

ANNUAL REPORT 2022



ABOUT US

Pakistan Oxygen is a market leader in industrial and medical gases, medical engineering and pipeline design services, medical equipment, and welding products along with associated solutions. The Company has a 87 years' legacy of trust, quality, and reliability.

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

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

CONTENTS

GUIDING PRINCIPLES			
Company's Legacy	06	Statement of Changes in Equity	70
Principles	07	Notes to the Financial Statements	71
		BOC Pakistan (Private) Limited	103
PRODUCT AND SERVICES INFORMATION		ADDITIONAL INFORMATION	
Supporting the Growth of Industries	08	Shareholders' Information (English)	104
Quality Products	08	Shareholders' Information (Urdu)	105
Safety	08	Pattern of Shareholding	106
A Legacy of Trust	10	Categories of Shareholders	107
Services	10	Notice of AGM (English)	108
One Company Countless Solutions	12	Notice of AGM (Urdu)	114
Sustainability at Pakistan Oxygen	14	Ballot Paper (English)	
Products and Services	18	Ballot Paper (Urdu)	
		Form of Proxy (English)	
		Form of Proxy (Urdu)	
CORPORATE GOVERNANCE			
Company Information	20		
Profile of the Directors	22		
Chairman's Review Report (English)	28		
Chairman's Review Report (Urdu)	31		
Directors' Report (English)	32		
Directors' Report (Urdu)	42		
Management Team	43		
Corporate Governance	44		
Statement of Compliance with the Code of Corporate Governance	51		
Review Report to the Members on Statement of Compliance	53		
FINANCIAL HIGHLIGHTS			
Ten-year Financial Review	54		
Vertical and Horizontal Analysis	56		
Key Financial Data	58		
Statement of Value Added	59		
FINANCIAL STATEMENTS			
Auditors' Report	60		
Statement of Profit or Loss	66		
Statement of Comprehensive Income	67		
Statement of Financial Position	68		
Statement of Cash Flows	69		

FINANCIAL HIGHLIGHTS

(Rupees in '000)	2022	2021
Net sales	7,296,365	7,005,454
Cost of sales	(5,971,915)	(5,645,005)
Gross profit	1,324,450	1,360,449
Distribution and marketing expenses	(329,041)	(302,261)
Administrative expenses	(295,854)	(265,258)
Other operating expenses	(59,811)	(76,167)
	(684,706)	(643,686)
Operating profit before other income	639,744	716,763
Other income	44,708	36,059
Operating profit	684,452	752,822
Finance cost	(209,043)	(119,317)
Profit before taxation	475,409	633,505
Taxation	(55,359)	(182,401)
Profit for the year	420,050	451,104
		(Restated)
Earnings per share - basic and diluted (Rupees)	7.17	7.70
Total Number of employees at year end	144	151

CLOSE TO THE CUSTOMER

At Pakistan Oxygen being close to the customer means many things. Our geographic footprint across the country gives us easy access to our customers at all locations. In addition to being close to them in terms of proximity, our regular interactions both at a commercial and technical level allow us to understand our customers' process and commercial considerations. This enables us to exceed their expectations in terms of product quality and services. Our goal is to have a satisfied customer base so that we can continue with our legacy of trust, loyalty, and long-term partnerships.

PLANTS

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

FUTURE EXPANSION

A new ASU in KPK

OFFICES & COMPRESSING STATIONS

Karachi Lahore
Sukkur Faisalabad
Taxila



▲ 14 PLANTS

■ 5 OFFICES & COMPRESSING STATIONS

* FUTURE EXPANSION

COMPANY'S LEGACY

- 1935** Indian Oxygen and Acetylene Company
- 1949** The Company was incorporated as a private limited company under the name of Pakistan Oxygen and Acetylene Company Limited
- 1957** The Company's name was changed to Pakistan Oxygen Limited
- 1995** Renamed as BOC Pakistan Ltd; no change in pattern of shareholding
- 1997** BOC Pakistan became a strategic partner for Lotte PTA; installed Pakistan's largest Air Separation Unit (ASU) of that time capable of producing 100 Tons Per Day (TPD)
- 2000** Became a strategic supplier for PARCO, the country's largest refinery, through an on-site MicroLN generator; also set up an ASU at Taxila for meeting increased Oxygen, Nitrogen and Argon demand in northern Pakistan
- 2004** BOC Pakistan invested in a 60 TPD Carbon dioxide plant at Multan to meet the demand from the beverage sector in Pakistan
- 2008** Invested Rs. 214 million in a 23 TPD Carbon dioxide plant at Port Qasim to ensure reliable product availability for key beverage customers
- 2009** New Nitrous oxide plant commissioned in Lahore
- 2010** BOC Pakistan announced Rs. 2 billion investment to build Pakistan's largest ASU in Lahore capable of producing up to 135 TPD
- 2011** BOC Pakistan rebranded as Linde Pakistan on 19 September
- 2012** 135 TPD ASU was commissioned at Sunder Industrial Estate, Lahore
- 2014** Linde Pakistan invested in a new state-of-the-art Nitrogen generator at PARCO refinery at Qasba Gujrat
- 2016** Carbon dioxide compression facility commissioned at West Wharf site in Karachi
- 2018** Linde Pakistan rebranded as Pakistan Oxygen Ltd. after acquisition of majority shareholding of the Company by Adira Capital Holdings (Pvt.) Ltd. ("Adira") and its affiliates. Also commissioned a compression facility in Sukkur
- 2019** Inaugurated electrode manufacturing plant at West Wharf site in Karachi
- 2020** Approval of the country's largest 270 TPD ASU at Port Qasim, Karachi
- 2021** Approval of a new ASU in KPK & 11 TPS electrode plant at Port Qasim, Karachi

PRINCIPLES

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

CORPORATE VALUES

- Collaborate to Succeed
- People to Perform
- Commit to Achieve
- Innovate to Grow
- Passion to Excel

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

- Dealings 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.

SUPPORTING THE GROWTH OF INDUSTRIES

Our expertise and knowledge of industrial and clinical applications in steel & glass making, food & beverage, breathing therapies, etc. help us suggest the right and cost-effective solutions for our customers. We identify their needs and create tailored solutions of gases, equipment, and services to best meet their objectives. Our IoT solutions of telemetry, TrackAbout, automated delivery route planning, etc. improve supply chain processes and increase our customers' competitiveness.

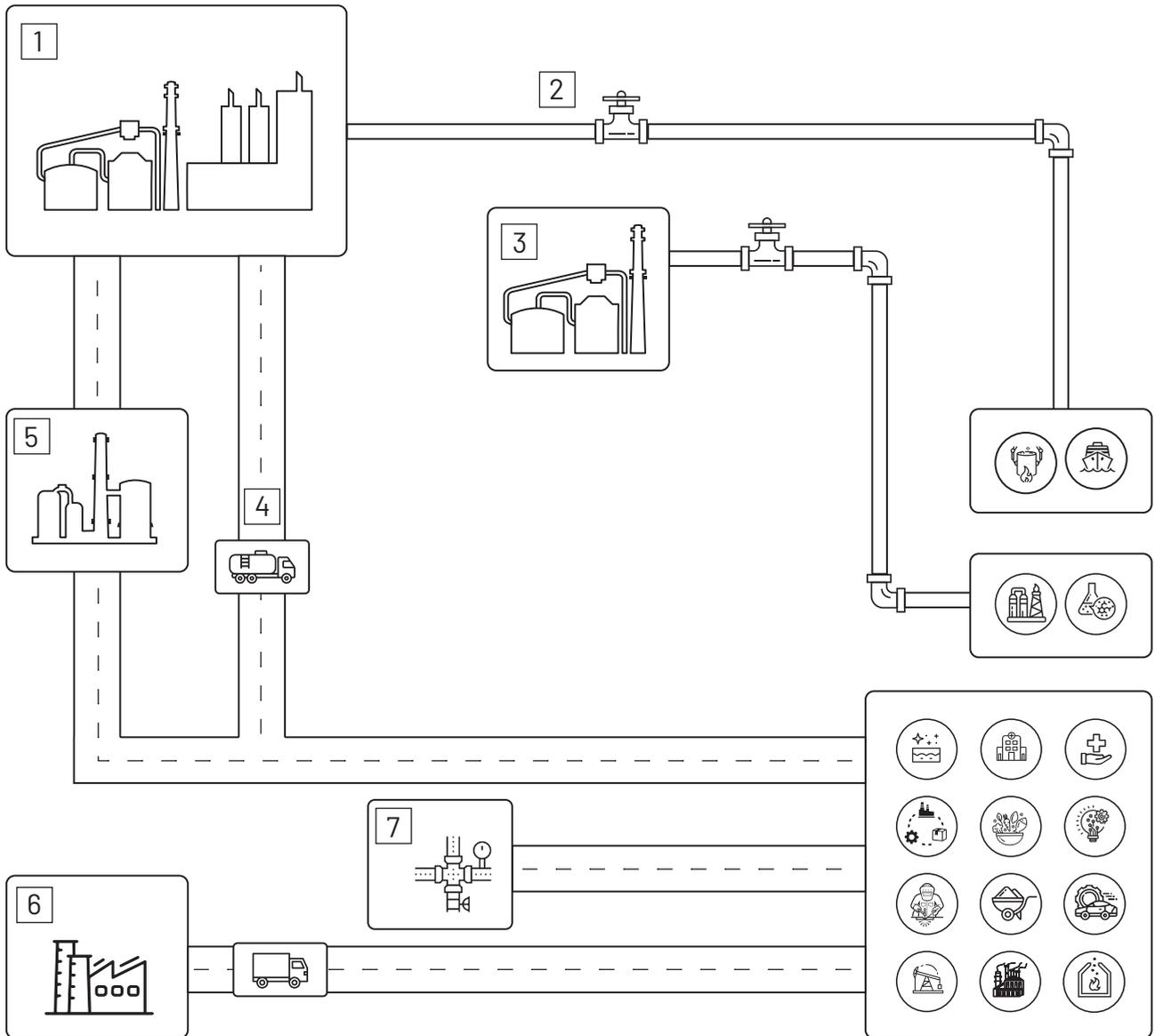
QUALITY PRODUCTS

High quality products are the hallmark of Pakistan Oxygen. Robust quality control processes ensure product manufacturing and handling in accordance with internationally recognized standards for safety, quality, and environmental performance. Our products carry all the necessary certifications including ISO 9001, 14001, 45001, Food Safety Systems, Halal, Bureau Veritas, Lloyds, American Bureau of Shipping, and CE mark. Through this approach we maintain our leading position in the market and strengthen the foundations of customer loyalty and long-term relationships.

SAFETY

Continued focus on safe operations in 2022 ensured a year without any major incident at Pakistan Oxygen while completing 7.5 million safe manhours. To achieve the above, the following initiatives were taken:

- Behavioral safety program for distribution and plant operation teams.
- Hazard reporting program, encouraging employees to report even minor hazards.
- Operations and engineering audits for identification of improvement areas.
- Fire and first aid training with external certification to nominated trainees.
- Awareness sessions on ISO 14001 and ISO 45001.
- ISO 45001 (Occupational Health and Safety) certification for West Wharf site.
- ISO 9001, 45001 and 14001, Halal and food safety certifications.



- | | |
|--|--|
| 1 Air Separation Units, Hydrogen, Carbon dioxide and other gases production & blending facilities | 5 Cylinders compressing station |
| 2 Large quantities in pipelines | 6 Electrode factory |
| 3 On-site supply pipelines | 7 Medical Engineering Services |
| 4 Medium quantities by tankers | |

PIPELINE SUPPLY

Metals Shipbuilding

ON-SITE GENERATION

Chemicals Refinery

HEALTHCARE

Hospitals Private Healthcare
 Hygiene/specialty Ingredients

INDUSTRIAL

Manufacturing Food & Beverage Fabrication Automotive Oil & Gas
 Steel Sugar Cement Technology & Research Pharmaceutical Chemical

A LEGACY OF TRUST

Pakistan Oxygen's 87 years' legacy of consistent quality product and service, transparency in business practices and fulfillment of commitments has helped build customer trust. Our customers include large and highly reputable organizations across the country. We actively seek customer feedback to improve our services to enhance the overall customer experience.

