

ANNUAL REPORT 2020



NEW ERA OF  
**GROWTH &  
INNOVATION**





With a newfound resilience and determination, we faced the COVID-19 challenge. Our teams worked round the clock for uninterrupted plant operations and business continuity, serving our industrial and healthcare customers. Our priority was to meet the needs of patients in critical care to help save precious lives.

Moving ahead, let us together explore the exciting possibilities of the future in a new era of growth and innovation. For sustained business growth, work on the commissioning of the largest Air Separation Unit in the country has begun. We are also enhancing our other portfolios with innovative products and digital solutions.



We thrive through diversity and inclusion.



Our Head of Sales working on indigenous product range with project team.

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## **VISION**

Oxygen for life and sustainable growth

## **MISSION**

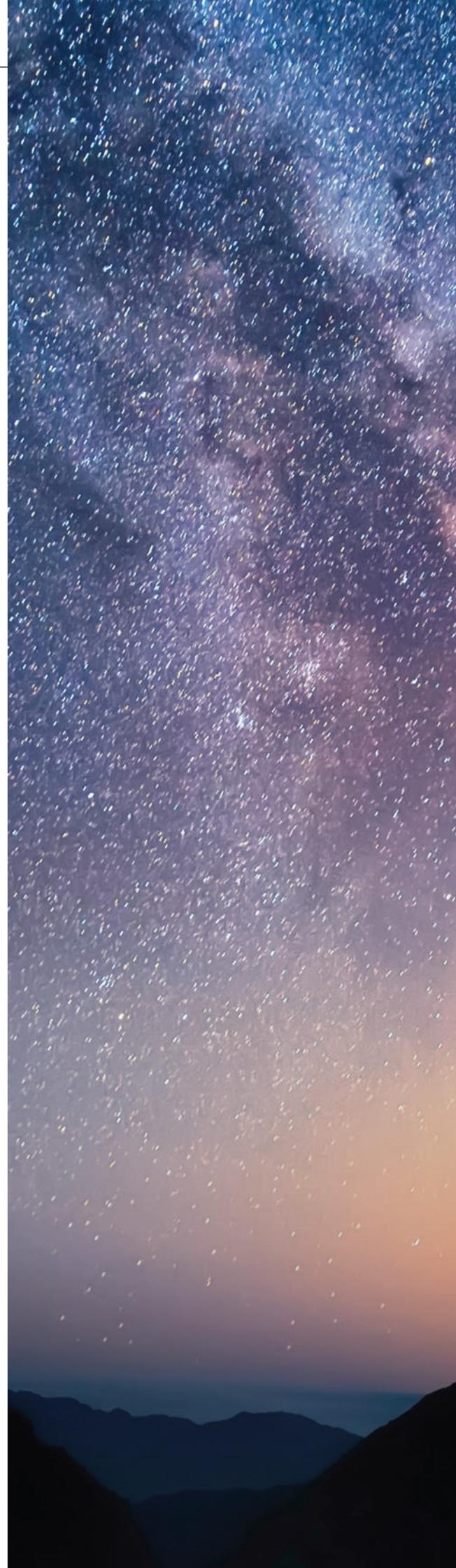
Sustained fast growth to lead the market in safe, reliable and innovative solutions for industrial and medical gases, products and engineering services

## 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, taking the lead at a corporate workshop.

# CORPORATE VALUES



## INNOVATIVE SOLUTIONS

At Pakistan Oxygen, we are continuously striving to develop innovative products and solutions. Our commitment towards safety, reliability, quality and competitiveness exceeds market expectations. We strongly believe digitalization and innovative solutions are the key to boost efficiency of systems which deliver a seamless customer experience.

### OXYMED™

Delivering medical gases to bedsides

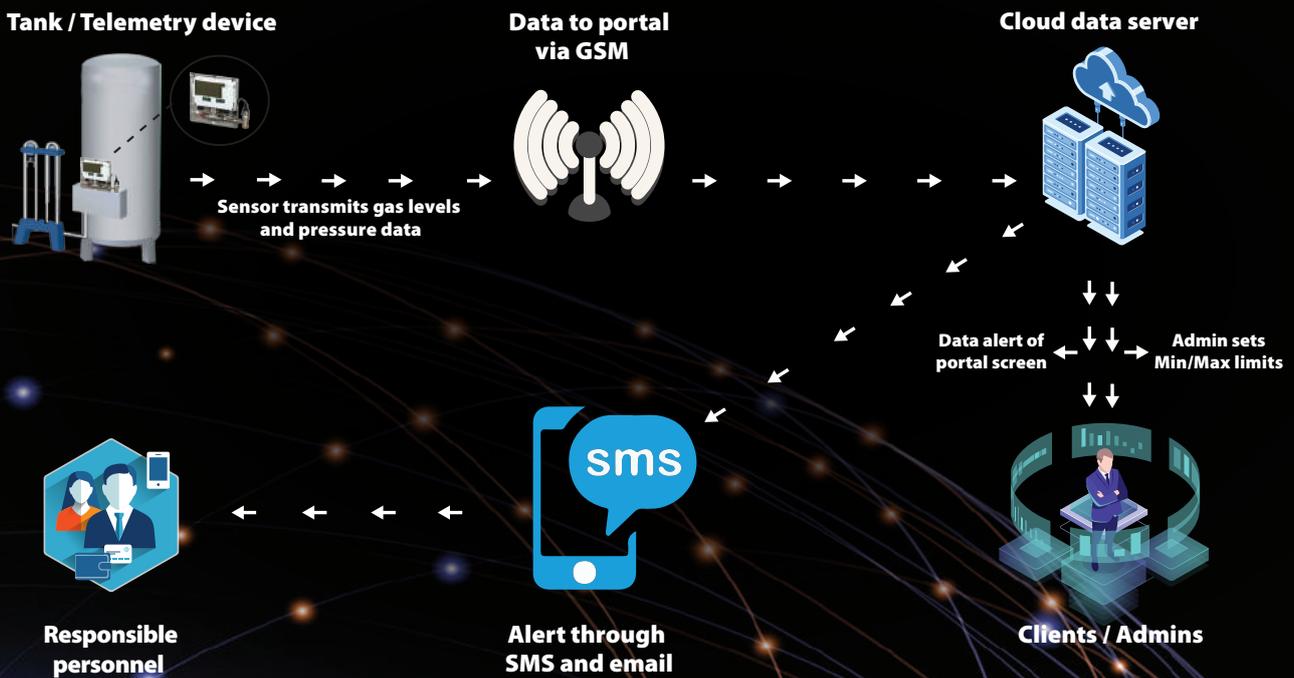
We provide Medical Engineering Services through our indigenously manufactured products under OXYMED™ brand. Our comprehensive product range includes bed head panels, source plants, alarm systems, zone service units, digital manifold systems, suction and oxygen therapy equipment and trunking solutions. We offer solutions around design, installation and maintenance of central medical gases pipeline system.



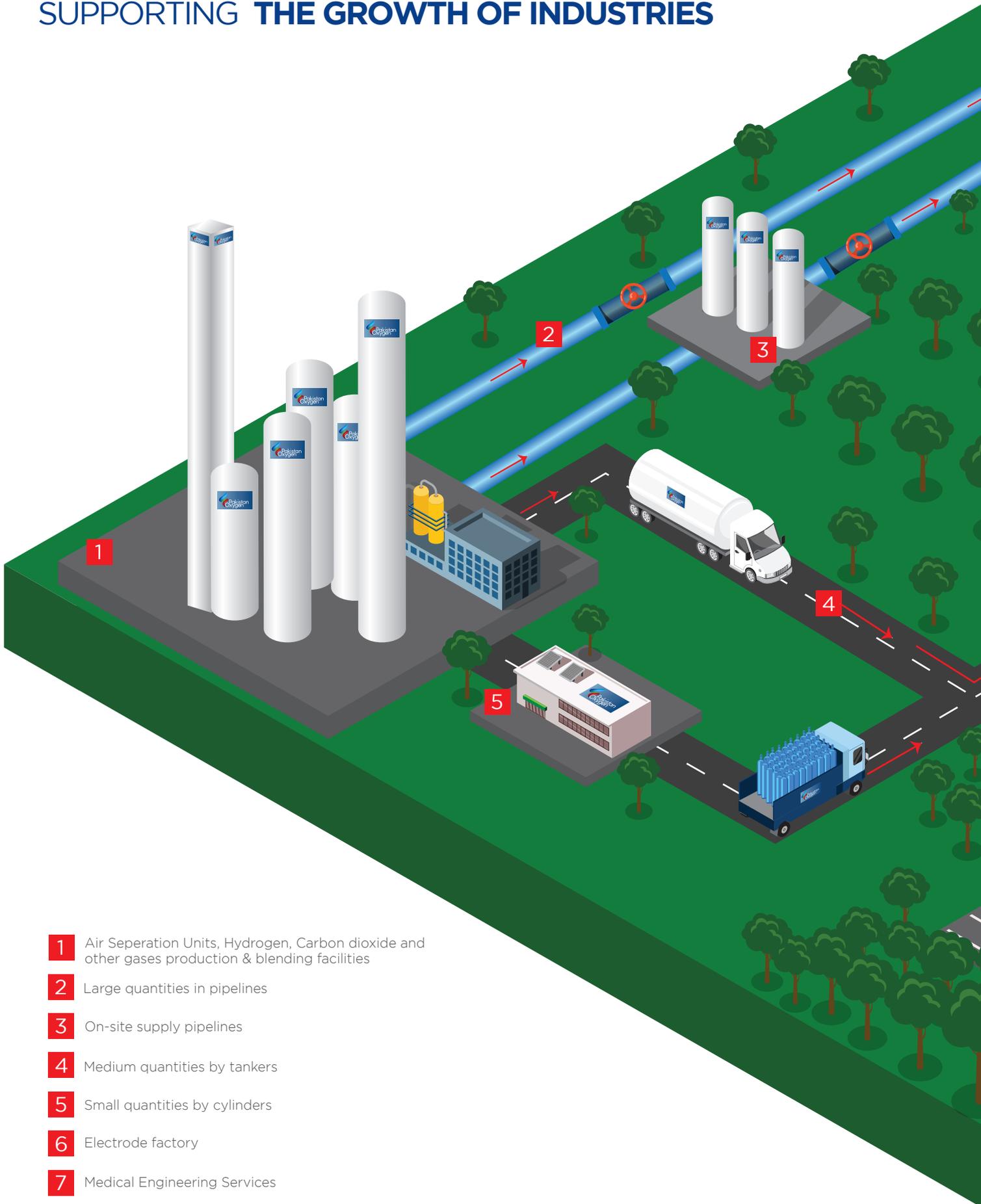
# TeleTel™

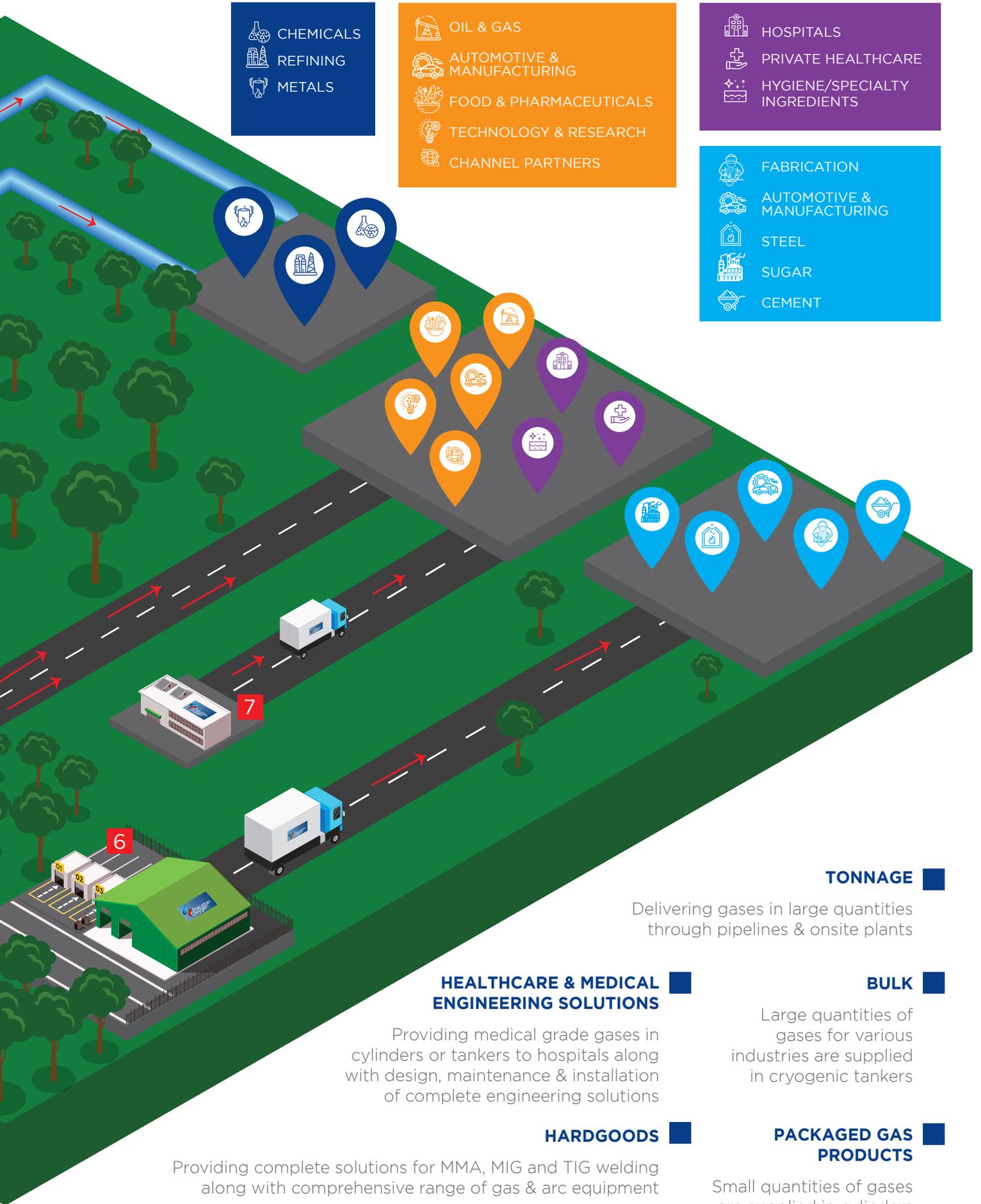
Real time data capture with SMART telemetry solution

TeleTel™ is an automated cloud based remote real time data capture and inventory monitoring solution that allows distant management of storage tanks anytime, anywhere. Customers can manage and monitor critical data such as inventory level, pressure, temperature and flow rate. This industrial Internet of Things solution is highly reliable and robust, enabling customers to take control of their business through efficient scheduling and enhanced site safety. Using sophisticated sensors, data is wirelessly transmitted to cloud based application that can be accessed and controlled on all platforms to prevent dry outs, mishaps or for data analysis. SMS alerts are sent in critical situations. It is customizable to fit various industries such as Industrial Gas, Liquified Natural Gas, Oil & Gas and others.



## SUPPORTING THE GROWTH OF INDUSTRIES





CHEMICALS  
REFINING  
METALS

OIL & GAS  
AUTOMOTIVE & MANUFACTURING  
FOOD & PHARMACEUTICALS  
TECHNOLOGY & RESEARCH  
CHANNEL PARTNERS

HOSPITALS  
PRIVATE HEALTHCARE  
HYGIENE/SPECIALTY INGREDIENTS

FABRICATION  
AUTOMOTIVE & MANUFACTURING  
STEEL  
SUGAR  
CEMENT

**TONNAGE**

Delivering gases in large quantities through pipelines & onsite plants

**BULK**

Large quantities of gases for various industries are supplied in cryogenic tankers

**HEALTHCARE & MEDICAL ENGINEERING SOLUTIONS**

Providing medical grade gases in cylinders or tankers to hospitals along with design, maintenance & installation of complete engineering solutions

**HARDGOODS**

Providing complete solutions for MMA, MIG and TIG welding along with comprehensive range of gas & arc equipment

**PACKAGED GAS PRODUCTS**

Small quantities of gases are supplied in cylinders

## OUR FASCINATING **UNIVERSE OF GASES**

Gases are all around us and their use is widespread, although unnoticeable. Gases support almost all industries in the most fascinating ways, for instance during steel production Oxygen, Nitrogen and Argon can be used to increase the throughput and to enhance product quality. In chemicals and petrochemicals, Nitrogen is used as an inert agent to ensure safety of industrial processes. On the other hand, Oxygen and other medical gases are used in hospitals to save precious lives and to carry out complicated surgical procedures. The fizz that bubbles up in carbonated beverages is because of the Carbon dioxide dissolved in them. Helium filled balloons keep floating as it is lighter than air.

Gases find their ways into new application fields as the market grows and techniques become more refined. Therefore, new applications evolve and old applications disappear.

Pakistan Oxygen delivers most pure gases and a large variety of gas mixtures at all required purity levels.



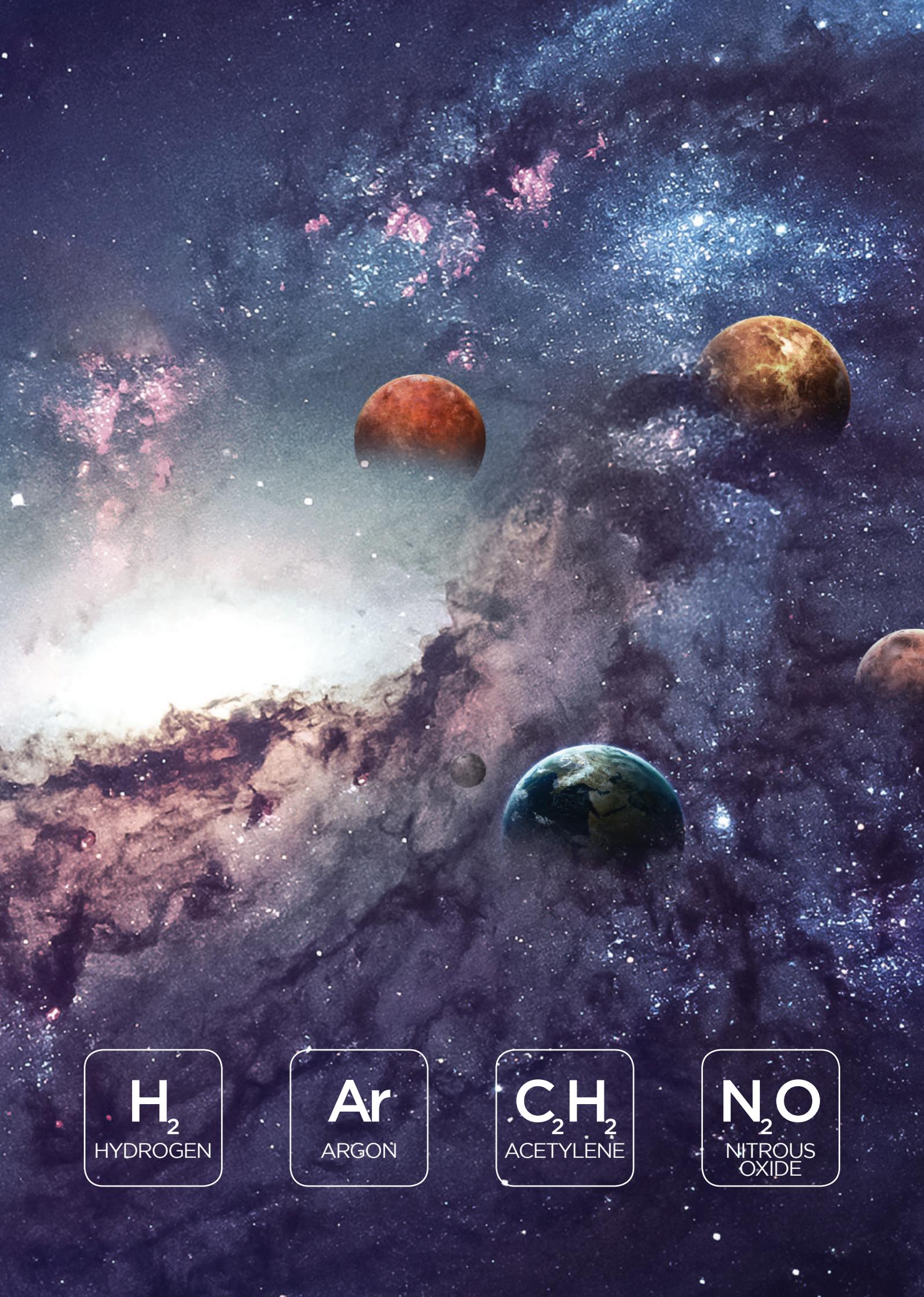
OXYGEN



NITROGEN



CARBON  
DIOXIDE



HYDROGEN



ARGON



ACETYLENE



NITROUS  
OXIDE

## OUR UNIVERSE OF CONTINUOUS AND SUSTAINABLE GROWTH

With careful planning, clear focus and rich experience spread over decades, Pakistan Oxygen entered a new era of expansion and sustainable growth. Our upcoming 270 TDP ASU will be Country's largest facility fulfilling the needs of all business segments while supporting the future industrial and healthcare infrastructural growth.

Our diverse portfolio of products and solutions helps to improve processes, reduce costs and enhance productivity in industries and extends reliable patient care in hospitals. The efficiency of our manufacturing facilities and expertise of our people is harnessed in a way to provide customers everywhere with best possible solutions while also enabling them to achieve their goals responsibly.

Our drive for operational excellence is coupled with an ambition to create a space that is safe for our people, our customers and the communities in which we operate. Our growth ambitions, therefore, are not just limited to financial targets but are also centred around reducing emissions and carbon footprint.

Pakistan Oxygen continues to broaden the horizon and expand while keeping in view a vision of the future and ways to evolve in all existing and potential industries.

### We support life

We deliver medical gases such as medical Oxygen and Nitrous oxide to almost all major hospitals in Pakistan providing immediate life support and enabling other lifesaving procedures. We also provide Entonox for immediate and effective pain management which is a fast, safe and simple analgesic.



### We optimize processes

The process industry uses Oxygen, Argon, Hydrogen and Nitrogen in a wide variety of innovative applications, from cutting and melting of steel to refining end products along with flame polishing, glass forming, scoreless separation and rim fusing. Our gases can help to reduce cost and increase energy efficiencies at every step of the process chain.



### We weld your needs

We offer the widest tailored solutions to match individual needs across full welding and cutting spectrum. Our welding gas mixtures and extensive range of welding consumables, such as welding electrodes and wires, along with equipment for MMA, MIG and TIG welding support our customers in meeting their efficiency targets.

### We keep your food fresh

Our gases such as Nitrogen or Carbon dioxide are used in packaged food to seal freshness by removing Oxygen & moisture. These gases are also used for cryogenic or mechanical Individual Quick Freeze (IQF) of sea food, fruits or vegetables.

Our high quality dry ice, Ultralce™, is capable of reaching -78°C and thus is a highly effective cooling medium. It is convenient for in-transit cooling of food and pharmaceutical products. It is used in event or in-flight catering and courier services. It is also utilized for cleaning through blasting which lifts dirt and contaminants off surfaces.



### We keep you protected

Oxytizer™, our instant hand sanitizer, can kill 99.99% of germs immediately. It is made with World Health Organization's recommended formulation to protect you against harmful pathogens.

It is a spray-based sanitizer that has no residue or stickiness after use and leaves your hands feeling fresh. Also it is fragrance and color free, therefore, hypoallergenic and safe for use.

### We enhance safety and reduce carbon footprint

Our services, under the brand name OGLIN®, ensure high purity liquid Nitrogen is delivered reliably under strict safety protocols for Enhanced Oil Recovery (EOR), pigging, inerting, blanketing, purging of pipelines to Oil & Gas companies. We also offer Hydrogen and Carbon monoxide based solutions to remove Volatile Organic Compounds (VOC) from processes for reduced emissions.



### We are in every industry

With broad portfolio of innovative products and solutions, we support a variety of applications in steel, metal, automotive, ship building or breaking and construction sectors. Our gases such as Oxygen, Argon, Hydrogen, Dissolved Acetylene, Nitrogen, welding or process mixtures coupled with gas equipment, such as regulators and cutting equipment etc., guarantee a cost and combustion energy efficient process chain.

## MAKING THE WORLD SAFER

### An interdependent culture of safety

Safety, Health, Environment & Quality is one of the fundamental principles of our company. We remain committed to providing the safest working environment, whilst delivering quality products and services in cognizant of our environmental duties and responsibilities. We aspire to become a high performance organization where SHEQ continues to be the top most priority.

For a strong safety culture, we have implemented Golden Rules of Safety, serving as a benchmark for direction and guidance to prevent serious injuries and fatalities. They are explicitly defined, understood, respected and complied with by all employees, managers, supervisors, and contractors. Golden Rules underpin those critical areas of our management system that present high risk of severe injury or fatality if not followed. Therefore, they must always be adhered to by everyone. In addition, local regulations and other specific requirements must also be applied. Everyone ensures that they understand the requirements of the Golden Rules that are applicable to their daily work.

To support our journey towards a sustainable safety culture, we have affiliated ourselves with world's leading health, safety, environmental and quality management systems. We have continued to keep our SHEQ management systems and processes in line with international best practices through certifications:

- a. ISO 45001 occupational H&S management system certification for Port Qasim and Sundar sites
- b. ISO 14001 environmental management system certification for Sundar site to improve environmental performance. A first-time initiative at Pakistan Oxygen
- c. ISO 9001 quality management system certification for Port Qasim, Shalimar, Qasba Gujrat and Sundar sites
- d. FSSC 22000 (food safety) and Halaal certifications for Port Qasim

### Hazard and Risk Management

Major hazards regarding the storage of flammable, toxic, cryogenic materials and processes are regularly reviewed and mitigated at all our production sites.

To achieve a safe and secure workplace and environment, industry best practices are implemented such as:

- a. Knowledge and competency training with licensing of persons working in safety critical roles e.g. commercial vehicle drivers, cylinder fillers and site managers
- b. Behavioral monitoring of any unsafe acts of commercial vehicle drivers through in-cab cameras, onboard computers, drivers briefing and debriefing systems
- c. Installation of telemetry systems at critical installation sites on customer premises to ensure the reliability of supplies and compliance according to applicable international standards

We aim to achieve ZERO incidents through the strong focus on SHEQ and our actions and behaviors ensuring that all necessary training, systems, processes and tools are in place to achieve this target. We encourage incident and safety hazard reporting to build an interdependent & sustainable safety culture.



