتہ 31 مارچ 2021	27 اپریل 2021
دوسری سہ ماہی ختمتہ 30 جون 2021	26 اگست 2021
تیسری سہ ماہی ختمتہ 30 ستمبر 2021	27 اکتوبر 2021
سال ختمتہ 31 دسمبر 2021	7 مارچ 2022

سالانہ اجلاس عام

شیئر ہولڈرز کا 73 واں سالانہ اجلاس عام مورخہ 26 اپریل 2022 کو دوپہر 2.00 بجے بذریعہ ویڈیو لنک اور ذاتی طور پر شرکت کیلئے کمپنی کے رجسٹرڈ دفتر، ویسٹ وارف، ڈاکھارڈ روڈ، کراچی میں منعقد ہوگا۔

کوئی ممبر جو سالانہ اجلاس عام میں شرکت کرنے، بولنے اور ووٹ دینے کا حقدار ہے، وہ اپنی جگہ کسی دوسرے ممبر کو شرکت کرنے، بولنے اور ووٹ دینے کیلئے پراکسی مقرر کر سکتا/سکتی ہے۔

سرمایہ کاروں کیلئے رابطہ آفیسر
جناب وکیل احمد خان

(منیجر - کارپوریٹ سروسز)

ای میل: Wakil.Khan@pakoxygen.com

فون: (021) 32316914

فیکس: (021) 32312968

کمپنی 2017 کے سیکشن 195 کی شرائط کے مطابق سی ڈی سی شیئر رجسٹر ارسرو سز لمیٹڈ (سی ڈی سی) کمپنی کے خود مختار شیئر رجسٹرار کے طور پر کام کرتا ہے۔

اس لئے گمشدہ شیئر سرٹیفکیٹس، ڈیویڈنڈ کی ادائیگی، پتے میں تبدیلی، ٹرانسفر ڈیڈز کی تصدیق اور شیئر ٹرانسفر کے بارے میں معلومات کیلئے برائے مہربانی سی ڈی سی سے درج ذیل پتے پر رابطہ کریں:

سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ

سی ڈی سی ہاؤس B-99، بلاک بی، ایس۔ ایم۔ سی۔ ایچ۔ ایس

مین شاہراہ فیصل، کراچی 74400

ٹیلی فون نمبر: 111-111-500 (21-92)

فیکس نمبر: 34326031 (21-92)

اوقات کار: 9:00 بجے صبح تا 1:00 بجے دوپہر اور 2:30 بجے دوپہر تا 4:30 بجے شام

(پیر تا جمعہ)

ای میل: info@cdcsrsl.com

اطلاع عام

مالیاتی تجزیہ کار، اسٹاک بروکرز اور انویسٹرز، جو کمپنی کے مالیاتی اسٹیٹمنٹس میں دلچسپی رکھتے ہوں، برائے مہربانی ہماری ویب سائٹ <http://www.pakoxygen.com> وزٹ کریں۔

PATTERN OF SHAREHOLDING

as at December 31, 2021

No. of shareholders	Shareholder's slab		Total shares held
	from	to	
520	1	100	16,843
504	101	500	137,332
258	501	1,000	196,002
478	1,001	5,000	1,086,942
115	5,001	10,000	836,314
44	10,001	15,000	560,535
23	15,001	20,000	402,510
13	20,001	25,000	289,587
3	25,001	30,000	81,879
6	30,001	35,000	192,720
5	35,001	40,000	183,903
2	40,001	45,000	86,688
6	45,001	50,000	285,019
4	50,001	55,000	211,856
2	55,001	60,000	116,535
2	60,001	65,000	129,320
1	65,001	70,000	66,608
3	70,001	75,000	218,990
2	75,001	80,000	159,800
1	80,001	85,000	80,496
1	85,001	90,000	89,155
2	100,001	105,000	203,200
1	115,001	120,000	118,600
2	120,001	125,000	243,983
1	125,001	130,000	130,000
1	145,001	150,000	147,488
1	150,001	155,000	154,732
1	165,001	170,000	165,438
2	185,001	190,000	373,260
1	190,001	195,000	190,600
1	235,001	240,000	235,444
1	290,001	295,000	292,032
1	335,001	340,000	335,626
1	365,001	370,000	367,207
1	515,001	520,000	519,200
1	555,001	560,000	558,196
1	1,685,001	1,690,000	1,687,408
1	3,370,001	3,375,000	3,374,817
3	3,745,001	3,750,000	11,249,396
1	5,620,001	5,625,000	5,624,698
1	15,470,001	15,475,000	15,472,124
2018			46,872,483