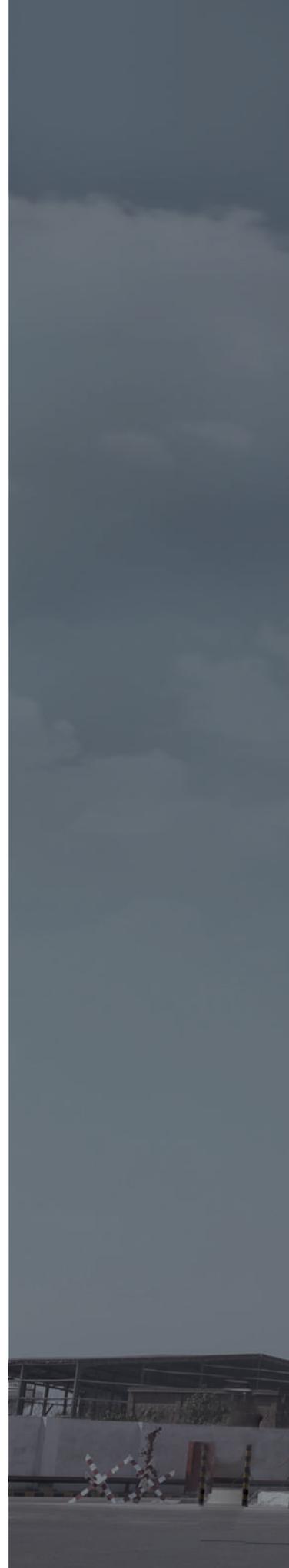
SERVICES

To meet the unique requirements of our clients, we have a comprehensive range of services, including medical engineering, customer engineering, and customer support.

Our team of expert medical engineers is dedicated to designing, installing, and maintaining medical gas systems, including oxygen, nitrous oxide, air and other medical gases. We provide comprehensive solutions to hospitals, including system design, project management, installation, commissioning, and ongoing maintenance and repair services.

Our specialized customer engineering services team works with clients to develop solutions that address specific needs. We offer a wide range of services, including system design, project management, equipment selection, installation, and 24/7 customer support.

Our team of experienced engineers, technicians and support staff is always available to provide prompt and reliable services, ensuring that our customers can operate their facilities without interruption.





ONE COMPANY COUNTLESS SOLUTIONS

Pakistan Oxygen has been delivering innovative and high-quality products and reliable services for more than 87 years. We support the economic development of the country with our wide range of industrial gases and welding products. We are also a trusted and reliable supplier of medical oxygen to hospitals across the country. With our portfolio, we meet the needs of a wide spectrum of industries including metal processing, manufacturing, fabrication, construction, chemical, pharmaceutical, petroleum, and glass sector among others.

ZODIAN UNIVERSAL E6013™

Zodian Universal E6013™ is a rutile-coated, general-purpose, mild steel/carbon steel welding electrode. It has high arc force, good penetration and easy slag detachability resulting in high quality welding joints. It is widely used in welding of steel sheets & frames, super structure of ships, piping & cosmetic welding, and various other types of fabrication. It is also used in the construction and refining industry.

FORTREX E7018™

Fortrex 7018™ is a basic-coated hydrogen-controlled electrode designed for all-positional (except vertical-down) welding of carbon, alloy, and strong tensile strength steels, and of mild steels under conditions of high restraint. It is especially suited for intermittent and continuous welding of super structure of ships, tanks, cars, trucks, steel sheets & small work pieces, cosmetic welding, piping work and welding restrained structures where high welding stress is involved.

OXYGEN IN STEEL INDUSTRY

Oxygen can help reduce the need for fuels like coke oven gas and natural gas while generating higher blast temperatures. When used with the right combustion systems, it helps convert furnace air-fuel burners into oxy-fuel burners. This increases productivity and helps decrease fuel consumption.

NITROGEN IN OIL & GAS INDUSTRY

Nitrogen plays a part in the enhancement of oil and gas production. Our dedicated gas services under the brand OGLIN ensures that high purity Liquid Nitrogen is delivered to customers under strict safety protocols. It is used for Enhanced Oil Recovery (EOR), pigging, inerting, blanketing and purging of pipelines for oil and gas companies.

CARBON DIOXIDE IN BEVERAGE INDUSTRY

CO₂ is the most frequently used industrial gas in the beverage industry. The gas is dissolved to create the well-known “fizz” in the drinks. We provide the highest purity grade CO₂ to the beverage industry used for carbonation of drinks. We also provide CO₂ for use in post or pre-mix dispensing for perfect beverage at the point of sale.

HYDROGEN IN ENERGY PRODUCTION

Hydrogen is a powerful, carbon-free alternative to conventional fuels. It is used in power plants as a coolant gas in turbo-generators. We safely provide hydrogen across the country in varying volumes to meet customer needs.

ARGON IN WELDING

Argon is a chemically inert gas which is colorless and odorless. It is widely used as an ambient gas in steel refining procedures and as a shielding gas in MIG welding where it helps protect the weld zone from contamination during the process. We offer

compressed and liquid argon in a variety of purities. It has applications in aircraft, automotive and metal fabrication industries.

SPECIALTY GASES IN LABORATORIES

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

OXYGIZER™

Oxygizer™ is an innovative, portable, and easy-to-use 99% pure oxygen canister. It can be used anywhere and anytime to feel the goodness of pure Oxygen. Oxygizer is helpful in overcoming altitude sickness, fatigue, and shortness of breath. It reenergizes the body with increased mental performance and better mood.

NITROUS OXIDE IN HEALTHCARE

Pakistan Oxygen provides Nitrous oxide to many hospitals and clinics. It is used in surgery and dentistry as an anesthetic and analgesic agent. It is used to relieve severe pain, usually in emergency situations, and in short-term procedures which inevitably involve pain, such as wound and burn dressing, wound debridement, and suturing. In dental work, it is used to provide short-term analgesia for tooth extraction and other brief procedures. Occasionally it is also required as an insufflating agent in laparoscopy and as a refrigerant in cryosurgery.

OXYMED™

OXYMED™ is our medical equipment brand. OXYMED™ bedhead units provide a unique blend of flexibility, adaptability, aesthetics, and ergonomics. These panels are customized and prefabricated with multiple accessory rails for equipment management. The socket outlets follow international standards to remain compatible with other equipment used for patient care.

WELDING PLANTS FOR AUTOMOTIVE INDUSTRY

Pakistan Oxygen is a global partner and distributor of welding equipment from reputable international manufacturers. At every stage of the automotive production chain, we help our customers manufacture high-quality products. From Metal Inert Gas (MIG), Metal Active Gas (MAG), Tungsten Inert Gas (TIG), Manual Metal Arc (MMA), to plasma welding/cutting and Welding Robots & Cobots, our supply systems and applications help meet customer demands.

SUSTAINABILITY AT PAKISTAN OXYGEN

We have an ambitious sustainability roadmap with SMART targets for 2026. The targets are designed to promote environmental, social and financial sustainability and are aligned with the SDGs applicable to our operations.

Pakistan Oxygen's five-year targets are consistent with our business model, our mission and values. All functions and functional heads are responsible for delivering these annual targets.



FOSTERING SUSTAINABILITY

Pakistan Oxygen is committed to promoting sustainability as a lifestyle mindset. In March 2022, the sustainability agenda was formally presented at the company's annual conference. It highlighted all the initiatives undertaken by each business, encouraging cross-learning and raising awareness amongst employees about how everyone can contribute to sustainability.

SUSTAINABILITY DAY

In October 2022, World Sustainability Day was celebrated across Pakistan Oxygen. All sustainability initiatives including energy and water conservation, reduction in CO2 emissions, waste segregation and recycling, health & well-being, gender diversity, tree plantation, quality education, route optimization, green sourcing and green marketing were highlighted. The event culminated in an award ceremony to reward and recognize employees' efforts toward sustainability.

ROUTE OPTIMIZATION & AUTOMATIC DELIVERY SCHEDULING



Automatic delivery scheduling and route planning software was developed and implemented across all operational sites to effectively and efficiently manage deliveries to customers. The utilization of route optimization software to plan supplies has resulted in improved customer satisfaction as well as better planning time, lower mileage and fuel consumption, leading to a reduced carbon footprint.

MONITORING OF VEHICLES CO2 EMISSIONS THROUGH EMISSION TESTING



All vehicles at Pakistan Oxygen are emission tested. CO2 emission of all vehicles were found within National Environmental Quality Standards (NEQS) defined limits.

ZERO HOSPITAL DRY OUTS



Medical supplies were effectively managed without any dry-out. Both bulk hospital levels and PCC hospital supplies were maintained within safe limits, resulting in zero incidents or medical gas shortages reported during the year.

ENERGY CONSERVATION



Our aim is to reduce energy consumption by implementing energy conservation measures that promote efficient use of electricity. The goal is to reduce electricity consumption by 5% every year through constantly challenging our own practices and changing the way we work. Our approach started with creating awareness among employees and monitoring electricity use. Smart energy meters were installed at major sites to provide data and easy access through phone-based application for measuring and reviewing units consumed.

GREEN MARKETING



We aim to reduce paper usage by 5% annually. In 2023, we plan to introduce user-based monitoring to reduce paper usage and cost. Our commitment towards sustainability is reinforced through training of vendors to transition from conventional to sustainable packaging.

REDUCE, REUSE AND RECYCLE



The company employs the '3Rs' waste hierarchy in its waste management strategy. We reduce waste at source and also recycle metal waste generated during production.

PLANTATION DRIVE



To address global warming challenges, we have initiated “Pakistan Oxygen Green Project”, under which 1000+ trees were planted at different sites. Seeds were given to employees to encourage plantation at home as well.

CLEAN DRINKING WATER



In 2022, the company set up a reverse osmosis and mineral water facility at West Wharf, Karachi. This can produce up to 500 liters of purified mineral water per hour, meeting WHO standards. To ensure water purity, quality, and health standards, an in-house chemical testing laboratory has also been established. The Company has developed and implemented SOPs for efficient plant operation and quality control testing.

GOOD HEALTH AND WELL BEING OF EMPLOYEES



In partnership with a leading hospital, we organized health awareness sessions across all sites. Employees received medical examinations and one-on-one consultations with healthcare professionals after the sessions. Furthermore, healthy food options have been introduced. To encourage good health practices, sports events are being conducted.

RENEWABLE ENERGY INSTALLATIONS AND ENERGY OPTIMIZATION



Clean energy is a priority and work on this initiative has started. General power optimization at production units has also been initiated.

REDUCE RAW WATER REQUIREMENT



The initiative corresponds to the optimization of plant water usage at Port Qasim site. The total annual water consumption at Port Qasim was set to reduce by 0.5% for the year 2022 by controls on the process water parameters. This would optimize the bleed rate. With focused efforts, 1.95% reduction in water consumption was achieved in 2022.

REDUCTION IN OZONE DEPLETING AGENTS



We aim to replace low-performing air conditioning units based on R-22 refrigerant with new units based on R-410 refrigerant. This is a more environmentally friendly gas. In 2022, more than 50% of total R-22 based ACs were replaced with R-410 based units.

PAKISTAN OXYGEN INSTITUTE OF TECHNOLOGY



Pakistan Oxygen Institute of Technology (POIT), a technical & vocational training platform was established to offer skill & knowledge-based training programs in the domain of welding and medical engineering. POIT is registered with Punjab Skills Development Authority (PSDA) and Technical Education & Vocational Training Authority (TEVTA). A part of the program is managed through the company's CSR program.

PAPER-LESS ENVIRONMENT



Goals have been set to reduce the amount of paper used in the company. These will be achieved through use of technology, such as cloud storage systems, Service Request Portal (SRP) and approvals on e-mails through SAP among other initiatives.

GENDER DIVERSITY



Pakistan Oxygen is dedicated to offering equal opportunities to all staff regardless of their gender. To promote gender equality, our Code of Conduct and Anti-sexual Harassment policy emphasize the importance of a respectful and fair workplace culture. We also encourage our female staff to participate in various internal and external engagement activities, providing them with equal opportunities for growth and learning. Furthermore, we are committed to hiring more female employees each year to enhance our female staff representation.

GREEN SOURCING



We prioritize working with suppliers who align with the company's sustainability goals. We source products from environmentally responsible suppliers and consider alternative eco-friendly products that meet the company's needs.

PRODUCTS AND SERVICES

At Pakistan Oxygen, we have built our reputation upon our ability to respond quickly and effectively to customers' needs, no matter what the industry or interest. Our customer-centric approach has driven the development of our products, technologies, and support services, ensuring that they are always customized to meet the unique requirements of our customers and add value to their businesses.