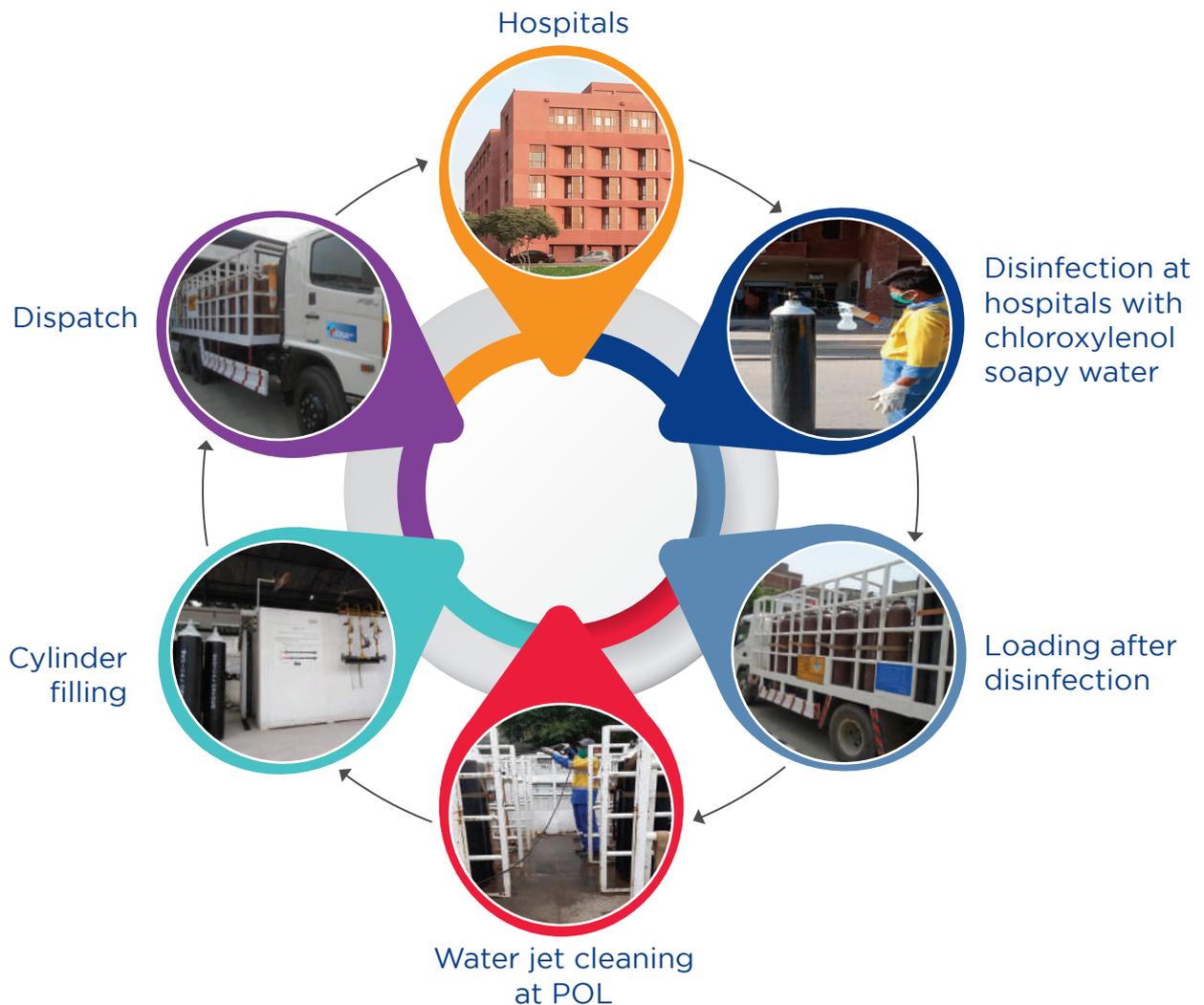
### COVID-19 policies and protocols

COVID-19 pandemic brought an even greater focus on safety and health at Pakistan Oxygen. As an essential industry, our company and its people were at the forefront of the pandemic, channelling all our energies and resources with unwavering determination to meet the high demands of providing medical Oxygen, medical engineering services and other products. All this was made possible owing to series of awareness campaigns, policies and protocols developed to protect our employees, their families and the customers.

Following key measures and initiatives were developed to minimize the risk of COVID-19 at our sites and to our employees:

- Regular disinfection of sites
- Temperature screening at the entry point of sites
- Contact tracing SOP for the handling of COVID-19 positive cases at POL sites
- SOP for the disinfection of cylinders returning from quarantine facilities
- Social distancing and mandatory use of face masks
- Promoting the use of hand sanitizer
- Public service messages on COVID-19

### Procedure followed for cylinder disinfection



## COMPANY INFORMATION

Waqar Ahmed Malik	Non-Executive Chairman
Matin Amjad	Chief Executive Officer
Siraj Ahmed Dadabhoy	Non-Executive Director
Syed Hassan Ali Bukhari	Non-Executive Director
Shahid Mehmood Umerani	Non-Executive Director
Sheikh Muhammad Abdullah	Non-Executive Director
Shahid Abdul Sattar	Non-Executive Director
Feroz Rizvi	Independent Director
Muhammad Zindah Moin Mohajir	Independent Director
Tushna D Kandawalla	Independent Director
Mohammad Younus Dagha	Independent Director

### Chief Financial Officer

Syed Ali Adnan

### Company Secretary

Mazhar Iqbal

### Board Audit Committee

Feroz Rizvi	Chairman	Independent Director
Muhammad Zindah Moin Mohajir	Member	Independent Director
Sheikh Muhammad Abdullah	Member	Non-Executive Director
Shahid Abdul Sattar	Member	Non-Executive Director
Mazhar Iqbal	Secretary	Head of Human Resources & Admin, Company Secretary & Financial Controller

### Board Strategy Committee

Waqar Ahmed Malik	Chairman	Non-Executive Director
Matin Amjad	Member	Chief Executive Officer
Siraj Ahmed Dadabhoy	Member	Non-Executive Director
Shahid Mehmood Umerani	Member	Non-Executive Director
Mohammad Younus Dagha	Member	Independent Director
Syed Ali Adnan	Secretary	Chief Financial Officer

### Board Human Resource, Remuneration and Nomination Committee

Muhammad Zindah Moin Mohajir	Chairman	Independent Director
Syed Hassan Ali Bukhari	Member	Non-Executive Director
Shahid Mehmood Umerani	Member	Non-Executive Director
Tushna D Kandawalla	Member	Independent Director
Mazhar Iqbal	Secretary	Head of Human Resources & Admin, Company Secretary & Financial Controller

### Share Transfer Committee

Muhammad Zindah Moin Mohajir	Chairman	Independent Director
Matin Amjad	Member	Chief Executive Officer
Wakil Ahmed Khan	Secretary	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

### Entity Credit Rating by PACRA

A/A-1 (Single A/A-One) with “Stable” outlook

### Share Registrar

CDC Share Registrar Services Limited

### Auditors

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



## PRODUCTS AND SERVICES

In Pakistan, 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 (O<sub>2</sub>, N<sub>2</sub>O, 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)

#### 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)
- Oxytizer™ (footwear disinfection)

### 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
- Special electrodes
- Saffire™ arc and gas equipment
- Saffire™ MIG welding wire
- Saffire™ Flux cored wire

#### Welding machines

- MMA
- MIG
- TIG

#### Welding accessories

- Gas regulators
- Cutting torches
- Welding torches
- Cutting machines
- Abrasives (Cutting & 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)

# KEY FACILITIES AROUND PAKISTAN



### 12 Plants

- 100 TPD ASU Port Qasim
- 30 TPD ASU Port Qasim
- 23 TPD CO<sub>2</sub> Port Qasim
- Electrolytic Hydrogen plant Port Qasim
- 133 TPD ASU Lahore
- Nitrous oxide plant Lahore
- 60 TPD CO<sub>2</sub> Multan
- On-site Nitrogen plant Mahmood Kot
- Electrode manufacturing plant Karachi
- Dry ice plant Karachi
- Dissolved Acetylene plant Karachi
- Dissolved Acetylene plant Wah Cantt



### 5 Sales office

- Karachi
- Faisalabad
- Sukkur
- Taxila
- Lahore



### 5 Company owned Compressing stations

## PROFILE OF THE DIRECTORS



**Mr. Waqar Ahmed Malik**  
Chairman

Mr. Waqar Ahmed Malik who lives in Karachi is a very well known figure in Pakistan. Dedicated to promoting business and investment, he is widely respected in Government, Business, Army, and social circles of Pakistan.

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 then later with AkzoNobel N.V. based in the Netherlands.

For nearly 10 years, he served as the 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 in Corporate Finance and Strategy.

Mr. Malik joined Fauji Foundation as Managing Director and Chief Executive Officer on 9<sup>th</sup> April 2020.

Presently, he is serving as Chairman on the Boards of following Fauji Group Companies:

- Mari Petroleum Company Limited
- Fauji Infraavest Foods Limited
- Fauji Fertilizer Company Limited
- Foundation Wind Energy-I & II Limited
- FFC Energy Limited
- Foundation Power Company Daharki Limited
- Fauji Fresh n Freeze Limited

- Fauji Kabir Wala Power Company Limited
- Fauji Cement Company Limited
- Fauji Fertilizer Bin Qasim Limited
- Askari Cement Limited
- FFBL Power Company Limited
- Askari Bank Limited
- Foundation Solar Energy (Private) Limited
- Fauji Akbar Portia Marine Terminal Limited
- Daharki Power Holdings Limited
- Fauji Trans Terminal Limited
- Fauji Oil Terminal and Distribution Company Limited

He is also Chairman of Pakistan Oxygen Limited (formerly Linde Pakistan, a subsidiary of Linde AG) acquired by Adira Capital Holdings (Private) Limited that he co-founded. Moreover, he is an Advisor on the Global Board of Veon Ltd. operating Jazz Pakistan.

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

- 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)
- TPL Insurance Limited  
Director (Non-Executive)



**Mr. Matin Amjad**  
Chief Executive Officer

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. Few of his other related are:

- Director - State Bank of Pakistan (Central Bank of Pakistan)
- President - Overseas Investors Chamber of Commerce & Industry (OICCI)
- President - Management Association of Pakistan (MAP)
- 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 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 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.

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. Siraj Ahmed Dadabhoy**  
Director

Mr. Siraj Dadabhoy has more than 25 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 Bank Islami Pakistan Limited and 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 7<sup>th</sup> 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 37 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.

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, Karachi and London. 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 also serves as a member of the Board of Directors of Fiducia Capital Holdings (Cayman) Limited. One of the subsidiaries of the above company operates as an Independent Asset Manager incorporated in Dubai International Financial Centre (DIFC) and regulated by Dubai Financial Services Authority (DFSA).

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 20 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 18 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.

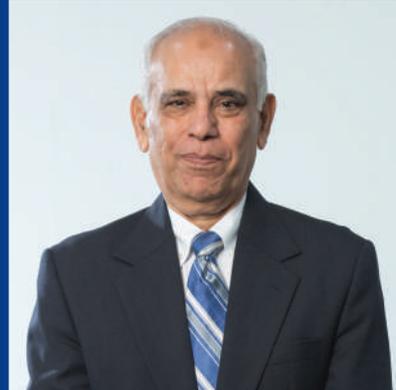


**Mr. Feroz Rizvi**  
Independent Director

Mr. Feroz Rizvi is a Chartered Accountant, having qualified from England & Wales. He has over 42 years of local and international experience in some of the largest companies in the world.

On returning to Pakistan post qualification, he joined ICI Pakistan Ltd, which was then 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 rejoined ICI Pakistan in its Polyester Fiber business in Lahore.

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 effect 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. Back in Pakistan after secondment, he completed the demerger of ICI Pakistan's Paints and PTA businesses into separate listed companies, leading to the sale of the latter to Lotte (a Korean conglomerate) and the former's transfer to AkzoNobel. In ICI Pakistan he also implemented the state-of-the-art SAP ERP system across the group. He retired from ICI Pakistan Ltd as CFO & Finance Director. He has also been CEO of Pakistan Institute of Corporate Governance.



**Mr. Muhammad Zindah Moin Mohajir**  
Independent Director

Mr. Rizvi has extensive experience in corporate & financial strategy, taxation, corporate governance, restructuring and mergers & acquisitions. Beside ICI Pakistan Ltd, he has been a board member of Pakistan PTA Ltd, Faysal Asset Management Ltd and Atlas Insurance Ltd. Currently he is on the Boards of Honda Atlas Motors Pakistan Ltd., Engro Polymers and Chemicals Limited and Al-Meezan Investment Management Ltd.

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.

Business experience of Mr. M. Z. Moin Mohajir spans over 40 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 where he is presently employed as Deputy Secretary-General. He also serves as the Independent Member of the Board of Directors and as Chairman at GSK Consumer Healthcare Pakistan Limited, Chairman of the Board Audit Committees of Wyeth Pakistan Limited, Archroma Pakistan Limited and Loads 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 Board Member of Injaz Pakistan, 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 remained Finance Secretary from March 2019 and opted for early retirement in October 2019.

# 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.

The year 2020 saw the world deal with a significant global challenge the COVID-19 outbreak which impacted all sectors of the economy. Various industries suffered serious supply chain and transportation disruptions, cancelation of orders, raw material shortages, etc., impacting routine business operations. Despite a challenging economic environment, the Company delivered strong results with growth of 19% and 15% in Net Sales and Profit After Tax, respectively. A complete review of the business performance is described in the annexed Directors' Report.

## An overview of performance of the Board

The Company has an effective governance and legal framework in place that ensures compliance with applicable laws and regulations and is instrumental in achieving long-term sustainability and growth. Each of the directors has played an effective role in setting financial and business targets of the Company for the year 2020. The Board remained actively involved in strategic planning process and kept itself abreast with the progress of new and ongoing projects through Strategy Committee of the Board which provided strategic advice to the management in optimizing the allocation and adequacy of the Company's resources/capital. The Committee also assisted the Board on matters of strategic direction, expansion plans and capital expenditure proposals.

During the year under review, the Board also remained instrumental in business expansion of the Company as is evident from the approval of an investment plan of about Rs. 6.3 billion to set up the latest, most energy efficient and state-of-the-art air separation plant in Karachi despite economic slowdown in the country due to Covid-19 and resultant lockdown. In addition, the Company acquired a piece of land measuring 7,334.31 square meters, adjacent to Company's existing site at Sundar Industrial Estate, Lahore to facilitate future expansion and growth of the Company.

## Performance evaluation

As required under the Code of Corporate Governance (the "Code") and in pursuance of SECP's guidelines, an evaluation process is carried out online internally to assess annual performance of the Board, members of the Board and its sub-committees as well as performance of the chief executive officer.

An evaluation proforma link is circulated to each of the members of the Board and its Committees requiring them to complete the questionnaires online with their comments. Results are compiled by the Company Secretary and shared subsequently in the next meeting of the Board with the intent to address areas of further improvement.

I am pleased to report that overall performance of the Board, its Committees and CEO of the Company for the year ended December 31, 2020 remained satisfactory.

## Change in the Board

During the year under review, a casual vacancy was filled up with the appointment of Mr. Mohammad Younus Dagha as an Independent Director with effect from June 17, 2020 in place of Mr. Atif Riaz Bokhari.

Mr. Dagha brings with him rich experience in the field of energy, finance, commerce, trade diplomacy and public administration. The Board welcomes Mr. Dagha and looks forward to his valuable contributions towards the development and expansion of the Company's business.

## 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. The Company will, however, seek exemption and/or encourage these 3 directors, as the case may be, to complete their DTP certification.

### 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 eight (8) meetings of the Board of Directors, four (4) meetings of its Audit Committee and four (4) meetings of the Human Resource, Remuneration & Nomination Committee were held. All directors including independent directors actively took part in 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 and 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. 55.

### 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.
- 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
- 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.

On behalf of the Board, I express my sincere appreciation to my fellow Board members for their valuable contribution to the business expansion and development. I also wish to acknowledge contribution of all employees of the Company in producing good results in the prevalent economic and competitive environment. I also take this opportunity to thank our all customers, vendors, banks and shareholders for their confidence and continued support to the Company.



Karachi:  
February 26, 2021

Waqar Ahmed Malik  
Chairman

## بورڈ کی تشکیل

کوڈ کی پیروی میں کمپنی اپنے بورڈ میں صنفی تنوع کے ساتھ خود مختار اور نان 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 اور کمپنی کے آپریشنز کے تناظر میں متعلقہ سمجھے جاتے ہیں۔

بورڈ اور اس کی کمیٹیوں کی تشکیل کی تفصیلات منسلک "اسٹیٹمنٹ آن کارپوریٹ گورننس" میں صفحہ نمبر 55 پر درج ہیں۔

## چیئر مین کا کردار

میں، چیئر مین کی حیثیت سے اس امر کو یقینی بناتا ہوں کہ

- تفصیلی گفت و شنید کیلئے بورڈ کو مناسب، درست، صاف، مکمل اور قابل اعتماد معلومات بروقت موصول ہوتی ہیں۔
- بورڈ کو تمام اہم معاملات پر باقاعدگی سے بریف کیا جاتا ہے۔
- بورڈ تمام اہم مسائل پر بروقت گفت و شنید کرتا ہے۔
- بورڈ روم تعمیر اور کھلے مباحثے کیلئے مناسب ماحول فراہم کرتا ہے۔
- حکمت عملی اور پالیسی وضع کرنے میں بورڈ تعمیر کردار ادا کرتا ہے۔
- بورڈ کی طرف سے منظور شدہ حکمت عملی اور پالیسی کو چیف ایگزیکٹو آفیسر اور انتظامیہ موثر طور پر عملپیرا ہیں۔
- بورڈ کے فیصلے کمپنی کے بہترین مفاد میں ہوتے ہیں اور بورڈ ممبران کی اتفاق رائے کی عکاسی کرتے ہیں۔
- اچھی کارپوریٹ گورننس اور طریقہ کار موجود ہیں۔

بورڈ کی جانب سے میں اپنے ساتھی بورڈ ممبرز کی کاروبار کی توسیع اور ڈیولپمنٹ میں قابل قدر خدمات کا خلوص سے ستائش کرتا ہوں۔

میں موجودہ معاشی اور مسابقتی ماحول میں بہترین نتائج کے حصول میں کمپنی کے تمام ملازمین کی کاوشوں کا بھی اعتراف کرنا چاہتا ہوں۔ اس موقع پر میں تمام صارفین، وینڈرز، پینکس اور شیئر ہولڈرز کی جانب سے کمپنی پر اعتماد اور مستقل تعاون کیلئے شکر گزار ہوں۔

Waqar Ahmad  
وقار احمد ملک

کراچی

26 فروری 2021

چیئر مین

بورڈ اور اس کی کمیٹیوں کے ہر ممبر کو جانچ کا پروف فارما کالنگ بھیجا جاتا ہے تاکہ وہ اپنے تبصروں کے ساتھ آن لائن سوالنامہ مکمل کریں۔ اس کے نتائج کو مرتب کرنے کی ذمہ داری کمپنی سیکرٹری کو سونپی گئی ہے جو بعد میں بورڈ کی اگلی میٹنگ میں پیش کئے جائیں گے تاکہ گنجائش کے ایریاز میں مزید بہتری لائی جاسکے۔

مجھے یہ اطلاع دیتے ہوئے خوشی محسوس ہو رہی ہے کہ سالِ مختتمہ 31 دسمبر 2020 میں بورڈ، اس کی کمیٹیوں اور کمپنی کے CEO کی کارکردگی تسلی بخش رہی۔

### بورڈ میں تبدیلی

زیرِ جائزہ سال میں ایک عارضی اسامی پر 17 جون 2020 کو جناب محمد یونس ڈاگھا کا خود مختار ڈائریکٹر کے طور پر تقرر کر کے جناب عاطف ریاض بخاری کی جگہ کو پُر کیا گیا۔ جناب ڈاگھا شعبہ توانائی، فنانس، کامرس، ٹریڈ پلوٹیس اور پبلک ایڈمنسٹریشن میں وسیع تجربے کے حامل ہیں۔ بورڈ جناب ڈاگھا کو خوش آمدید کہتا ہے اور کمپنی کے کاروبار کی ڈیولپمنٹ اور توسیع میں ان کی قابل قدر خدمات کا متمنی ہے۔

### ڈائریکٹرز کا تربیتی 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، لسٹڈ کمپنیز کے ڈائریکٹرز کے مطابق اپنے فرائض اور ذمہ داریوں سے بخوبی آگاہ ہیں۔ تاہم، کمپنی ان تین ڈائریکٹرز کیلئے، حسب ضرورت، استثنیٰ حاصل کرنے اور ایسا اپنا DTP سرٹیفیکیشن مکمل کرنے کی حوصلہ افزائی کرے گی۔

### میٹنگز کا توازن

بورڈ نے آڈٹ کمیٹی، ہیومن ریسورس، ریمونریشن 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 متعلقہ ٹی او آر کے مطابق لاگو قوانین اور کوڈ کے مطابق موثر طور پر کام کر رہی ہیں۔ سال کے دوران میں بورڈ آف ڈائریکٹرز کی آٹھ (8)، آڈٹ کمیٹی کی چار (4) اور ہیومن ریسورس، ریمونریشن اینڈ نو مینیشن کمیٹی کی چار (4) میٹنگز ہوئیں۔ تمام ڈائریکٹرز بشمول خود مختار ڈائریکٹر نے بورڈ کی فیصلہ سازی کے عمل میں فعال طور پر حصہ لیا۔

## چیرمین کا جائزہ

عزیز شیئر 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۔

سال 2020 میں دنیا کو COVID-19 کے پھیلاؤ سے نمایاں عالمی چیلنج کا مقابلہ کرنا پڑا جس نے معیشت کے تمام شعبہ جات کو متاثر کیا مختلف صنعتوں، سپلائی چین اور نقل و حمل کے نظام میں شدید رکاوٹ، آرڈرز کی منسوخی، خام مال کی قلت کا سامنا رہا۔ جس کا سنگین اثر معمول کے کاروباری آپریشنز پر پڑا۔ چیلنج والے معاشی ماحول کے باوجود، کمپنی نے خالص فروخت اور بعد از ٹیکس منافع میں بالترتیب 19% اور 15% اضافے کے مضبوط نتائج حاصل کئے۔ کاروباری کارکردگی کا ایک مکمل جائزہ ڈائریکٹرز کی رپورٹ کے ساتھ منسلک ہے۔

### بورڈ کی کارکردگی کا عمومی جائزہ

کمپنی کا ایک موثر گورننس اور لیگل فریم ورک موجود ہے جو لاگو قوانین اور ضوابط پر عمل درآمد کو یقینی بناتا ہے اور یہ طویل المدت استحکام اور ترقی کے حصول کا ذریعہ ہے۔ ہر ایک ڈائریکٹر نے سال 2020 کیلئے کمپنی کے مالیاتی اور کاروباری اہداف مقرر کرنے کیلئے اپنا کردار موثر طور پر ادا کیا۔ بورڈ حکمت عملی کی پلاننگ کے طریقہ کار میں فعال طور پر مصروف رہا اور بورڈ کی حکمت عملی کی کمیٹی کے توسط سے نئے اور جاری پروجیکٹ کی پیش رفت کے بارے میں آگہی حاصل کی جس نے کمپنی کے وسائل / کیپٹل کی بہتر تفویض اور موزونیت سے متعلق انتظامیہ کو حکمت عملی پر مبنی مشورہ دیا۔ کمیٹی نے بورڈ کو حکمت عملی کے رخ، توسیعی منصوبوں اور کیپٹل کے اخراجات کی تجاویز کے معاملات پر بورڈ کی معاونت کی۔

زیر جائزہ سال کے دوران میں بورڈ کمپنی کے کاروبار کو وسعت دینے میں بھی مددگار رہا، جس کا ثبوت 6.3 بلین روپے کی سرمایہ کاری کے پلان کی منظوری دینے سے ہے جس کے تحت Covid 19 اور اس کے نتیجے میں لاک ڈاؤن سے ملک میں معاشی سست روی کے باوجود کراچی میں جدید ترین، توانائی میں انتہائی باکفایت اور اسٹیٹ آف دی آرٹ ایئر سپریشن پلانٹ قائم کیا جائے گا۔ اس کے علاوہ کمپنی نے سنڈرائڈ سٹرمل اسٹیٹ، لاہور میں کمپنی کی موجودہ سائٹ سے متصل 7,334.31 مربع میٹرز میں خریدی ہے جو مستقبل میں کمپنی کی توسیع و ترقی کیلئے استعمال ہوگی۔

### کارکردگی کی جانچ

کوڈ آف کارپوریٹ گورننس (دی "کوڈ") کے تحت مطلوب اور SECP کی رہنما ہدایات کی پیروی میں بورڈ، بورڈ کے ممبرز اور اس کی ذیلی کمیٹیوں کی سالانہ کارکردگی کی جانچ، نیز چیف ایگزیکٹو آفیسر کی کارکردگی کی جانچ کیلئے داخلی آن لائن جانچ کا طریقہ کار وضع کیا گیا۔

## 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, 2020.

### National Economy

The outbreak of coronavirus disease continues to impact global economies. All sectors of the economy faced variety of challenges, including a reduction in aggregate demand. Various industries suffered supply chain and transportation disruptions, cancelation of orders, raw material shortages, etc., impacting routine business operations. Pakistan faced similar challenges and for the first time in decades, recorded negative GDP growth of 0.4% for FY 2020. Large Scale Manufacturing (LSM) suffered the most with a decline of 10.2%.

The easing of restrictions later in the year and the Governments' financial package to support industries helped stabilize this downward trajectory. By the last quarter of the year, LSM

rebounded, recording a growth of 7.4% and 14.5% in October and November, respectively. The incentives for the construction and textile sectors also brought an upsurge in these sectors' performance. Other positives included, high remittance inflows, improving export numbers and lower CPI inflation, which was recorded at 8% on year-on-year basis in December 2020 as compared to 12.6% during the same period last year. This led the SBP to maintain policy rate at 7%.

### Overview of Company's Performance

Despite the difficult economic conditions, the Company posted Net Sales of Rs. 5.5 billion, recording a strong growth of 19% compared to last year. This was achieved on the back of robust performance in the Healthcare segment, which grew by 69%. The Company prioritized medical oxygen supplies to the Healthcare segment and also positioned itself as the go-to Company for medical engineering and pipeline

projects. A number of projects were completed in record time, including the 250 bed Isolation Hospital & Infections Treatment Center (IHITC) in Islamabad. The medical engineering portfolio was enhanced with localization of a number of products including automatic manifold systems and alarm panels, amongst others, and production processes improved to achieve the CE Mark certification for bed-head units.

Performance in Industrial Gases and Welding portfolios witnessed a decline due to the strict lockdown conditions. However, as these restrictions were eased, performance stabilized. As oxygen supply was prioritized for the Healthcare segment, the Company procured additional product from local and foreign sources to service its customers. During the year, the Company also successfully re-commissioned its CO<sub>2</sub> plant at Multan in collaboration with the Fatima Group. This positions the two companies to grow their respective market share. In the Welding segment, the Company took several initiatives to consolidate its position in the market including the conversion of Tier 2 electrode to local production and the development of new variants. New agreements were also signed with international companies to expand the product offer to the local market.

As a result, Gross Profit for the year was recorded at Rs. 1.1 billion, an increase of 4% compared to last year, despite the unprecedented increase in electricity tariffs and the one-off arrears charge of Rs. 45 million by K-Electric on account of the withdrawal of the Industrial Support Package (ISPA). Overheads were tightly controlled and remained at Rs. 551 million, up 5% compared to last year. Finance costs at Rs. 164 million were 5% lower than last year. This was underpinned by better cash-flow and working capital management, and low interest rates as compared to last year. Other income for the year included an amount of Rs. 50 million received on account of insurance claim in respect of motor failure at one of the Company's ASU plants. Profit After Tax for the year at Rs. 346 million and Earnings Per Share (EPS) at Rs. 8.87, are 15% higher compared to last year.



### **Safety, Health, Environment and Quality (SHEQ)**

SHEQ continues to remain the primary focus of the Company. During the year, the Company achieved zero accident/incident record both in bulk and PGP operations, and enhanced the robustness of its reporting and monitoring system. The Company further strengthened its hazard reporting system, which resulted in a reduction of operational incidents.