CATEGORIES OF SHAREHOLDERS

as at December 31, 2021

Categories of shareholders	No. of shareholders	Shares held	Percentage
Directors and their spouse(s) and minor children			
Siraj Ahmed Dadabhoy	1	24,957	0.05
Shahid Mehmood Umerani (2 Folios)	2	3,375,004	7.20
Syed Hassan Ali Bukhari	1	1,200	0.00
Shahid Abdul Sattar	1	1	0.00
Muhammad Zindah Moin Mohajir	1	187	0.00
Feroz Rizvi	1	187	0.00
Tushna D Kandawalla	1	1	0.00
Mohammad Younus Dagha	1	1	0.00
Executives:	1	14,601	0.03
Associated Companies, undertakings and related parties			
M/s Adira Capital Holdings (Private) Limited (3 Folios)	3	15,536,694	33.15
M/s Paradigm Factors (Private) Limited (2 Folios)	2	95,320	0.20
M/s Soorty Enterprises (Private) Limited	1	5,624,698	12.00
NIT and ICP	1	561	0.00
Banks Development Financial Institutions, Non-Banking Financial Institutions	2	336,641	0.72
Insurance Companies	4	595,512	1.27
Modarabas and Mutual Funds	2	413,307	0.88
General Public			
a. Local	1922	19,110,666	40.77
b. Foreign	26	12,934	0.03
Foreign Companies	1	38,000	0.08
Others	44	1,692,011	3.61
Totals	2018	46,872,483	100.00

Share holders holding 10% or more	Shares Held	Percentage
M/s Adira Capital Holdings (Private) Limited	15,536,694	33.15
M/s Soorty Enterprises (Private) Limited	5,624,698	12.00

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 73rd Annual General Meeting of PAKISTAN OXYGEN LIMITED will be held on Tuesday, the 26th day of April 2022 at 2:00 p.m. virtually via Video Link Facility and in person at the Company's Registered Office, West Wharf, Dockyard Road, Karachi to transact the following business:

ORDINARY BUSINESS:

1. To receive and consider the Financial Statements of the Company for the year ended December 31, 2021 and Reports of the Directors and Auditors thereon.
2. To appoint the Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS:

3. To capitalize a sum of Rs. 117,181,208 out of the un-appropriated profits of the Company for the issuance of 11,718,121 Bonus Shares to the Members of the Company as at the close of business on April 19, 2022 in the proportion of 25 ordinary shares for every 100 ordinary shares held at that date.

By Order of the Board

Mazhar Iqbal

Company Secretary

Karachi: March 7, 2022

NOTES:

1. Closure of Share Transfer Books:

Share Transfer Books of the Company will remain closed from April 20, 2022 to April 26, 2022 (both days inclusive). Transfers received at the office of the Company's Share Registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi -74400 at the close of business on April 19, 2022 will be treated in time for the purpose of aforesaid entitlement.

2. Attendance in the Meeting:

A member entitled to attend, speak and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf and a proxy so appointed shall have the same rights in respect of speaking and voting at the meeting as are available to a Member. An instrument of proxy in order to be effective must be deposited at the Company's Registered Office, West Wharf, Dockyard Road, Karachi-74000 or through email at mazhar.iqbal@pakoxygen.com not less than 48 hours before the time of the meeting. The proxy must be a member of the Company, except that a Corporation being a member of the Company may appoint as its proxy one of the officers or some other person though not a member of the Company. Further copies of the instrument of proxy may be downloaded from the Company's website: (www.pakoxygen.com).

Members are requested to immediately notify any change in their address or bank mandate as registered to the Company's Share Registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400.

3. Guidelines for CDC Account Holders:

Account Holders of Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under-mentioned guidelines as laid down in Circular 1, dated 26 January 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/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport as applicable at the time of attending the meeting.
- ii) In case of 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 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/her original CNIC or original passport as applicable at the time of the meeting.
- v) In case of 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.

NOTICE OF ANNUAL GENERAL MEETING

4. Corona Virus Related Contingency Planning For General Meetings - Participation in the AGM through Video Link Facility:

Pursuant to the Securities and Exchange Commission of Pakistan's Circular No. 4 of 2021 dated February 15, 2021 and Circular No. 6 of 2021 dated 3 March 2021 and the clarification by Securities and Exchange Commission of Pakistan in letter No. SMD(SE)2(20)/2021/117 dated December 15, 2021 and keeping in view the COVID-19 situation, the Company has decided that it would be advisable and appropriate for the Company to also hold its Annual General Meeting proceedings via video conference facility.

This decision has been taken to ensure the safety and well-being of the shareholders and participants, which is, and always will be, a paramount consideration for the Company. The Company has therefore taken measures (explained below) to facilitate shareholders to participate in the Annual General Meeting through video link.