What sets Pakistan Oxygen apart is our extensive process engineering, project development and comprehensive product portfolio. We offer a wide range of gas products, facilities, turnkey services, and solutions, including bulk and compressed gas product lines, welding consumables, equipment, and safety gear. Our team of highly qualified and experienced engineers, product managers, technologists, and marketers excel at providing dedicated support, and we work closely with our customers to provide the complete solution, including tailored hardware and customized services, for each gas application.

At Pakistan Oxygen, we believe in empowering our customers by providing them with the knowledge and tools they need to succeed. We understand that each customer has unique requirements and challenges, and we are committed to delivering customized solutions that meet these needs. Our goal is to provide our customers with a seamless and hassle-free experience, so they can focus on their core business.

In short, Pakistan Oxygen is a customer-driven organization that provides customized solutions to meet the unique needs of businesses across Pakistan. Our extensive product portfolio, comprehensive services, and dedicated support set us apart from the competition, and we are committed to empowering our customers with the knowledge and tools they need to succeed.

HEALTHCARE

Medical Gases

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

Medical Equipment

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

Medical Engineering Services

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

INDUSTRIAL GASES

Bulk Industrial Gases

- Liquid Oxygen
- Liquid Nitrogen
- Liquid Argon
- Pipeline and trailer Hydrogen
- Liquid Carbon dioxide

- Industrial pipelines and associated services
- Ultra-Ice™ (dry ice)
- NITROPOD™ (Cryogenic dewar)

Compressed Industrial Gases

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

Specialty Industrial Gases

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

Innovative Solutions

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

WELDING CONSUMABLES AND HARDGOODS

Welding Consumables

- Low hydrogen welding electrode – Fortrex™ E7018
- Low hydrogen welding electrode – Matador48™ E7018
- Low hydrogen welding electrode – Alpha Weld™ E7018™
- Mild Steel welding electrode Zodian Universal E6013™
- Mild Steel welding electrode HERO WELD™

- Mild Steel welding electrode POL SUPER 113™ E6013
- Mild Steel welding electrode POL 113™ E6013
- Hard facing welding electrode POLHARD 650™
- Special electrodes
- Saffire™ arc and gas equipment
- Saffire™ MIG welding wire
- Saffire lite™ MIG welding wire
- Saffire™ Flux cored wire

Welding Machines

- MMA
- MIG
- TIG

Welding Accessories

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

COMPANY INFORMATION

BOARD OF DIRECTORS

Waqar Ahmed Malik	Non-Executive Chairman
Atif Aslam Bajwa	Independent Director
Javed Kureishi	Non-Executive Director
Matin Amjad	Chief Executive Officer
Mohammad Iqbal Puri	Non-Executive Director
Mohammad Younus Dagha	Independent Director
Shahid Mehmood Umerani	Non-Executive Director
Siraj Ahmed Dadabhoy	Non-Executive Director
Syed Hassan Ali Bukhari	Non-Executive Director
Tayyeb Afzal	Independent Director
Tushna D Kandawalla	Independent Director

CHIEF FINANCIAL OFFICER

Syed Ali Adnan	
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COMPANY SECRETARY

Mazhar Iqbal	
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BOARD AUDIT COMMITTEE

Tayyeb Afzal	Chairman	Independent Director
Javed Kureishi	Member	Non-Executive Director
Mohammad Younus Dagha	Member	Independent Director
Tushna D Kandawalla	Member	Independent Director
Mazhar Iqbal	Secretary	Head of Human Resources & Admin, Company Secretary & Financial Controller

BOARD STRATEGY COMMITTEE

Waqar Ahmed Malik	Chairman	Non-Executive Director
Javed Kureishi	Member	Non-Executive Director
Matin Amjad	Member	Chief Executive Officer
Siraj Ahmed Dadabhoy	Member	Non-Executive Director
Tayyeb Afzal	Member	Independent Director
Syed Ali Adnan	Secretary	Chief Financial Officer

BOARD HUMAN RESOURCE, REMUNERATION AND NOMINATION COMMITTEE

Atif Aslam Bajwa	Chairman	Independent Director
Shahid Mehmood Umerani	Member	Non-Executive Director
Syed Hassan Ali Bukhari	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

Syed Hassan Ali Bukhari	Chairman	Non-Executive Director
Matin Amjad	Member	Chief Executive Officer
Amna Mustafa	Secretary	Deputy Manager Reporting & Corporate Compliance

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
Habib Metropolitan Bank Limited
Allied Bank Limited
The Bank of Punjab Taqwa Islamic Bank

EXTERNAL AUDITORS

BDO Ebrahim & Company

INTERNAL AUDITORS

EY Ford Rhodes Chartered Accountants

LEGAL ADVISOR

Ayesha Hamid of Hamid Law Associates

ENTITY CREDIT RATING BY PACRA

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

REGISTERED OFFICE

West Wharf, Dockyard Road, Karachi 74000

SHARE REGISTRAR

CDC Share Registrar Services Limited

WEBSITE

www.pakoxxygen.com

PROFILES OF THE DIRECTORS



MR. WAQAR AHMED MALIK
Chairman

Mr. Waqar Ahmed 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 Akzo Nobel N.V. based in the Netherlands.

He is the former Chief Executive Officer of ICI Pakistan Limited and also the former 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 America in Corporate Finance and Strategy.

Mr. Malik joined Fauji Foundation as the Managing Director and Chief Executive Officer on 9th April 2020.

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

- Mari Petroleum Company Limited
- Fauji Fertilizer Company Limited
- Fauji Fresh n Freeze Limited
- Fauji Cement Company Limited
- Askari Bank Limited
- Fauji Akbar Portia Marine Terminal Limited
- Fauji Trans Terminal Limited
- Fauji Oil Terminal & Distribution Company Limited

- Daharki Power Holdings Limited
- Fauji Infraavest Foods Limited
- Foundation Power Company Daharki Limited
- Fauji Kabirwala Power Company Limited
- Fauji Fertilizer Bin Qasim Limited
- FFBL Power Company Limited
- Fauji Foods Limited
- FonGrow Private Limited
- Pakistan Maroc Phosphore SA

He is also the Chairman of Pakistan Oxygen Limited (formally Linde Pakistan, a subsidiary of Linde AG) acquired by Adira Capital Holdings (Private) that he co-founded. He is Director on the board of Rafhan Maize Products Company Ltd and on the board of Jazz Pakistan (Veon).

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

- Chairman (Non-Executive & Independent) - Pakistan Petroleum Limited
- Director (Non-Executive & Independent) - Engro Corporation Limited
- Director - State Bank of Pakistan
- President - Overseas Chamber of Commerce & Industry (OICCI)
- President - Management Association of Pakistan (MAP)
- Director - Pakistan Business Council (PBC)
- Trustee - I-Care Foundation
- Director (Non-Executive & Independent) - Standard Chartered Bank Pakistan Limited

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 Science (LUMS) and Former Member of Board of Indus Valley School of Arts.

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. Furthermore, he was also awarded with "Sitara-e-Imtiaz" in 2022 for his efforts towards the economy, public service and social welfare.



MR. MATIN AMJAD
Chief Executive Officer

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

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

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



MR. SIRAJ AHMED DADABHOY
Non-Executive Director

Mr. Siraj Dadabhoy has more than 30 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, investment, and fund management company.

Mr. Dadabhoy is responsible for strategic decisions, investment strategy and management of key global relationships for the firm.

Mr. Dadabhoy also serves as the chairman of the internationally acclaimed UK-based design firm 1508 London and sits on the boards of various other companies and charitable organizations.

Mr. Dadabhoy is a 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
Non-Executive Director

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

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

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

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

His current engagements in other companies/entities include:

- 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
Non-Executive Director

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

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

Mr. Umerani has been successfully providing services since 1985.



MR. JAVED KUREISHI
Non-Executive Director

Mr. Javed Kureishi is a seasoned international banker having spent 34 years with Citibank.

He worked across 6 countries including Pakistan. He had a number of Senior, Country and Regional roles including CEO Czech Republic, Corporate Bank Head Middle East and nine years in Asia being responsible for the Multinational and Public Sector businesses across 14 countries.

Mr. Kureishi was also an accomplished cricketer having captained Pakistan Under 19 and played first class cricket. He was also until recently a Member of The Board of Governors Pakistan Cricket Board. He is also an independent Director on a number of reputed company boards in Pakistan.

Mr. Kureishi has a degree in economics from the University Of Sussex, UK.

He is married with 2 children and now lives in Karachi.



MR. MOHAMMAD IQBAL PURI
Non-Executive Director

Mr. Mohammad Iqbal Puri is a seasoned professional, with a diversified experience of over a decade. He started his career with Glencore and has worked with various diversified ventures globally, in different capacities in the field of trading, strategic planning and restructuring of business operations.

Mr. Puri is a founder and Managing Director of a group that has expertise in Commodity Trading, Oil & Gas Infrastructure Investments, Engineering, and Real Estate.

He holds a bachelor's degree in International Business from the London Metropolitan University.



MS. TUSHNA D KANDAWALLA
Independent Director

Ms. Tushna Kandawalla currently holds the position of Managing Director at Captain PQ Chemical Industries (Private) Limited (CPQ). Prior to this she served in the Financial Planning & Strategy Group at Home Box Office (HBO) in New York, and in Arthur

Andersen's Audit Practice in Boston. Since joining CPQ in 2004, Ms. Kandawalla has had multi-functional experience in Financial Planning, Strategy, Marketing, Plant Operations, Human Resources and also as the company's CFO.

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

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



MR. MOHAMMAD YOUNUS DAGHA
Independent Director

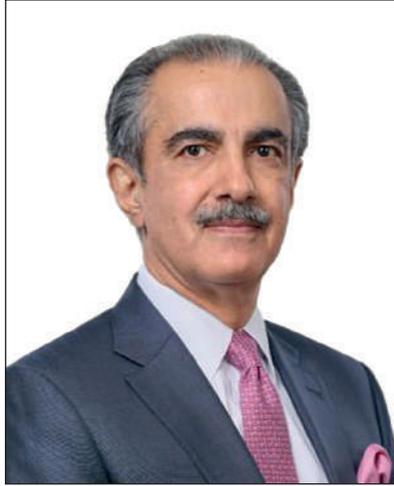
Mr. Mohammad Younus Dagha, retired as a career Civil Servant, having joined Pakistan Administrative Service in 1985. He possesses varied experience in the fields of Energy, Finance, Commerce, Trade Diplomacy and Public Administration. He holds graduate and post graduate degrees in Business

Administration, Economics, Law and Commerce equipping him with the required academic background to manage multifaceted assignments in his career.

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

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

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



MR. ATIF ASLAM BAJWA
Independent Director

Mr. Atif Bajwa has an extensive international career spanning more than 40 years of executive leadership roles in banking, and of multiple boards

and public interest positions. Having started his professional journey with Citibank in 1982, and has since held numerous senior positions in large local and multinational banks, including President/CEO of Bank Alfalah, President/CEO of MCB Bank and Soneri Bank, Regional Head for Citigroup for Central and Eastern Europe, Head of Consumer Banking for ABN AMRO's Asia Pacific region, and Country Manager for ABN AMRO Pakistan. Mr. Bajwa has been active in business, social and public interest areas, and has led key advocacy institutions to impact economic and social sectors. In this regard, he has served as the Chairman of the Pakistan Business Council (PBC) and the President of the Overseas Investors Chamber of Commerce and Industry (OICCI). He has also served as the director on the boards of various private and public sector companies. Mr. Bajwa received his education at Columbia University, New York.



MR. TAYYEB AFZAL
Independent Director

Mr. Tayyeb Afzal is a seasoned C-level executive with over 45 years of international experience in both industry (Financial services, manufacturing) and professional services (Big 4). He is an independent board director, business advisor, executive coach, mentors and provides coaching to young entrepreneurs.

Mr. Afzal is a fellow (FCA) of the Institute of Chartered Accountants of England & Wales (ICAEW)

and fellow (FCCA) of The Association of Chartered Certified Accountants of the UK having professionally worked in the U.K., Canada, Middle East (Dubai, Muscat, Kuwait and Bahrain) and Pakistan. In December 2022, he was awarded the first in Pakistan the DCRO Institute Certificate in Risk Governance (www.dcroi.org).

Mr. Afzal is established and recognized in Pakistan for board level participation and contribution for leading listed and private companies, especially in the areas of leadership of audit committees, optimization of financial accounting & systems, management and governance systems, strategic planning, IPO, M&A, and due diligence initiatives. He possesses expertise in external and internal auditing, wholesale and corporate banking, equipment leasing and skill set of adaptability and business knowledge of different industrial sectors and diverse functional roles providing the ability to quickly add value while dealing with individuals at all levels and across all disciplines. He has strong business and functional acumen to execute a wide range of delivery and solution strategies. A creative and analytical thinker who can lead and manage changing businesses.