COVID-19 brought unprecedented health and safety challenges to the Company during 2020. The Company developed a series of policies and protocols to protect not just employees but also their families and at the same time to ensure business continuity. Besides running an aggressive awareness campaign, several initiatives were undertaken including cylinder disinfection, guidelines for sales staff, contact tracing protocols, mandatory wearing of facemasks, maintaining social distancing and temperature checking at all office entry gates, and promoting the use of hand sanitizers, among others. All of these initiatives helped the Company sustain continuous plant and commercial operations.

### **Environment**

The Company takes its responsibility towards the environment and energy conservation seriously. Effluents and emissions are routinely monitored and maintained as per the National Environmental Quality Standards, minimizing the impact on the environment. During the year, the Company also initiated a tree plantation campaign at its sites in Lahore and

Karachi. The Sundar site also achieved the ISO 14001 (Environmental Management Systems) standard under the Integrated Management Systems (ISO 45001, ISO 9001 & ISO 14001) Certification.

### Segment Performance: Healthcare & Medical Engineering Services

The Company ensured round the clock and uninterrupted supply of medical oxygen to hospitals across the country. At the same time, the Company successfully positioned itself as the leader in medical engineering and pipeline services collaborating with both public and private sector hospitals and other agencies. Altogether, over 30 projects were completed in record time. This included both the construction of new facilities and the upgradation of existing ones for the treatment of COVID-19 patients. During the year, the Company worked on projects that have added around 2,700 new oxygenated beds to the national healthcare infrastructure.

### Segment Performance: Industrial Gases

Despite challenging business conditions, particularly earlier in the year, and lack of public sector funds for development projects, the Company maintained its market leadership in industrial gases through strong customer focus. All ASU plants remained fully loaded and the Company's customer base was effectively managed. The Company showed its firm commitment to prioritize oxygen supplies to the healthcare segment while mitigating the resulting shortfall in supplies to other segments through both local purchase and imports. The re-

start of the CO<sub>2</sub> facility in Multan augurs well for the Company to capitalize on the opportunity in the fast-growing food & beverages sector with reliable & quality product supplies.

### Segment Performance: Welding & Hardgoods

The country wide lockdowns which began in March 2020 led to the closure of the hardgoods markets and the situation persisted for a few months. This together with low public sector spending, subdued demand for welding products. The situation, however, improved in the second half of the year with the reopening of the markets. A re-organized sales team with improved customer coverage led to a rebound in sales of both established brands and the successful launch of new products including welding machines.

### Segment Performance: Operations

Efforts continued to improve productivity and manufacturing efficiencies at all manufacturing sites. ISO 13485 along with the CE Certificate for locally produced bed-head units was achieved. The certification allows the Company to target European markets with an expanded medical equipment portfolio. Furthermore, in order to meet urgent requirement of medical oxygen tanks for hospitals, 21 tanks were refurbished and installed at new sites in record time supporting NDMA's campaign for the fight against the pandemic.

All manufacturing sites were operated safely, reliably, and efficiently and maintained quality management systems, including the Food Safety Standards Certification (FSSC 22000)





and the Quality Management System ISO 14001 at the Port Qasim facility, and the IMS certifications including ISO 9001, ISO 14001 & ISO 45001 certifications at the Sundar facility.

#### Segment Performance: Human Resources

The Company continued its primary focus on employees learning and development. Many employees attended various professional development programs at leading local academic institutions in line with their Training Need Analysis (TNAs). At the same time, in-house training programs were restarted, and a number of trainings completed. Six Sigma training was also conducted for key operations team members. Strong rewards and recognition programs continue to be in place to promote excellence in the delivery of business goals.

The Company believes that diversity and inclusion result in enriched collaboration and enhanced solutions. Therefore, it remains committed to maintaining a workplace free from any discrimination based on race, creed, culture, religion, gender, age, or marital status. Pakistan Oxygen provides platform for its employees to unleash their full potential in their current roles and develop their skills for future leadership roles.

#### Segment 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 technology adoption. During the year, the IT services team developed a local

telemetry device, at lower cost, for remote monitoring of storage tank inventory. It also implemented, Microsoft Business Intelligence application to support management's quick and informed decision making.

#### 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 and engineering services. The Company records its activities 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. 55.

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. 62 and 64, 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 2 shares for every 10 shares held



i.e. 20% subject to approval of the Members at the 72<sup>nd</sup> Annual General Meeting to be held on April 26, 2021. 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 2019	294,836
Issuance of bonus shares in proportion of 2 shares for every 10 shares	(65,101)
Transfer to General Reserve	229,735
Net Profit after taxation for the year 2020	346,281
Re-measurement: net actuarial gains recognized in other Comprehensive income	11,805
<b>Un-appropriated profit carried forward</b>	<b>358,086</b>
Subsequent Effects:	
Proposed issue of bonus shares in the proportion of 2 shares for every 10 shares held i.e. 20%	78,121
Transfer to General Reserve	279,965
	<b>358,086</b>
<b>Issue of bonus shares</b>	<b>78,121</b>
EPS – for the year 2020 Rs. 8.87 (2019: Rs 7.70)	

### Post Balance Sheet Events

There has been no significant event since December 31, 2020 to date, except as provided below:

- The Board of Directors in their meeting held on February 26, 2021 has recommended issuance of bonus shares subject to approval of the Members at 72<sup>nd</sup> Annual General Meeting to be held on April 26, 2021.
- In November 2020, the Board of Directors had approved an investment plan of about PKR 6.3 billion to set-up the latest and the most energy efficient Air Separation Unit (the "Plant") in its class. The new state-of-the-art Plant is being sourced from Linde GmbH, Linde Engineering Pullach Germany, and will be capable of producing up to 270 tons per day air separation (ASU) products. The proposed investment was also announced at PSX.

Subsequent to the balance sheet date, the Company entered into long term financing agreements with certain banks and availed long term financing facility including Temporary Economic Relief Facility (TERF/

ITERF) for import and construction of the Plant. The Company has also successfully established Letters of Credit in favour of the supplier. The plant is expected to come on stream in the first half of 2023.

### Key Operating and Financial Data

An overview of the key operating and financial data for the last 10-years in summarized form is given on 66 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 71.

### 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 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 36 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

The following changes have taken place in the Board of your Company since the last Annual Report 2019.

Mr Atif Riaz Bokhari resigned from the directorship of the Company on March 25, 2020 after serving the Board and its Committee on Human Resource, Remuneration & Nomination for more than 2 years. The directors would like to express their appreciation for the contributions made by Mr. Bokhari during his tenure as director of the Company.

Mr. Mohammad Younus Dagha joined the Board as an Independent Director on June 17, 2020 in place of Mr. Atif Riaz Bokhari and brings with him rich experience in the field of energy, finance, commerce, trade diplomacy and public administration. The Board welcomes Mr. Dagha and looks forward to his valuable contributions towards the development and expansion of the Company's business.

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 three Committees, details of which are provided in "Corporate Governance Section" of the Report on page 55.

## Directors' Remuneration

Shareholders at their 71<sup>st</sup> 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 onto the Company's website:

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

## 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, offer themselves for reappointment. As suggested by the Audit Committee, the Board of Directors has recommended their

reappointment as auditors of the Company for the year ending December 31, 2021, at a fee/remuneration to be mutually agreed.

### Related Party Transactions

The Company has executed all transactions with its related parties at an arm's length price. The details of all related party transactions were placed before the Audit Committee and upon its recommendation the same were approved by the Board of Directors.

The details of all related party transactions are disclosed in Note 38.1 annexed to the annual audited financial statements.

### 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 institution. Only 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. The Company will, however, seek exemption and/or encourage these 3 directors, as the case may be, to complete their DTP certification.

### Pattern of Shareholding

Information with respect to pattern of shareholding along with categories of shareholders as at December 31, 2020 as required under section 227 of the Companies Act, 2017, is given in this report on page 120.

### Future Outlook

The year 2020 has seen the world grapple with the fallout of COVID-19, bringing new challenges for lives and businesses across the world. Pakistan's economy shrank for the first time in decades and it continues to face the very challenges as it did before the pandemic; pressure on the Rupee with a low export base, revenue collection problems, low tax to GDP ratio, high circular debt, to name just a few.

There are some positive signs on the horizon. Improving economic activity in sectors like construction, due to special government

incentives, and the resulting boost in demand for cement, steel, and other associated industries. Growth is also forecast for process industry, food processing, and automobiles sector, as new investments in plant and machinery are made under special low-interest project financing facilities. The China Pakistan Economic Corridor (CPEC) should also be a catalyst for an economic turn-around bringing new opportunities in diverse areas. Your Company is focused to maintain its strong presence in the Healthcare and Medical Engineering segments, retain its customer base in Industrial Gases and grow its footprint in the Welding & Hardgoods market remaining confident to deliver growth plans for the coming year.

### Acknowledgements

The results of the Company are a reflection of the commitment and contribution of its employees who worked under challenging and competitive economic condition during the year under review, and the trust placed in the Company by its valuable customers, suppliers, contractors, service providers and shareholders. The Company acknowledges and thanks all the stakeholders for their continued support to the Company.

On behalf of the Board



Matin Amjad  
Chief Executive Officer



Waqar Ahmed Malik  
Chairman

Karachi: February 26, 2021

## مستقبل کے امکانات

سال 2020 میں COVID-19 کے نتیجے میں دنیا ایک شکنجے میں جکڑ گئی اور زندگیوں اور پوری دنیا میں کاروبار کیلئے نئے چیلنج سامنے آئے۔ اگرچہ پاکستان کی معیشت کئی دہائیوں میں پہلی بار سکڑ گئی اور معیشت کو پھر انہی چیلنجز کا سامنا رہا جو وبا کے پھیلنے سے پہلے درپیش تھے جن میں برآمدات میں کمی کے باعث روپے پر دباؤ، ٹیکس کی کم وصولی کا مسئلہ، جی ڈی پی کی کم شرح اور بلند تر گردش قرضے وغیرہ شامل ہیں۔

بہر حال افق پر کچھ مثبت اشارے بھی نظر آ رہے ہیں؛ بعض شعبوں میں معاشی سرگرمیوں میں بہتری آرہی ہے جن میں تعمیراتی شعبہ جس کو حکومت کی جانب سے خصوصی مراعات دی گئیں اور اس کے نتیجے میں سیمنٹ، اسٹیل اور دوسری متعلقہ صنعتوں کی طلب میں نمایاں اضافہ ہوا ہے۔ پروسیس کی صنعت، فوڈ پروسیسنگ اور آٹوموبائل کے شعبہ میں بہتری کی توقع ہے کیونکہ خصوصی کم شرح سود پر پروجیکٹ فنانسنگ کی سہولت کے باعث پلانٹ اور مشینری میں نئی سرمایہ کاری ہوئی ہے۔ چائنا پاکستان اکنامک کوریڈور (CPEC) کا بھی معاشی بحالی میں اہم کردار ہوگا اور متنوع شعبہ جات میں نئے مواقع پیدا ہوں گے۔ آپ کی کمپنی کی توجہ ہیلتھ کیئر اور میڈیکل انجینئرنگ کے شعبہ جات، صنعتی گیسز میں صارفین کی بنیاد کو وسیع کرنے اور ویلڈنگ اینڈ ہارڈ گنز مارکیٹ میں اپنے کاروبار میں اضافے پر مرکوز ہے جب کہ آنے والے سال میں مزید ترقیاتی منصوبوں کیلئے کمپنی پر اعتماد ہے۔

## اعتراف کارکردگی

کمپنی کے نتائج میں اس کے ملازمین کے عزم اور کوششوں کی جھلک ہے جنہوں نے زیر جائزہ سال میں چیلنج والے اور مسابقتی معاشی حالات میں محنت سے کام کیا اور تمام معزز کسٹمرز، سپلائرز، کنٹریکٹرز، سروس پرووائیڈرز اور شیئر ہولڈرز جنہوں نے کمپنی پر اعتماد قائم رکھا، کمپنی ان کے تعاون کا اعتراف کرتی ہے اور تمام اسٹیک ہولڈرز کے مسلسل تعاون پر ان کا شکریہ ادا کرتی ہے۔

منجانب بورڈ

Waqar Ahmad Malik

وقار احمد ملک

چیئر مین

Muhammad Amin

متین امجد

چیف ایگزیکٹو آفیسر

کراچی۔ 26 فروری 2021

ڈائریکٹرز نے رسک منیجمنٹ سسٹم کے قیام اور اس پر عمل درآمد اور کمپنی کی منصور قابل قبول سطح تک رسک میں کمی کو یقینی بنانے کیلئے انتظامیہ کو ذمہ داری تفویض کر دی ہے۔

## آڈیٹرز

موجودہ آڈیٹرز، BDO ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور اہل ہونے کی بنیاد پر انہوں نے خود کو دوبار ترقی کیلئے پیش کیا ہے۔ آڈٹ کمیٹی کی تجویز کے مطابق بورڈ آف ڈائریکٹرز نے 31 دسمبر 2021 کو ختم ہونے والے سال کیلئے ان کو کمپنی کے آڈیٹرز کے طور پر باہمی رضامندی سے طے کی گئی فیس معاوضے پر دوبارہ ترقی کی سفارش کی ہے۔

## ریلیٹیڈ پارٹی کے ساتھ لین دین

کمپنی نے ریلیٹیڈ پارٹیز کے ساتھ اپنے تمام لین دین کے معاملات آرمر لینتھ پرائس پر طے کئے اور تمام ریلیٹیڈ پارٹیز کے ساتھ لین دین کی تفصیلات آڈٹ کمیٹی کے سامنے پیش کی گئیں اور اس کی سفارشات کے مطابق بورڈ آف ڈائریکٹرز نے ان کی منظوری دیدی۔ تمام ریلیٹیڈ پارٹیز کے ساتھ لین دین کی تفصیلات منسلک سالانہ آڈٹ شدہ فنانشل اسٹیٹمنٹس کے نوٹ 38.1 پر موجود ہیں۔

## ڈائریکٹرز کی تربیت (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۔ چیف ایگزیکٹو آفیسر (منصور ڈائریکٹر) اور کمپنی سیکرٹری بھی ایک تسلیم شدہ ادارے سے DTP میں سرٹیفیکیشن کے حامل ہیں۔ 10 میں سے صرف تین ڈائریکٹرز، جو DTP سرٹیفیکیشن کے حامل نہیں ہیں، لسٹڈ کمپنیز کے ڈائریکٹرز کے مطابق اپنے فرائض اور ذمہ داریوں سے بخوبی آگاہ ہیں۔ تاہم، کمپنی ان تین ڈائریکٹرز کیلئے، حسب ضرورت، استثنیٰ حاصل کرنے اور ایسا DTP سرٹیفیکیشن مکمل کرنے کی حوصلہ افزائی کرے گی۔

## شیر ہولڈنگ کا طرز

کمپنیز ایکٹ 2017 کے سیکشن 227 کے تحت شیر ہولڈنگ کے طرز مع شیر ہولڈرز کی کیٹگری بمطابق 31 دسمبر 2020 کی معلومات اس رپورٹ کے صفحہ نمبر 120 پر دی گئی ہیں۔

## ڈائریکٹرز کا معاوضہ

شیر ہولڈرز نے 21 اپریل 2020 کو ہونے والے 71 ویں سالانہ اجلاس عام میں ایک خصوصی قرارداد کے ذریعے کمپنی کے بورڈ آف ڈائریکٹرز کو مجاز قرار دیا کہ وہ وقتاً فوقتاً کمپنیز کے آرٹیکل آف ایسوسی ایشن کے آرٹیکل 74 کے تحت، کمپنی کے ڈائریکٹرز کو قابل ادا ایگزیکیوٹو فیس کا تعین کرے جیسا بھی بورڈ آف ڈائریکٹرز تعین 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 سابقہ عمومیت کو محدود کئے بغیر مختلف فیسوں کا تعین کرے۔

## چیف ایگزیکٹو آفیسر

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 اگلے تین 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:

- (i) وسل بلوٹنگ پالیسی
- (ii) جنسی ہراسمنٹ کے خلاف پالیسی
- (iii) ضابطہ اخلاق

## داخلی کنٹرولز اور رسک منیجمنٹ

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 بھروسہ مندی اور لاگو قوانین اور ضابطوں پر عمل درآمد کو بھی یقینی بناتا ہے۔ انتظامیہ اس 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 رپورٹ بورڈ آف ڈائریکٹرز کو پیش کرتی ہے۔

بورڈ آف ڈائریکٹرز تمام نمایاں حکمت عملی، فنانشل، اداراتی اور کمپلائنس کے خطرات پر مکمل اور موثر کنٹرول کو یقینی بناتا ہے اور اس کو برقرار رکھتا ہے۔

## کمپلائنس رسکس

آپ کے بورڈ اور انتظامیہ نے ایک مضبوط انتظامی بندوبست اور قانونی ڈھانچہ تشکیل دیا ہوا ہے جو نہ صرف لاگو قوانین اور ضابطوں پر عمل درآمد کو یقینی بناتا ہے بلکہ بہترین بین الاقوامی معیار پر بھی پورا اترتا ہے۔

## بورڈ آف ڈائریکٹرز

گزشتہ سالانہ رپورٹ 2019 سے اب تک آپ کی کمپنی کے بورڈ میں درج ذیل تبدیلیاں آئی ہیں۔

جناب عاطف ریاض بخاری نے 25 مارچ 2020 کو کمپنی کی ڈائریکٹر شپ سے استعفیٰ دے دیا۔ آپ نے 2 سال سے زیادہ عرصے تک بورڈ اور اس کی ہیومن ریسورس، ریمونڈ اینڈ نوٹیشن کمپنی میں خدمات انجام دیں۔ ڈائریکٹرز، جناب بخاری کو، ان کی کمپنی کے ڈائریکٹر کے طور پر خدمات کو خراج تحسین پیش کرتے ہیں۔

جناب محمد یونس ڈاگھانے 17 جون 2020 کو جناب عاطف ریاض بخاری کی جگہ بورڈ میں بطور خود مختار ڈائریکٹر شمولیت اختیار کی۔ آپ شعبہ توانائی، فنانس، کامرس، ٹریڈ پلویسی اور پبلک ایڈمنسٹریشن میں وسیع تجربے کے حامل ہیں۔ بورڈ جناب ڈاگھانے کو خوش آمدید کہتا ہے اور کمپنی کے کاروبار کی ڈیولپمنٹ اور توسیع کیلئے ان کی قابل قدر خدمات کا متمنی ہے۔

بورڈ کی موجودہ تشکیل حسب ذیل ہے:-

ڈائریکٹرز کی کل تعداد:

(ا) مرد: 9

(ب) خاتون: 1

ہیئت ترکیبی:

(ا) خود مختار ڈائریکٹرز: 4

(ب) نان ایگزیکٹو ڈائریکٹرز: 6

بورڈ کی کمیٹیاں:

بورڈ نے تین کمیٹیاں تشکیل دی ہیں جن کی تفصیل رپورٹ کے "کارپوریٹ گورننس سیکشن" کے صفحہ نمبر 55 پر فراہم کی گئی ہے۔

بیلنس شیٹ کی تاریخ کے بعد کمپنی نے بعض بینکوں کے ساتھ طویل مدت کے فنانسنگ کے معاہدے کئے اور طویل مدت کی فنانسنگ کی سہولت حاصل کی جس میں پلانٹ کی درآمد اور تعمیر کیلئے ٹیمپریری اکنامک ریلیف فیسلٹی (TERF/ITERF) شامل ہے کمپنی نے سپلائر کے حق میں لیٹرز آف کریڈٹ بھی کامیابی کے ساتھ تیار کر لئے ہیں۔ توقع ہے کہ پلانٹ 2023 کی پہلی ششماہی میں ہمارے کاروباری عمل میں شامل ہو جائے گا۔

## اہم آپریٹنگ اور فنانشل ڈیٹا

گزشتہ 10 سال کے اہم آپریٹنگ اور فنانشل ڈیٹا کا عمومی جائزے کا خلاصہ اس سالانہ رپورٹ کے صفحہ نمبر 66 پر درج ہے۔

## قومی خزانے میں حصہ

قومی خزانے میں کمپنی کے حصہ کے بارے میں معلومات اس رپورٹ کے صفحہ نمبر 71 پر "ویلو ایڈڈ کے اسٹیٹمنٹ" میں فراہم کی گئی ہیں

## خدشات، غیر یقینی حالات اور تخفیفات

### آپریٹنگ ریسکس

کمپنی اخلاقیات، تحفظ اور معیار کی ضمانت کے اعلیٰ معیارات پر کاربند ہے تاکہ اپنے کسٹمرز کیلئے مصنوعات اور خدمات کی مسلسل اور بلا تعطل فراہمی کو یقینی بنایا جائے۔ اے ایس یو (ASU) مصنوعات کی پروڈکشن کی قلت کے خدشے کو منیو فیکچرنگ کی نئی حکمت عملی کے ذریعہ کم کیا جائے گا۔ توانائی کی قیمتوں میں غیر معمولی اضافہ سے کمپنی کی پروڈکشن کی لاگت پر برا اثر پڑا ہے۔ اس فرق کو کسٹمر کی طرف بڑھا کر اور آپریشن کی لاگت میں کفایت اور کنٹرول کے اقدامات کے ذریعہ ختم کیا جائے گا۔

### فنانشل ریسکس

کمپنی کو مالی اثاثوں 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 کسٹمرز کو دی گئی قرض کی حد سے کنٹرول کیا جاتا ہے۔ کمپنی اپنے مالی نقصان کے اندیشوں کو دور کرنے کے انتظامات کرتی ہے جس کی تفصیل فنانشل اسٹیٹمنٹس کے نوٹ 36 میں دی گئی ہے۔

روپے (ہزاروں میں)

294,836	غیر تخصیص شدہ منافع بمطابق 31 دسمبر 2019
(65,101)	بونس شیئرز کا اجراء، ہر 10 شیئرز کیلئے 2 شیئرز کے تناسب سے
<b>229,735</b>	<b>جنرل ریزرو میں منتقلی</b>
346,281	خالص منافع بعد از ٹیکس برائے سال 2020
11,805	دوبارہ جانچ: خالص ایجوٹیبل منافع جو دیگر جامع آمدنی میں شمار کیا گیا
<b>358,086</b>	<b>غیر تخصیص شدہ منافع کی منتقلی برائے اگلی ادائیگی</b>
	<b>ذیلی اثرات</b>
78,121	مجوزہ بونس شیئرز کا اجراء بہ نسبت 2 شیئرز برائے ہر 10 ملکیتی شیئرز یعنی 20%
279,965	<b>جنرل ریزرو میں منتقلی</b>
<b>358,086</b>	
<b>78,121</b>	<b>بونس شیئرز کا اجراء</b>
	نی شیئر آمدنی (EPS) برائے سال 2020 بحساب 8.87 روپے (2019: 7.70 روپے)

### بیلنس شیٹ کے بعد کے واقعات:

31 دسمبر 2020 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 26 فروری 2021 کو بونس شیئر کے اجراء کی سفارش کی تھی جو 26 اپریل 2021 کو منعقد ہونے والے 72 ویں سالانہ اجلاس عام میں ممبرز کی منظوری سے مشروط ہے۔
- نومبر 2020 کو بورڈ آف ڈائریکٹرز نے جدید ترین اور اپنی قسم کے انرجی کے سب سے زیادہ باکفایت ایئر سپریشن یونٹ (دی "پلانٹ") لگانے کیلئے 6.3 بلین پاکستانی روپے کی سرمایہ کاری کے پلان کی منظوری دی تھی۔ نیا اسٹیٹ آف دی آرٹ پلانٹ Linde GmbH, Linde Engineering Pullach جرمنی سے حاصل کیا جا رہا ہے جو 270 ٹن روزانہ ایئر سپریشن (ASU) پروڈکٹس تیار کرنے کا اہل ہوگا۔ مجوزہ سرمایہ کاری کا اعلان PSX میں بھی کیا جا چکا ہے۔

پاکستان آکسیجن اپنے ملازمین کو اپنے موجودہ کردار میں پوری استعداد کو بروئے کار لانے اور مستقبل میں قائدانہ کردار ادا کرنے کیلئے اپنی صلاحیتوں کو اجاگر کرنے کیلئے پلیٹ فارم مہیا کرتا ہے۔

### شعبہ جاتی کارکردگی: انفارمیشن سروسز (IS)

اپنی قائدانہ حیثیت برقرار رکھنے اور مارکیٹ کی بدلتی ہوئی حرکیات کے ساتھ مطابقت کیلئے کمپنی نے ڈیجیٹل اقدامات اور ٹیکنالوجی کے حصول میں سرمایہ کاری جاری رکھی۔ سال کے دوران میں آئی ٹی سروسز ٹیم نے کم قیمت پر مقامی ٹیلی میٹری ڈیوائس تیار کی ہے جو اسٹوریج ٹینک کی انونٹری کو فاصلے سے نگرانی کرتی ہے۔ اس نے انتظامیہ کو فوری اور معلومات پر مبنی فیصلہ سازی میں مدد کیلئے مائیکروسافٹ بزنس انٹیلی جنس آپٹیکیشن لاگو کر دی۔

### کمپنی کی بنیادی سرگرمیاں اور کاروباری شعبہ جات

کمپنی صنعتی اور میڈیکل گیسز، ویلڈنگ الیکٹروڈز، ہارڈ گڈز اور میڈیکل ایکویپمنٹ کی مینوفیکچرنگ اور فروخت و رائجمنٹ کی خدمات فراہم کرنے میں مصروف عمل ہے۔ کمپنی اپنی سرگرمیوں کو دو شعبہ جات میں تقسیم کرتی ہے، ایک صنعتی، میڈیکل اور دیگر گیسز اور دوسرے ویلڈنگ وغیرہ۔

### کارپوریٹ گورننس کے بہترین طرز عمل کی پیروی

کمپنی کے کارپوریٹ گورننس پر عمل درآمد کی صورتحال کا اسٹیٹمنٹ "کارپوریٹ گورننس سیکشن" میں صفحہ نمبر 55 پر موجود ہے۔ اس کے علاوہ "لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019" کے ساتھ عمل درآمد کا اسٹیٹمنٹ مع آڈیٹرز کی جائزہ رپورٹ برائے ممبرز بالترتیب صفحہ نمبر 62 اور 64 پر موجود ہے۔

### منافع منقسمہ کی تقسیم اور منافع کی تخصیص

کمپنی کی مالیاتی کارکردگی اور مستقبل کی نقد بہاؤ کی ضروریات کو مد نظر رکھتے ہوئے کمپنی کے بورڈ آف ڈائریکٹرز نے بونس شیئرز کے اجراء کی سفارش کی ہے جو ہر 10 ملکیتی شیئرز پر 2 شیئرز یعنی 20% کے حساب سے دیا جائے گا اور جو 26 اپریل 2021 کو منعقد ہونے والے 72 ویں سالانہ اجلاس عام میں ممبرز کی منظوری سے مشروط ہے۔ ایسے بونس شیئرز کے اجراء کے موثر ہونے کے بارے میں اگلے سال کے مالیاتی اسٹیٹمنٹ میں ظاہر کیا جائے گا۔ ڈائریکٹرز کی منظور کردہ تخصیص درج ذیل ہے:

## شعبہ جاتی کارکردگی: ویلڈنگ اینڈ ہارڈ گڈز

مارچ 2020 میں ملک بھر میں لاک ڈاؤن کا آغاز ہوا جس کے باعث ہارڈ گڈز کی مارکیٹس بند ہو گئیں اور یہ صورتحال کئی مہینے تک برقرار رہی۔ اس کے ساتھ سرکاری شعبہ کے خرچے میں بھی کمی آئی اور ویلڈنگ پروڈکٹس کی طلب بھی محدود ہو گئی۔ تاہم سال کی دوسری ششماہی میں مارکیٹس کے کھلنے سے حالات بہتر ہونے لگے۔ ایک دوبارہ منظم کی گئی سیلز ٹیم اور صارفین کی بہتر کوریج کے سبب موجودہ برانڈز کے علاوہ متعارف کروائی گئی نئی پروڈکٹس بشمول ویلڈنگ مشینز کے باعث سیلز میں دوبارہ اضافہ ہوا۔

## شعبہ جاتی کارکردگی: آپریشنز

مینوفیکچرنگ کی تمام سائنٹس پر پیداواریت اور پیداواری استعداد میں بہتری لانے کیلئے کوششیں جاری رہیں۔ مقامی طور پر تیار کردہ بیڈ ہیڈ یونٹس کیلئے ISO-13485 مع CE سرٹیفکیٹ حاصل کر لئے گئے۔ اس سرٹیفکیٹ کے حصول سے کمپنی کو توسیع شدہ میڈیکل ایکویپمنٹ کے پورٹ فولیو کے ساتھ یورپین مارکیٹس میں اہداف حاصل کرنے میں سہولت ہوگی۔ مزید برآں، ہسپتالوں کیلئے میڈیکل آکسیجن ٹینکس کی فوری ضرورت پورا کرنے کیلئے 21 ٹینکوں کی تجدید کی گئی اور ریکارڈ مدت میں نئی جگہوں پر نصب کیا گیا جس سے وبا سے مقابلے کیلئے NDMA کی مہم کو مدد ملی۔

تمام مینوفیکچرنگ سائنٹس پر حفاظت، اعتماد اور مستعدی کے ساتھ کاروباری عمل جاری رہا اور کوالٹی منیجمنٹ سسٹمز کو معیاری سٹیڈی اسٹینڈرڈز سرٹیفیکیشن (FSSC-22000) اور پورٹ قاسم فیسلٹی پر کوالٹی منیجمنٹ سسٹم ISO-14001 اور سنڈرفیسلٹی پر IMS سرٹیفیکیشن بشمول ISO-9001, ISO-14001 & ISO-45001 certifications کے مطابق برقرار رکھا گیا۔

## شعبہ جاتی کارکردگی: انسانی وسائل

کمپنی نے اپنی بنیادی توجہ ملازمین کی تربیت اور ترقی پر مرکوز رکھی۔ متعدد ملازمین نے اپنی ٹریننگ نیڈ انالائسنز (TNAs) کے مطابق معروف مقامی تعلیمی اداروں میں مختلف پیشہ ورانہ ڈیولپمنٹ پروگراموں میں شرکت کی۔ اس کے ساتھ ساتھ ان ہاؤس ٹریننگ پروگرام بھی دوبارہ شروع کئے گئے اور متعدد ٹریننگز مکمل ہو گئیں۔ اہم آپریشنز ٹیم ممبرز کیلئے Six-Sigma ٹریننگ پروگراموں کا اہتمام کیا گیا۔ کاروباری اہداف کے حصول کیلئے مہارت کو فروغ دینے کیلئے بڑے ریوارڈز اور اعتراف فن کے پروگرام بھی جاری ہیں۔ کمپنی کو یقین ہے کہ تنوع اور شمولیت کے نتیجے میں بھرپور اشتراک اور بہتر حل سامنے آتے ہیں۔ اس لئے کمپنی کام کی جگہ کو نسل، عقیدے، ثقافت، مذہب، جنس، عمر یا ازدواجی حیثیت کی بنا پر امتیازی سلوک سے پاک رکھنے کیلئے پرعزم ہے۔

نیز سماجی فاصلہ اور دفتر کے تمام داخلی دروازوں پر ٹیسپجر کی چیکنگ اور ہینڈ سینیٹائزر کا استعمال شامل ہیں۔ ان تمام اقدامات کے باعث کمپنی کو پلانٹ اور کمرشل آپریشن جاری رکھنے میں مدد ملی۔

## ماحولیات

کمپنی ماحولیات اور توانائی کے تحفظ پر سنجیدگی سے عمل کی ذمہ داری نبھاتی ہے۔ بہنے والے لیکویٹیڈ ز اور اخراج کو باقاعدگی کے ساتھ مانیٹر کیا جاتا ہے اور نیشنل انوائرنمنٹل کوالٹی اسٹینڈرڈز کے مطابق اس کی دیکھ بھال کی جاتی ہے جس سے ماحول پر اثرات کو کم سے کم رکھنے میں مدد ملی ہے۔ سال کے دوران میں کمپنی نے لاہور اور کراچی میں اپنی سائنٹس پر ایک شجر کاری مہم کا بھی آغاز کیا۔ اس کے علاوہ سنڈرسائٹ نے Integrated Management Systems (ISO 45001, ISO 9001 & ISO 14001) Certification کے تحت ISO 14001 (Environmental Management Systems) standard حاصل کر لیا۔

## شعبہ جاتی کارکردگی: ہیلتھ کیئر اینڈ میڈیکل انجینئرنگ سروسز

کمپنی نے ملک بھر میں ہسپتالوں کو 24 گھنٹے میڈیکل گیس کی بلا تعطل فراہمی کو یقینی بنایا ہے۔ اس کے ساتھ سرکاری اور نجی دونوں شعبہ جات کے ہسپتالوں اور دیگر ایجنسیز کے اشتراک سے کمپنی نے کامیابی کے ساتھ میڈیکل انجینئرنگ اور پائپ لائن سروسز میں قیادت کی پوزیشن حاصل کی۔ مجموعی طور پر 30 سے زیادہ پروجیکٹ ریکارڈ وقت میں مکمل کئے گئے۔ ان میں COVID-19 کے مریضوں کے علاج کیلئے نئے شعبہ جات کی تعمیر اور موجودہ سہولتوں میں بہتری لانا دونوں شامل ہیں۔ سال کے دوران میں کمپنی نے ایسے پروجیکٹس پر بھی کام کیا جن کے ذریعہ نیشنل ہیلتھ کیئر انفراسٹرکچر میں 2,700 کے قریب نئے آکسیجن کی سہولت والے بستروں کا اضافہ ہو گیا۔

## شعبہ جاتی کارکردگی: صنعتی گیسز

چیلنجنگ کاروباری حالات، خاص طور پر اس سال کے شروع میں اور سرکاری شعبہ میں ترقیاتی منصوبوں کیلئے فنڈز کی عدم دستیابی کے باوجود کمپنی نے صارفین پر بھرپور توجہ کے ذریعہ صنعتی گیسز میں اپنی مارکیٹ لیڈرشپ برقرار رکھی۔ تمام ASU پلانٹ مکمل طور پر لوڈڈ رہے اور کمپنی کے کسٹمر بیس کو موثر طور پر یقے سے سنبھالا گیا۔ کمپنی نے ہیلتھ کیئر کے شعبہ میں آکسیجن گیس کی ترقیاتی بنیادوں پر فراہمی کے پکے عزم کا مظاہرہ کیا جب کہ اس کے نتیجے میں دیگر شعبہ جات کیلئے فراہمی کی قلت کو مقامی خریداری اور درآمدات سے پورا کیا گیا۔ ملتان میں CO2 فیسلیٹی کا دوبارہ شروع ہونا کمپنی کیلئے اچھا اشارہ ہے کہ تیزی سے بڑھتے ہوئے فوڈ اور بیورج کے شعبہ کو بھرپور سہ مند اور معیاری پروڈکٹ کی فراہمی میں سرمایہ کاری کرنے کے موقع سے فائدہ اٹھائے۔

سخت لاک ڈاؤن کی صورتحال کی وجہ سے صنعتی گیسز اور ویلڈنگ پورٹ فولیوز کی کارکردگی میں کمی دیکھنے میں آئی۔ تاہم جیسے جیسے پابندیاں نرم ہوئیں، کارکردگی مستحکم ہوتی گئی۔ ہیلتھ کیئر کے شعبہ میں آکسیجن گیس کی فراہمی کو ترجیح دینے کے سبب کمپنی کو اپنے صارفین کی خدمت کیلئے مقامی اور بیرونی ذرائع سے اضافی پروڈکٹس خریدنی پڑیں۔ سال کے دوران میں کمپنی نے فاطمہ گروپ کے اشتراک سے ملتان میں CO2 پلانٹ کو کامیابی کے ساتھ دوبارہ شروع کر دیا۔ اس سے دونوں کمپنیوں کو اپنے متعلقہ مارکیٹ شیئر میں اضافہ کرنے کا موقع ملے گا۔ ویلڈنگ کے شعبہ میں کمپنی نے مارکیٹ میں اپنی پوزیشن کو مستحکم کرنے کیلئے کئی اقدامات کئے جن میں Tier 2 electrode کی مقامی پروڈکشن پر منتقلی اور نئی متنوع پروڈکٹس ڈیولپمنٹ کرنا شامل ہے۔ مقامی مارکیٹ میں اپنی پروڈکٹس آفر کو وسیع کرنے کیلئے بین الاقوامی کمپنیوں کے ساتھ نئے معاہدوں پر بھی دستخط ہوئے۔

ان اقدامات کے نتیجے میں سال کا مجموعی منافع 1.1 بلین روپے ریکارڈ کیا گیا جو گزشتہ سال کے مقابلے میں %4 زیادہ ہے باوجود اس کے کہ بجلی کے نرخوں میں غیر معمولی اضافہ ہوا اور انڈسٹریل سپورٹ پیکیج (ISPA) واپس لینے کے باعث کے الیکٹرک کی جانب سے یکمشت 45 ملین روپے کے بقایا جات طلب کئے گئے تھے۔ اوور ہیڈز کے اخراجات سختی سے کنٹرول کے سبب 551 ملین روپے رہے جو گزشتہ سال کے مقابلے میں %5 زیادہ ہیں۔ مالیاتی لاگت 164 ملین روپے رہی جو گزشتہ سال سے %5 کم ہے۔ اس کی ایک وجہ بہتر نقد بہاؤ، جاری سرمایہ کی انتظام کاری اور گزشتہ سال کے مقابلے میں شرح سود کا کم ہونا تھی۔ سال کی دیگر آمدنیوں میں 50 ملین روپے کی رقم ہے جو کمپنی کے ASU پلانٹس میں سے ایک پر، موٹر فیل ہو جانے کے سلسلے میں بیمے کے کلیم کی مدد میں ملی تھی۔ سال کیلئے بعد از ٹیکس منافع 346 ملین روپے اور فی شیئر آمدنی (EPS) 8.87 روپے حاصل ہوئی جو گزشتہ سال کے مقابلے میں %15 زیادہ ہے۔

### تحفظ، صحت، ماحولیات اور معیار (SHEQ)

SHEQ کمپنی کی بنیادی توجہ کا مرکز رہی ہے۔ سال کے دوران میں کمپنی نے بلک اور پی جی پی آپریشنز، دونوں میں صفر حادثات / اتفاقات کا ریکارڈ حاصل کیا اور اپنے رپورٹنگ اور مانیٹرنگ کے نظام کو مضبوط کر لیا۔ کمپنی نے خطرات کی اطلاع کے نظام کو بھی تقویت دی جس کے نتیجے میں آپریشنز سے متعلق اتفاقی واقعات میں کمی آئی۔

2020 کے دوران میں COVID-19 کے باعث کمپنی کو صحت اور تحفظ کے غیر معمولی چیلنجز کا سامنا کرنا پڑا۔ کمپنی نے نہ صرف اپنے ملازمین بلکہ ان کی فیملیز کے تحفظ کے لئے بھی پالیسیز اور احتیاطی تدابیر کا ایک سلسلہ مرتب کیا اور اس کے ساتھ کاروباری عمل جاری رکھنے کو بھی یقینی بنایا۔ کمپنی نے پر زور آگہی مہم چلانے کے علاوہ کئی اور اقدامات کئے جن میں سلنڈرز کو جراثیم سے پاک رکھنا، سیلز اسٹاف کیلئے رہنما ہدایات، چھونے کی نشاندہی کی احتیاط، فیس ماسک پہننا لازم ہے۔

## 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 2020 پیش کرتے ہیں۔

### قومی معیشت

کورونا وائرس کی بیماری کے اثرات عالمی معیشتوں پر جاری ہیں۔ معیشت کے تمام شعبہ جات کو مختلف نوعیت کے چیلنجز کا سامنا تھا جس میں مجموعی طور پر طلب میں کمی شامل ہے۔ کئی صنعتوں کو سپلائی چین اور ٹرانسپورٹیشن میں رکاوٹیں، آرڈرز کی منسوخی، خام مال کی قلت وغیرہ جیسے مسائل پیش آئے جس کا اثر معمول کے کاروباری آپریشنز پر پڑا۔ پاکستان کو بھی اسی قسم کے چیلنجز درپیش رہے اور کئی دہائیوں کے بعد پہلی مرتبہ FY-2020 کیلئے جی ڈی پی کی نمو منفی %0.4 ریکارڈ ہوئی۔ بڑے پیمانے کی مینوفیکچرنگ (LSM) سب سے زیادہ متاثر ہوئی جس میں %10.2 کمی آئی۔

سال کے آخری حصے میں پابندیوں میں نرمی اور حکومت کی جانب سے صنعتوں کو مدد فراہم کرنے کیلئے مالیاتی پیکج سے گرتی ہوئی معیشت کو مستحکم ہونے میں مدد ملی۔ سال کی آخری سہ ماہی میں LSM کی صورتحال میں دوبارہ بہتری شروع ہوئی اور اکتوبر اور نومبر میں بالترتیب %7.4 اور %14.5 نمو ریکارڈ کی گئی۔ تعمیراتی اور ٹیکسٹائل کی صنعتوں کو دی گئی مراعات سے ان شعبوں کی کارکردگی میں اضافہ ہوا۔ دیگر مثبت رجحانات میں ترسیل زر کے داخلی بہاؤ میں اضافہ، برآمدات کے حجم میں بہتری اور CPI افراط زر میں کمی شامل ہے جو دسمبر 2020 میں سال بہ سال کی بنیاد پر %8 ریکارڈ کی گئی جو گزشتہ سال کی اسی مدت میں %12.6 تھی۔ اس کے نتیجے میں اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ %7 پر برقرار رکھا۔

### کمپنی کی کارکردگی کا عمومی جائزہ

مشکل مالی حالات کے باوجود، کمپنی کی خالص فروخت 5.5 بلین روپے ہوئی جو گزشتہ سال کے مقابلے میں نمایاں طور پر %19 زیادہ ہے یہ کامیابی ہیلتھ کیئر کے شعبہ کی بھرپور کارکردگی کے سبب حاصل ہوئی، جس میں %69 اضافہ ہوا۔ کمپنی نے ہیلتھ کیئر کے شعبہ میں میڈیکل آکسیجن کی فراہمی کو ترجیح دی۔ اس کے علاوہ کمپنی نے میڈیکل انجینئرنگ اور پائپ لائن پروڈیکٹس کیلئے go-to Company کی پوزیشن قائم کی۔ متعدد پروڈیکٹس ریکارڈ مدت میں مکمل کرنے کے لیے جس میں 250 بیڈز کا آسولیشن ہسپتال اینڈ انفیکشنز ٹریٹمنٹ سینٹر (IHITC)، اسلام آباد شامل ہے۔ میڈیکل انجینئرنگ کے پورٹ فولیو میں اضافہ کیا گیا جس میں متعدد پروڈکٹس بشمول آٹومیٹک مینی فولڈ سسٹمز اور الارم پینلز کی مقامی طور پر تیاری اور اس کے علاوہ بیڈ ہیڈ یونٹس کیلئے CE-Mark سرٹیفکیٹ کے حصول کیلئے پروڈکشن پروسیجرز کو بہتر بنایا گیا۔

## COUNTRY LEADERSHIP TEAM



**Matin Amjad**  
Chief Executive Officer



**Syed Ali Adnan**  
Chief Financial Officer



**Aqeel A. Bhatti**  
Head of Sales - Bulk business



**Arshad Manzoor**  
Head of Information Systems



**Farried Aman Shaikh**  
Head of Marketing, Business  
Development & Customer Service Centre



**Mazhar Ali**  
Head of Sales Healthcare & Medical  
Engineering and Admin (N/W)



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



**M. Saad-e-Alam**  
Head of Operations, SHEQ  
and Deliver

## 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 number 70 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 130 million as at 31 July 2020
Employees’ Gratuity Fund	Rs 152 million as at 31 December 2020	Rs 134 million as at 31 December 2019
Management Staff Pension Fund	Rs 86 million as at 31 December 2020	Rs 83 million as at 31 December 2019
Management Staff Defined Contribution Pension Fund	Rs 151 million as at 31 December 2020	Rs 128 million as at 31 December 2019

### 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 8 (eight) meetings of the Board of Directors, 4 (four) meetings of its Audit Committee and 4 (four) 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 (2020) / Total number of meetings held during the year		
	8	4	4
Mr. Waqar Ahmed Malik	7/8	-	-
Mr. Matin Amjad*	8/8	-	-
Mr. Atif Riaz Bokhari	1/8	-	1/4
Mr. Siraj Ahmed Dadabhoy	7/8	-	-
Syed Hassan Ali Bukhari	8/8	-	4/4
Sheikh Muhammad Abdullah	5/8	4/4	-
Mr. Shahid Mehmood Umerani	8/8	-	4/4
Mr. Feroz Rizvi	8/8	4/4	-
Mr. Muhammad Zindah Moin Mohajir	8/8	4/4	4/4
Mr. Shahid Abdul Sattar	8/8	4/4	-
Ms. Tushna D Kandawalla	8/8	-	1/4
Mr. Mohammad Younus Dagha**	3/8	-	-
Syed Ali Adnan (CFO)***	8/8	4/4	-
Mr. Mazhar Iqbal (Company Secretary)***	8/8	4/4	-

\*Mr. Matin Amjad, Chief Executive, is a deemed director.

\*\*Mr. Mohammad Younus Dagha joined the Board as Independent Director wef 17.06.20

\*\*\*Syed Ali Adnan and Mr. Mazhar Iqbal 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 issued letters to all newly elected directors setting out their roles, obligations, powers and responsibilities in compliance with the requirement of the Code of Corporate Governance.

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 the four Non-Executive 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 4 non-executive 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

\*The HRR&NC was reconstituted on June 17, 2020.

#### **\*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.

\*The Strategy Committee was reconstituted on June 17, 2020.

### 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
- Advisory Board of Institute of Business Administration  
Member
- i-Care Pakistan - Trustee

#### Mr. Matin Amjad

- BOC Pakistan (Private) Limited - CEO & Chairman
- Pakistan Oxygen Limited-Staff Provident Fund- Chairman
- Linde Pakistan Limited – Employees Gratuity Fund – Chairman
- Pakistan Oxygen Limited – Management Staff Pension Fund – Trustee
- Linde Pakistan Limited – Management Staff Defined Contribution Pension Fund - Trustee

#### Mr. Siraj Ahmed Dadabhoy

- Aion Partners - Executive Chairman
- Adira Capital Holdings (Private) Limited – Director
- BankIslami Pakistan Limited – Director
- Alpha Beta Capital (Private) Limited – Director
- TPL Properties Limited – Director
- Aion Global - Managing Director

#### Syed Hassan Ali Bukhari

- Bank Al Habib Limited – Director
- Quick Food Industries – Director
- Pakistan Gum and Chemicals Limited – Director
- Hilton Pharma (Private) Limited – Advisor
- Hilton Pharma Staff Provident Fund – Trustee
- Nafis and Sardar Yasin Malik Foundation – Trustee

#### 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
- Fiducia Capital Limited – Director

#### Mr. Feroz Rizvi

- Engro Polymer and Chemicals Limited – Director
- Honda Atlas Cars (Pakistan) Limited – Director
- Al Meezan Investment Management Limited – Director

#### Mr. Muhammad Zindah Moin Mohajir

- Archroma Pakistan Limited – Director
- Wyeth Pakistan Limited – Director
- GSK Consumer HealthCare Pakistan Limited – Chairman
- Loads Limited - Director

#### Mr. Shahid Abdul Sattar

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

### Ms. Tushna D Kandawalla

- Injaz Pakistan – Director
- Trustee Captain Foundation – Trustee
- Trustee Kandawalla Trust – Trustee
- Captain PQ Chemical Industries (Pvt) Limited  
Managing Director

## 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 as well as consultancy services 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 anti-corruption/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 Company maintains a record of transactions entered into with related parties. All transactions with related parties are carried out at arm's length basis. The details of all related party transactions are placed before the Audit Committee and upon its recommendations the same is put up before the Board for review and approval.

### Evaluation of the Board's Own Performance and its Committees

As required under the Regulations, the Board, on the basis of a mechanism carries out an annual evaluation of the Board's own performance, members of the Board and its committees. The mechanism is designed to assess and identify strengths and weaknesses in the performance of the Board, members of the Board and its sub-committees as well as performance of the chief executive officer covering sound corporate governance practices, strategy, roles of the chairman & directors, objective settings, effectiveness of meetings of the Board and its committees. The Board also amended its mechanism to bring it in line with the SECP's guidelines issued in April 2020. In pursuance of the said Notification, the Board also approved the checklist/mechanism for evaluation of annual performance of the chief executive of the Company.

An evaluation proforma link is circulated to each of the members of the Board and its Committees requiring them to complete the questionnaires online with their comments. Directors provide their candid feedback through the online questionnaires identifying areas of further improvement (if any). Results are compiled by the Company Secretary and shared subsequently in the next meeting of the Board with the intent to address areas of 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 pages 120 and 121 to disclose the aggregate number of shares with the break-up of certain classes of shareholders as at December 31, 2020.

Details of shareholders, holding 10% or more shares as at December 31, 2020, are given hereunder:

S/No.	Name of Shareholders	Shares Held	%-age
1	Adira Capital Holdings (Private) Limited	12,926,449	33.09
2	Sooty Enterprises (Private) Limited	4,687,249	12.00

The highest, lowest and closing (year-end) market prices of Pakistan Oxygen shares during 2020 were as under:

Highest	29/01/2020	Rs. 187.20
Lowest	18/05/2020	Rs. 116.50
Closing (at year-end)	31/12/2020	Rs. 153.33

# STATEMENT OF COMPLIANCE

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

For the year ended December 31, 2020

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. Atif Riaz Bokhari
    3. Mr. Siraj Ahmed Dadabhoy
    4. Syed Hassan Ali Bukhari
    5. Mr. Shahid Mehmood Umerani
    6. Sheikh Muhammad Abdullah
    7. Mr. Shahid Abdul Sattar

\*Mr. Atif Riaz Bokhari resigned from the Board of the Company with effect from March 25, 2020.

  - c) **Deemed Directors**

Mr. Matin Amjad – CEO (deemed director)
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 procedure 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. Only 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. The Company will, however, seek exemption and/or encourage these 3 directors, as the case may be, to complete their DTP certification.
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 (HRR&NC)**

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 committee were as per the following:

a) Audit Committee	4 meetings held
b) Human Resource, Remuneration & Nomination Committee	4 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 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: February 26, 2021



Tel: +92 21 3568 3030  
 Fax: +92 21 3568 4239  
 www.bdo.com.pk

2nd Floor, Block-C  
 Lakson Square, Building No.1  
 Sarwar Shaheed Road  
 Karachi-74200  
 Pakistan

**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, 2020 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, 2020.