Shareholders interested to participate in the meeting through video link are requested to send their particulars set out in the table below, by email, WhatsApp, or any other electronic mean or by post or courier with the subject **"Registration for AGM of Pakistan Oxygen Limited – 2022"** along with valid copy of both sides of CNIC to **Email:** mazhar.iqbal@pakooxygen.com, **Cell Phone Number:** +92 301 8221709, **Registered Office Address:** Pakistan Oxygen Limited, West Wharf, Dockyard Road, Karachi-74000.

Name of Shareholder	CNIC No.	Folio No.	Cell No.	Email Address

The video link and login credentials will be shared with only those members/appointed proxies, whose emails, containing the aforesaid particulars, are received by the Company at least 48 hours before the time of AGM.

Members are encouraged to attend the meeting via video link.

For all those Members attending the AGM in person, the Company will be following strict COVID-19 SOPs.

5. Submission of CNIC/NTN (Mandatory):

Shareholders, who have not yet submitted photocopy of their valid CNIC to the Company/Share Registrar, are once again requested to send their CNIC (copy) at the earliest directly to the Company's Share Registrar. Corporate Entities are also requested to provide their National Tax Number (NTN).

As per Regulation No. 6 of the Companies (Distribution of Dividend) Regulations, 2017, the Company will be constrained to withhold payment of dividend to shareholders, in case of non-availability of identification number of the shareholder or authorized person (CNIC or NTN).

6. Unclaimed Shares/Unpaid Dividend:

As per the provisions of Section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company which have remained unclaimed/unpaid for a period of three years from the date it was due and payable are required to be deposited with the Commission for credit to the Federal Government after Issuance of notices to the shareholders to file their claims. The details of the shares issued and dividend declared by the Company which have remained unclaimed/unpaid for a period of three years from the date these have become due and payable are available on Company's website www.pakooxygen.com. The Company has also issued notices to shareholders and published a Final Notice in the newspapers to lodge their claims within 90 days of notice to the Company's aforesaid Share Registrar. Shareholders are requested to ensure that their claims for unclaimed shares/unpaid dividends are lodged timely. In case no claim is received within the given period, the Company shall proceed to deposit the unclaimed/unpaid amount with the Federal Government pursuant to sub-section 2 of Section 244 of the Companies Act, 2017.

7. Circulation of Audited Financial Statements through E-mail and by CD/DVD/USB:

Pursuant to Notification SRO No. 470(I)/2016 dated May 31, 2016, the SECP has allowed companies to circulate its audited financial statements to the shareholders along with the notice of the Annual General Meeting ("AGM") through CD/DVD/USB or any other electronic media at their registered addresses.

Shareholders, who wish to receive hard copy of the financial statements (annual report) along with notice of AGM, may send the Standard Request Form to the Company's Share Registrar. The Standard Request Form is available from the Company's website: (www.pakooxygen.com).

8. Availability of Annual Audited Financial Statements on the Company's website:

In accordance with the provisions of Section 223(7) of the Companies Act 2017, the audited financial statements of the Company for the year ended December 31, 2021, are available on the Company's website (www.pakooxygen.com).

NOTICE OF ANNUAL GENERAL MEETING

9. Conversion of Physical Shares into the Book Entry Form:

In continuation of the Company's earlier notification on the subject through direct letter and notice in the press, shareholders, who still hold shares in physical form, are once again requested to convert their physical shares into book-entry form at the earliest for compliance with Section 72(2) of the Companies Act, 2017. Shareholders may contact a PSX Member, CDC Participant or CDC Investor Accounts Services Provider for assistance in opening a CDS Account and subsequent conversion of the physical shares into book-entry form.

Maintaining shares in book-entry form has many advantages such as safe custody of shares, avoidance of formalities required for issuance of duplicate shares and readily available for sale and purchase in open market, at better rates.

STATEMENT OF MATERIAL FACTS

as Required Under Section 134(3) of the Companies Act, 2017

Agenda Item No. 3

In the opinion of the Directors, the financial position of the Company justifies the capitalization of a sum of Rs. 117,181,208 out of unappropriated profits of the Company for the issuance of Bonus Shares in the ratio of 25 ordinary shares for every 100 ordinary shares held. Those persons whose names appear on the Register of Members of the Company as at the close of business on April 19, 2022 will be entitled to the proposed issuance of Bonus Shares in the proportion mentioned above.