CHAIRMAN'S REVIEW



Dear Shareholders,

On behalf of the Board of Directors (the 'Board') of Pakistan Oxygen Limited (the 'Company'), I am pleased to present this review report to the shareholders of the Company for the year ended December 31, 2022, and to comment on the effectiveness of the Board to steer the Company towards accomplishment of its strategic objectives.

The year 2022 witnessed various challenges including political & economic instability, weak macroeconomic indicators, catastrophic floods, rupee devaluation, rising inflation & interest rates and unprecedented increase in energy costs. This has negatively impacted various sectors of the economy serviced by the Company adversely impacting its performance. A complete review of the business performance is described in the annexed Directors' Report.

The Board continued to perform its duties and responsibilities diligently by providing strategic direction and oversight to the Company while

upholding the best interests of the shareholders of the Company. The Board remained actively involved in strategic planning process, setting the financial and business targets for 2022 and monitoring performance of the management to deliver on the key objectives, including the timely and on-budget execution of its expansion projects, focusing on major risk areas and optimizing the allocation of the Company's resources.

The Board has carried out an in-house annual evaluation of the Board's own performance as well as the performance of the Audit Committee and of the Chief Executive Officer of the Company in line with regulatory requirements. The Board assessed and identified strengths and weaknesses in the performance of the Board, its Audit Committee and the Chief Executive Officer covering sound corporate governance practices, strategy, roles of the Chairman, the Directors, and the CEO, setting objectives and monitoring the effectiveness of the Board and its various Committees. I am pleased to report that overall performance of the Board, its Committee and the CEO of the Company for the year ended December 31, 2022 remained satisfactory.

On January 23, 2023, ten (10) Directors were elected for a term of 3 years, effective January 30, 2023. During the recent election of Directors, three (3) new Directors, Mr. Atif Aslam Bajwa, Mr. Javed Kureishi and Mr. Tayyeb Afzal were elected. They all have vast and rich experience in their respective fields. The Board welcomes all incoming Directors and looks forward to their valuable contributions towards the development and expansion of the Company's business to achieve its strategic objectives. The Board bids farewell to Mr. Feroz Rizvi, Mr. Muhammad Zindah Moin Mohajir and Sheikh Muhammad Abdullah who had greatly contributed to the Company over the past several years.

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

The Board has established several committees to address specific areas of the organization, including an Audit Committee, a Human Resource, Remuneration & Nomination Committee, a Strategy Committee, and a Share Transfer Committee. The Board has also defined the terms of reference of its committees, and the members are appointed considering their skills and experience. Further, the Board and its committees meet regularly during the year and exercise their governance roles after due deliberation on each matter placed before them.

During the year five (5) meetings of the Board of Directors, five (5) meetings of Audit Committee, six (6) meetings of the Strategy Committee and three (3) meetings of the Human Resource, Remuneration & Nomination Committee were held. All Directors including Independent Directors actively took part in the decision-making process of the Board.

In pursuance of the Code of Corporate Governance Regulations 2019, the Company encourages representation of Independent and Non-Executive Directors with gender diversity on its Board. The Board of the Company, comprising 10 (ten) members having core competencies, diversity, requisite skills, knowledge, and experience, fulfils the criteria as considered relevant in the context of the Company's operations. Moreover, all Board members are cognizant of their fiduciary duty to the Company and its shareholders. Details of the composition of the Board and its Committees are appearing in the annexed "Statement on Corporate Governance" on Page No. 45.

In my capacity as Chairman, I ensure that:

- The Board receives adequate, accurate, complete, and reliable information in a timely manner for a thorough discussion.
- The Board is properly briefed on all significant matters in a timely manner.
- Environment in the Boardroom allows constructive and open debates.
- The directors are encouraged to contribute and deliberate on strategic and governance matters, and that inputs from the independent directors and the directors having relevant expertise on such matters are given due consideration before taking any decision.
- The Board plays a constructive role in devising strategies and policies.
- Strategies and policies agreed by the Board are effectively implemented by the management.
- A proper induction program for all new directors is provided to familiarize them with key businesses and challenges facing the Company.
- Effective communication with shareholders takes place and the Board has full understanding of the views of major shareholders.
- Decisions taken by the Board are in the best interests of the Company and fairly reflect consensus of the Board members.
- Effective Corporate Governance framework is in place.

Finally, I would like to take this opportunity to express my sincere appreciation to my fellow Board members for their commitment and contribution. I would also like to thank the employees for their utmost dedication and valued customers and all other stakeholders for their sustained support and trust in the Company.



Karachi:
March 07, 2023

Waqar Ahmed Malik
Chairman

- بورڈ حکمت عملی اور پالیسیاں وضع کرنے میں تعمیری کردار ادا کرتا ہے۔
- بورڈ کی متفقہ حکمت عملی اور پالیسیوں کو انتظامیہ کی طرف سے موثر طریقے سے نافذ کیا جاتا ہے۔

- تمام نئے ڈائریکٹرز کو اہم کاروباری معاملات اور کمپنی کو درپیش مسائل سے آگاہی کے لیے ایک مناسب انڈکشن پروگرام فراہم کیا جاتا ہے۔

- شیئر ہولڈرز کے ساتھ موثر مباحثہ ہوتا ہے اور بورڈ بڑے شیئر ہولڈرز کا نقطہ نظر اچھی طرح سمجھتا ہے۔

- بورڈ کے فیصلے کمپنی کے بہترین مفاد میں ہوتے ہیں اور بورڈ ممبران کی اتفاق رائے کی درست عکاسی کرتے ہیں۔

- موثر کارپوریٹ گورننس فریم ورک موجود ہے۔

آخر میں، میں اس موقع پر اپنے ساتھی بورڈ ممبران کی وابستگی اور تعاون کے لیے ان کا تہ دل سے شکریہ ادا کرنا چاہوں گا۔ میں ملازمین کو ان کی انتہائی لگن اور قابل قدر کوششوں اور دیگر تمام اسٹیک ہولڈرز کا بھی شکریہ ادا کرنا چاہتا ہوں جن کا مستقل تعاون اور اعتماد کمپنی کو حاصل رہا۔



وقار احمد ملک

چیئر مین

کراچی:

7 مارچ 2023ء

بورڈ اور اس کی کمیٹیاں سال کے دوران باقاعدگی سے میٹنگ کرتی ہیں اور پیش کردہ ہر معاملے پر مناسب غور و خوض کے بعد گورننس سے متعلق اپنے اختیارات کا استعمال کرتی ہیں۔

سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ (5) اجلاس، آڈٹ کمیٹی کے پانچ (5) اجلاس، حکمت عملی کمیٹی کے چھ (6) اجلاس اور ہیومن ریسورس، ریویژن اینڈ نوٹیشن کمیٹی کے تین (3) اجلاس منعقد ہوئے۔ تمام ڈائریکٹرز بشمول آزاد ڈائریکٹرز نے بورڈ کے فیصلہ سازی کے عمل میں فعال طور پر حصہ لیا۔

کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019ء 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 دس (10) ممبرز پر مشتمل ہے جو بنیادی اہلیت، تنوع، مطلوبہ مہارت، علم اور تجربے کے حامل ہیں اور کمپنی کے آپریشنز کے تناظر میں موزوں سمجھے جاتے ہیں۔ نیز، بورڈ کے تمام ممبرز کمپنی اور اس کے شیئر ہولڈرز کے حوالے سے اپنی ذمہ داری سے آگاہ ہیں۔ بورڈ اور اس کی کمیٹیوں کی تشکیل کی تفصیلات ”اسٹیٹمنٹ آن کارپوریٹ گورننس“ میں صفحہ نمبر 45 پر درج ہیں۔

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

- بورڈ کو تفصیلی مباحثہ کے لیے مناسب، درست، صاف، مکمل اور قابل اعتماد معلومات بروقت موصول ہوتی ہیں۔
- بورڈ کو تمام اہم معاملات پر باقاعدگی سے آگاہ کیا جاتا ہے۔
- تعمیری اور کھلمے مباحثے کے لیے بورڈ روم میں مناسب ماحول فراہم کیا جاتا ہے۔

ڈائریکٹرز کی حوصلہ افزائی کی جاتی ہے کہ وہ اسٹریٹجک اور گورننس کے معاملات میں حصہ لیں اور غور و خوض کریں اور کوئی بھی فیصلہ کرنے سے پہلے آزاد ڈائریکٹرز اور متعلقہ مہارت رکھنے والے ڈائریکٹرز کی رائے پر غور کیا جاتا ہے۔

چیئر مین کا جائزہ

عزیز شیئر ہولڈرز،

اور ان کی نشاندہی کی جس میں کارپوریٹ گورننس کے ٹھوس معمولات، حکمت عملی، چیئر مین، ڈائریکٹرز اور CEO کے کردار، مقاصد کا تعین اور بورڈ اور اس کی مختلف کمیٹیوں کے موثر ہونے کی نگرانی شامل ہے۔ مجھے یہ اطلاع دیتے ہوئے خوشی محسوس ہو رہی ہے کہ سال مختتمہ 31 دسمبر 2022ء میں بورڈ، اس کی کمیٹی اور کمپنی کے CEO کی مجموعی کارکردگی تسلی بخش رہی۔

23 جنوری 2023ء کو، دس (10) ڈائریکٹرز کو 3 سال کی مدت کے لیے منتخب کیا گیا تھا، جس کا اطلاق 30 جنوری 2023ء سے ہوا۔ ڈائریکٹرز کے حالیہ انتخابات کے دوران تین (3) نئے ڈائریکٹرز جناب عارف اسلم باجوہ، جناب جاوید قریشی اور جناب طیب فضل منتخب ہوئے۔ ان سب کے پاس اپنے اپنے شعبوں میں وسیع اور بھرپور تجربہ ہے۔ بورڈ تمام آنے والے ڈائریکٹرز کا خیر مقدم کرتا ہے اور اپنے اسٹریٹجک مقاصد کے حصول کے لیے کمپنی کے کاروبار کی ترقی اور توسیع کے لیے ان کے قابل قدر تعاون کا منتظر ہے۔ بورڈ جناب فیروز رضوی، جناب محمد زندہ معین مہاجر اور شیخ محمد عبداللہ کو الوداع کہتا ہے جنہوں نے گزشتہ کئی سالوں میں کمپنی کے لیے نمایاں کردار ادا کیا ہے۔

بورڈ ممبرز کی اکثریت نے DTP میں سرٹیفیکیشن مکمل کر لی ہے جبکہ ایک ڈائریکٹر کو مقررہ قابلیت اور تجربے کی بنا پر SECP کی جانب سے استثنا دیا گیا ہے۔ وہ ڈائریکٹر، جن کے پاس DTP سرٹیفیکیشن نہیں ہے، ایک لٹل کمپنی کے ڈائریکٹرز کی حیثیت سے اپنے فرائض اور ذمہ داریوں سے اچھی طرح واقف ہیں۔

بورڈ آف ڈائریکٹرز نے ادارے کے مخصوص شعبوں سے متعلق متعدد کمیٹیاں تشکیل دی ہیں، جن میں آڈٹ کمیٹی، ہیومن ریسورس، ریونیویشن اینڈ نوٹیشن کمیٹی، اسٹریٹجی کمیٹی، اور شیئر ٹرانسفر کمیٹی شامل ہیں۔ بورڈ نے اپنی کمیٹیوں کے ٹرمز آف ریفرنس کا بھی تعین کیا ہے اور ممبرز کا تقرر ان کی صلاحیتوں اور تجربے کو مد نظر رکھتے ہوئے کیا جاتا ہے۔ اس کے علاوہ،

پاکستان آکسیجن لمیٹڈ ("کمپنی") کے بورڈ آف ڈائریکٹرز ("بورڈ") کی جانب سے مجھے 31 دسمبر 2022ء کو ختم ہونے والے سال کے لیے کمپنی کے شیئر ہولڈرز کے سامنے یہ جائزہ رپورٹ پیش کرتے ہوئے اور کمپنی کو اس کے اسٹریٹجک اہداف کے حصول کی طرف لے جانے کے لیے بورڈ کی کامیابیوں پر تبصرہ کرتے ہوئے خوشی محسوس ہو رہی ہے۔