**KARACHI**

**DATED: 26 FEB 2021**

**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.

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## TEN-YEAR FINANCIAL REVIEW

Rupees in '000	2011	2012	2013
<b>Operating Results</b>			
Sales	3,044,800	3,739,405	4,016,101
Gross Profit	769,209	954,170	764,231
Profit from Operations	404,639	564,252	350,459
Profit before Taxation	402,723	315,414	245,408
Taxation	(139,848)	(39,125)	(63,941)
Profit after Taxation	262,875	276,289	181,467
Dividends	175,271	175,271	137,713
Bonus shares issued	-	-	-
<b>Capital Employed</b>			
Paid-up Capital	250,387	250,387	250,387
Revenue Reserves and Unappropriated Profits	1,331,291	1,428,510	1,452,807
<b>Shareholders' Fund</b>	<b>1,581,678</b>	<b>1,678,897</b>	<b>1,703,194</b>
Deferred Liabilities	167,315	204,192	291,789
Lease liabilities	-	-	-
Long-term Liabilities & Borrowings (net of cash)	204,329	538,037	959,159
	<b>1,953,322</b>	<b>2,421,126</b>	<b>2,954,142</b>
<b>Represented by:</b>			
Non - Current Assets	2,075,442	2,631,493	3,076,995
Working Capital	(122,120)	(210,367)	(122,853)
	<b>1,953,322</b>	<b>2,421,126</b>	<b>2,954,142</b>
<b>Statistics</b>			
Expenditure on Fixed Assets	991,470	839,481	684,267
Annual Depreciation & Amortisation	204,304	268,203	244,873
Earnings per share-Rupees	10.50	11.03	7.25
Dividend per share-Rupees (Note 1)	7.00	7.00	5.50
Dividend Cover ; Times (Note 1)	1.50	1.58	1.32
Net Asset Backing per share-Rupees	63.17	67.05	68.02
Return on average Shareholders' Fund (based on profit after tax)	17.11%	16.95%	10.73%
Dividend on average Shareholders' Fund (Note 1)	11.41%	10.75%	8.14%
Return on average Capital Employed (based on profit before financial charges & tax)	24.64%	16.44%	13.04%
Price/Earning Ratio (unadjusted) - times	9.62	13.91	24.68
Dividend Yield ratio (Note 1)	6.93%	4.56%	3.08%
Dividend Payout ratio (Note 1)	66.67%	63.44%	75.89%
Fixed Assets/Turnover Ratio	1.50	1.44	1.31
Debt/Equity Ratio	11:89	31:69	39:61
Current ratio	1.00	1.17	1.06
Interest Cover - Times	211.19	8.13	3.34
Debtors turnover Ratio	18.71	20.78	17.79
Gross Profit Ratio (as percentage of Turnover)	25.26%	25.52%	19.03%
Market Value per Share at year end	101.00	153.49	178.86

2014	2015	2016	2017	2018	2019	2020
3,925,036	3,914,176	3,954,638	4,412,652	4,860,059	4,666,590	5,545,137
710,372	829,223	895,994	991,727	1,109,531	1,065,756	1,103,569
295,078	351,619	420,199	435,398	654,850	569,929	616,306
177,402	191,805	309,589	340,021	538,531	396,879	452,717
(50,515)	(50,951)	(92,703)	(99,988)	(139,836)	(96,294)	(106,436)
126,887	140,854	216,886	240,033	398,695	300,585	346,281
112,674	125,194	125,194	137,713	175,271	-	-
-	-	-	-	75,116	65,101	78,121
250,387	250,387	250,387	250,387	250,387	325,503	390,604
1,440,580	1,469,133	1,562,974	1,716,975	3,648,593	3,818,236	4,111,221
<b>1,690,967</b>	<b>1,719,520</b>	<b>1,813,361</b>	<b>1,967,362</b>	<b>3,898,980</b>	<b>4,143,739</b>	<b>4,501,825</b>
339,425	399,414	397,383	356,990	317,812	282,803	259,292
-	-	-	-	-	29,530	23,211
1,171,059	1,371,743	1,184,877	1,146,845	1,288,606	1,505,282	1,286,486
<b>3,201,451</b>	<b>3,490,677</b>	<b>3,395,621</b>	<b>3,471,197</b>	<b>5,505,398</b>	<b>5,961,354</b>	<b>6,070,814</b>
3,214,373	3,193,016	3,212,333	3,030,626	4,661,754	4,575,999	4,597,391
(12,922)	297,661	183,288	440,571	843,644	1,385,355	1,476,736
<b>3,201,451</b>	<b>3,490,677</b>	<b>3,395,621</b>	<b>3,471,197</b>	<b>5,505,398</b>	<b>5,961,354</b>	<b>5,961,354</b>
400,265	279,445	350,411	175,133	210,914	254,493	407,448
290,509	328,713	344,959	358,751	367,847	359,643	379,052
5.07	5.63	8.66	9.59	12.25	7.70	8.87
4.50	5.00	5.00	5.5	7.00	-	-
1.13	1.13	1.73	1.74	2.27	-	-
67.53	68.67	72.42	78.57	155.72	127.30	115.25
7.48%	8.26%	12.28%	12.70%	13.59%	7.47%	8.36%
6.64%	7.34%	7.09%	7.29%	5.98%	-	-
9.59%	9.51%	12.20%	12.68%	14.59%	9.94%	10.24%
40.94	20.65	22.55	23.04	13.19	17.87	17.30
2.17%	4.30%	2.56%	2.49%	3.33%	-	-
88.76%	88.81%	57.74%	59.56%	75.80%	-	-
1.22	1.23	1.23	1.46	1.04	1.02	1.21
37:63	43:57	36 : 64	25 : 75	6 : 94	0 :100	5 :95
0.86	1.09	0.75	0.89	0.89	1.03	1.22
2.51	2.52	3.80	4.57	5.63	3.29	3.77
14.49	10.68	8.25	7.44	7.25	6.17	7.73
18.10%	21.19%	22.66%	22.47%	23%	23%	20%
207.48	116.25	195.37	220.85	210.00	165.00	153.33

## STATEMENT OF PROFIT OR LOSS VERTICAL AND HORIZONTAL ANALYSIS

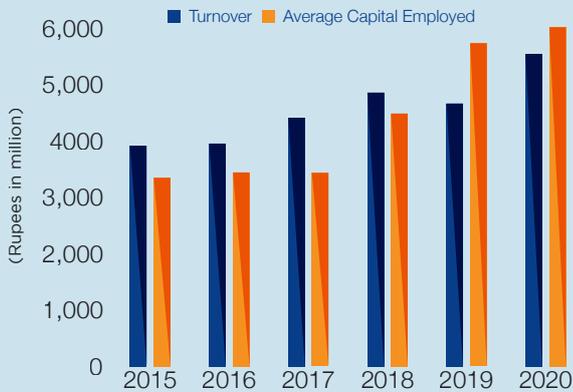
(Rupees in '000)	2020	2019	2018	2017	2016	2015
Net sales	5,545,137	4,666,590	4,860,059	4,412,652	3,954,638	3,914,176
Cost of sales	(4,441,568)	(3,600,834)	(3,750,528)	(3,420,925)	(3,058,644)	(3,084,953)
<b>Gross profit</b>	<b>1,103,569</b>	<b>1,065,756</b>	<b>1,109,531</b>	<b>991,727</b>	<b>895,994</b>	<b>829,223</b>
Distribution and marketing expenses	(249,234)	(253,805)	(207,554)	(285,079)	(235,127)	(244,393)
Administrative expenses	(245,902)	(223,943)	(207,487)	(235,669)	(229,614)	(227,649)
Other operating expenses	(55,423)	(45,454)	(55,429)	(62,813)	(32,046)	(26,438)
Other income	63,296	27,375	15,789	27,232	20,992	20,876
<b>Operating profit before Reorganization / restructuring cost</b>	<b>616,306</b>	<b>569,929</b>	<b>654,850</b>	<b>435,398</b>	<b>420,199</b>	<b>351,619</b>
Reorganization / restructuring cost	-	-	-	-	-	(33,500)
<b>Operating profit after Reorganization / restructuring cost</b>	<b>616,306</b>	<b>569,929</b>	<b>654,850</b>	<b>435,398</b>	<b>420,199</b>	<b>318,119</b>
Finance costs	(163,589)	(173,050)	(116,319)	(95,377)	(110,610)	(126,314)
<b>Profit before tax</b>	<b>452,717</b>	<b>396,879</b>	<b>538,531</b>	<b>340,021</b>	<b>309,589</b>	<b>191,805</b>
Taxation	(106,436)	(96,294)	(139,836)	(99,988)	(92,703)	(50,951)
<b>Profit for the year</b>	<b>346,281</b>	<b>300,585</b>	<b>398,695</b>	<b>240,033</b>	<b>216,886</b>	<b>140,854</b>
<b>Vertical Analysis - Percentage % of Sales</b>						
Net sales	100	100	100	100	100	100
Cost of sales	(80)	(77)	(77)	(78)	(77)	(79)
<b>Gross profit</b>	<b>20</b>	<b>23</b>	<b>23</b>	<b>22</b>	<b>23</b>	<b>21</b>
Distribution and marketing expenses	(4)	(5)	(4)	(6)	(6)	(6)
Administrative expenses	(4)	(5)	(4)	(5)	(6)	(6)
Other operating expenses	(1)	(1)	(1)	(1)	(1)	(1)
Other operating income	1.1	0.6	0.3	1	1	1
<b>Operating profit before Reorganization / restructuring cost</b>	<b>10</b>	<b>11</b>	<b>13</b>	<b>10</b>	<b>11</b>	<b>9</b>
Reorganization / restructuring cost	-	-	-	-	-	(1)
<b>Operating profit after Reorganization / restructuring cost</b>	<b>10</b>	<b>11</b>	<b>13</b>	<b>10</b>	<b>11</b>	<b>8</b>
Finance costs	(3)	(4)	(2)	(2)	(3)	(3)
Profit before tax	7	7	11	8	8	5
Taxation	(2)	(2)	(3)	(2)	(2)	(1)
<b>Profit for the year</b>	<b>5</b>	<b>5</b>	<b>8</b>	<b>5</b>	<b>5</b>	<b>4</b>
<b>Horizontal Analysis - (Year on Year)</b>						
<b>Percentage increase / (decrease) over preceding year</b>						
Net sales	19	(4)	10	12	1	(0)
Cost of sales	23	(4)	10	12	(1)	(4)
<b>Gross profit</b>	<b>4</b>	<b>(4)</b>	<b>12</b>	<b>11</b>	<b>8</b>	<b>17</b>
Distribution and marketing expenses	(2)	22	(27)	21	(4)	1
Administrative expenses	10	8	(12)	3	1	(3)
Other operating expenses	22	(18)	(12)	96	21	(2)
Other operating income	131	73	(42)	30	1	(76)
<b>Operating profit before Reorganization / restructuring cost</b>	<b>8</b>	<b>(13)</b>	<b>50</b>	<b>4</b>	<b>20</b>	<b>19</b>
Reorganization / restructuring cost	-	-	-	-	(100)	100
<b>Operating profit after Reorganization / restructuring cost</b>	<b>8</b>	<b>(13)</b>	<b>50</b>	<b>4</b>	<b>32</b>	<b>8</b>
Finance costs	(5)	49	22	(14)	(12)	7
<b>Profit before tax</b>	<b>14</b>	<b>(26)</b>	<b>58.38</b>	<b>10</b>	<b>61</b>	<b>8</b>
Taxation	11	(31)	40	8	82	1
<b>Profit for the year</b>	<b>15</b>	<b>(25)</b>	<b>66</b>	<b>11</b>	<b>54</b>	<b>11</b>

## STATEMENT OF FINANCIAL POSITION VERTICAL AND HORIZONTAL ANALYSIS

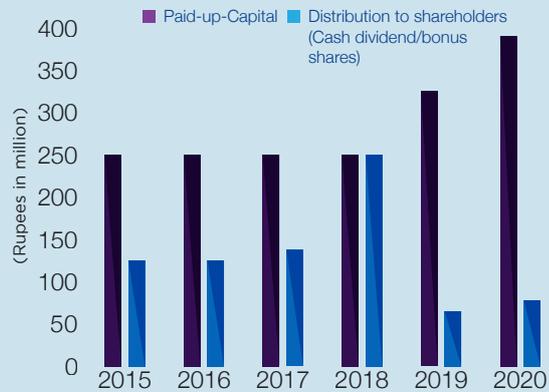
(Rupees in '000)	2020	2019	2018	2017	2016	2015	2014
<b>Equity and Liabilities</b>							
Total equity	4,501,825	4,143,739	3,898,980	1,967,362	1,813,361	1,719,520	1,690,967
Total non-current liabilities	604,150	505,849	502,630	813,374	833,241	1,595,183	1,289,903
Total current liabilities	2,283,202	2,413,481	2,295,628	2,306,546	2,291,000	1,350,658	1,616,945
<b>Total equity and liabilities</b>	<b>7,389,177</b>	<b>7,063,069</b>	<b>6,697,238</b>	<b>5,087,282</b>	<b>4,937,602</b>	<b>4,665,361</b>	<b>4,597,815</b>
<b>Assets</b>							
Total non-current assets	4,597,390	4,575,999	4,661,754	3,030,626	3,212,333	3,193,016	3,214,373
Total current assets	2,791,787	2,487,070	2,035,484	2,056,656	1,725,269	1,472,345	1,383,442
<b>Total assets</b>	<b>7,389,177</b>	<b>7,063,069</b>	<b>6,697,238</b>	<b>5,087,282</b>	<b>4,937,602</b>	<b>4,665,361</b>	<b>4,597,815</b>
<b>Vertical Analysis</b>							
<b>Equity and Liabilities</b>							
Total equity	61	59	58	39	37	37	37
Total non-current liabilities	8	7	8	16	17	34	28
Total current liabilities	31	34	34	45	46	29	35
<b>Total equity and liabilities</b>	<b>100</b>						
<b>Assets</b>							
Total non-current assets	62	65	70	60	65	68	70
Total current assets	38	35	30	40	35	32	30
<b>Total assets</b>	<b>100</b>						
<b>Horizontal Analysis - (Year on Year) Percentage increase / (decrease) over preceding year</b>							
<b>Equity and Liabilities</b>							
Total equity	9	6	98	8	5	2	(1)
Total non-current liabilities	19	1	(38)	(2)	(48)	24	(10)
Total current liabilities	(5)	5	-	1	70	(16)	55
<b>Total equity and liabilities</b>	<b>5</b>	<b>5</b>	<b>32</b>	<b>3</b>	<b>6</b>	<b>1</b>	<b>10</b>
<b>Assets</b>							
Total non-current assets	-	(2)	54	(6)	1	(1)	4
Total current assets	12	22	(1)	19	17	6	24
<b>Total assets</b>	<b>5</b>	<b>5</b>	<b>32</b>	<b>3</b>	<b>6</b>	<b>1</b>	<b>10</b>

# KEY FINANCIAL DATA

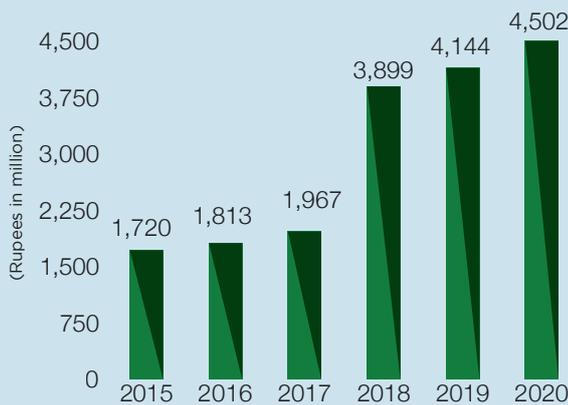
**Turnover (net) and average capital employed**



**Paid-up capital and distribution to shareholders**



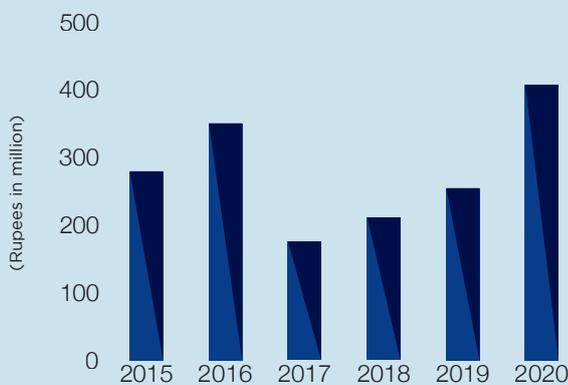
**Shareholders' fund**



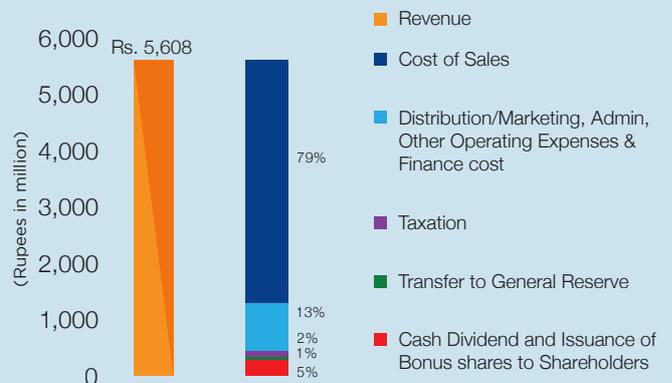
**Break up values and EPS**



**Capital Expenditure**



**Application of Revenue 2020**



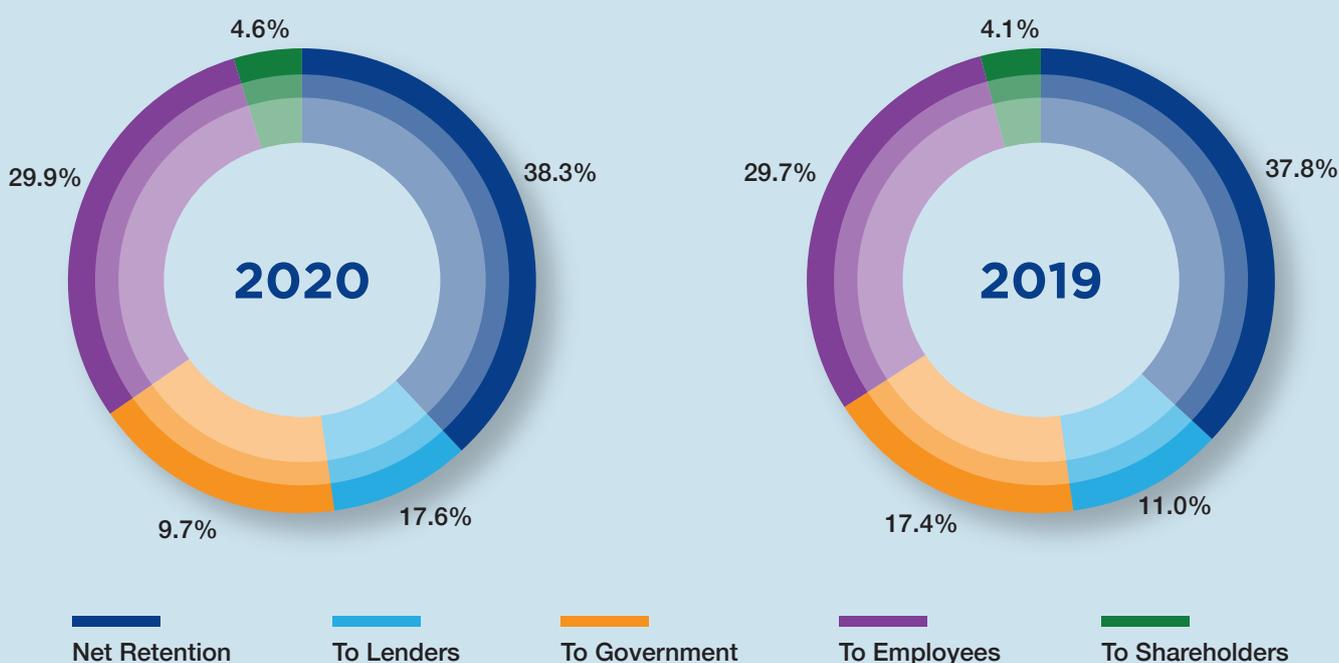
## STATEMENT OF VALUE ADDED

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:

Rupees in '000	2020	2019
<b>Wealth Generated</b>		
Total Revenue (net of trade discount and sales tax)	5,608,433	4,693,965
Bought-in-material & services	(3,894,157)	3,116,239
	<b>1,714,276</b>	<b>1,577,726</b>
<b>Wealth distributed</b>		
To employees		
Salaries, wages and benefits	504,943	469,247
To government		
Income Tax on profit, Workers' Funds, Import duties (exclusive of capital items) and un-adjustable Sales Tax	320,411	275,200
To providers of capital		
Issuance of bonus shares to shareholders*	78,121	65,101
To lenders		
Finance cost	163,589	173,050
Retained in the business		
Represented by depreciation and transfer to general reserve for replacement of fixed assets	647,212	595,127
	<b>1,714,276</b>	<b>1,577,726</b>

\*Includes proposed Bonus shares issued subsequent to year end.

### Wealth Generated and Distributed





Tel: +92 21 3568 3030  
 Fax: +92 21 3568 4239  
 www.bdo.com.pk

2nd Floor, Block-C  
 Lakson Square, Building No.1  
 Sarwar Shaheed Road  
 Karachi-74200  
 Pakistan

## 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, 2020, 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, 2020 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.	<b>TRADE DEBTS</b>	
	As disclosed in note 18 to the financial statements of the Company for the year ended December 31, 2020, the Company has a trade debts balance amounting to Rs. 595.604 million, which represents a significant element of statement of financial position.	Our procedures included the following:  We tested the design and effectiveness of internal controls implemented by the Company through the trade receivables cycle.  We circularized confirmation to a sample of debtors with the outstanding balance at the end of the reporting period.



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 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 examined on a sample basis; evidence related to post year-end cash 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. We also considered 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 considered management's assumptions used in determining ECL for both specific and collective losses components.</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.	<b>PROVISION FOR OBSOLESCENCE IN INVENTORIES</b>	
	<p>As disclosed in note 16 and 17 to the financial statements, the Company has net inventories of Rs. 237.915 million and Rs. 653.012 million as at December 31, 2020 for stores and spares and stock in trade, respectively. The total inventories represent a significant portion of the Company's total assets.</p> <p>The total inventories represent a significant portion of the Company's total assets.</p>	<p>Our 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>We focused on this area as the estimation for provisioning involves a high level of management judgment which could in turn result in measurement uncertainty and possibility for management bias.</p>	<p>We reviewed the year to year movement in provision for each category of inventory considering subsequent write offs, reversals on re-use and disposals.</p> <p>We compared the cost of inventories as at December 31, 2020 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.	<b>CAPITALIZATION OF PROPERTY, PLANT AND EQUIPMENT</b>	
	<p>The Company continued to invest in capital projects with significant capital expenditure incurred during the year ended December 31, 2020. 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 in the Company's accounting policy, in particular for assets constructed by the Company, and the useful economic 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 economic 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 economic lives.</p> <p>We visited the sites where significant capital projects are ongoing to understand the nature of the projects.</p> <p>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.</p>



### **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, statement of profit or loss, 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) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

**KARACHI**

**DATED: 26 FEB 2021**



**BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS**

# STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2020

Rupees in '000	Note	2020	2019
Gross sales	5	6,143,995	5,262,186
Trade discount and sales tax	5	(598,858)	(595,596)
<b>Net sales</b>		<b>5,545,137</b>	<b>4,666,590</b>
Cost of sales	6	(4,441,568)	(3,600,834)
<b>Gross profit</b>		<b>1,103,569</b>	<b>1,065,756</b>
Distribution and marketing expenses	7	(249,234)	(253,805)
Administrative expenses	8	(245,902)	(223,943)
Other operating expenses	9	(55,423)	(45,454)
		(550,559)	(523,202)
<b>Operating profit before other income</b>		<b>553,010</b>	<b>542,554</b>
Other income	10	63,296	27,375
<b>Operating profit</b>		<b>616,306</b>	<b>569,929</b>
Finance costs	11	(163,589)	(173,050)
<b>Profit before taxation</b>		<b>452,717</b>	<b>396,879</b>
Taxation	12	(106,436)	(96,294)
<b>Profit for the year</b>		<b>346,281</b>	<b>300,585</b>
			(Restated)
Earnings per share - basic and diluted (Rupees)	13	8.87	7.70

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, 2020

Rupees in '000	Note	2020	2019
Net profit for the year		346,281	300,585
<b>Other comprehensive income / (loss) for the year</b>			
Items that will not be reclassified to statement of profit or loss			
Gain / (loss) on re-measurement of defined benefit plans - net	34.1	16,627	(7,082)
Tax impact		(4,822)	2,054
		11,805	(5,028)
<b>Total comprehensive income for the year</b>		<b>358,086</b>	<b>295,557</b>

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 FINANCIAL POSITION

As at December 31, 2020

Rupees in '000	Note	2020	2019
<b>Assets</b>			
<b>Non - current assets</b>			
Property, plant and equipment	14	4,510,405	4,486,584
Intangible assets	15	29,818	32,326
Investment in subsidiary		10	10
Long term loans		6,318	7,203
Long term deposits		50,839	49,876
		<b>4,597,390</b>	<b>4,575,999</b>
<b>Current assets</b>			
Stores and spares	16	237,915	205,913
Stock-in-trade	17	653,012	604,481
Trade debts	18	595,604	838,909
Loans and advances	19	48,706	27,488
Deposits and prepayments	20	242,342	201,223
Other receivables	21	399,296	196,172
Taxation - net		395,073	393,785
Cash and bank balances	22	219,839	19,099
		<b>2,791,787</b>	<b>2,487,070</b>
<b>Total assets</b>		<b>7,389,177</b>	<b>7,063,069</b>
<b>Equity and liabilities</b>			
<b>Share capital and reserves</b>			
Authorised share capital			
70,000,000 (2019: 40,000,000) Ordinary shares of Rs. 10 each		700,000	400,000
Issued, subscribed and paid-up capital			
39,060,400 (2019: 32,550,336) Ordinary shares of Rs. 10 each	23	390,604	325,503
Revenue reserves			
General reserves		1,954,985	1,725,250
Unappropriated profit		358,086	294,836
Capital reserves			
Surplus on revaluation of property, plant and equipment		1,798,150	1,798,150
		4,111,221	3,818,236
		<b>4,501,825</b>	<b>4,143,739</b>
<b>Non-current liabilities</b>			
Long term deposits	24	208,630	193,516
Lease liabilities	26	23,210	29,530
Long term financing	25	109,705	-
Deferred capital grant	27	3,313	-
Deferred liabilities	28	259,292	282,803
		<b>604,150</b>	<b>505,849</b>
<b>Current liabilities</b>			
Trade and other payables	29	1,063,879	1,059,883
Short term borrowings	30	1,083,064	1,330,865
Un-claimed dividend		19,945	20,145
Current portion of deferred capital grant	27	9,310	-
Current portion of lease liabilities	26	2,078	2,588
Current maturity of long term financing	25	104,926	-
		<b>2,283,202</b>	<b>2,413,481</b>
<b>Total equity and liabilities</b>		<b>7,389,177</b>	<b>7,063,069</b>
Contingencies and commitments	31		

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

  
 Syed Ali Adnan  
 Chief Financial Officer

  
 Martin Amjad  
 Chief Executive Officer

  
 Waqar Ahmed Malik  
 Chairman

# STATEMENT OF CASH FLOWS

For the year ended December 31, 2020

Rupees in '000	Note	2020	2019
<b>Cash flow from operating activities</b>			
Cash generated from operations	32	948,674	371,085
Finance costs paid		(183,969)	(142,074)
Income tax paid		(152,982)	(161,326)
Post retirement medical benefits paid		(571)	(265)
Long term deposits - receivable		(78)	12,774
Long term deposits - payable		15,114	8,698
<b>Net cash generated from operating activities</b>		<b>626,188</b>	<b>88,892</b>
<b>Cash flow from investing activities</b>			
Addition to property, plant and equipment		(406,137)	(251,202)
Addition to intangible assets		(1,311)	(3,291)
Proceeds from disposal of property, plant and equipment		7,932	15,365
Interest received on balances with banks		787	351
<b>Net cash used in investing activities</b>		<b>(398,729)</b>	<b>(238,777)</b>
<b>Cash flow from financing activities</b>			
Long term financing		227,254	-
Repayment of long term financing		-	(270,000)
Repayment of lease liabilities	26	(5,972)	(5,347)
Dividends paid		(200)	(52,746)
<b>Net cash generated from / (used in) financing activities</b>		<b>221,082</b>	<b>(328,093)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>448,541</b>	<b>(477,978)</b>
Cash and cash equivalents at beginning of the year		(1,311,766)	(833,788)
<b>Cash and cash equivalents at end of the year</b>	<b>33</b>	<b>(863,225)</b>	<b>(1,311,766)</b>

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, 2020

Rupees in '000	Issued, subscribed and paid-up capital	Revenue reserves		Capital reserves	Total
		General reserves	Unappropriated profit	Surplus on revaluation of property, plant and equipment	
Balance as at January 01, 2019	250,387	1,579,262	270,460	1,798,150	3,898,259
<b>Total comprehensive income for the year</b>					
Profit for the year	-	-	300,585	-	300,585
Other comprehensive loss for the year	-	-	(5,028)	-	(5,028)
	-	-	<b>295,557</b>	-	<b>295,557</b>
<b>Transactions with owners of the Company, recognized directly in equity - distributions</b>					
Final dividend for the year ended December 31, 2018 at Rs. 2 per share	-	-	(50,077)	-	(50,077)
Issuance of bonus shares in proportion of 3 shares for every 10 shares	75,116	-	(75,116)	-	-
Transfer to general reserve	-	145,988	(145,988)	-	-
	<b>75,116</b>	<b>145,988</b>	<b>(271,181)</b>	-	<b>(50,077)</b>
<b>Balance as at December 31, 2019</b>	<b>325,503</b>	<b>1,725,250</b>	<b>294,836</b>	<b>1,798,150</b>	<b>4,143,739</b>
<b>Total comprehensive income for the year</b>					
Profit for the year	-	-	346,281	-	346,281
Other comprehensive income for the year	-	-	11,805	-	11,805
	-	-	<b>358,086</b>	-	<b>358,086</b>
<b>Transactions with owners of the Company, recognized directly in equity - distributions</b>					
Issuance of bonus shares in proportion of 2 shares for every 10 shares	65,101	-	(65,101)	-	-
Transfer to general reserve	-	229,735	(229,735)	-	-
	<b>65,101</b>	<b>229,735</b>	<b>(294,836)</b>	-	-
<b>Balance as at December 31, 2020</b>	<b>390,604</b>	<b>1,954,985</b>	<b>358,086</b>	<b>1,798,150</b>	<b>4,501,825</b>

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, 2020

## 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 14.7.

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 during the year. Accordingly, exemption has been granted by the Securities and Exchange Commission of Pakistan ("SECP") from the application of sub-section (1) to (6) 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.