Accordingly, the Board of Directors of the Company have recommended that the following resolution be passed as an Ordinary Resolution:

RESOLVED that:

- (i) in pursuance of Article 129 and 130 of the Company's Articles of Association, a sum of Rs. 117,181,208 (Rupees One hundred seventeen million, one hundred eighty one thousand and two hundred eight) out of unappropriated profits as of December 31, 2021 be capitalised and distributed, by issuing 11,718,121 fully paid ordinary shares of Rs 10 each to the Members of the Company whose names appear in the Register of Members at the close of business on April 19, 2022 in the proportion of 25 bonus shares for every 100 shares held by the entitled Members;
- (ii) the bonus shares so issued shall rank pari passu in all respect with the existing shares of the Company;
- (iii) members' entitlement to fractional shares resulting from their entitlement being less than one ordinary share shall be consolidated into whole shares and sold on Pakistan Stock Exchange Limited and the proceeds so realized shall be donated to a recognized charitable trust; and
- (iv) the Chief Executive Officer and Chief Financial Officer and/or Company Secretary be and hereby jointly and/or severally authorised to do all acts, deeds and things and take any and all necessary steps to fulfill the legal, corporate and procedural formalities and to file all documents/returns as deemed necessary, expedient and desirable to give effect to this resolution.

The Directors are not personally interested in this business except to the extent of their entitlement to bonus shares as shareholders.

۸۔ سالانہ آڈٹ شدہ مالیاتی اسٹیٹمنٹس کی کمپنی کی ویب سائٹ پر دستیابی
کمپنیز ایکٹ 2017 کے سیکشن (7) 223 کے مطابق کمپنی کے مالیاتی اسٹیٹمنٹس برائے سال ختمہ 31 دسمبر 2021 کمپنی کی ویب سائٹ www.pakoxygen.com پر دستیاب ہیں۔

۹۔ فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنا

موضوع پر بذریعہ براہ راست لیٹرز اور پریس میں نوٹس کمپنی کے گزشتہ نوٹیفیکیشن کے تسلسل میں، ابھی بھی فزیکل فارم میں شیئرز رکھنے والے شیئرز ہولڈرز سے ایک مرتبہ پھر درخواست کی جاتی ہے کہ کمپنیز ایکٹ 2017 کے سیکشن (2) 72 کی تعمیل کے لئے اپنے فزیکل شیئرز کو جلد از جلد بک انٹری فارم میں تبدیل کرائیں۔ شیئرز ہولڈرز سی ڈی ایس اکاؤنٹ کھولنے اور بعد ازاں فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرانے میں معاونت کیلئے پی ایس ایکس ممبر، سی ڈی سی پارٹنیشن یا سی ڈی سی انویسٹرز اکاؤنٹ سروسز کے فراہم کنندہ سے رابطہ کر سکتے ہیں۔

بک انٹری فارم میں شیئرز کو برقرار رکھنے کے بہت سے فوائد ہیں جن میں شیئرز کی محفوظ تعمیل، ڈپلیکیٹ شیئرز کے اجراء کیلئے ضروری رسمی کارروائیوں سے نجات اور اوپن مارکیٹ میں فروخت اور خریداری کے لئے بہتر نرخوں پر آسان دستیابی شامل ہے۔

بنیادی حقائق کا اسٹیٹمنٹ

کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے تحت

ایجنڈا نمبر 3

ڈائریکٹرز کی رائے میں کمپنی کی مالی حالت اتنی مناسب ہے کہ ہر 100 عمومی شیئرز کیلئے 25 عمومی شیئرز کے حساب سے نوٹس شیئرز کا اجراء کرنے کیلئے کمپنی کے غیر تخصیص شدہ منافع سے 117,181,208 روپے مخصوص کئے جائیں اور کمپنی کے جن ممبران کے نام 19 اپریل 2022 کو کاروباری اوقات کے اختتام پر ممبران کے رجسٹر میں موجود ہوں گے وہ درج بالا تناسب سے مجوزہ نوٹس شیئرز کیلئے اہل قرار دیئے جائیں گے۔

اس سلسلے میں بورڈ آف ڈائریکٹرز نے سفارش کی ہے کہ درج ذیل قرارداد کو بطور عمومی قرارداد پاس کیا جائے۔

طے پایا کہ:

- (i) کمپنیز آرڈیننس 1975 کے آرٹیکل 129 اور 130 کی پیروی میں کمپنی کے غیر تخصیص شدہ منافع (بمطابق 31 دسمبر 2021) میں سے 117,181,208 روپے (ایک سو سترہ ملین، ایک سو اسی ہزار اور دو سو آٹھ روپے) کی رقم کو کھپٹا کر کیا جائے اور کمپنی کے ممبران کے درمیان جن کے نام ممبران کے رجسٹر میں 19 اپریل 2022 کو کاروباری اوقات کے اختتام پر ممبران کے رجسٹر میں درج ہوں گے، مکمل ادا شدہ 11,718,121 عمومی شیئرز، 10 روپے فی شیئر کے حساب سے ہر ملکیتی 100 شیئرز کیلئے 25 نوٹس شیئرز اہل ممبران کو تقسیم کیلئے جاری کئے جائیں۔
 - (ii) یہ جاری ہونے والے نوٹس شیئرز ہر لحاظ سے کمپنی کے موجودہ شیئرز کی خصوصیات کے برابر ہوں گے۔
 - (iii) جزوی شیئرز کا استحقاق رکھنے والے اہل ممبران، جن کا استحقاق ایک شیئر سے کم ہوگا تو ایسے حصص مجموعی شیئرز کی حیثیت سے پاکستان اسٹاک ایکچینج لمیٹڈ میں فروخت کر دیئے جائیں اور اس سے حاصل ہونے والی رقم کو تسلیم شدہ فلاجی ٹرسٹ کو عطیہ کر دی جائے اور
 - (iv) چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر اور ایگزیکٹو سیکرٹری مشترکہ طور پر ا کلی طور پر مجاز ہوں گے اور ہیں کہ اس قرارداد کو موثر بنانے کیلئے تمام عمل، امور اور کام انجام دیں اور قانونی، کارپوریٹ اور ضابطے کی کارروائی پوری کریں اور تمام ضروری، درست اور مطلوبہ دستاویزات جمع کرائیں۔
- ڈائریکٹرز کی اس معاملے میں کوئی ذاتی دلچسپی نہیں ہے، سوائے اس کے کہ وہ شیئرز ہولڈرز کے طور پر نوٹس شیئرز کے حقدار ہیں۔

- (ii) پراکسی فارم پر دو گواہوں کے دستخط ہونا لازمی ہیں، جن کے نام، پتے اور CNIC نمبر فارم پر درج ہوں۔
- (iii) پراکسی فارم کے ساتھ پینفیشیل اوزار اور پراکسی کے CNIC یا پاسپورٹ کی تصدیق شدہ کاپیاں منسلک ہوں۔
- (iv) اجلاس میں شرکت کے وقت پراکسی کو اپنا اصل CNIC یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (v) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد یا پورا آف اثرائی مع نمونے کے دستخط (اگر پہلے ہی فراہم نہ کئے گئے ہوں) کمپنی کو فراہم کرنا ہوں گے۔

۳۔ اجلاس عام کیلئے کو رونا وائرس سے متعلق منصوبہ بندی۔ بذریعہ ویڈیولنک اجلاس عام میں شرکت

سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر نمبر 4 آف 2021 مورخہ 15 فروری 2021 اور سرکلر نمبر 6 آف 2021 مورخہ 3 مارچ 2021 اور سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان کے لیٹر نمبر SMD(SE)2(20)/2021/117 مورخہ 15 دسمبر 2021 میں کی گئی وضاحت اور کووڈ-19 کی صورتحال کے پیش نظر کمپنی نے فیصلہ کیا ہے کہ کمپنی کے سالانہ اجلاس عام کا انعقاد بھی ویڈیو کانفرنسنگ کے ذریعے کرنا مناسب اور موزوں ہوگا۔

یہ فیصلہ شیئر ہولڈرز اور شرکاء کی صحت / حفاظت کو یقینی بنانے کیلئے کیا گیا ہے کیونکہ اپنے لوگوں کی صحت و حفاظت ہمیشہ سے کمپنی کیلئے بے حد اہم ہے۔ اس سلسلے میں کمپنی نے شیئر ہولڈرز کو بذریعہ ویڈیو لنک سالانہ اجلاس عام میں شرکت کی سہولت کیلئے مطلوبہ اقدامات (ذیل میں بیان کردہ) کئے ہیں۔

بذریعہ ویڈیولنک اجلاس عام میں شرکت کے خواہشمند شیئر ہولڈرز سے درخواست ہے کہ وہ نیچے دیئے گئے جدول کے مطابق اپنی تفصیلات بذریعہ ای میل، واٹس ایپ، یا کسی اور الیکٹرونک طریقہ کار یا پوسٹ یا کیوریئر بعنوان "رجسٹریشن برائے سالانہ اجلاس عام پاکستان آکسیجن لمیٹڈ - 2022" سی این آئی سی کے دونوں اطراف کی کاپی کے ہمراہ ای میل mazhar.iqbal@pakoxygen.com سے میل فون نمبر +92 301 8221709، رجسٹرڈ آفس ایڈریس: پاکستان آکسیجن لمیٹڈ، ویسٹ وہارف، ڈاکٹریٹ روڈ، کراچی 74000 پر بھیجیں۔

شیئر ہولڈر کا نام	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر	فونیو نمبر	موبائل نمبر	ای میل ایڈریس

ویڈیولنک اور لاگ ان کی تفصیلات صرف ان ممبران / مقرر کردہ پراکسیز کے ساتھ شیئر کی جائیں گی جن کی مذکورہ تفصیلات پر مبنی ای میلز کمپنی کو سالانہ اجلاس عام کے وقت سے کم از کم 48 گھنٹے پہلے موصول ہوں گی۔