سال 2022ء میں سیاسی اور معاشی عدم استحکام، کمزور میکرو اکنامک اشاریے، تباہ کن سیلاب، روپے کی قدر میں کمی، افراط زر اور شرح سود میں اضافہ اور توانائی کی قیمتوں میں غیر معمولی اضافے سمیت مختلف چیلنجز کا سامنا کرنا پڑا۔ اس سے کمپنی کی خدمات سے متعلقہ معیشت کے شعبوں پر منفی اثر پڑا جس نے کمپنی کی کارکردگی پر بھی منفی اثرات مرتب کیے۔ کاروباری کارکردگی کا ایک مکمل جائزہ منسلک ڈائریکٹرز رپورٹ میں بیان کیا گیا ہے۔

بورڈ نے کمپنی کے شیئر ہولڈرز کے بہترین مفادات کو برقرار رکھتے ہوئے کمپنی کو اسٹریٹجک رہنمائی اور نگرانی فراہم کرتے ہوئے اپنے فرائض اور ذمہ داریوں کو تندی سے انجام دینا جاری رکھا۔ بورڈ اسٹریٹجک پلاننگ کی سرگرمی، 2022ء کے لیے مالی اور کاروباری اہداف کا تعین کرنے اور اہم مقاصد کی تکمیل کے لیے انتظامیہ کی کارکردگی کی نگرانی میں فعال طور پر شامل رہا، جس میں اس کے توسیعی منصوبوں پر بجٹ میں رہتے ہوئے بروقت عملدرآمد، زیادہ رسک والے شعبوں پر توجہ مرکوز کرنا اور کمپنی کے وسائل کی تقسیم کو بہتر بنانا شامل ہے۔

بورڈ نے ریگولیٹری ضروریات کے مطابق آڈٹ کمیٹی اور کمپنی کے چیف ایگزیکٹو آفیسر کی کارکردگی کے ساتھ ساتھ بورڈ کی اپنی کارکردگی کا اندرون خانہ سالانہ جائزہ لیا ہے۔ بورڈ نے خود بورڈ، اس کی آڈٹ کمیٹی اور چیف ایگزیکٹو آفیسر کی کارکردگی کی خوبیوں اور کمزوریوں کا جائزہ لیا

DIRECTORS' REPORT

The Directors are pleased to present the Annual Report, together with the Company's audited Financial Statements for the year ended December 31, 2022.

NATIONAL ECONOMY

Pakistan is faced with multiple and unprecedented macro-economic challenges. December 2022 CPI was recorded at 24.5%, despite interest rate hike to 17%. The continually high current account deficit has devalued the Rupee by 22% against USD dollar during the year, despite drastic curb on imports. Large Scale Manufacturing sector has suffered a decline of 5.5% (November 2022, on a year-on-year basis). With tight fiscal and monetary controls and due to the impact of last years' floods, the economic growth projection for Fiscal Year 2023 has been revised down to 2%.

OVERVIEW OF THE COMPANY'S PERFORMANCE

Despite these difficult economic conditions, the Company posted a Net Turnover of Rs. 7.3 billion, a growth of 4% over last year. The main contributors to this growth were the performance in the Hardgoods and Medical Engineering Services segments and higher sales of Carbon Dioxide to the food and beverages sector. Gross Profit for the year was recorded at Rs. 1.3 billion, lower by 3% compared to last year, primarily due to rising costs on account of energy tariff and Rupee devaluation. Overheads for the year stood at Rs. 640 million, higher by 5% over last year but controlled below inflation level. Finance cost at Rs 209 million was up by 75% due to an increase in policy rate from 9.75% to 17%. The retrospective imposition of 4% super tax also adversely impacted profitability. Profit After Tax and Earnings Per Share (EPS) for the year were recorded at Rs. 420 million and Rs 7.17, respectively.

SAFETY, HEALTH, ENVIRONMENT & QUALITY (SHEQ)

SHEQ is the primary focus of the Company. During

2022, no major incidents were reported. Moreover, the company achieved 7.2 million hours safe manhours across all operations and 5.2 million hours of travel of distribution vehicles without any major accident. The West Wharf site was achieved against ISO 45001 (Occupational Health and Safety) certification.

Under its Corporate Social Responsibility (CSR) program flood relief activities were undertaken in affected areas of KPK, Punjab and Sindh provinces, with relief contributions of more than Rs. 7 million. Under the CSR program, a training institute for welders and fabricators has also been set up at the Shalimar site in Lahore. This institute has been registered with the Punjab Board of Technical Education.

SEGMENT PERFORMANCE:

HEALTHCARE & MEDICAL ENGINEERING SERVICES

In the post COVID-19 scenario, demand for Oxygen by hospitals declined significantly. However, the Company maintained its position as a supplier of choice for hospitals across the country. All healthcare customers were retained through excellence in customer service and product quality. The Medical Engineering Services (MES) portfolio witnessed a growth of 15% over last year with new projects, both from private and public sector hospitals.

INDUSTRIAL GASES

The Industrial gases customers were fully serviced in the post COVID-19 scenario. However, demand from steel, glass and manufacturing sectors remained weak due to the country's macro-economic challenges. This was mitigated to

some extent by significantly higher sales of Carbon Dioxide and for the first time, Carbon Dioxide was exported to the Middle-East. Opportunistic sales of Nitrogen for one-off turnaround jobs also helped mitigate the downturn in regular demand.

WELDING & HARDGOODS

The Welding & Compressed Gases segment registered a strong growth of 23% over last year despite several challenges. This was through entry into new market segments and channel expansion. New products including POL Super and HeroWeld were well received by customers.

OPERATIONS

All manufacturing sites were operated safely, reliably, and efficiently. The following certifications are in-place at the Company's various manufacturing sites.

- Port Qasim facility - Food Safety Standards Certification (FSSC 22000), Halal Certification and the Quality Management System ISO 9001 & ISO 14001.
- Sundar facility - IMS certifications including ISO 9001, ISO 14001 & ISO 45001, and Halal certification.
- Multan site - Food Safety Standards Certification (FSSC 22000).

Work on the new state-of-the-art 270 TPD ASU project at Port Qasim is progressing as per plan. Production from the new 11 TPS Electrode manufacturing facility at Port Qasim has commenced. Key activities of the 105 TPD ASU project are being progressed as per plan.

HUMAN RESOURCES

The Company's employees are its real strength to deliver on the Company's growth strategy. Training Need Analysis of employees across all functions were carried out with the objective to identify development areas. Relevant internal and external training programs were arranged, and eLearning platforms were provided to help employees learn new skills.

The Company believes in providing continuous development and growth opportunities to its people. A robust succession planning system is in place for all key positions in the Commercial, Technical and Corporate streams. In 2022, a number of employees were internally transferred to build organizational capability. A Potential Assessment Program was also run during the year. Based on the assessment reports, growth opportunities were provided, and development areas identified for action planning.

The Company strives to create a work environment that treats all employees with respect, supports new thoughts and ideas, encourages growth and development, recognizes differences, and embraces inclusion. Pakistan Oxygen believes in providing merit-based opportunities, free from gender bias, and is committed to provide an enabling environment to attract, motivate and retain female staff.

INFORMATION SERVICES

To maintain its leadership position in a challenging market environment, the Company continues to invest in digital initiatives & Artificial Intelligence technology adoption. During the year, the Information Services team enhanced product delivery and scheduling applications using Artificial Intelligence technology and remote telemetry solution, resulting in improved scheduling and shorter delivery time. Development of a route optimization application resulted in optimized fuel consumption and reduced carbon footprint. An Assets Tracking Application was also implemented to track inward and outward asset movement resulting in improved visibility and control.

COMPANY'S PRINCIPAL ACTIVITIES AND BUSINESS SEGMENTS

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

ADHERENCE TO BEST PRACTICES OF CORPORATE GOVERNANCE

A statement setting out the Company's compliance status on the best practices of corporate governance appears in the "Corporate Governance Section" on Page No. 44. 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. 51 and 53, respectively.

DISTRIBUTION OF DIVIDENDS AND APPROPRIATION OF PROFITS:

Considering the Company's financial performance and future cash flow requirements, the Board of Directors of the Company has recommended issuance of bonus shares in the proportion of 25 shares for every 100 shares held i.e. 25% subject to approval of the Members at the 74th Annual General Meeting to be held on April 26, 2023. 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 '000	
Un-appropriated profit as at 31 December 2021	461,901
Issuance of bonus shares in proportion of 25 shares for every 100 shares	(117,181)
Transfer to General Reserve	344,719
Net Profit after taxation for the year 2022	420,050
Re-measurement: net actuarial loss recognized in other comprehensive income	(8,314)
Un-appropriated profit carried forward	411,737
Subsequent Effects:	
Proposed issue of bonus shares in the proportion of 25 shares for every 100 shares held i.e. 25%	146,477
Transfer to General Reserve	265,260
	411,737
Issue of bonus shares	146,477
EPS - for the year 2022 Rs. 7.17 (2021 (Restated): Rs 7.7)	

POST BALANCE SHEET EVENTS

There has been no significant event since December 31, 2022 to date, except as provided below:

- The shareholders of the Company have approved an increase in authorized share capital of the Company from Rs. 700 million (70 million shares of Rs. 10 each) to Rs. 1,500 million (150 million shares of Rs. 10 each) through a special resolution passed at the Extra Ordinary General Meeting held on January 23, 2023.
- The Board of Directors in their meeting held on March 7, 2023 has recommended issuance of bonus shares subject to approval of the Members at the 74th Annual General Meeting to be held on April 26, 2023.

KEY OPERATING AND FINANCIAL DATA

An overview of the key operating and financial data for the last 10-year in summarized form is given on page 54 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 59.

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 ASU 270 TPD plant. The Company's cost of production is adversely impacted by the unprecedented increase in energy prices, which is being directly pass-through to customers, wherever possible, through operational cost efficiencies and control initiatives.

Financial Risks

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

Compliance Risks

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

BOARD OF DIRECTORS

The following changes have taken place in the Board of your Company since the last Annual Report 2021:

Mr. Shahid Abdul Sattar resigned from the directorship of the Company on October 25, 2022 after serving the Board and its, Board Audit Committee for more than 3 years. The Directors would like to express their appreciation for the contributions made by Mr. Sattar during his tenure as director of the Company.

Mr. Mohammad Iqbal Puri joined the Board as a non-executive Director on October 26, 2022, in place of Mr. Shahid Abdul Sattar and brings with him rich experience in the field of energy, engineering, oil & gas infrastructure investments and real estate. The Board welcomes Mr. Puri and looks forward to his valuable contributions towards the development and expansion of the Company's business.

Further, on January 23, 2023, ten (10) Directors were elected for a term of 3 years, effective January 30, 2023. During the recent election of Directors, three new Directors, Mr. Atif Aslam Bajwa, Mr. Javed Kureishi and Mr. Tayyeb Afzal were elected. They all have vast and rich experience in their respective

fields. The Board welcomes all incoming Directors and looks forward to their valuable contributions towards the development and expansion of the Company's business to achieve its strategic objectives. The Board bids farewell to Mr. Feroz Rizvi, Mr. Muhammad Zindah Moin Mohajir and Sheikh Muhammad Abdullah who had greatly contributed to the Company over the past several years.

TOTAL NUMBER OF DIRECTORS:

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

COMPOSITION:

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

COMMITTEES OF THE BOARD

The Board has set up four (4) Committees, details of which are provided in "Corporate Governance Section" of the Report on page 46.

DIRECTORS' REMUNERATION

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

CHIEF EXECUTIVE OFFICER

Following the election of Directors on January 23, 2023, 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 2, 2023.

DISCLOSURE OF SIGNIFICANT POLICIES ON WEBSITE

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

- a) Whistleblowing Policy
- b) Anti-Sexual Harassment Policy
- c) Code of Ethics
- d) Safety, Health, Environment & Quality (SHEQ) Policy
- e) Gender diversity policy

INTERNAL CONTROLS AND RISK MANAGEMENT

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

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

AUDITORS

The present auditors, BDO Ebrahim & Co, Chartered Accountants, retire and being eligible, have offered themselves for reappointment. As recommended by the Audit Committee, the Board of Directors recommend their reappointment as auditors of the Company for the year ending December 31, 2023, at a fee/ remuneration to be mutually agreed.

RELATED PARTY TRANSACTIONS

The details of all related party transactions were placed periodically before the Audit Committee and upon its recommendation the same were reviewed and approved by the Board of Directors. The details of all related party transactions are disclosed in

Note 39.1 annexed to the annual audited financial statements. All transactions with Company's related parties were carried out at an arm's length price.