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)
Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update these pronouncements with regard to references to and quotes from the framework or to indicate where they refer to different version of the Conceptual Framework.	January 01, 2020
IFRS 7 Financial Instruments: Disclosures - Amendments regarding pre-replacement issues in the context of the IBOR reform	January 01, 2020
IFRS 9 Financial Instruments - Amendments regarding pre-replacement issues in the context of the IBOR reform	January 01, 2020
IFRS 16 Leases - Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification	January 01, 2020
IAS 1 Presentation of Financial Statements - amendments regarding the definition of materiality	January 01, 2020
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - amendments regarding the definition of materiality	January 01, 2020
IAS 39 Financial Instruments: Recognition and Measurement - Amendments regarding pre-replacement issues in the context of the IBOR reform	January 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 3 Business Combinations - amendments to clarify the definition of a business	January 01, 2020
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Other than the amendments to standards mentioned above, there are certain annual improvements made to IFRS that became effective during the year:

**Annual improvements to IFRSs (2018 – 2020) Cycle:**

IFRS 41 Agriculture	January 01, 2020
	Effective date (annual periods beginning on or after)

**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:

IFRS 4 Insurance Contracts - Amendments regarding replacement issues in the context of the IBOR reform	January 01, 2021
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

		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
IFRS 16	Leases - Amendments regarding replacement issues in the context of the IBOR reform	January 01, 2021
IFRS 3	Business Combinations - amendments updating a reference to the Conceptual Framework	January 01, 2022
IAS 16	Property, Plant and Equipment - Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its 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
IFRS 4	Insurance Contracts - Amendments regarding the expiry date of the deferral approach	January 01, 2023
IFRS 9	Financial Instruments - Amendments regarding the interaction of IFRS 4 and IFRS 9	January 01, 2023
IFRS 17	Insurance Contracts - Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published	January 01, 2023
IAS 1	Presentation of Financial Statements - Amendments regarding the classification of liabilities as current or non-current	January 01, 2023

The annual improvements to IFRSs that are effective from the dates mentioned below against respective standards:

#### Annual improvements to IFRSs (2018 – 2020) Cycle:

IFRS 1	First-time Adoption of International Financial Reporting Standards	January 01, 2022
IFRS 9	Financial Instruments	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 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 account 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 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 and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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 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 98 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.

##### 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 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. Subsequently, the grant is recognised in statement of profit or loss, in line with the recognition of interest expenses the grant is compensating.

#### 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.

#### 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.

#### 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 Foreign currency translation

Transactions in foreign currencies are converted into functional

currency (PKR) at the rates of exchange prevailing on the dates of transactions. Monetary assets and liabilities in foreign currencies are translated into functional currency at the rates of exchange prevailing at the statement of financial position date. Exchange gains and losses are recognised in the statement of profit or loss.

#### 4.27 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.

#### 4.28 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.

### 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.

## 5.1 Segment results are as follows:

Rupees in '000	2020			2019		
	Industrial, medical and other gases	Welding and others	Total	Industrial, medical and other gases	Welding and others	Total
Gross sales	5,115,893	1,028,102	6,143,995	4,151,856	1,110,330	5,262,186
Less:						
Trade discount	8,308	-	8,308	16,218	-	16,218
Sales tax	442,967	147,583	590,550	420,368	159,010	579,378
	451,275	147,583	598,858	436,586	159,010	595,596
<b>Net sales</b>	<b>4,664,618</b>	<b>880,519</b>	<b>5,545,137</b>	<b>3,715,270</b>	<b>951,320</b>	<b>4,666,590</b>
Less:						
Cost of sales	3,694,258	747,310	4,441,568	2,781,632	819,202	3,600,834
Distribution and marketing expenses	219,150	30,084	249,234	222,342	31,463	253,805
Administrative expenses	216,220	29,682	245,902	196,182	27,761	223,943
	4,129,628	807,076	4,936,704	3,200,156	878,426	4,078,582
<b>Segment result</b>	<b>534,990</b>	<b>73,443</b>	<b>608,433</b>	<b>515,114</b>	<b>72,894</b>	<b>588,008</b>
Unallocated corporate expenses:						
Other operating expenses			(55,423)			(45,454)
Other income			63,296			27,375
			7,873			(18,079)
<b>Operating profit</b>			<b>616,306</b>			<b>569,929</b>
Finance costs			(163,589)			(173,050)
Taxation			(106,436)			(96,294)
<b>Profit for the year</b>			<b>346,281</b>			<b>300,585</b>

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, 2020 are as follows:

Rupees in '000	2020			2019		
	Industrial, medical and other gases	Welding and others	Total	Industrial, medical and other gases	Welding and others	Total
Segment assets	5,615,991	380,945	5,996,936	5,644,016	491,871	6,135,887
Unallocated assets			1,392,241			927,182
<b>Total assets</b>			<b>7,389,177</b>			<b>7,063,069</b>
Segment liabilities	289,145	1,309	290,454	253,505	1,686	255,191
Unallocated liabilities			2,596,898			2,664,139
<b>Total liabilities</b>			<b>2,887,352</b>			<b>2,919,330</b>

5.5 Capital expenditures for the year were as follows:

Capital expenditures	407,448	254,493
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5.6 All non-current assets of the Company as at December 31, 2020 were located within Pakistan. Depreciation expense mainly relates to industrial, medical and other gases segment.

## 6. Cost of sales

Rupees in '000	Note	2020	2019
Fuel and power		1,306,407	1,023,843
Raw materials consumed		829,985	976,541
Third party manufacturing charges		-	5,445
Depreciation	14.6	339,155	324,809
Salaries, allowances and other benefits	6.1	235,720	221,770
Transportation expenses		361,799	397,948
Repairs and maintenance		103,411	93,416
Consumable spares		82,907	67,179
Insurance		22,668	22,332
Travelling and conveyance		31,753	32,770
Safety and security expenses		29,224	23,280
Communications and stationery		5,308	5,060
Rent, rates and taxes		4,568	6,311
Staff training, development and other expenses		1,431	1,666
Miscellaneous expenses		1,480	261
<b>Cost of goods manufactured</b>		<b>3,355,816</b>	<b>3,202,631</b>
Opening stock of finished goods		413,523	245,842
Purchase of finished goods		1,051,426	566,905
Write down of inventory to net realisable value		(1,394)	(1,021)
Closing stock of finished goods		(377,803)	(413,523)
		<b>4,441,568</b>	<b>3,600,834</b>

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

Rupees in '000	2020	2019
Defined benefit schemes	932	1,598
Defined contribution plans	5,020	5,031
	<b>5,952</b>	<b>6,629</b>

## 7. Distribution and marketing expenses

Rupees in '000	Note	2020	2019
Salaries, allowances and other benefits	7.1	190,783	170,905
Travelling and conveyance		21,047	22,429
Depreciation	14.6	14,174	12,956
Allowance for expected credit loss		-	28,930
Communications and stationery		7,357	6,111
Repairs and maintenance		5,475	4,528
Safety and security expenses		1,873	1,100
Electricity expense		2,145	1,718
Rent, rates and taxes		295	931
Sales promotion and symposium		2,029	1,807
Staff training, development and other expenses		1,242	1,238
Miscellaneous expenses		2,814	1,152
		<b>249,234</b>	<b>253,805</b>

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

Rupees in '000	2020	2019
Defined benefit schemes	4,408	3,416
Defined contribution plans	18,013	12,622
	<b>22,421</b>	<b>16,038</b>

### 8. Administrative expenses

Rupees in '000	Note	2020	2019
Salaries, allowances and other benefits	8.1	138,319	131,775
Travelling and conveyance		13,466	16,275
Communications and stationery		13,963	14,374
Depreciation	14.6	17,587	14,625
Repairs and maintenance		15,080	12,078
Electricity expense		14,242	11,557
Directors' fee and remuneration		17,488	6,963
Amortization	15.1	8,136	7,253
Safety and security expenses		1,662	874
Staff training, development and other expenses		1,227	5,713
Insurance		407	401
Rent, rates and taxes		1,547	1,083
Miscellaneous expenses		2,778	972
		<b>245,902</b>	<b>223,943</b>

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

Rupees in '000	2020	2019
Defined benefit schemes	1,779	2,352
Defined contribution plans	9,634	10,684
	<b>11,413</b>	<b>13,036</b>

### 9. Other operating expenses

Rupees in '000	Note	2020	2019
Workers' Profits Participation Fund		24,472	21,396
Workers' Welfare Fund		11,879	9,897
Legal and professional charges		15,382	10,967
Auditors' remuneration	9.1	3,255	3,027
Donations		340	50
Exchange loss - net		95	117
		<b>55,423</b>	<b>45,454</b>

### 9.1 Auditors' remuneration

Rupees in '000	2020	2019
Audit fee	1,058	980
Audit of provident, gratuity, pension and workers' profits participation fund and fee for special certifications	1,489	1,378
Fee for review of half yearly financial statements	259	240
Out-of-pocket expenses	449	429
	<b>3,255</b>	<b>3,027</b>

### 10. Other income

Rupees in '000	2020	2019
<b>Income from financial asset:</b>		
Mark-up income on saving and deposit accounts	787	351
<b>Income from non financial assets:</b>		
Gain on disposal of property, plant and equipment	4,825	14,487
Insurance claims	50,006	-
Liabilities no longer payable written back	1,631	7,032
Others	6,047	5,505
	<b>63,296</b>	<b>27,375</b>

10.1 During the year, no profit is earned from shariah compliant bank deposits / bank balances.

### 11. Finance costs

Rupees in '000	Note	2020	2019
Mark-up / profit on long term financing	11.1	1,611	-
Profit on long term financing	11.2	-	19,293
Mark-up / profit on short term running finances	11.3	155,034	148,528
Finance cost on lease liability		3,231	3,401
Bank charges		3,713	1,828
		<b>163,589</b>	<b>173,050</b>

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 represented profit on Diminishing Musharakh financing.

11.3 This includes profit of Rs. 133.036 million (2019: Rs. 111.816 million) on facilities obtained under islamic mode of financing.

## 12. Taxation

Rupees in '000	2020	2019
Current		
For the year	160,870	130,891
For prior years	(25,586)	-
Deferred	(28,848)	(34,597)
	<b>106,436</b>	<b>96,294</b>

### 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:

Rupees in '000	2020	2019
<b>Profit before taxation</b>	<b>452,717</b>	<b>396,879</b>
Tax at the applicable tax rate of 29%	131,288	115,095
Effect of tax under final tax regime	-	1,938
Prior year reversal	(25,586)	(20,667)
Others	734	(72)
	<b>106,436</b>	<b>96,294</b>

12.2 The returns of total income for and upto the Tax Year 2020 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.

	2020	2019
Profit for the year - Rupees in '000	346,281	300,585
		(Restated)
Weighted average number of ordinary shares at the year end - in '000	39,060	39,060
		(Restated)
Earnings per share - basic and diluted - Rupees	8.87	7.70

## 14. Property, plant and equipment

Rupees in '000	Note	2020	2019
Operating fixed assets	14.1	4,423,422	4,440,947
Capital work in progress	14.8	66,120	17,072
Right-of-use assets - Buildings	14.9	20,863	28,565
		<b>4,510,405</b>	<b>4,486,584</b>

## 14.1 Operating fixed assets

The following is the statement of operating fixed assets:

Rupees in '000	Freehold land	Leasehold land	Buildings on			* Plant and machinery	Vehicles	Furniture, fittings and office equipments	Computer equipments	Total
			Freehold land	Leasehold land	Customers' land					
<b>Net carrying value basis</b>										
<b>year ended December 31, 2020</b>										
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)
<b>Closing net book value</b>	<b>1,637,301</b>	<b>375,000</b>	<b>169,563</b>	<b>30,738</b>	<b>3,740</b>	<b>2,127,467</b>	<b>57,403</b>	<b>8,269</b>	<b>13,941</b>	<b>4,423,422</b>
<b>Gross carrying value basis</b>										
<b>year ended December 31, 2020</b>										
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)
<b>Closing net book value</b>	<b>1,637,301</b>	<b>375,000</b>	<b>169,563</b>	<b>30,738</b>	<b>3,740</b>	<b>2,127,467</b>	<b>57,403</b>	<b>8,269</b>	<b>13,941</b>	<b>4,423,422</b>
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	-
<b>Net carrying value basis</b>										
<b>year ended December 31, 2019</b>										
Opening net book value	1,466,221	375,000	192,698	37,504	4,701	2,263,789	40,032	13,069	2,750	4,395,764
Addition (at cost)	-	-	3,228	1,126	-	325,381	38,931	1,879	23,423	393,968
Disposal (NBV)	-	-	-	-	-	-	(878)	-	-	(878)
Depreciation charged	-	-	(13,859)	(3,772)	(961)	(302,116)	(16,142)	(4,081)	(6,976)	(347,907)
<b>Closing net book value</b>	<b>1,466,221</b>	<b>375,000</b>	<b>182,067</b>	<b>34,858</b>	<b>3,740</b>	<b>2,287,054</b>	<b>61,943</b>	<b>10,867</b>	<b>19,197</b>	<b>4,440,947</b>
<b>Gross carrying value basis</b>										
<b>year ended December 31, 2019</b>										
Cost / revalued amount	1,466,221	385,526	286,389	103,464	21,841	5,940,404	133,532	74,259	68,862	8,480,498
Accumulated depreciation	-	(10,526)	(104,322)	(68,606)	(18,101)	(3,653,350)	(71,589)	(63,392)	(49,665)	(4,039,551)
<b>Net book value</b>	<b>1,466,221</b>	<b>375,000</b>	<b>182,067</b>	<b>34,858</b>	<b>3,740</b>	<b>2,287,054</b>	<b>61,943</b>	<b>10,867</b>	<b>19,197</b>	<b>4,440,947</b>
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	-

\* This includes capital spares having cost of Rs. 106.38 million (2019: Rs. 106.38 million) and net book value of Rs. 32.940 million (2018: Rs. 39.733 million).

14.2 The revaluation of freehold and leasehold land was carried out as of December 31, 2018 by M/s. KG Traders ( Private) Limited (an independent valuer) on the basis of their professional assessment of present market value. The revaluation resulted in a surplus amounting to Rs. 1,798.150 million which was incorporated in the books of the Company as at December 31, 2018.

The useful life of freehold and leasehold land is considered as indefinite, accordingly, no depreciation has been charged during the year.

The Forced Sales Value (FSV) of freehold land and leasehold land as per the revaluation carried out at December 31, 2018 is Rs. 1,172.960 million and Rs. 300 million respectively.

14.3 Had there been no revaluation, the net book value of the aforementioned assets would have been as follows:

	(Rupees in '000)
Leasehold	-
Freehold land	43,071

## 14.4 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 land 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.

14.5 As at December 31, 2020, 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:

Rupees in '000	Cost		Net book value	
	2020	2019	2020	2019
Cylinders	271,964	272,219	157,297	170,321
Vacuum Insulated Evaporator	754,892	754,892	286,157	326,793
	<b>1,026,856</b>	<b>1,027,111</b>	<b>443,455</b>	<b>497,114</b>

#### 14.6 Depreciation has been allocated as follows:

Rupees in '000	Note	2020	2019
Cost of sales	6	339,155	324,809
Distribution and marketing expenses	7	14,174	12,956
Administrative expenses	8	17,587	14,625
		<b>370,916</b>	<b>352,390</b>

#### 14.7 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

#### 14.8 Capital work in progress

Rupees in '000	Land and Buildings	Plant and machinery	Advances to suppliers against vehicles	Furniture, fittings, office and computer equipments	Total
<b>As at January 01, 2019</b>	-	133,812	15,391	13,222	162,425
Additions during the year	4,354	203,652	23,540	22,947	254,493
Transfers to operating fixed assets	(4,354)	(325,381)	(38,931)	(25,302)	(393,968)
Transfers to intangible assets	-	-	-	(5,878)	(5,878)
<b>As at December 31, 2019</b>	-	<b>12,083</b>	-	<b>4,989</b>	<b>17,072</b>
Additions during the year	173,423	207,872	19,209	6,944	407,448
Transfers to operating fixed assets	(173,093)	(154,878)	(19,209)	(5,592)	(352,772)
Transfers to intangible assets	-	-	-	(5,628)	(5,628)
<b>As at December 31, 2020</b>	<b>330</b>	<b>65,077</b>	-	<b>713</b>	<b>66,120</b>

#### 14.9 Right-of-use assets - Building

Rupees in '000	2020	2019
<b>Net Carrying value basis</b>		
Right of use assets as on January 01	28,565	24,311
Effects of reassessment of lease liabilities	315	-
Additions	2,175	8,737
Deletions	(5,534)	-
Depreciation during the year	(4,658)	(4,483)
<b>Closing net book value</b>	<b>20,863</b>	<b>28,565</b>
<b>Gross Carrying value basis</b>		
Cost	30,004	33,048
Accumulated depreciation	(9,141)	(4,483)
	<b>20,863</b>	<b>28,565</b>
Depreciation rate % per annum	12.5 to 21.4	10 to 20

#### 15. Intangible assets

Rupees in '000	Note	2020	2019
Computer software	15.1	29,818	32,326

##### 15.1 Net carrying value basis

Rupees in '000	2020	2019
Opening net book value at January 01	32,326	33,701
Additions during the year	5,628	5,878
	<b>37,954</b>	<b>39,579</b>
Amortisation for the year	(8,136)	(7,253)
<b>Net book value at December 31</b>	<b>29,818</b>	<b>32,326</b>
<b>Gross carrying value basis</b>		
Cost	69,087	63,459
Accumulated amortisation	(39,269)	(31,133)
<b>Net book value</b>	<b>29,818</b>	<b>32,326</b>

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

#### 16. Stores and spares

Rupees in '000	Note	2020	2019
Stores		452	452
Spares		365,233	321,066
		<b>365,685</b>	<b>321,518</b>
Provision against slow moving stores and spares	16.1	(127,770)	(115,605)
		<b>237,915</b>	<b>205,913</b>

**16.1** The Company made a provision against slow moving stores and spares amounting to Rs. 12.165 million during the year (2019: Rs. 11.002 million).

## 17. Stock-in-trade

Rupees in '000	Note	2020	2019
<b>Raw and packing materials</b>			
in hand		275,211	190,958
<b>Finished goods - in hand</b>		377,801	413,523
	17.1	<b>653,012</b>	<b>604,481</b>

17.1 The cost of raw and packing materials and finished goods has been adjusted net of provision for slow moving and obsolete stock by Rs. 23.039 million (2019: Rs. 31.947 million). During the year, a provision amounting to Rs. 7.026 million (2019: Rs. 4.923 million) in respect of slow moving and obsolete stock has been reversed. The Company has also written off slow moving and obsolete stock amounting to Rs. 1.88 million (2019: Nil) by utilising the provision.

## 18. Trade debts - Unsecured

Rupees in '000	Note	2020	2019
Considered good		595,604	838,909
Considered doubtful		84,899	84,899
	18.1	<b>680,503</b>	<b>923,808</b>
Allowance for expected credit losses	18.3	(84,899)	(84,899)
		<b>595,604</b>	<b>838,909</b>

### 18.1 These include balances due from related parties as follows:

Rupees in '000	2020	2019
Engro Polymer and Chemicals Limited	1,609	3,927
Soorty Enterprises (Private) Limited	25	21
Fauji Foundation Hospital	4,694	-
Fauji Fertilizer Company	1,007	964
Fauji Fertilizer Bin Qasim Limited	-	1,703
Mari Petroleum Company	1,360	142
Wyeth (Pakistan) Limited	13	19
Archroma Pakistan Limited	4,133	7,704
Loads Limited	207	207
	<b>13,048</b>	<b>14,687</b>
Past due considered doubtful as per Company's credit policy	(2,497)	(4,330)
	<b>10,551</b>	<b>10,357</b>

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

Rupees in '000	2020	2019
Not past due	9,301	9,206
Past due from 1- 90 days	1,248	753
Past due from 90 days onward	2,499	4,728
	<b>13,048</b>	<b>14,687</b>
Past due considered doubtful as per Company's credit policy	(2,497)	(4,330)
	<b>10,551</b>	<b>10,357</b>

18.2 The maximum amount due from related parties at the end of any month during the year was Rs. 30.279 million (2019: Rs. 22.485 million).

### 18.3 Allowance for expected credit losses

Rupees in '000	2020	2019
Balance at beginning of the year	84,899	55,969
Allowance for expected credit losses	-	28,930
<b>Balance at end of the year</b>	<b>84,899</b>	<b>84,899</b>

### 19. Loans and advances

Rupees in '000	2020	2019
<b>Loans - considered good</b>		
Current maturity of long term loan to employees	2,687	2,583
<b>Advances- considered good</b>		
Employees	45	3,311
Suppliers	45,974	21,594
	<b>48,706</b>	<b>27,488</b>

### 20. Deposits and prepayments

Rupees in '000	2020	2019
Security deposits	110,296	44,583
Other deposits	125,066	155,432
Prepayments	6,980	1,208
	<b>242,342</b>	<b>201,223</b>

### 21. Other receivables - Considered good

Rupees in '000	Note	2020	2019
Receivable from defined benefit funds	34.1	33,434	11,934
Receivable from defined contribution funds		-	953
Sales tax recoverable		365,862	183,285
		<b>399,296</b>	<b>196,172</b>

### 22. Cash and bank balances

Rupees in '000	Note	2020	2019
Cash in hand		391	1,392
Cash at bank - current and savings accounts	22.1	219,448	17,707
		<b>219,839</b>	<b>19,099</b>

This includes an amount of Rs. 132.369 million held in savings accounts (2019: Rs.4.641 million). The mark-up on saving account is 5.5% per annum (2019: 11.25% per annum). None of the balances are kept in shariah compliant bank accounts.

### 23. Share capital

#### 23.1 Authorised share capital

	Number of shares		Rupees in '000	
	2020	2019	2020	2019
Ordinary shares of Rs. 10 each	70,000,000	40,000,000	700,000	400,000

### 23.2 Issued, subscribed and paid-up capital

	Number of shares		Rupees in '000	
	2020	2019	2020	2019
Ordinary shares of Rs. 10 each fully paid in cash	452,955	452,955	4,530	4,530
Ordinary shares of Rs. 10 each issued for consideration other than cash	672,045	672,045	6,720	6,720
Ordinary shares of Rs. 10 each issued as fully paid bonus shares	37,935,403	31,425,336	379,354	314,253
	<b>39,060,403</b>	<b>32,550,336</b>	<b>390,604</b>	<b>325,503</b>

23.3 During the year, the Company issued bonus shares in proportion of 2 shares for every 10 shares held i.e. 20% amounting to Rs. 65.101 million.

23.4 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.

### 24. Long term deposits

Rupees in '000	2020	2019
Against cylinders	198,075	182,961
Others	10,555	10,555
	<b>208,630</b>	<b>193,516</b>

### 25. Long term financing

Rupees in '000	Note	2020	2019
<b>Secured-from banking companies</b>			
Refinance facility		214,631	-
Less: current portion shown under current liabilities		(104,926)	-
	25.1	<b>109,705</b>	<b>-</b>

25.1 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.

### 26. Lease liabilities

Rupees in '000	Note	2020	2019
Lease liabilities recognized as on January 1		32,118	25,327
Effects of reassessment of lease liabilities		315	-
Addition during the year		2,175	8,737
Deletions during the year		(6,578)	-
Interest accrued		3,231	3,401
Less: Repayment of lease liabilities		(5,972)	(5,347)
	26.1	<b>25,288</b>	<b>32,118</b>

## 26.1 Break up of lease liabilities

Rupees in '000	2020	2019
Lease liabilities	25,288	32,118
Less: Current portion	(2,078)	(2,588)
	<b>23,210</b>	<b>29,530</b>

### Maturity analysis-contractual undiscounted cash flow

Less than one year	4,491	5,760
One to five year	25,790	30,036
More than five year	5,219	10,682
<b>Total undiscounted lease liability</b>	<b>35,500</b>	<b>46,478</b>

26.2 When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate which is 10% (2019: 15%).

## 27. Deferred capital grant

Rupees in '000	Note	2020	2019
Capital grant	27.1	12,623	-
Current portion shown under current liability		(9,310)	-
		<b>3,313</b>	<b>-</b>

27.1 During the year, 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 instalments beginning from January 2021. The Institute of Chartered Accountants of Pakistan issued a publication through circular No. 11/2020 to clarify accounting of the said term finance. Accordingly, the Company measured and recognized the loan liability and deferred capital grant in accordance with the said publication and requirements of relevant IFRSs.

## 28. Deferred liabilities

Rupees in '000	Note	2020	2019
Deferred taxation	28.1	249,227	273,253
Staff retirement benefit funds	34.1	10,065	9,550
		<b>259,292</b>	<b>282,803</b>

### 28.1 Deferred taxation

Rupees in '000	2020	2019
<b>Taxable temporary differences:</b>		
Accelerated tax depreciation	317,554	346,690
Remeasurement: actuarial gain on defined benefit plans - net	6,749	1,926
<b>Deductible temporary differences:</b>		
Slow moving stores and spares and stock-in-trade	(43,735)	(42,790)
Employees' benefit plans	(6,442)	(7,674)
Allowance for expected credit losses and other provisions	(24,899)	(24,899)
	<b>249,227</b>	<b>273,253</b>

## 29. Trade and other payables

Rupees in '000	Note	2020	2019
Creditors		290,454	255,191
Accrued liabilities	29.1	599,565	605,949
Advances from customers		78,990	56,368
Payable to staff retirement benefit funds		2,447	2,371
Workers' Profits Participation Fund		4,472	715
Workers' Welfare Fund		33,050	37,581
Mark-up payable		28,677	52,084
Other payables		26,224	49,624
		<b>1,063,879</b>	<b>1,059,883</b>

29.1 This includes an amount of Rs. Nil (2019: Rs. 10.756) payable to Engro Polymer & Chemicals Limited, a related party.

## 30. 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 (2019: Rs. 226.404). The unutilized running finance facility as at year end is Rs. 850 million (2019: Rs. 223.281).

The rate of mark-up on running finance facility is 3 months KIBOR + 0.50% (2019: 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, 2020 amounting to Rs. 475 million (2019: Rs. 475 million) from SCB. The unutilized balance as at year ended is Rs. 197.831 million (2019: Rs. 276.241).

### 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 (2019: Rs. 1,098 million). The unutilized running musharkah facilities as at year end is Rs. 121 million (2019: Rs. 63.804 million).

The rate of profit on the running musharakah facilities ranges from 1 month KIBOR + 0.15 to 0.65% (2019: 1 month KIBOR + 0.40% to 3 months KIBOR + 0.15% ) 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, 2020 amounting to Rs. 300 million (2019: Rs. 202 million). The unutilized balance as at year end is Rs. 184.3 million (2019: Rs. 70.674 million).

The Company had an arrangement for murabaha short term finance (commodity) facility from Standard Chartered Bank (Pakistan) Limited (SCB) amounting to Rs. 623.596 which was fully repaid during the year.

The rate of murabaha profit on short term finance (commodity) was 6 months Kibor+0.10% per annum.

## 31. Contingencies and commitments

### 31.1 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, 2020 amounted to Rs.53.249 million (2019: Rs. 50.544 million).

### 31.2 Commitments

31.2.1 Capital commitments outstanding as at December 31, 2020 amounted to Rs. 32.541 million (2019: Rs. 61.923 million).

31.2.2 Commitments under letters of credit for inventory items as at December 31, 2020 amounted to Rs. 275.749 million (2019: Rs. 155.463 million).