اراکین کو بذریعہ ویڈیولنک اجلاس عام میں شرکت کی ترغیب دی جاتی ہے۔

سالانہ اجلاس عام میں ذاتی طور پر شرکت کرنے والے اراکین کیلئے کمپنی کو کووڈ-19 SOPs پر سختی سے عمل کرے گی۔

۵۔ CNIC/NTN جمع کرانا (لازمی)

شیئر ہولڈرز جنہوں نے ابھی تک اپنے موثر CNIC کی فوٹو کاپی کمپنی / شیئر رجسٹر اراکوں کو جمع نہیں کرائی ہے، ان سے ایک بار پھر درخواست کی جاتی ہے کہ وہ اپنا CNIC (کاپی) جلد از جلد براہ راست کمپنی کے شیئر رجسٹر اراکوں کو بھیج دیں۔ کارپوریٹ اداروں سے بھی درخواست ہے کہ وہ اپنا پینفیشیل ٹیکس نمبر (NTN) فراہم کریں۔

کمپنیز (ڈسٹری بیوشن آف ڈیویڈنڈ) ریگولیشنز 2017 کے ریگولیشن نمبر 6 کے تحت کمپنی شیئر ہولڈر یا مجاز شخص کے شناختی نمبر (CNIC یا NTN) دستیاب نہ ہونے کی صورت میں شیئر ہولڈرز کو ڈیویڈنڈ کی ادائیگی روک سکتی ہے۔

۶۔ غیر دعویٰ شدہ شیئرز / غیر ادا شدہ ڈیویڈنڈ

کمپنیز ایکٹ 2017 کے سیکشن 244 کی دفعات کے مطابق کمپنی کی طرف سے جاری شدہ شیئرز یا اعلان کردہ ڈیویڈنڈز کو، جو واجب الادا اور قابل ادائیگی کی تاریخ سے تین سال کی مدت تک غیر دعویٰ شدہ / غیر ادا شدہ ہوں تو شیئر ہولڈرز کو دعویٰ دائر کرنے کے نوٹس کے اجراء کے بعد وفاقی حکومت کو کریڈٹ کرنے کیلئے کمیشن کے پاس جمع کرانا ضروری ہے۔ کمپنی کی جانب سے جاری شدہ شیئرز اور اعلان کردہ ڈیویڈنڈز جو واجب الادا اور قابل ادائیگی کی تاریخ سے تین سال کی مدت تک غیر دعویٰ شدہ / غیر ادا شدہ ہیں، ان کی تفصیلات کمپنی کی ویب سائٹ www.pakoxygen.com پر دستیاب ہیں۔ کمپنی نے شیئر ہولڈرز کو نوٹس بھی جاری کیا ہے اور اخبارات میں ایک حتمی نوٹس شائع کیا ہے کہ وہ کمپنی کے مذکورہ شیئر رجسٹر اراکوں کو نوٹس کے 90 دن کے اندر اپنے دعوے درج کرائیں۔ شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے غیر دعویٰ شدہ شیئرز / غیر ادا شدہ ڈیویڈنڈ کے دعوے بروقت جمع کرائیں۔ دی گئی مدت کے اندر کوئی دعویٰ موصول نہ ہونے کی صورت میں کمپنی، کمپنیز ایکٹ 2017 کے سیکشن 244 کے ذیلی سیکشن 2 کے مطابق غیر دعویٰ شدہ / غیر ادا شدہ رقم وفاقی حکومت کے پاس جمع کرادے گی۔

۷۔ آڈٹ شدہ مالیاتی اسٹیٹمنٹس کی بذریعہ ای میل اور بذریعہ CD/DVD/USB ترمیم

نوٹیفیکیشن ایس آر او نمبر 1/2016(470) مورخہ 31 مئی 2016 کے مطابق، SECP نے کمپنیز کو آڈٹ شدہ مالیاتی اسٹیٹمنٹس شیئر ہولڈرز کو سالانہ اجلاس عام ("AGM") کے نوٹس کے ساتھ بذریعہ CD/DVD/USB یا کسی دوسرے الیکٹرونک میڈیا کے ذریعے ان کے رجسٹرڈ پتوں پر بھیجوانے کی اجازت دی ہے۔

جو شیئر ہولڈرز مالیاتی اسٹیٹمنٹس (سالانہ رپورٹ) مع AGM کے نوٹس کی ہارڈ کاپی منگوانا چاہتے ہوں، وہ اس کیلئے مقررہ درخواست فارم کمپنی کے شیئر رجسٹر اراکوں کو بھیجوا دیں۔ یہ مقررہ درخواست فارم کمپنی کی ویب سائٹ www.pakoxygen.com پر دستیاب ہے۔