DIRECTORS' ORIENTATION PROGRAM

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

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

DIRECTORS' TRAINING PROGRAM (DTP)

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

PATTERN OF SHAREHOLDING

Information with respect to pattern of shareholding along with categories of shareholders as at December 31, 2022 as required under section 227 of the Companies Act, 2017, is given in this report on pages 106 and 107.

FUTURE OUTLOOK

The country faces unprecedented macro-economic challenges, and the outlook is bleak at best. The government is determined to return to the IMF program to avert a default. Inflation, rupee devaluation, rising cost of borrowing and energy prices, with weak demand in the Large Scale Manufacturing sector pose

tremendous challenges for people and businesses alike. The Company is focused to meet these challenges with its diversified portfolio, strong presence in healthcare, and a strong customer centric approach.

ACKNOWLEDGEMENT

The Board is appreciative of the dedication and commitment of all its employees who operated within a demanding and competitive economic condition during the reviewed year. Additionally, the Company expresses gratitude for the confidence bestowed upon it by its customers, suppliers, vendors, service providers, and shareholders. The Company acknowledges and extends appreciation to all stakeholders for their unwavering support.

On behalf of the Board



Matin Amjad
Chief Executive Officer



Waqar Ahmed Malik
Chairman



وقار احمد ملک
چیئر مین



متین امجد
چیف ایگزیکٹو آفیسر

Karachi: March 7, 2023

کراچی: 7 مارچ 2023ء

لیے پرعزم ہے۔ افراط زر، روپے کی قدر میں کمی، قرضوں کی بڑھتی ہوئی لاگت اور توانائی کی قیمتوں کے ساتھ ساتھ بڑے پیمانے کی مینوفیکچرنگ کے شعبے میں کم طلب، لوگوں اور کاروباری اداروں کے لیے یکساں طور پر سخت چیلنجز ہیں۔ کمپنی اپنے متنوع پورٹ فولیو، ہیلتھ کیئر کے شعبے میں مستحکم مقام، اور کسٹمر کو مرکزی توجہ دینے والے مضبوط نقطہ نظر کے ساتھ ان چیلنجز کا مقابلہ کرنے پر توجہ مرکوز کر رہی ہے۔

تسلیمات

بورڈ آف ڈائریکٹرز کمپنی کے ہر ملازم کی غیر معمولی کاوشوں کا خلوص دل سے معترف ہے جنہوں نے زیر جائزہ سال کے دوران انتہائی مسابقتی معاشی ماحول میں کام کیا۔ نیز، کمپنی اپنے صارفین، سپلائرز، وینڈرز، سروس پرووائیڈرز، اور شیئر ہولڈرز کی جانب سے دیے گئے اعتماد پر شکریہ ادا کرتی ہے۔ کمپنی تمام اسٹیک ہولڈرز کے مستقل تعاون پر بے حد شکرگزار ہے اور اسے سراہتی ہے۔

منجانب بورڈ

نمایاں پالیسیوں کا ویب سائٹ پر اجرا

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

(ا) وسل بلوئنگ پالیسی

(ب) جنسی ہراسانی کے خلاف پالیسی

(ج) ضابطہ اخلاق

(د) تحفظ، صحت، ماحول اور معیار (SHEQ) کی پالیسی

(ه) صنفی تنوع کی پالیسی

داخلی کنٹرول اور رسک مینجمنٹ

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 ساتھ فنانشل رپورٹنگ کی بھروسہ مند اور لاگو قوانین و ضوابط پر عمل درآمد کو بھی یقینی بناتا ہے۔ انتظامیہ ایسے نظام کی موثر نگرانی کرتی ہے جبکہ بورڈ آڈٹ کمیٹی رسکس کی تشخیص کی بنیاد پر داخلی کنٹرول کے نظام کا جائزہ لیتی ہے اور اس کی رپورٹس بورڈ آف ڈائریکٹرز کو پیش کرتی ہے۔

بورڈ آف ڈائریکٹرز تمام نمایاں حکمت عملی، مالیاتی، اداراتی اور کمپلائنس کے رسکس پر مکمل اور موثر کنٹرول کو یقینی بناتا ہے اور اسے برقرار رکھتا ہے۔ ڈائریکٹرز نے انتظامیہ کو رسک مینجمنٹ سسٹم قائم کرنے اور اس پر عمل درآمد کی ذمہ داری سونپ دی ہے تاکہ کمپنی کی متصور قابل قبول سطح تک رسک کی کمی کو یقینی بنایا جاسکے۔

آڈیٹرز

موجودہ آڈیٹرز، BDO ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور اہل ہونے کی بنیاد پر انھوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ آڈٹ کمیٹی کی تجویز کے مطابق، بورڈ آف ڈائریکٹرز نے 31 دسمبر 2023ء کو ختم ہونے والے سال کے لیے انھیں کمپنی کے آڈیٹر کے طور پر باہمی رضامندی سے طے کی گئی فیس/ معاوضے پر دوبارہ تقرری کی سفارش کی ہے۔

ریلیٹیو پارٹیز کے ساتھ لین دین

تمام ریلیٹیو پارٹیز کے ساتھ لین دین کی تفصیلات وقتاً فوقتاً آڈٹ کمیٹی کے سامنے پیش کی گئیں اور ان کی سفارشات پر بورڈ آف ڈائریکٹرز نے ان کا

جائزہ لینے کے بعد منظوری دے دی ہے۔ تمام ریلیٹیو پارٹیز کی تفصیلات سالانہ آڈٹ شدہ فنانشل اسٹیٹمنٹس کے ساتھ منسلک نوٹ 39.1 پر دی گئی ہیں۔ کمپنی کی ریلیٹیو پارٹیز کے ساتھ تمام لین دین کے معاملات آرمر لینتھ پرائس پر طے کیے گئے ہیں۔

ڈائریکٹرز کا اور مینٹیشن پروگرام

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

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

ڈائریکٹرز کا ٹریڈنگ پروگرام (DTP)

بورڈ ممبرز کی اکثریت نے DTP میں اپنی سرٹیفیکیشن مکمل کر لی ہے جبکہ ایک ڈائریکٹر کو SECP کی جانب سے مجوزہ اہلیت اور تجربے کا حامل ہونے کی بنا پر استثناء دے دیا گیا ہے۔ چیف ایگزیکٹو آفیسر (متصور ڈائریکٹر)، چیف فنانشل آفیسر اور کمپنی سیکریٹری نے بھی ایک مقامی تسلیم شدہ ادارے سے DTP کی سرٹیفیکیشن حاصل کر لی ہے۔

شیئر ہولڈنگ کا طرز

کمپنیز ایکٹ 2017ء کے سیکشن 227 کے تحت مطلوب شیئر ہولڈنگ کے طرز سے متعلق معلومات مع شیئر ہولڈرز کی کیلگری برطانیہ 31 دسمبر 2022ء اس رپورٹ کے صفحہ نمبر 106 اور 107 پر درج ہے۔

مستقبل کا منظر نامہ

ملک کو غیر معمولی میکرو اکنامک چیلنجز کا سامنا ہے، اور منظر نامہ مایوس کن ہے۔ حکومت ڈیفالٹ سے بچنے کے لیے آئی ایم ایف پروگرام میں واپس آنے کے

فنانشل رسکس

کے لیے ان کی قابل قدر خدمات کا متنی ہے۔ بورڈ جناب فیروز رضوی، جناب محمد زندہ معین مہاجر اور شیخ محمد عبداللہ کو الوداع کہتا ہے جنہوں نے گزشتہ کئی سالوں میں کمپنی کے لیے نمایاں کردار ادا کیا۔

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

ڈائریکٹرز کی کل تعداد

9	مرد:
1	خاتون:

بہت تر کمی

4	خود مختار ڈائریکٹرز:
6	نان ایگزیکٹو ڈائریکٹرز:

بورڈ کی کمیٹیاں

بورڈ نے تین کمیٹیاں تشکیل دی ہیں جن کی تفصیلات رپورٹ کے صفحہ 46 پر ”کارپوریٹ گورننس سیکشن“ میں مہیا کی گئی ہیں۔

ڈائریکٹرز کا معاوضہ

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

چیف ایگزیکٹو آفیسر

23 جنوری 2023ء کو ہونے والے ڈائریکٹرز کے انتخابات کے بعد، جناب متین امجد کو دوبارہ کمپنی کا چیف ایگزیکٹو آفیسر مقرر کیا گیا، جو کمپنیز ایکٹ 2017ء کے سیکشن 187 کے پروویژن کے مطابق، ان کی ملازمت کی موجودہ شرائط و ضوابط کی رو سے 3 سال کی مدت کے لیے ہے جس کا آغاز 2 فروری 2023ء سے ہوا۔

کمپلائنس رسکس

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

بورڈ آف ڈائریکٹرز

گزشتہ سالانہ رپورٹ 2021ء سے اب تک آپ کی کمپنی کے بورڈ میں درج ذیل تبدیلیاں واقع ہوئی ہیں:

جناب شاہد عبدالستار نے 3 سال سے زائد عرصے تک بورڈ اور اس کی کمیٹی، بورڈ آڈٹ کمیٹی میں خدمات انجام دینے کے بعد 25 اکتوبر 2022ء کو کمپنی کی ڈائریکٹرشپ سے استعفا دے دیا۔ ڈائریکٹرز، کمپنی کے ڈائریکٹرز کی حیثیت سے جناب شاہد عبدالستار کی خدمات کو خراج تحسین پیش کرتے ہیں۔

جناب محمد اقبال پوری نے 26 اکتوبر 2022ء کو جناب شاہد عبدالستار کی جگہ نان ایگزیکٹو ڈائریکٹرز کی حیثیت سے بورڈ میں شمولیت اختیار کی۔ وہ توانائی، انجینئرنگ، آئل اینڈ گیس انفراسٹرکچر میں سرمایہ کاری اور رینیل اسٹیٹ کے شعبے میں وسیع تجربہ رکھتے ہیں۔ بورڈ اقبال پوری صاحب کا خیر مقدم کرتا ہے اور کمپنی کے کاروبار کی ترقی اور توسیع میں ان کے قابل قدر تعاون کے لیے پُر امید ہے۔

علاوہ ازیں، 23 جنوری 2023ء کو دس (10) ڈائریکٹرز 3 سال کی مدت کے لیے منتخب کیے گئے، جس کا اطلاق 30 جنوری 2023ء سے ہوگا۔ ڈائریکٹرز کے حالیہ انتخابات کے دوران تین نئے ڈائریکٹرز عاطف اسلم باجوہ، جاوید قریشی اور طیب افضل منتخب ہوئے۔ یہ سب اپنے متعلقہ شعبوں میں وسیع اور بھرپور تجربہ رکھتے ہیں۔ بورڈ تمام نئے ڈائریکٹرز کا خیر مقدم کرتا ہے اور اپنے اسٹریٹجک مقاصد کے حصول کے لیے کمپنی کے کاروبار کی ترقی اور توسیع

کارپوریٹ گورننس کے بہترین طرز عمل کی پیروی

کمپنی کے کارپوریٹ گورننس کے بہترین طرز عمل پر عمل درآمد کی صورت حال کے بارے میں اسٹیٹمنٹ ”کارپوریٹ گورننس سیکشن“ میں صفحہ نمبر 44 پر درج ہے۔

بیلنس شیٹ کے بعد کے واقعات

31 دسمبر 2022ء سے آج کی تاریخ تک کوئی نمایاں واقعہ پیش نہیں آیا، سوائے اس کے جو درج ذیل ہے:

کمپنی کے شیئر ہولڈرز نے 23 جنوری 2023ء کو منعقدہ غیر معمولی اجلاس عام میں خصوصی قرارداد کے ذریعے کمپنی کے مجاز سرمایہ حصص کو 700 ملین روپے (10 روپے فی حصص کے 70 ملین حصص) سے بڑھا کر 1,500 ملین روپے (10 روپے فی حصص کے 150 ملین حصص) کرنے کی منظوری دی۔

اس کے علاوہ، ’لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019‘ کے ساتھ عمل درآمد کا اسٹیٹمنٹ مع آڈیٹر کی جائزہ رپورٹ برائے ممبرز بالترتیب صفحہ نمبر 51 اور 53 پر درج ہے۔