31.2.3 Banks have provided guarantees to various parties on behalf of the Company in normal course of business. Guarantees outstanding as at December 31, 2020 amounted to Rs. 109.521 million (2019: Rs. 124.042 million).

### 32. Cash generated from operations

Rupees in '000	Note	2020	2019
Profit before taxation		452,717	396,878
<b>Adjustments for:</b>			
Depreciation	14.6	370,916	352,390
Gain on disposal of property, plant and equipment	10	(4,825)	(14,487)
Mark-up income on saving and deposit accounts	10	(787)	(351)
Finance costs	11	163,589	173,050
Amortisation	15.1	8,136	7,253
Liabilities no longer payable written back		(1,631)	(7,032)
Post retirement medical benefits		1,041	973
Working capital changes	32.1	(40,482)	(537,589)
		<b>948,674</b>	<b>371,085</b>

#### 32.1 Working capital changes

Rupees in '000	2020	2019
<b>(Increase) / decrease in current assets:</b>		
Stores and spares	(32,002)	(44,520)
Stock-in-trade	(48,531)	(198,335)
Trade debts	243,305	(164,359)
Loans and advances	(21,218)	(8,945)
Deposits and prepayments	(41,119)	(70,944)
Other receivables	(186,452)	(65,581)
	<b>(86,017)</b>	<b>(552,684)</b>
<b>Increase in current liabilities:</b>		
Trade and other payables	45,535	15,095
	<b>(40,482)</b>	<b>(537,589)</b>

### 33. Cash and cash equivalents

Rupees in '000	Note	2020	2019
Cash and bank balances	22	219,839	19,099
Short term borrowings - running finance under mark-up arrangement		(1,083,064)	(1,330,865)
		<b>(863,225)</b>	<b>(1,311,766)</b>

### 34. Staff retirement benefits

#### 34.1 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:

(Percent % per annum)	2020		
	Pension Fund	Gratuity Fund	Medical Scheme
<b>Financial assumptions</b>			
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%
<b>Demographic assumptions</b>			
Mortality rate	SLIC (2001-05)-1	SLIC(2001-05)-1	SLIC(2001-05)-1
<b>Rates of employee turnover</b>	<b>Moderate</b>	<b>Moderate</b>	<b>Moderate</b>

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

Rupees in '000	2020			
	Pension Fund	Gratuity Fund	Medical Scheme	Total
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)
<b>(Asset) / liability in statement of financial position</b>	<b>(24,692)</b>	<b>(8,935)</b>	<b>10,065</b>	<b>(23,562)</b>
<b>Movements in the present value of defined benefit obligation</b>				
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)
<b>Present value of defined benefit obligation - end of the year</b>	<b>67,885</b>	<b>141,553</b>	<b>10,065</b>	<b>219,503</b>
<b>Movements in the fair value of plan assets</b>				
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 gain	(1,666)	(346)	-	(2,012)
Benefits paid	6,229	7,874	-	14,103
Contribution to fund	(701)	(10,204)	-	(10,905)
<b>Fair value of plan assets - end of the year</b>	<b>(92,577)</b>	<b>(150,488)</b>	<b>-</b>	<b>(243,065)</b>
<b>Movement in the net defined benefit liability / (asset)</b>				
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 during the year	(14,391)	(2,281)	45	(16,627)
<b>Closing balance</b>	<b>(24,693)</b>	<b>(8,935)</b>	<b>10,065</b>	<b>(23,563)</b>

### 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:

Rupees in '000				2020
	Pension Fund	Gratuity Fund	Medical Scheme	Total
<b>Component of defined benefit costs recognised in statement of profit or loss</b>				
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)
	<b>(925)</b>	<b>7,003</b>	<b>1,041</b>	<b>7,119</b>
<b>Component of defined benefit costs (re-measurement) recognised in other comprehensive income</b>				
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)
	<b>(12,724)</b>	<b>(1,935)</b>	<b>45</b>	<b>(14,614)</b>
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
	<b>(1,667)</b>	<b>(346)</b>	<b>-</b>	<b>(2,013)</b>
<b>Net re-measurement recognised in other comprehensive income</b>	<b>(14,391)</b>	<b>(2,281)</b>	<b>45</b>	<b>(16,627)</b>
<b>Total defined benefit cost recognised in statement of profit or loss and other comprehensive income</b>	<b>(15,316)</b>	<b>4,722</b>	<b>1,086</b>	<b>(9,508)</b>
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	
<b>Analysis of present value of defined benefit obligation</b>				
Type of Members:				
Pensioners	67,885	-	-	67,885
Beneficiaries	-	-	10,065	10,065
Officers	-	100,281	-	100,281
Supervisors	-	41,272	-	41,272
	<b>67,885</b>	<b>141,553</b>	<b>10,065</b>	<b>219,503</b>
Vested / Non-Vested				
Vested benefits	67,885	132,817	10,065	210,767
Non - vested benefits	-	8,736	-	8,736
	<b>67,885</b>	<b>141,553</b>	<b>10,065</b>	<b>219,503</b>
Type of benefits				
Accumulated obligations	67,885	69,648	10,065	147,598
Amounts attributed to future salary increase	-	71,905	-	71,905
	<b>67,885</b>	<b>141,553</b>	<b>10,065</b>	<b>219,503</b>

2020

Rupees in '000	Pension Fund	Gratuity Fund	Medical Scheme	Total
<b>Disaggregation of fair value of plan assets</b>				
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)	1,730	9,842	-	11,572
<b>Debt instruments (Quoted / not quoted)</b>				
AAA	80,891	118,388	-	199,279
AA	8,535	21,695	-	30,230
	<b>89,426</b>	<b>140,083</b>	-	<b>229,509</b>
<b>Equity instruments (Quoted) - Oil and gas sector</b>	<b>878</b>	<b>563</b>	-	<b>1,441</b>
<b>Mutual Fund (Quoted)</b>				
Money Market Fund	-	-	-	-
Stock Market Fund	-	-	-	-
Income Fund	-	-	-	-
Assets Allocation Fund	543	-	-	543
Islamic Income Fund	-	-	-	-
Islamic Asset Allocation Fund	-	-	-	-
Islamic Stock Fund	-	-	-	-
	<b>543</b>	-	-	<b>543</b>
	<b>92,577</b>	<b>150,488</b>	-	<b>243,065</b>

#### 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:

Rupees in '000	2020		
	Pension Fund	Gratuity Fund	Medical Scheme
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	-
Withdrawal rates : Light	-	-	-
Withdrawal rates: Heavy	-	-	-
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.

### Defined benefit schemes

The actuarial valuation of pension, gratuity and medical benefit schemes was carried out at December 31, 2019. The projected unit credit method using the following significant assumptions, has been used for the actuarial valuation:

(Percent % per annum)	2019		
	Pension Fund	Gratuity Fund	Medical Scheme
<b>Financial assumptions</b>			
Rate of discount	11.25%	11.25%	11.25%
Expected rate of pension increase	9.25%	-	-
Expected rate of salary increase			
for first three years following valuation	-	12.00%	-
long term (fourth year following valuation)	-	11.25%	-
Medical cost escalation rate	-	-	11.25%
<b>Demographic assumptions</b>			
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:

Rupees in '000	2019			
	Pension Fund	Gratuity Fund	Medical Scheme	Total
Present value of defined benefit obligation	78,333	129,201	9,550	217,084
Fair value of plan assets	(87,009)	(132,654)	-	(219,663)
<b>(Asset) / liability in statement of financial position</b>	<b>(8,676)</b>	<b>(3,453)</b>	<b>9,550</b>	<b>(2,579)</b>
<b>Movements in the present value of defined benefit obligation</b>				
Present value of defined benefit obligation - beginning of the year	75,403	111,398	7,613	194,414
Current service cost	-	8,623	-	8,623
Interest cost	9,591	14,728	973	25,292
Re-measurements : Actuarial losses / (gains) on obligation	385	3,334	1,229	4,948
Benefits paid	(7,046)	(8,882)	(265)	(16,193)
<b>Present value of defined benefit obligation - end of the year</b>	<b>78,333</b>	<b>129,201</b>	<b>9,550</b>	<b>217,084</b>
<b>Movements in the fair value of plan assets</b>				
Fair value of plan assets - beginning of the year	83,928	120,775	-	204,703
Interest income on plan assets	10,653	15,895	-	26,548
Re-measurements: Return on plan assets over interest income loss / (gain)	(526)	(1,607)	-	(2,133)
Benefits paid	(7,046)	(8,882)	-	(15,928)
Contribution to fund	-	6,473	-	6,473
<b>Fair value of plan assets - end of the year</b>	<b>87,009</b>	<b>132,654</b>	<b>-</b>	<b>219,663</b>
<b>Movement in the net defined benefit liability / (asset)</b>				
Opening balance	(8,525)	(9,376)	7,613	(10,289)
Net periodic benefit (income) / cost for the year	(1,061)	7,455	972	7,366
Contribution paid during the year	-	(6,473)	-	(6,473)
Benefits paid during the year	-	-	(265)	(265)
Re-measurements recognised in other comprehensive income during the year	911	4,941	1,229	7,082
<b>Closing balance</b>	<b>(8,676)</b>	<b>(3,453)</b>	<b>9,550</b>	<b>(2,579)</b>

### 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:

Rupees in '000	2019			
	Pension Fund	Gratuity Fund	Medical Scheme	Total
<b>Component of defined benefit costs recognised in statement of profit or loss</b>				
Current service cost	-	8,623	-	8,623
Net interest cost				
Interest cost on defined benefit obligation	9,591	14,727	972	25,291
Interest income on plan assets	(10,653)	(15,895)	-	(26,548)
	<b>(1,061)</b>	<b>7,455</b>	<b>972</b>	<b>7,366</b>
<b>Component of defined benefit costs (re-measurement) recognised in other comprehensive income</b>				
Re-measurements: Actuarial (gain)/loss on obligation				
(Gain) / loss due to change in financial assumptions	(232)	76	130	(27)
(Gain) / loss due to change in demographic assumptions	-	-	-	-
(Gain) / loss due to change in experience adjustments	617	3,259	1,100	4,975
	<b>385</b>	<b>3,334</b>	<b>1,229</b>	<b>4,949</b>
Re-measurements: Net return on plan assets over interest income				
Actual return on plan assets	(9,782)	(14,265)	-	(24,047)
Interest income on plan assets	10,308	15,872	-	26,180
	<b>526</b>	<b>1,607</b>	<b>-</b>	<b>2,133</b>
<b>Net re-measurement recognised in other comprehensive income</b>	<b>911</b>	<b>4,941</b>	<b>1,229</b>	<b>7,082</b>
<b>Total defined benefit cost recognised in statement of profit or loss and other comprehensive income</b>	<b>(150)</b>	<b>12,396</b>	<b>2,202</b>	<b>14,448</b>
Actual return on plan assets	9,782	14,265	-	24,047
Expected contributions to funds in the following year	(925)	10,253	1,040	10,368
Expected benefit payments to retirees in the following year	5,613	5,966	612	12,191
Re-measurements: Accumulated actuarial (gains) / losses recognised in equity	911	4,941	1,229	7,081
Weighted average duration of the defined benefit obligation (Years)	8.26	7.97	7.98	
<b>Analysis of present value of defined benefit obligation</b>				
Type of Members:				
Pensioners	78,333	-	-	78,333
Beneficiaries	-	-	9,549	9,549
Officers	-	100,281	-	100,281
Supervisors	-	28,920	-	28,920
	<b>78,333</b>	<b>129,201</b>	<b>9,549</b>	<b>217,083</b>
Vested / Non-Vested				
Vested benefits	78,333	122,290	9,549	210,172
Non - vested benefits	-	6,911	-	6,911
	<b>78,333</b>	<b>129,201</b>	<b>9,549</b>	<b>217,083</b>
Type of benefits				
Accumulated obligations	78,333	57,631	9,549	145,513
Amounts attributed to future salary increase	-	71,570	-	71,570
	<b>78,333</b>	<b>129,201</b>	<b>9,549</b>	<b>217,083</b>

Rupees in '000	2019			Total
	Pension Fund	Gratuity Fund	Medical Scheme	
<b>Disaggregation of fair value of plan assets</b>				
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	1,315	2,872	-	4,187
<b>Debt instruments</b>				
AAA	73,465	108,247	-	181,712
AA	10,502	18,889	-	29,391
	<b>83,967</b>	<b>127,136</b>	-	<b>211,103</b>
<b>Equity instruments (Quoted) - Oil and gas sector</b>	<b>1,201</b>	<b>781</b>	-	<b>1,982</b>
Mutual funds - Quoted				
Money Market Fund	-	-	-	-
Stock Market Fund	-	-	-	-
Income Fund	-	-	-	-
Assets Allocation Fund	526	-	-	526
Islamic Income Fund	-	1,865	-	1,865
Islamic Asset Allocation Fund	-	-	-	-
Islamic Stock Fund	-	-	-	-
	<b>526</b>	<b>1,865</b>	-	<b>2,391</b>
	<b>87,009</b>	<b>132,654</b>	-	<b>219,663</b>

#### 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.

Rupees in '000	2019		
	Pension Fund	Gratuity Fund	Medical Scheme
Discount rate +0.5%	75,214	124,210	9,181
Discount rate -0.5%	81,682	134,518	9,943
Long term pension / salary increase +0.5%	81,729	134,192	-
Long term pension / salary decrease -0.5%	75,145	124,467	-
Medical cost +1% - effect on service cost and interest cost	-	-	21
Medical cost +1% - effect on defined benefit obligation	-	-	355
Medical cost -1% - effect on service cost and interest cost	-	-	(19)
Medical cost -1% - effect on defined benefit obligation	-	-	(355)

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.

#### 34.2 Defined contribution plan

##### Staff Provident Fund

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

Rupees in '000	July 31, 2020	July 31, 2019
Size of the Fund (Net of Liabilities)	130,478	111,117
Cost of investment made	98,237	82,168
Fair value / amortised cost of the investments	127,731	108,642
Percentage of investment made (%) - based on fair value / amortised cost	98	98

Break up of the investments is as follows:

	(Rupees in '000)		(% of total investment)	
	July 31, 2020	July 31, 2019	July 31, 2020	July 31, 2019
National savings schemes	62,262	55,533	48.74	51.12
Government securities	41,801	22,757	32.73	20.95
Certificate of Investment	-	10,000	-	9.20
Listed securities	9,621	7,843	7.53	7.22
Term Finance Certificate	7,625	-	5.97	-
Cash and bank balances	6,423	12,509	5.03	11.51
	<b>127,731</b>	<b>108,642</b>	<b>100</b>	<b>100</b>

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.

### 35. Remuneration of Chief Executive, Directors and Executives

Rupees in '000	2020		2019	
	Chief Executive	Executives	Chief Executive	Executives
Managerial remuneration	26,520	100,789	24,030	88,151
Bonus, house rent, utilities, etc.	10,249	80,181	6,955	73,363
Company's contribution to staff retirement benefits	6,007	30,318	5,443	27,469
Medical and others	111	7,262	-	4,362
	<b>42,887</b>	<b>218,550</b>	<b>36,428</b>	<b>193,345</b>
Number of persons (including those who worked part of the year)	1	42	1	43

**35.1** 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.

**35.2** Aggregate amount charged in the financial statements for fee to ten non-executive directors (including directors who retired during the year) was Rs.17.5 million (2019: Nine non-executive directors - Rs.7 million).

**35.3** 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.

### 36. 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.

#### 36.1 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.

Rupees in '000	Note	2020	2019
Deposits		286,201	249,891
Trade debts	36.1.1	595,604	838,909
Bank balances		219,448	17,707
		<b>1,101,253</b>	<b>1,106,507</b>

**36.1.1** 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. 532.29 million (2019: Rs. 599.451 million). Trade debts due by more than 90 days as at December 31, 2020 amounted to Rs. 63.31 million (2019: Rs. 239.459 million), net of impairment. Based on the past experience, consideration of financial position, payment behavior, past track records and recoveries, the Company believes that trade debtors past due up to 90 days do not require any impairment except for the trade debtors of Health Care Customers and Government Customers.

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

Rupees in '000	2020	2019
Opening balance	84,899	55,969
Allowance for expected credit losses	-	28,930
<b>Closing balance</b>	<b>84,899</b>	<b>84,899</b>

During the year, based on the past experience, payment behavior and age analysis, the Company made provision for expected credit loss in respect of its trade debtors as per Company's credit policy for these customers.

### 36.2 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:

Rupees in '000	2020					2019				
	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
Long term financing	109,705	-	(114,496)	-	(109,705)	-	-	-	-	-
Current portion of long term financing	104,926	-	(117,070)	(117,070)	-	-	-	-	-	-
Long term deposits	208,630	-	(208,630)	(208,630)	-	193,516	-	(193,516)	(193,516)	-
Trade and other payables	916,243	-	-	(916,243)	-	910,764	-	-	(910,764)	-
Short term borrowings	1,083,064	(1,083,064)	-	-	-	1,330,865	(1,330,865)	-	-	-
	<b>2,422,568</b>	<b>(1,083,064)</b>	<b>(440,196)</b>	<b>(1,241,943)</b>	<b>(109,705)</b>	<b>2,435,145</b>	<b>(1,330,865)</b>	<b>(193,516)</b>	<b>(1,104,280)</b>	<b>-</b>

### 36.3 Market risk

#### 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.

#### 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 / (increased) profit for the year by approximately Rs. 15 million (2019: Rs. 10.700 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 2019.

#### 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.

### 36.4 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.

	2020				
	Carrying amount		Fair value		
	Amortised cost	Other financial liabilities	Level 1	Level 2	Level 3
Rupees in '000					
<b>Financial assets not measured at fair value</b>					
Trade debts	595,604	-	-	-	-
Loans to employees	45	-	-	-	-
Deposits	286,201	-	-	-	-
Cash and bank balances	219,839	-	-	-	-
<b>Financial liabilities not measured at fair value</b>					
Long term financing	109,705	-	-	-	-
Current maturity of long term financing					
Long term deposits	208,630	-	-	-	-
Trade and other payables	916,243	-	-	-	-
Short term borrowings	1,083,064	-	-	-	-
	2020				
	Carrying amount		Fair value		
	Amortised cost	Other financial liabilities	Level 1	Level 2	Level 3
Rupees in '000					
<b>Financial assets not measured at fair value</b>					
Trade debts	838,909	-	-	-	-
Loans to employees	3,311	-	-	-	-
Deposits	249,890	-	-	-	-
Cash and bank balances	19,099	-	-	-	-
<b>Financial liabilities not measured at fair value</b>					
Current maturity of long term financing	-	-	-	-	-
Long term deposits	193,516	-	-	-	-
Trade and other payables	910,764	-	-	-	-
Short term borrowings	1,330,865	-	-	-	-

It does not include fair value information for financial assets and financial liabilities not measured at fair value, as the carrying amount is a reasonable approximation of their fair values.

As of the reporting date, none of the financial instruments of the Company are carried at fair value.

### 37. Capital management

The Company's objectives when managing capital are:

- 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; and
- To maintain a strong capital base to support the sustained development of its businesses.

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.

The Company is not subject to externally imposed capital requirements.

### 38. 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 35) 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:

#### 38.1 Transactions with related parties are summarised as follows:

Rupees in '000		2020	2019
Related Party	Nature of transactions		
	Sale of goods	185,404	153,352
Major shareholders and associated companies by virtue of common directorship	Purchase of goods and receipt of service	56,582	110,336
	Mark up	26,128	16,963
	Issuance of bonus shares	44,946	51,860
	Profit on Saving accounts	665	-
	Meeting fee	17,488	6,963
Directors	Issuance of bonus shares	4,724	5,451
	Charge in respect of staff retirement funds	38,745	34,730
Staff retirement benefits	Re-measurement: Actuarial gain / (loss) recognised in other comprehensive income	16,627	(7,082)
Key management personnel	Compensation	261,437	276,421
	Issuance of bonus shares	20	23

38.2 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	Holds 33% shares of the Company and associated company by 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 (w.e.f 9th April 2020)	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
Shahid Mehmood Umerani	Director, holds 7.2% shares of the Company.
Syed Hassan Ali Bukhari	Director, holds 0.00256% shares of the Company.
Siraj Ahmed Dadabhoy	Director, holds 0.05% shares of the Company.
Feroz Rizvi	Director, holds 0.00039% shares of the Company
Muhammad Zindah Moin Mohajir	Director, holds 0.00039% shares of the Company
Waqar Ahmed Malik	Director
Sheikh Muhammad Abdullah	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

38.3 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.

### 39. Production capacity

	Unit of quantity	Number of shifts	Capacity		Actual production*	
			2020	2019	2020	2019
Oxygen/Nitrogen	Cubic meters	Triple shift	82,233,900	82,233,900	62,969,250	66,408,391
Hydrogen	Cubic meters	Triple shift	3,400,056	3,400,056	1,540,565	2,050,835
Dissolved acetylene	Cubic meters	Single shift	268,152	268,152	65,079	72,663
Nitrous oxide	Gallons	Triple shift	39,422,000	39,422,000	17,496,967	19,823,009
Carbon dioxide	Metric tons	Triple shift	27,850	27,850	-	-
Electrodes	Metric tons	Double shift	2,211	2,045	1,923	1,893

\*Net of normal losses

39.1 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.

#### 40. Non adjusting events after the reporting period

The Board of Directors in their meeting held on February 26, 2021 recommended issuance of bonus shares in the proportion of 2 shares for every 10 shares held i.e. 20% amounting to Rs. 78.121 million subject to approval of the members at the 72nd Annual General Meeting to be held on April 26, 2021. The Board of Directors has also approved the transfer of Rs. 279.965 million from unappropriated profit to general reserves.

#### 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.

#### 42. Number of employees

	2020	2019
Total Number of employees as at December 31	143	138
Average number of employees during the year	138	133
Total number of employees working in the Company's factory as at December 31	73	43
Average number of employees working in the Company's factory during the year	49	40

#### 43. Date of authorisation for issue

These financial statements were authorised for issue on February 26, 2021 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, 2020, the Securities and Exchange Commission of Pakistan ("SECP") has granted exemption to Pakistan Oxygen Limited from the application of sub-section (1) to (6) of section 228 of the Companies Act, 2017 requiring consolidation of subsidiary in the preparation of financial statements for the year ended December 31, 2020.

### Financial highlights of BOCPL

Rupees in '000	2020	2019
Profit after taxation	385	529
Net assets / shareholders fund	12,521	12,136
Total assets	13,075	12,667

### Auditors' Opinion

The auditor M/s BDO Ebrahim & Co., Chartered Accountants, have expressed an unmodified opinion on the financial statements of BOCPL for the year ended December 31, 2020.

### General

The annual audited 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 - 74000, 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, 2020, the market capitalization of Pakistan Oxygen Share stood at Rs. 5.99 billion with a market price of Rs. 153.33 per share and breakup value of Rs. 115.25 per share.

The 11.67% increase in the value of the shares compared to last year reflects the confidence of our members and investors in the Company.

### Market Price Share

Highest price per share during the year	Rs. 187.20
Lowest price per share during the year	Rs. 116.50
Closing price per share at year-end	Rs. 153.33

### Financial calendar

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

Financial Results for the year 2021 will be announced as per the following tentative schedule:

1st quarter ending March 31, 2021	April 2021
2nd quarter ending June 30, 2021	August 2021
3rd quarter ending September 30, 2021	October 2021
Year ending December 31, 2021	February 2022

Announcements of the Financial Results for the year ended December 31, 2020 were made as follows:

1st quarter ended March 31, 2020	April 21, 2020
2nd quarter ended June 30, 2020	August 27, 2020
3rd quarter ended September 30, 2020	October 21, 2020
Year ended December 31, 2020	March 1, 2021

## Annual general meeting

The Seventy-second annual general meeting of the shareholders will be held through video link on April 26, 2021 at 02:00 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 Share 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 Share 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 5:00 pm (Monday-Thursday)  
9:00 am to 12:30 pm and 2:30 pm to 5:00 pm (Friday)  
Email: info@cdcsrl.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>

## سالانہ اجلاس عام

حصص یافتگان کا 72 واں سالانہ اجلاس عام بذریعہ ویڈیو لنک بروز پیر 26 اپریل 2021 بوقت 02.00 بجے دوپہر کمپنی کے رجسٹرڈ دفتر، مقام ویسٹ وارف، ڈاکٹر روڈ کراچی میں منعقد ہوگا۔

کوئی ممبر جو سالانہ اجلاس عام میں شرکت کرنے، بولنے اور ووٹ ڈالنے کا حقدار ہے، وہ اپنی جگہ شرکت کرنے اور ووٹ ڈالنے کیلئے پراکسی مقرر کرنے کا اختیار رکھتا ہے۔ سرمایہ کاروں کیلئے رابطہ افسر:

جناب وکیل احمد خان

(منیجر - کارپوریٹ سروسز)

ای میل: wakil.khan@pakoxygen.com فون: (021) 32316914

فیکس: (021) 32312968

کمپنیز ایکٹ 2017 کی شق 195 کی شرائط کے مطابق سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ کمپنی کے خود مختار شیئرز رجسٹرار کے طور پر کام کرتی ہے۔

گمشدہ شیئرز سرٹیفکیٹس، ڈیویڈنڈ کی ادائیگی، پتے میں تبدیلی، ٹرانسفر ڈیڈز کی تصدیق اور شیئرز ٹرانسفرز کی معلومات کیلئے برائے مہربانی سی ڈی سی سے درج ذیل پتے پر رابطہ کریں:

سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، 99-B بلاک بی، ایس ایم سی ایچ ایس، مین شارع فیصل کراچی 74400

ٹیلیفون نمبر 111-111-500 (92-21) فیکس نمبر: (92-21) 34326031

اوقات کار 9.00 صبح تا 5.00 بجے شام (پیر تا جمعرات) اور 9.00 بجے صبح تا 12.30 بجے دوپہر اور 2.30 بجے دن تا 5.00 بجے شام (جمعہ)

ای میل: info@cdcsrl.com

معلومات عامہ: مالیاتی تجزیہ کار، اسٹاک بروکر اور خواہشمند سرمایہ کار، جو کمپنی کے مالیاتی اسٹیٹمنٹس میں دلچسپی رکھتے ہوں، برائے مہربانی ہماری ویب سائٹ

http://www.pakoxygen.com وزٹ کر سکتے ہیں۔

## معلومات برائے حصص یافتگان

### اسٹاک ایکسچینج کی لسٹنگ

پاکستان آکسیجن لمیٹڈ ایک پبلک لمیٹڈ کمپنی ہے۔ اس کے شیئرز کی تجارت پاکستان اسٹاک ایکسچینج میں کی جاتی ہے۔ کمپنی کے شیئرز کی معلومات معروف روزناموں میں "کیمیکل سیلٹر" کے عنوان کے تحت باقاعدہ شائع ہوتی ہے۔

مارکیٹ میں سرمایہ کاری اور پاکستان آکسیجن کے شیئرز کی مارکیٹ میں قیمت

### مارکیٹ میں سرمایہ کاری

31 دسمبر 2020 کو پاکستان آکسیجن لمیٹڈ کے شیئرز کی مارکیٹ کپٹلائزیشن 5.99 بلین روپے تھی اور اس کی مارکیٹ میں قیمت 153.33 روپے فی شیئر تھی جبکہ بریک اپ ویلیو 115.25 روپے فی شیئر تھی۔