اطلاع برائے سالانہ اجلاس عام

بذریعہ بذراطلاع کیا جاتا ہے کہ پاکستان آکسیجن لمیٹڈ کا 73 واں سالانہ اجلاس عام بروز منگل مورخہ 26 اپریل 2022 کو دوپہر 2:00 بجے ورچوئل طور پر بذریعہ ویڈیو لنک کی سہولت اور ذاتی طور پر شرکت کیلئے کمپنی کے رجسٹرڈ دفتر، ویسٹ وہارف، ڈاکٹریٹ روڈ، کراچی میں درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا:

عمومی کارروائی

- ۱۔ کمپنی کے مالیاتی اسٹیٹمنٹس برائے مالی سال ختمہ 31 دسمبر 2021 مع ڈائریکٹرز اور آڈیٹرز کی رپورٹ وصول کرنا اور ان پر غور کرنا۔
- ۲۔ کمپنی کے آڈیٹرز کا تقرر کرنا اور ان کے مشاہرے کا تعین کرنا۔

خصوصی کارروائی

- ۳۔ کمپنی کے غیر تخصیص شدہ منافع سے 117,181,208 روپے کی رقم کو 11,718,121 بولس شیئرز کے اجراء کیلئے مخصوص کرنا جو 19 اپریل 2022 کو کاروباری اوقات کے اختتام پر موجود کمپنی کے ممبران کو ہر 100 عمومی شیئرز پر 25 عمومی شیئرز کے تناسب سے جاری کئے جائیں گے۔

بحکم بورڈ
مظہر اقبال
کمپنی سیکرٹری

کراچی: 7 مارچ 2022

نوٹس:

۱۔ شیئرز انسٹریکٹس کی بندش

کمپنی کی شیئرز انسٹریکٹس مورخہ 20 اپریل 2022 تا 26 اپریل 2022 (بشمول دونوں ایام) بند رہیں گی۔ 19 اپریل 2022 کو کاروباری اوقات کے اختتام پر کمپنی کے شیئرز رجسٹرار کے دفتر، ی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، 99-B، بلاک بی، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی 74400 کو موصول ہونے والے ٹرانسفرز مذکورہ استحقاق کیلئے بروقت تصور کئے جائیں گے۔

۲۔ اجلاس میں حاضری

کوئی ممبر، جو سالانہ اجلاس عام میں شرکت کرنے، بولنے اور ووٹ دینے کا حقدار ہے، اپنی جگہ کسی کو پر کسی مقرر کرنے کا اختیار رکھتا ہے۔ اس تقرر کردہ پر کسی کو اجلاس میں بولنے اور ووٹ دینے کے وہی حقوق حاصل ہوں گے جو ممبر کو ہیں۔ پر کسی کے موثر ہونے کیلئے اس کی اطلاع کمپنی کے رجسٹرڈ دفتر، ویسٹ وہارف، ڈاک یارڈ، روڈ، کراچی 74400 پر یا بذریعہ ای میل mazhar.iqbal@pakoxygen.com پر اجلاس شروع ہونے کے مقررہ وقت سے کم از کم 48 گھنٹے پہلے موصول ہونا لازمی ہے۔ پر کسی کیلئے کمپنی کا ممبر ہونا ضروری ہے، سوائے کارپوریشن کے کمپنی ممبر ہونے کی صورت میں، جس کا کوئی افسر یا کوئی اور فرد پر کسی ہو سکتا ہے خواہ وہ کمپنی کا ممبر نہ ہو۔ مزید برآں پر کسی کے انسٹرومنٹ کی نقول کمپنی کی ویب سائٹ www.pakoxygen.com سے ڈاؤن لوڈ کی جاسکتی ہیں۔

ممبران سے درخواست ہے کہ وہ اپنے پتے یا بینک مینڈیٹ میں کسی تبدیلی کی صورت میں فوری طور پر مطلع کریں جو کمپنی کے شیئرز رجسٹرار، سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، 99-B، بلاک بی، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی 74400 کے پاس رجسٹرڈ ہے۔

۳۔ سی ڈی سی اکاؤنٹ ہولڈرز کیلئے گائیڈ لائنز

سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ ("CDC") کے اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر 1 مجریہ 26 جنوری 2000 میں درج رہنما ہدایات کی پیروی بھی کرنا ہوگی۔

الف) اجلاس میں شرکت کیلئے

- (i) انفرادی حیثیت میں کوئی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا کوئی فرد جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کے رجسٹریشن کی تفصیلات ضابطے کے مطابق اپ لوڈ ہیں، ان کو اجلاس میں شرکت کے وقت اپنی شناخت کی تصدیق کیلئے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (ii) کارپوریٹ ادارے کی صورت میں اجلاس میں شرکت کے وقت بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد فرد کے نمونہ دستخط (اگر پہلے ہی فراہم نہ کئے گئے ہوں) پیش کرنا ہوں گے۔