منافع منقسمہ کی تقسیم اور منافع کی تخصیص

کمپنی کی مالیاتی کارکردگی اور مستقبل کے نقد بہاؤ کی ضروریات کو مد نظر رکھتے ہوئے، کمپنی کے بورڈ آف ڈائریکٹرز نے ہر 100 شیئرز کے لیے 25 شیئرز یعنی 25% کے حساب سے بونس شیئرز کے اجرا کی سفارش کی ہے جو 26 اپریل 2023ء کو منعقد ہونے والے 74 ویں سالانہ اجلاس عام میں ممبرز کی منظوری سے مشروط ہے۔ ایسے بونس شیئرز کے اجرا کا ذکر اگلے سال کی مالیاتی اسٹیٹمنٹس میں کیا جائے گا۔ ڈائریکٹرز کی جانب سے منظور کی گئی تخصیص درج ذیل ہے:

بورڈ آف ڈائریکٹرز نے اپنی میٹنگ منعقدہ 7 مارچ 2023ء میں بونس شیئرز کے اجرا کی سفارش کی تھی جو 26 اپریل 2023ء کو منعقد ہونے والے 74 ویں سالانہ اجلاس عام میں ممبرز کی منظوری سے مشروط ہے۔

اہم آپریٹنگ اور مالیاتی ڈیٹا

گزشتہ دس سال کے لیے اہم آپریٹنگ اور مالیاتی ڈیٹا کے عمومی جائزے کا خلاصہ اس سالانہ رپورٹ کے صفحہ نمبر 54 پر درج ہے۔

روپے (ہزاروں میں)

غیر تخصیص شدہ منافع برطابق 31 دسمبر 2021ء	461,901
بونس شیئرز کا اجرا: ہر 100 شیئرز کیلئے 25 شیئرز کے تناسب سے	(117,181)
جزل ریزرو میں منتقلی	344,719
خالص منافع بعد از ٹیکس برائے سال 2022ء	420,050
دوبارہ جانچ: خالص ایکچورٹیل نقصان جو دیگر جامع آمدنی میں شمار کیا گیا ہے	(8,314)
غیر تخصیص شدہ منافع کی منتقلی	411,737
بعد کے اثرات:	
مجوزہ بونس شیئرز کا اجرا بہ نسبت ہر ملکیتی 100 شیئرز پر 25 شیئرز	146,477
یعنی 25%	
جزل ریزرو میں منتقلی	265,260
	411,373
بونس شیئرز کا اجرا	146,477

فی شیئر آمدنی برائے سال 2022ء: 7.17 روپے

(2021ء Restated: 7.7 روپے)

قومی خزانے میں شرکت

کمپنی کے قومی خزانے میں شرکت سے متعلق معلومات اس رپورٹ کے صفحہ نمبر 59 پر اسٹیٹمنٹ آف ویلیو ایڈڈ میں فراہم کی گئی ہیں۔

خدشات، غیر یقینی حالات اور تخفیفات

آپریشنل رسکس

کمپنی اخلاقیات، تحفظ اور معیار کی ضمانت کے اعلیٰ ترین معیارات پر عمل پیرا ہے تاکہ اپنے صارفین کو مسلسل اور بلا تعلق مصنوعات اور خدمات کی فراہمی یقینی بنائی جائے۔ ASU مصنوعات میں پیداوار کی قلت کے خدشے کو نئے ASU 270 TPD پلانٹ کے ذریعے کم کیا جائے گا۔ توانائی کی قیمتوں میں غیر معمولی اضافے کے باعث کمپنی کی پیداواری لاگت پر برا اثر پڑا ہے، جسے پیداواری لاگت میں کفایت اور کنٹرول کے اقدامات کے ذریعے حتی الامکان براہ راست صارفین تک منتقل کیا جا رہا ہے۔

ویلدنگ اور ہارڈ گڈز

ویلدنگ اور کمپریسڈ گیسز کے شعبے نے متعدد چیلنجز کے باوجود گزشتہ سال کے مقابلے میں 23% کی مستحکم ترقی اپنے نام کی۔ یہ مارکیٹ کے نئے شعبوں میں داخل ہونے اور چینل کی توسیع کا نتیجہ تھا۔ POL Super اور Heroweld سمیت نئی مصنوعات کو گاہکوں کی طرف سے خوب پذیرائی ملی۔

آپریشنز

تمام مینوفیکچرنگ سائٹس کے آپریشنز محفوظ، قابل اعتماد اور موثر طریقے سے جاری رہے۔ کمپنی کی مختلف مینوفیکچرنگ سائٹس مندرجہ ذیل سرٹیفیکیشن کی حامل ہیں:

- پورٹ قاسم فیسلٹی فوڈ سیفٹی اسٹینڈرڈ سرٹیفیکیشن (FSSC 22000)، حلال سرٹیفیکیشن اور کوالٹی مینجمنٹ سسٹم ISO 9001 اور ISO 14001
- سندر فیسلٹی IMS سرٹیفیکیشن بشمول ISO 9001، ISO 14001 اور ISO 45001، اور حلال سرٹیفیکیشن۔
- ملتان سائٹ فوڈ سیفٹی اسٹینڈرڈ سرٹیفیکیشن (FSSC 22000)۔

پورٹ قاسم میں نئے جدید ترین 270 TPD ASU پروجیکٹ پر منصوبے کے مطابق کام جاری ہے۔ پورٹ قاسم میں نئے 11 ٹن فی شفٹ الیکٹروڈ مینوفیکچرنگ پلانٹ سے پیداوار شروع ہوگئی ہے۔ 105 TPD ASU پروجیکٹ کی اہم سرگرمیاں منصوبے کے مطابق آگے بڑھ رہی ہیں۔

ہیومن ریورسز

کمپنی کی ترقی کی حکمت عملی کو عملی جامہ پہنانے کے لیے اس کی اصل طاقت، کمپنی کا عملہ ہے۔ عملے کی نشوونما کے پہلوؤں کی نشاندہی کے مقصد سے تمام شعبوں میں عملے کی ٹریننگ کی ضروریات کا تجزیہ (TNAs) انجام دیا گیا۔ متعلقہ انٹرنل اور ایکسٹرنل ٹریننگ پروگراموں کا اہتمام کیا گیا، اور عملے کو نئی مہارتیں سیکھنے میں مدد کے لیے آن لائن ٹریننگ پلیٹ فارم فراہم کیے گئے۔

کمپنی اپنے عملے کو مسلسل ترقی اور آگے بڑھنے کے مواقع فراہم کرنے پر یقین رکھتی ہے۔ کمرشل، ٹیکنیکل اور کارپوریٹ شعبوں میں تمام اہم عہدوں کے لیے ایک بھرپور جانشینی کی منصوبہ بندی کا نظام موجود ہے۔ 2022ء میں، اداراتی

اہلیت بہتر کرنے کے لیے متعدد ملازمین کو اندرونی طور پر دوسری پوزیشنز پر منتقل کیا گیا۔ سال کے دوران عملے کی صلاحیتوں کی جانچ کے لیے بھی ایک پروگرام ترتیب دیا گیا۔ اس پروگرام کے نتائج کی روشنی میں، عملے کو ترقی کے مواقع فراہم کیے گئے، اور عملی اقدامات کی منصوبہ بندی کے لیے متعلقہ شعبوں کی نشاندہی کی گئی۔

کمپنی کام کرنے کا ایسا ماحول تشکیل دینے کے لیے کوشاں ہے جہاں تمام ملازمین کے ساتھ احترام کا سلوک کیا جائے، نئے خیالات اور تصورات کی حمایت ہو، ترقی اور نشوونما کی حوصلہ افزائی ہو، اختلافات کو تسلیم کیا جاتا ہو، اور ہر ایک کی شمولیت (inclusion) کو قبول کیا جاتا ہو۔ پاکستان آکسیجن صنفی تعصب سے پاک میرٹ کی بنیاد پر مواقع فراہم کرنے پر یقین رکھتی ہے اور نواتین عملے کو راغب کرنے، حوصلہ افزائی کرنے اور برقرار رکھنے کے لیے سازگار ماحول فراہم کرنے کے لیے پرعزم ہے۔

انفارمیشن سروسز

مارکیٹ کے مشکل حالات کے باوجود، اپنی قائدانہ پوزیشن برقرار رکھنے کے لیے، کمپنی ڈیجیٹل اقدامات میں سرمایہ کاری کرنے اور آرٹیفیشل انٹیلی جنس ٹیکنالوجی اپنانے کے ضمن میں کوششیں جاری رکھے ہوئے ہے۔ سال کے دوران، انفارمیشن سروسز ٹیم نے آرٹیفیشل انٹیلی جنس ٹیکنالوجی اور ریویو ٹیلی میٹری طریقوں کا استعمال کرتے ہوئے مصنوعات کی ترسیل اور شیڈولنگ اپیلی کیشنز کو بہتر بنایا، جس کے نتیجے میں شیڈولنگ میں بہتری آئی اور ترسیل کا وقت کم ہوا۔ روٹ آپٹیمائزیشن اپیلی کیشن کی ترقی کے نتیجے میں ایندھن کی کھپت کو بہتر بنایا گیا اور کاربن فٹ پرنٹ میں کمی واقع ہوئی۔ اثاثوں کی اندرونی اور بیرونی نقل و حرکت کو ٹریک کرنے کے لیے اثاثوں کی ٹریکنگ اپیلی کیشن کا استعمال بھی شروع کیا گیا جس کا نتیجہ بہتر جائزے اور کنٹرول کی صورت میں نکلا۔

کمپنی کی بنیادی سرگرمیاں اور کاروباری شعبہ جات

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

ڈائریکٹرز کا جائزہ

آپ کے کمپنی کے ڈائریکٹرز نہایت مسرت کے ساتھ سالانہ رپورٹ مع کمپنی کے آڈٹ شدہ مالیاتی گوشوارے برائے سال منہتمم 31 دسمبر 2022ء پیش کرتے ہیں۔

قومی معیشت

7.2 ملین گھنٹے کے محفوظ افرادی گھنٹے اور بغیر کسی بڑے حادثے کے ڈسٹری بیوشن گاڑیوں کے 5.2 ملین گھنٹے کے سفر کا سنگ میل عبور کیا۔ ویسٹ وہارف سائٹ نے ISO 45001 (پیشہ ورانہ صحت و تحفظ) سرٹیفیکیشن حاصل کی۔ کارپوریٹ سماجی ذمہ داری (CSR) پروگرام کے تحت 70 لاکھ روپے سے زائد کے امدادی عطیات کے ساتھ صوبہ خیبر پختونخوا، پنجاب اور سندھ کے متاثرہ علاقوں میں سیلاب سے بچاؤ کی سرگرمیاں شروع کی گئیں۔ CSR پروگرام کے تحت لاہور میں شالیما سائٹ پر ویلڈرز اور فیبر کیٹرز کے لیے ایک تربیتی ادارہ بھی قائم کیا گیا ہے۔ یہ انسٹی ٹیوٹ پنجاب بورڈ آف ٹیکنیکل ایجوکیشن کے ساتھ رجسٹرڈ ہے۔

پاکستان کو متعدد اور غیر معمولی میکرو اکنامک معاشی چیلنجوں کا سامنا ہے۔ سود کی شرح میں اضافہ کر کے 17% کرنے کے باوجود دسمبر 2022ء میں کنزیومر پرائس انڈیکس (CPI) 24.5% ریکارڈ کیا گیا تھا۔ درآمدات پر سخت پابندی کے باوجود، کرنٹ اکاؤنٹ خسارہ مسلسل بڑھتا رہا جس کی وجہ سے سال کے دوران ڈالر کے مقابلے میں روپے کی قدر میں 22% کمی ہوئی۔ بڑے پیمانے کے میونیفیکچرنگ شعبے کو (نومبر 2022ء، سال بہ سال کی بنیاد پر) 5.5% کی کمی کا سامنا کرنا پڑا ہے۔ سخت مالیاتی اور زرعی کنٹرول کے ساتھ اور پچھلے سال کے سیلاب کے اثرات کی وجہ سے، مالی سال 2023ء کے لیے اقتصادی ترقی کے تخمینے کو کم کر کے 2% کر دیا گیا ہے۔