شیئرز کی قیمت میں گزشتہ سال کے مقابلے میں 11.67% اضافہ ہوا جس سے ظاہر ہوتا ہے کہ ہمارے ممبرز اور سرمایہ کاروں کا کمپنی پر اعتماد قائم ہے۔

### مارکیٹ میں حصص کی قیمت

سال کے دوران میں شیئرز کی زیادہ سے زیادہ قیمت:	187.20 روپے
سال کے دوران میں شیئرز کی کم سے کم قیمت	116.50 روپے
سال کے اختتام پر شیئرز کی قیمت	153.33 روپے
مالیاتی کلینڈر: کمپنی کے مالیاتی سال کی مدت 01 جنوری تا 31 دسمبر ہے۔	

2021 کے مالیاتی نتائج کا اعلان چار وقفوں میں درج ذیل عبوری گوشوارے کے مطابق کیا جائے گا۔

پہلی سہ ماہی ختمہ	31 مارچ 2021	اپریل 2021
دوسری سہ ماہی ختمہ	30 جون 2021	اگست 2021
تیسری سہ ماہی ختمہ	30 ستمبر 2021	اکتوبر 2021
سال ختمہ	31 دسمبر 2021	فروری 2022

سال ختمہ 31 دسمبر 2020 کیلئے مالیاتی نتائج کا اعلان درج ذیل گوشوارے کے مطابق کیا گیا۔

پہلی سہ ماہی ختمہ	31 مارچ 2020	21 اپریل 2020
دوسری سہ ماہی ختمہ	30 جون 2020	27 اگست 2020
تیسری سہ ماہی ختمہ	30 ستمبر 2020	21 اکتوبر 2020
سال ختمہ	31 دسمبر 2020	01 مارچ 2021

## PATTERN OF SHAREHOLDING

As at December 31, 2020

Number of shareholders	Shareholdings' slab		Total shares held
	from	to	
537	1	-	18,137
697	101	-	203,267
359	501	-	291,607
538	1,001	-	1,227,144
120	5,001	-	853,975
44	10,001	-	523,381
29	15,001	-	498,763
11	20,001	-	241,446
14	25,001	-	386,384
5	30,001	-	154,471
4	35,001	-	145,118
4	40,001	-	167,958
3	45,001	-	142,546
1	50,001	-	53,600
2	55,001	-	114,131
3	60,001	-	188,069
3	65,001	-	199,580
1	70,001	-	74,296
1	100,001	-	103,176
1	105,001	-	109,200
2	120,001	-	244,867
1	125,001	-	128,944
1	135,001	-	137,865
1	185,001	-	185,970
1	190,001	-	195,000
1	240,001	-	243,360
1	280,001	-	283,272
1	305,001	-	306,006
1	465,001	-	465,164
1	915,001	-	918,606
1	1,405,001	-	1,406,174
1	1,890,001	-	1,893,742
3	3,120,001	-	9,374,498
1	4,685,001	-	4,687,249
1	12,890,001	-	12,893,437
<b>2,395</b>			<b>39,060,403</b>

## CATEGORIES OF SHAREHOLDERS

As at December 31, 2020

Categories of shareholders	No. of shareholders	Shares held	Percentage
Directors and their spouse(s) and minor children			
Shahid Mehmood Umerani (3 Folios)	3	2,812,504	7.20
Feroz Rizvi	1	156	-
Shahid Abdul Sattar	1	1	-
Syed Hassan Ali Bukhari	1	1,000	-
Muhammad Zindah Moin Mohajir	1	156	-
Tushna D Kandawalla	1	1	-
Mohammad Younus Dagha	1	1	-
Siraj Ahmed Dadabhoy	1	20,798	0.05
Executives	2	12,168	0.03
Associated Companies, undertakings and related parties			
M/s Adira Capital Holdings (Private) Limited (3 Folios)	3	12,926,449	33.09
M/s Paradigm Factors Private Limited	1	53,600	0.14
M/s Soorty Enterprises (Pvt.) Ltd.	1	4,687,249	12.00
NIT and ICP	2	306,474	0.78
Banks Development Financial Institutions, Non-Banking Financial Institutions	3	314,118	0.80
Insurance Companies	6	846,174	2.17
Modarabas and Mutual Funds	1	35,078	0.09
General Public			
a. Local	2,301	16,224,852	41.54
b. Foreign	13	7,813	0.02
Foreign Companies	-	-	-
Others	52	811,811	2.08
<b>Total</b>	<b>2,395</b>	<b>39,060,403</b>	<b>100.00</b>
Shareholders holding 10% or more			
M/s Adira Capital Holdings (Private) Limited		12,926,449	33.09
M/s Soorty Enterprises (Pvt.) Ltd.		4,687,249	12.00

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 72<sup>nd</sup> Annual General Meeting of PAKISTAN OXYGEN LIMITED will be held virtually via Video Link Facility on Monday, the 26<sup>th</sup> day of April 2021 at 2:00 p.m. to transact the following business:

## ORDINARY BUSINESS:

1. To receive and consider the Financial Statements of the Company for the year ended December 31, 2020 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. 78,120,806 out of the un-appropriated profits of the Company for the issuance of 7,812,081 Bonus Shares to the Members of the Company as at the close of business on April 19, 2021 in the proportion of 2 ordinary shares for every 10 ordinary shares held at that date.

By Order of the Board

**Mazhar Iqbal**  
Company Secretary

Karachi: February 26, 2021

## NOTES:

1. The Share Transfer Books of the Company will be closed from April 20, 2021 to April 26, 2021 (both days inclusive).
2. 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. Proxies in order to be effective must be received at the Registered Office of the Company not later 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.
3. 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.
4. CDC Account Holders 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.

**Submission of CNIC/NTN (Mandatory):**

According to Securities and Exchange Commission of Pakistan's (SECP) SRO 831(I)/2012 and other relevant rules, the electronic dividend should also bear Computerized National Identity Card (CNIC) number of the registered shareholder or the authorized person, except in the case of minor(s) and corporate shareholders.

As per Regulation No. 6 of the Companies (Distribution of Dividend) Regulations, 2017 and Section 243 of the Companies Act, 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).

Accordingly, the individual members, 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 requested to provide their National Tax Number (NTN).

**Unclaimed Dividend:**

Shareholders, who could not claim their dividend due to any reason, are advised to contact the Company's Share Registrar, CDC, immediately to collect/enquire about their unclaimed dividend, if any.

The Company, after having completed the prescribed procedures, shall deposit all dividend outstanding for a period of 3 years or more from the date of issue to the Federal Government in case such dividend remains unclaimed in compliance with the requirement of Section 244 of the Companies Act, 2017.

**Circulation of Audited Financial Statements through E-mail and by CD/DVD/USB:**

Pursuant to Notification SRO No. 470(I)/2016 dated 31 May 2016, the SECP has allowed (in addition to email), circulation of annual balance sheet and profit and loss account, auditor's report and directors report etc. ("Audited Financial Statements") to the members along with the notice of the Annual General Meeting ("AGM") through CD/DVD/USB to the members at their registered addresses.

Therefore, it is notified to all members that in accordance with Notification SRO No. 470(I)/2016, members who wish to receive the hard copies of the Audited 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.pakoxygen.com](http://www.pakoxygen.com)). If a member prefers to receive hard copies for all the future Audited Financial Statements and notice of AGM, then such preference of the member shall be noted in the Standard Request Form.

**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, 2020, are available on the Company's website ([www.pakoxygen.com](http://www.pakoxygen.com)).

**Consent for video conference facility:**

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

The Company will intimate members regarding venue of video conference facility 5 days before the date of general meeting along with complete information necessary to enable them to access such facility.

In this regard, Members, who wish to participate through video link facility, should send a duly signed request as per the following format to the registered address of the Company at least 7 days before the date of general meeting.

**Consent for Video Conference Facility**

I/We/Messrs., \_\_\_\_\_ of \_\_\_\_\_, being a member of Pakistan Oxygen Limited, holder of \_\_\_\_\_ ordinary share(s) as per Registered Folio/CDC Account No. \_\_\_\_\_, hereby opt for video link facility at \_\_\_\_\_.

Signature of the Member(s)  
(Please affix company stamp in case of corporate entity)

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

Pursuant to Circular No. 6 of 2021 dated 3 March 2021 issued by the Securities and Exchange Commission of Pakistan and keeping in view the current COVID-19 situation, the Company has decided that it would be advisable and appropriate for the Company to continue to hold its Annual General Meeting proceedings via video conference facility only. 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 – 2021**" along with valid copy of both sides of CNIC to **Email:** mazhar.iqbal@pakoxygen.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.

## 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. 78,120,806 out of unappropriated profits of the Company for the issuance of Bonus Shares in the ratio of 2 ordinary shares for every 10 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, 2021 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. 78,120,806 (Rupees Seventy Eight million, one hundred twenty thousand and eight hundred six) out of unappropriated profits as of December 31, 2020 be capitalised and distributed, by issuing 7,812,081 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, 2021 in the proportion of 2 bonus shares for every 10 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 as a result of their entitlement being less than one ordinary share shall be consolidated into whole shares and sold on the Stock Market and the proceeds so realized shall be distributed to the shareholders entitled to the fraction in proportion to their respective entitlements; 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.

## مطلوبہ بنیادی حقائق کا اسٹیٹمنٹ

کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے تحت

### ایجنڈا نمبر 3

ڈائریکٹرز کی رائے کے مطابق کمپنی کی مالیاتی پوزیشن اتنی مناسب ہے کہ ہر 10 عمومی شیئرز کیلئے 2 عمومی شیئرز کے حساب سے بونس شیئر کے اجراء کیلئے کمپنی کے غیر تخصیص شدہ منافع سے 78,120,806 روپے مخصوص کئے جائیں۔ جن افراد کے نام 19 اپریل 2021 کو کاروباری اوقات کے اختتام تک کمپنی کے ممبرز کے رجسٹر میں موجود ہوں گے، وہ درج بالا تناسب کے لحاظ سے مجوزہ بونس شیئرز کیلئے اہل قرار دیئے جائیں گے۔

اس سلسلے میں کمپنی کے بورڈ آف ڈائریکٹرز نے سفارش کی ہے کہ درج ذیل قرارداد کو بطور عمومی قرارداد پاس کیا جائے:

طے پایا کہ:

- (i) کمپنیز آرٹیکل آف ایسوسی ایشنز کے آرٹیکل 129 اور 130 کی پیروی میں کمپنی کے غیر تخصیص شدہ منافع (برطانیق 31 دسمبر 2020) میں سے 78,120,806 روپے (اٹھتر ملین، ایک لاکھ بیس ہزار آٹھ سو چھ روپے) کی سرمایہ کاری کی جائے اور کمپنی کے ممبرز کے درمیان، جن کے نام 19 اپریل 2021 کو کاروباری اوقات کے اختتام تک ممبرز کے رجسٹر میں درج ہوں گے، مکمل ادا شدہ 7,812,081 عمومی شیئرز بحساب ہر ملکیتی 10 شیئرز پر 2 بونس شیئرز اہل ممبرز کو تقسیم کیلئے جاری کر دیئے جائیں۔
- (ii) یہ جاری ہونے والے بونس شیئرز ہر لحاظ سے کمپنی کے موجودہ شیئرز کی خصوصیات کے برابر ہوں گے۔
- (iii) جزوی شیئرز کا استحقاق رکھنے والے ایسے ممبران جن کا استحقاق ایک شیئر سے کم ہوگا تو ایسے حصص کو بحیثیت مجموعی اسٹاک مارکیٹ میں فروخت کر دیا جائے گا اور اس سے حاصل ہونے والی رقم حصص یافتگان میں ان کے استحقاق کے تناسب سے تقسیم کی جائے گی؛ اور
- (iv) چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر اور ایسا کمپنی سیکرٹری مشترکہ طور پر اور ایک 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 اریٹرز جمع کرائیں۔

ڈائریکٹرز کی اس معاملے میں کوئی ذاتی دلچسپی نہیں ہے، سوائے اس کے کہ وہ شیئر ہولڈر کے طور پر بونس شیئرز کے حقدار ہیں۔

اجلاس عام کے لئے کورونا وائرس سے متعلق منصوبہ بندی۔ بذریعہ ویڈیو لنک اجلاس عام میں شرکت:

سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان کے 2021 کے سرکلر نمبر 6 بتاریخ 3 مارچ 2021 کے مطابق اور کووڈ-19 کی موجودہ صورتحال کے پیش نظر کمپنی نے سالانہ اجلاس عام کی کارروائی صرف بذریعہ ویڈیو لنک سہولت کرانے کا فیصلہ کیا ہے۔ یہ فیصلہ شیئرز ہولڈرز اور شریک کنندگان کی حفاظت اور بہبود کو یقینی بنانے کیلئے کیا گیا ہے اور اپنے لوگوں کی حفاظت اور بہبود ہمیشہ سے ہی کمپنی کیلئے اہمیت کا حامل رہی ہے۔ اس سلسلے میں کمپنی نے شیئرز ہولڈرز کو بذریعہ ویڈیو لنک سالانہ اجلاس عام میں شرکت کی سہولت فراہم کرنے کیلئے اقدامات (مندرجہ ذیل بیان کردہ) کئے ہیں۔

بذریعہ ویڈیو لنک اجلاس عام میں شرکت کے خواہشمند شیئرز ہولڈرز سے درخواست ہے کہ وہ نیچے دیئے گئے جدول کے تحت اپنی تفصیلات بذریعہ ای میل، واٹس ایپ، یا کسی اور الیکٹرونک طریقہ کار یا پوسٹ یا کوریئر بعنوان "رجسٹریشن برائے پاکستان آکسیجن لمیٹڈ اے جی ایم-2021" بہرہ سی این آئی سی کے دونوں اطراف کی کاپی ای میل: mazhari.iqbal@pakoxygen.com، سیل فون نمبر: +92 301 8221709، رجسٹرڈ آفس ایڈریس: پاکستان آکسیجن لمیٹڈ، ویسٹ وارف، ڈاکٹریٹروڈ، کراچی-74000 پر بھیجیں۔

شیئرز ہولڈر کا نام	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر	فولیو نمبر	موبائل نمبر	ای میل ایڈریس

ویڈیو لنک اور لاگ ان کی تفصیلات صرف ان ممبران/مقررہ پراکسیز کو شیئرز کی جائیں گی جن کی ای میلز مذکورہ بالا تفصیلات کی حامل ہوں گی اور کمپنی کو اجلاس عام کے وقت سے کم از کم 48 گھنٹے قبل موصول ہو جائیں گی۔

### آڈٹ شدہ مالیاتی اسٹیٹمنٹس کی بذریعہ ای میل اور بذریعہ CD/DVD/USB ترسیل:

نوٹیفکیشن ایس آر او نمبر 2016/1(470) مورخہ 31 مئی 2016 کے مطابق، SECP نے (ای میل کے ساتھ) سالانہ بیلنس شیٹ اور نفع نقصان کے حسابات، آڈیٹرز کی رپورٹ اور ڈائریکٹرز کی رپورٹ وغیرہ ("آڈٹ شدہ مالیاتی اسٹیٹمنٹس") ممبران کو سالانہ اجلاس عام ("AGM") کے نوٹس کے ساتھ بذریعہ CD/DVD/USB ان کے رجسٹرڈ پتوں پر بھجوانے کی اجازت دی ہے۔

لہذا تمام ممبران کو، جو نوٹیفکیشن ایس آر او نمبر 2016/1(470) کے مطابق آڈٹ شدہ مالیاتی اسٹیٹمنٹس (سالانہ رپورٹ) مع AGM کے نوٹس کی ہارڈ کاپی منگوانا چاہتے ہوں، مطلع کیا جاتا ہے کہ وہ اس کیلئے مقررہ درخواست فارم کمپنی کے شیئر رجسٹرار کو بھجوادیں۔ یہ مقررہ درخواست فارم کمپنی کی ویب سائٹ (www.pakoxxygen.com) پر دستیاب ہے۔ اگر کوئی ممبر مستقبل کی تمام آڈٹ شدہ مالیاتی اسٹیٹمنٹس اور AGM کے نوٹس، کی ہارڈ کاپی منگوانا چاہتا ہو، تو اس کی ترجیح کو اس مقررہ درخواست فارم میں درج کر لیا جائے گا۔

### سالانہ آڈٹ شدہ مالیاتی اسٹیٹمنٹس کی کمپنی کی ویب سائٹ پر دستیابی:

کمپنیز ایکٹ 2017 کے سیکشن (7) 223 کے مطابق کمپنی کے آڈٹ شدہ مالیاتی اسٹیٹمنٹس برائے سال مختتمہ 31 دسمبر 2020 کمپنی کی ویب سائٹ (www.pakoxxygen.com) پر دستیاب ہے۔

### ویڈیو کانفرنس کی سہولت حاصل کرنے کیلئے رضامندی:

اگر کمپنی کو 10% یا اس سے زیادہ کے شیئرز کے حامل ممبرز کی جانب سے، جو کراچی سے باہر کسی جغرافیائی حدود میں رہتے ہوں، اجلاس کی تاریخ سے کم از کم 7 دن پہلے اجلاس میں ویڈیو لنک کے ذریعے شرکت کرنے کی درخواست موصول ہو جائے تو کمپنی اس شہر میں دستیابی سے مشروط ویڈیو لنک کی سہولت فراہم کرے گی۔

کمپنی اجلاس عام کی تاریخ سے 5 روز قبل ممبرز کو ویڈیو کانفرنس کی سہولت کے مقام اور سہولت تک رسائی کیلئے مکمل معلومات فراہم کرے گی۔

ویڈیو لنک کی سہولت کے خواہشمند ممبرز درج ذیل دستخط شدہ فارم کمپنی کے رجسٹرڈ دفتر میں اجلاس کی تاریخ سے کم از کم 7 دن پہلے بھجوادیں۔

### ویڈیو کانفرنس کی سہولت کیلئے رضامندی

میں/ہم/میسرز/سکنہ-----بجسٹیت ممبر پاکستان آکسیجن لمیٹڈ، رجسٹرڈ فوئیو/سی ڈی سی اکاؤنٹ نمبر-----کے تحت-----عمومی شیئرز کے حامل ہیں،-----پروویڈیو لنک کی سہولت حاصل کرنا چاہتا ہوں/چاہتے ہیں۔

دستخط ممبر (ز)

(کارپوریٹ ادارے کی صورت میں برائے مہربانی کمپنی کی مہربانی شہیت کریں)

### 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 اس کی رجسٹریشن کی تفصیلات ضابطہ کے مطابق اپ لوڈ ہیں، ان کو اجلاس میں شرکت کے وقت اپنی شناخت کے لئے 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 کردہ فرد کے نمونہ کے دستخط (اگر پہلے سے فراہم نہ کئے گئے ہوں) فراہم کرنا ہوں گے۔

### ب) پراسیز 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 کی رجسٹریشن کی تفصیلات ضابطہ کے مطابق اپ لوڈ ہیں، ان کو درج بالا شرائط کے مطابق پراسیز فارم جمع کرانا ہوگا۔
- (ii) پراسیز فارم پر دو گواہوں کے دستخط ہونا لازمی ہیں جن کے نام، پتے اور CNIC نمبر فارم پر درج ہوں۔
- (iii) پراسیز فارم کے ساتھ پینفیشیل اور/یا پراسیز کے CNIC یا پاسپورٹ کی تصدیق شدہ کاپیاں منسلک ہوں۔
- (iv) پراسیز کو اجلاس میں شرکت کے وقت اپنا اصل CNIC یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (v) کارپوریٹ ادارے کی صورت میں پراسیز فارم کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نمونہ کے دستخط (اگر پہلے سے فراہم نہ کئے گئے ہوں) کمپنی کو فراہم کرنا ہوں گے۔

### CNIC/NTN جمع کرانا (لازمی):

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے ایس آر او 831(1)/2012 اور دیگر متعلقہ ضابطوں کے مطابق الیکٹرونک ڈیویڈنڈ پر نا بالغ افراد اور کارپوریٹ شیئر ہولڈرز کے سوا، رجسٹرڈ شیئر ہولڈر یا مجاز شخص کے کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کا نمبر درج ہونا لازمی ہے۔

کمپنیز (ڈسٹری بیوشن آف ڈیویڈنڈ) ریگولیشنز 2017 کے ریگولیشن 6 اور کمپنیز ایکٹ 2017 کے سیکشن 243 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۔

لہذا ان انفرادی ممبران سے جنہوں نے اپنے کارآمد شناختی کارڈ کی فوٹو کاپی ابھی تک کمپنی/شیئر رجسٹرار کے پاس جمع نہیں کروائی ہے، ان سے ایک مرتبہ پھر درخواست ہے کہ اپنے CNIC کی کاپی جلد از جلد شیئر رجسٹرار کے پاس جمع کرا دیں۔ کارپوریٹ اداروں سے درخواست ہے کہ وہ اپنا نمائندگی نمبر (NTN) فراہم کریں۔

### غیر دعویٰ شدہ نقد منافع منقسمہ:

ان شیئر ہولڈرز کو، جو کسی بھی وجہ سے اپنے نقد منافع منقسمہ کا دعویٰ نہ کر سکے، ہدایت کی جاتی ہے کہ اپنے غیر دعویٰ شدہ منافع منقسمہ، اگر کوئی ہے، کے حصول/اس کے بارے میں معلومات کیلئے کمپنی کے شیئر رجسٹرار CDC سے فوری رابطہ کریں۔

کمپنیز ایکٹ 2017 کے سیکشن 244 کی شرائط کی پیروی میں کمپنی ایسے تمام ڈیویڈنڈز جو اجراء کی تاریخ سے تین سال یا اس سے زیادہ مدت گزر جانے کے باوجود کلیم نہیں کئے گئے، تمام ضروری کارروائی مکمل کرنے کے بعد وفاقی حکومت کے پاس جمع کرا دیں گی۔

## اطلاع برائے سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ پاکستان آکسیجن لمیٹڈ کا 72 واں سالانہ اجلاس عام بذریعہ ویڈیو لنک مورخہ 26 اپریل 2021 بروز پیر، بوقت 02:00 بجے دوپہر درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا:

### عمومی کارروائی

- ۱۔ کمپنی کے مالیاتی اسٹیٹمنٹس برائے سال ختمہ 31 دسمبر 2020 مع ڈائریکٹرز اور آڈیٹرز 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 78,120,806 روپے کی رقم کو 7,812,081 بونس شیئرز کے اجراء کیلئے مخصوص کرنا جو 19 اپریل 2021 کو کاروباری اوقات کے اختتام پر موجود کمپنی کے ممبران کو ہر 10 عمومی حصص کے عوض 2 عمومی حصص کے تناسب سے جاری کئے جائیں گے۔

بجلم بورڈ

منظہر اقبال

کمپنی سیکریٹری

کراچی: 26 فروری 2021

### نوٹس:

- ۱۔ کمپنی کی شیئر ٹرانسفر بکس مورخہ 20 اپریل تا 26 اپریل 2021 (بشمول دونوں ایام) بند رہیں گی۔
- ۲۔ کوئی ممبر جو سالانہ اجلاس عام میں شرکت کرنے، بولنے اور ووٹ ڈالنے کا حقدار ہے، وہ اپنی جگہ دوسرے ممبر کو شرکت کرنے اور ووٹ ڈالنے کیلئے پراکسی مقرر کرنے کا اختیار رکھتا ہے۔ اس تقرر کردہ پراکسی کو اجلاس میں بولنے اور ووٹ دینے کے وہی حقوق حاصل ہوں گے جو ممبر کو ہیں۔ پراکسی کے موثر ہونے کیلئے اس کی اطلاع کمپنی کے رجسٹرڈ دفتر میں اجلاس شروع ہونے کے مقررہ وقت سے کم از کم 48 گھنٹے پہلے وصول ہونا لازمی ہے۔ پراکسی کیلئے کمپنی کا ممبر ہونا ضروری ہے، سوائے کارپوریشن کے کمپنی ممبر ہونے کی صورت میں، اس کا کوئی افسر یا کوئی اور فرد پراکسی ہو سکتا ہے خواہ وہ کمپنی کا ممبر نہ ہو۔
- ۳۔ ممبران سے درخواست ہے کہ وہ اپنے اُس پتہ یا بینک مینڈیٹ میں کسی تبدیلی کی صورت میں فوری طور پر مطلع کریں جو کمپنی کے شیئر رجسٹرار، سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، 99-B، بلاک B، ایس۔ ایم۔ سی۔ ایچ۔ ایس، مین شاہراہ فیصل، کراچی-74400 کے پاس رجسٹرڈ ہے۔
- ۴۔ سی ڈی سی 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۔

# 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 on the 26<sup>th</sup> day of April 2021 and at adjournment thereof.

Signed on this \_\_\_\_\_ day of \_\_\_\_\_ 2021 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 \_\_\_\_\_ سکنہ \_\_\_\_\_ ضلع \_\_\_\_\_ بحیثیت ممبر  
پاکستان آکسیجن لمیٹڈ، بذریعہ ہذا کمپنی کے ممبر \_\_\_\_\_ سکنہ \_\_\_\_\_ 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 ویڈیو لنک جو 26 اپریل 2021 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 \_\_\_\_\_ 2021 کو درج ذیل کی موجودگی میں دستخط کئے۔

1. دستخط \_\_\_\_\_ نام \_\_\_\_\_  
2. دستخط \_\_\_\_\_ 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 ریونیو اسٹیٹمنٹ 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 ڈی بی سی و ہارف، ڈاکیا رڈ 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۔

## BUSINESS LOCATIONS

### Registered office / Head office

#### Karachi

P.O.Box 4845, West Wharf  
Phones: +92.21.32313361 (9 lines)  
Fax: +92.21.32312968

### North-western region

#### Lahore

P.O.Box 205  
Shalamar Link Road, Mughalpura  
Phones: +92.42.36824091 (4 lines)  
Fax: +92.42.36817573

Plot No. 705, Sundar Industrial Estate  
Phones: +92.42.35297244 (4 lines)

#### Taxila

Adjacent to HMC - 2  
Phones: +92.51.4560701 (5 lines), 4560600  
Fax: +92.51.4560700

#### Multan

Adjacent to PFL Khanewal Road, Khanewal  
Phones: +92.61.65622012 (2 Lines)  
Fax: +92.61.6778401

#### Mehmood Kot

Adjacent to PARCO  
Mid Country Refinery, Mehmood Kot  
Qasba Gujrat, Muzaffargarh  
Phones: +92.66.2290751, 2290484 (2 Lines)  
Fax: +92.66.2290752

### Faisalabad

5km, Daewoo Road  
Near WASA Work station  
Phones: +92.41.8812400, 8812500 (2 Lines)

### Wah Cantonment

Kabul Road  
Phone: +92.51.4545359

### Southern region

#### Karachi

P.O.Box 4845, West Wharf  
Phones: +92.21.32313361 (9 lines)  
Fax: +92.21.32312968

#### Port Qasim

Plot EZ/1/P-5(SP-1), Eastern Zone  
Phones: +92.21.34740058, 34740060  
Fax: +92.21.34740059

#### Sukkur

Near Madina Marble factory  
Plot No: B-91 site area  
Opposite Labour Colony  
Phone: +92.71.5630871



## **Pakistan Oxygen Limited**

P.O Box 4845, Dockyard Road,  
West Wharf, Karachi-74000, Pakistan.  
Phone +92.21.32313361 (9 lines),  
UAN +21 111-262-725  
info@pakoxygen.com  
www.pakoxygen.com