ب) پراکسیز کے تقرر کیلئے

- (i) انفرادی حیثیت میں کوئی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا کوئی فرد جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور اس کے رجسٹریشن کی تفصیلات ضابطے کے مطابق اپ لوڈ ہیں، ان کو درج بالا شرائط کے مطابق پراکسی فارم جمع کرنا ہوگا۔

FORM OF PROXY ANNUAL GENERAL MEETING

I/We _____ of _____ in the district
of _____ being a member of Pakistan Oxygen Limited, hereby appoint
_____ of _____
as my/our proxy, and failing him/her _____
of _____ another Member of the Company to vote for me/us and on my/
our behalf at the Annual General Meeting of the Company to be held via video link facility and in person on the 26th day of April 2022
and at adjournment thereof.

Signed on this _____ day of _____ 2022 in the presence of:

1. Signature _____

Name _____

Address _____

CNIC or Passport No. _____

2. Signature _____

Name _____

Address _____

CNIC or Passport No. _____

Folio / CDC Account No.

Signature on
Revenue Stamp of Rs. 10/-

This signature should agree with the
specimen registered with the company

Important

- This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, West Wharf, Dockyard Road, Karachi not less than 48 hours before the time of holding the meeting.
- No person shall act as proxy unless he himself/herself is a member of the Company, except that a corporation may appoint a person who is not a member.
- If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

For CDC account holders/corporate entities:

In addition to the above the following requirements have to be met:

- The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- In case of 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.

پراکسی فارم سالانہ اجلاس عام

میں / ہم _____ سنہ _____ ضلع _____ بحیثیت ممبر
پاکستان آکسیجن لمیٹڈ، بذریعہ بڈا کمپنی کے ممبر _____ سنہ _____ کو اپنا پراکسی مقرر
کرتا ہوں / کرتے ہیں اور اس کی عدم موجودگی میں کمپنی کے دوسرے ممبر _____ کو اپنی جگہ کمپنی کے سالانہ اجلاس عام
میں بذریعہ بڈا یونٹ یا ذاتی طور پر شرکت کے لئے جو 26 اپریل 2022 کو منعقد ہو گا یا کوئی التوا شدہ اجلاس ہو، میں شرکت کرنے اور میری / ہماری جگہ ووٹ دینے حقدار مقرر کرتا
ہوں / کرتے ہیں۔

میں / ہم نے آج مورخہ _____ 2022 کو درج ذیل کی موجودگی میں دستخط کئے۔

_____	1. دستخط	_____	2. دستخط
_____	نام	_____	نام
_____	پتہ	_____	پتہ
_____	سی این آئی سی یا پاسپورٹ نمبر	_____	سی این آئی سی یا پاسپورٹ نمبر

فولیو / سی ڈی سی اکاؤنٹ نمبر

دس روپے کے ریوینیو اسٹیپ پر دستخط

دستخط، کمپنی کے پاس رجسٹرڈ نمونے کے دستخط کے مطابق ہونے چاہئیں۔

اہم نوٹ:

- یہ پراکسی فارم مکمل پر شدہ اور دستخط شدہ، کمپنی کے رجسٹرڈ دفتر واقع ویسٹ و ہارف، ڈاکٹریٹ روڈ، کراچی میں اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل
لازمًا وصول ہو جانا چاہئے۔
- کوئی شخص جو خود کمپنی کا ممبر نہ ہو، پراکسی مقرر نہیں کیا جاسکتا سوائے کارپوریشن کے جو کسی ایسے شخص کو پراکسی مقرر کر سکتی ہے جو کمپنی کا ممبر نہ ہو۔
- اگر کوئی شخص ایک سے زیادہ پراکسی مقرر کرتا ہے اور کمپنی کے پاس ایک سے زیادہ پراکسی فارم جمع کراتا ہے تو پراکسی کی ایسی تمام دستاویزات غیر موثر قرار دی جائیں گی۔

سی ڈی سی اکاؤنٹ ہولڈرز / کارپوریٹ اداروں کیلئے:

درج بالا کے علاوہ درج ذیل شرائط بھی پوری کرنا لازمی ہے:

- پراکسی فارم پر دو گواہان کے دستخط ہونے چاہئیں جن کے نام، پتے اور سی این آئی سی نمبر فارم پر درج ہوں۔
- تینیفیشل اور پراکسی کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ فراہم کی جائیں۔
- پراکسی کو اجلاس میں شرکت کے وقت اپنا اصل سی این آئی سی یا پاسپورٹ پیش کرنا ہوگا۔
- کارپوریٹ ادارہ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی اور نمونے کے دستخط (اگر پہلے سے جمع نہ کرائے گئے ہوں) کمپنی کو فراہم کرنا لازمی ہے۔



Pakistan Oxygen Limited

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