کمپنی کی کارکردگی کا عمومی جائزہ

ان مشکل معاشی حالات کے باوجود کمپنی نے 7.3 ارب روپے کا خالص کاروبار کیا جو گزشتہ سال کے مقابلے میں 4 فیصد زیادہ ہے۔ اس ترقی میں ہارڈ گڈز اور میڈیکل انجینئرنگ سروسز کے شعبوں میں کارکردگی اور خوراک اور مشروبات کے شعبے میں کاربن ڈائی آکسائیڈ کی زیادہ فروخت نے اہم کردار ادا کیا۔ رواں سال مجموعی منافع 1.3 ارب روپے ریکارڈ کیا گیا جو گزشتہ سال کے مقابلے میں 3% کم ہے جس کی بنیادی وجہ توانائی کے نرخوں میں اضافہ اور روپے کی قدر میں کمی ہے۔ سال کے دوران اوور ہیڈز 640 ملین روپے رہے جو گزشتہ سال کے مقابلے میں 5% زیادہ ہیں تاہم افراط زر کی سطح سے نیچے رہے۔ پالیسی ریٹ 9.75% سے بڑھ کر 17% ہونے کی وجہ سے فنانس لاگت میں 75% اضافہ ہوا جو کہ 209 ملین روپے رہی۔ ماضی سے 4% سپر ٹیکس کے نفاذ نے بھی منافع پر منفی اثر ڈالا۔ سال کے دوران بعد از ٹیکس منافع اور فی حصص آمدنی (EPS) بالترتیب 420 ملین روپے اور 7.17 روپے ریکارڈ کی گئی۔

شعبہ جاتی کارکردگی:

ہیلتھ کیئر اینڈ میڈیکل انجینئرنگ سروسز

COVID-19 گزرنے کے بعد، اسپتالوں کی جانب سے آکسیجن کی مانگ میں نمایاں کمی آئی ہے۔ تاہم، کمپنی نے ملک بھر کے اسپتالوں کے لیے ترجیحی سپلائی کے طور پر اپنی پوزیشن برقرار رکھی۔ ہیلتھ کیئر کے شعبے سے وابستہ تمام کسٹمرز کو اعلیٰ کسٹمر سروس اور مصنوعات کے بہترین معیار کی مدد سے برقرار رکھا گیا۔ میڈیکل انجینئرنگ سروسز (MES) پورٹ فولیو میں گزشتہ سال کے مقابلے میں 15 فیصد کا اضافہ دیکھا گیا ہے جس میں نجی و سرکاری، دونوں شعبوں کے اسپتالوں کے ساتھ نئے منصوبے شامل ہیں۔

انڈسٹریل گیسز

COVID-19 کے بعد کے منظر نامے میں انڈسٹریل گیسز کے کسٹمرز کو مکمل خدمات فراہم کی گئیں۔ تاہم ملک کے میکرو اکنامک چیلنجوں کی وجہ سے اسٹیل، گلاس اور میونیفیکچرنگ کے شعبوں کی طلب کمزور رہی۔ کاربن ڈائی آکسائیڈ کی زیادہ فروخت سے اس میں کچھ حد تک کمی آئی اور پہلی بار کاربن ڈائی آکسائیڈ مشرق وسطیٰ میں برآمد کی گئی۔ موقع کی مناسبت سے نائٹروجن کی فروخت سے بھی مستقل طلب میں کمی کے اثرات زائل کرنے میں مدد ملی۔

تحفظ، صحت، ماحولیات اور معیار (SHEQ)

SHEQ، کمپنی کے لیے انتہائی توجہ کا مرکز ہے۔ 2022ء کے دوران کوئی بڑا حادثہ رپورٹ نہیں ہوا۔ علاوہ ازیں، کمپنی نے تمام آپریشنز کے دوران

MANAGEMENT TEAM



MATIN AMJAD
Chief Executive Officer



SYED ALI ADNAN
Chief Financial Officer



MAZHAR ALI
Head of Business Healthcare &
Medical Engineering Services



ARSHAD MANZOOR
Head of Information
Systems



AZHAR HUSSAIN
Head of Deliver & Cylinder
Asset Management



FARRIED AMAN SHAIKH
Head Of Marketing Business
Development & Customer
Services Centre



HASSAN IMRAN
Head of Business Bulk



M. SAAD-E-ALAM
Head of Operations



MAZHAR IQBAL
Head of Human Resources &
Admin, Company Secretary &
Financial Controller



RAPHAЕ FAHIM
Head of Sales - PGP,
Hardgoods & Distributors
Sales North-West



SHAHBAZ KHALIL
Head of Sales - PGP,
Hard-goods & Distributors
Sales South

CORPORATE GOVERNANCE

Pakistan Oxygen Limited (the "Company") attaches great importance to good corporate governance and operates its business in full compliance with the Companies Act, 2017 (the "Act"), the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the "Regulations") and Company's Articles of Association as well as internal policies and procedures formulated by the Board of Directors (the "Board"). 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 has complied with the Regulations, 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 (the "BAC") reviews internal control system 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 years in a summarized form is given on page 54 of this annual report.
- Information about outstanding taxes and levies, if any 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 160 million as at 31 July 2022
Employees' Gratuity Fund	Rs 193 million as at 31 December, 2022	Rs 168 million as at 31 December, 2021
Management Staff Pension Fund	Rs 88 million as at 31 December, 2022	Rs 87 million as at 31 December, 2021
Management Staff Defined Contribution Pension Fund	Rs 216 million as at 31 December, 2022	Rs 181 million as at 31 December, 2021

COMPOSITION OF BOARD OF DIRECTORS

In pursuance of the Regulations, 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 Director, ensures that the Board plays an effective role in fulfilling all its responsibilities while the Independent and Non-Executive Directors constructively challenge and help in formulating the strategy.

During the year five (5) meetings of the Board of Directors, five (5) meetings of its Audit Committee, six (6) meetings of Board Strategy Committee, 3 (three) meetings of the Human Resource, Remuneration & Nomination Committee and six (6) meetings of the Share Transfer 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	Board Audit Committee	Human Resource, Remuneration & Nomination Committee	Strategy Committee	Share Transfer Committee
	5	5	3	6	6
Mr. Waqar Ahmed Malik	5	-	2	6	-
Mr. Feroz Rizvi	5	5	2	-	-
Mr. Matin Amjad*	5	-	-	6	6
Mr. Mohammad Iqbal Puri**	1	-	-	-	-
Mr. Mohammad Younus Dagha	4	-	-	6	-
Mr. Muhammad Zindah Moin Mohajir	5	5	3	-	6
Mr. Shahid Abdul Sattar**	4	5	-	-	-
Mr. Shahid Mehmood Umerani	5	-	3	4	-
Sheikh Muhammad Abdullah	5	5	-	-	-
Mr. Siraj Ahmed Dadabhoy	5	-	-	6	-
Syed Hassan Ali Bukhari	5	-	3	-	-
Ms. Tushna D Kandawalla	5	-	3	-	-

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

**Mr. Shahid Abdul Sattar resigned from the Board w.e.f. October 25, 2022 and Mr. Mohammad Iqbal Puri was appointed in his place w.e.f. October 26, 2022. Leave of absence was granted to Directors who could not attend meetings.

ROLE AND RESPONSIBILITY OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

The role of the Chairman is primarily to manage the Board, its various Committees and to ensure effective oversight of the Company's operations and performance in line with the business plan and strategy. The Chairman also ensures that the Board discharges its various fiduciary and other responsibilities as per the applicable laws and regulations. Additionally, the Chairman sets the agenda of the meeting of the Board and ensures that reasonable time is available for discussion of the same. Moreover, the Chairman, at the beginning of term of each director, issues letter to Directors setting out their roles, obligations, powers and responsibilities in accordance with the Act and Company's Articles of Association. The Role of the Chairman is described in detail in Chairman's review on page number 28.

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 and corporate operations
- communicating, on behalf of the Company, with shareholders, government entities, and the customers
- formulating / crafting 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.

All committees of the Board were reconstituted on February 02, 2023 after election of Directors on January 23, 2023.

AUDIT COMMITTEE WITH BRIEF TERMS OF REFERENCE

The 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. The BAC also ascertains that internal control system is adequate and effective, and reports matters of significance to the Board. The 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 three (3) Independent Directors including its Chairman who is an Independent Director and financially literate and 1 (one) Non-Executive Director. The Chief Executive Officer and Chief Financial Officer attend meetings by invitation only with a limited participation. The External Auditors attend the meetings of the BAC 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 BAC 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 the BAC are as follows:

1. Mr. Tayyeb Afzal Chairman	Independent Director
2. Mr. Javed Kureishi Member	Non-Executive Director
3. Mr. Muhammad Younus Dagha Member	Independent Director
4. Ms. Tushna D. Kandawalla Member	Independent 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 or the BAC.

HUMAN RESOURCE, REMUNERATION AND NOMINATION COMMITTEE (THE "HRR&NC") WITH BRIEF TERMS OF REFERENCE

The HRR&NC assists the Board in effective discharge of its responsibilities in matters relating to appointments of senior executives and their remuneration as well as management performance review, succession planning and career development. The HRR&NC supports the Board in search of potential candidates for election of directors including filling up casual vacancy (ies) occurring on the Board. The HRR&NC also nominates candidate(s) and assists the Board in evaluation of their skills, knowledge and experience as considered relevant in the context of Company's operations.

The HRR&NC comprises of two (2) Non-Executive Directors and two (2) independent directors including the Chairman who is an Independent Director. The present members are as follows:

1. Mr. Atif Aslam Bajwa Chairman	Independent Director
2. Mr. Shahid Mehmood Umerani Member	Non-Executive Director
3. Syed Hassan Ali Bukhari Member	Non-Executive Director
4. Ms. Tushna D. Kandawalla Member	Independent Director

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

STRATEGY COMMITTEE WITH BRIEF TERMS OF REFERENCE

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

The Committee comprises five (5) members including three (3) Non-Executive directors, one (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. Javed Kureishi Member	Non-Executive Director
3. Mr. Matin Amjad Member	Chief Executive Officer
4. Mr. Siraj Ahmed Dadabhoy Member	Non-Executive Director
5. Mr. Tayyeb Afzal Member	Independent Director

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

SHARE TRANSFER COMMITTEE

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

This Committee comprises of the following members:

1. Syed Hassan Ali Bukhari Chairman	Non-Executive Director
2. Mr. Matin Amjad Member	Chief Executive Officer

The Secretary of the Committee is Ms. Amna Mustafa, Deputy Manager Reporting and Corporate Compliance.

INTERNAL AND EXTERNAL AUDIT

Internal Audit

At Pakistan Oxygen Limited, Internal Audit aims to assist the Board 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 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 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 BAC 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

The external auditors are appointed on a yearly basis at the Annual General Meeting of the Company as proposed by the BAC and recommended by the Board. The annual financial statements and half yearly reports are audited and reviewed by an independent external auditor (BDO Ebrahim & Co.) which are then circulated for consideration and approval by the BAC & the Board. Annual and six-monthly financial statements are initialed by the external auditors before presenting them to the BAC 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 the laws, rules or regulations as notified by Securities & Exchange Commission of Pakistan and Pakistan Stock Exchange from time to time for information and compliance therewith.

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

CODE OF ETHICS

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

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

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

INSIDER TRADING

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

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

COMPETITION LAW

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

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

DISCLOSURE AND TRANSPARENCY

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

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

MATERIAL INTERESTS OF THE BOARD OF DIRECTORS

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

RELATED PARTY TRANSACTIONS

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

EVALUATION OF THE BOARD'S OWN PERFORMANCE, ITS COMMITTEE(S) AND CHIEF EXECUTIVE OFFICER

The Board has aligned its mechanism for performance evaluation in line with regulatory

requirements. On the basis of this mechanism, the directors have carried out in-house annual evaluation of the Board's own performance as well as performance of the BAC and Chief Executive Officer of the Company. The mechanism is designed to assess and identify strengths and weaknesses in the performance of the Board, its BAC and Chief Executive Officer covering sound corporate governance practices, strategy, roles of the Chairman, Directors & CEO, objective settings, effectiveness of the Board and its Committees.

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

ANNUAL GENERAL MEETING

The Company considers the Annual General Meeting as the most appropriate forum for open and

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

As the Company believes in transparency and disclosure of information for all its stakeholders, the Company, as required, gives notice of the general meeting in the press well before the prescribed time.

PATTERN OF SHAREHOLDING

A statement showing the pattern of shareholding together with additional information thereon is given on pages 106 and 107 to disclose the aggregate number of shares with the breakup of certain classes of shareholders as at December 31, 2022.

Details of shareholders, holding 10% or more shares as at December 31, 2022, are given hereunder:

S. No.	Name of Shareholders	Shares Held	Percentage
1	Adira Capital Holdings (Private) Limited	19,451,992	33.20
2	Soorty Enterprises (Private) Limited	7,030,872	12.00

The highest, lowest and closing (year-end) market prices of Pakistan Oxygen shares during 2022 were as under:

Highest	12.04.2022	Rs 177.61
Lowest	01.08.2022	Rs 118.03
Closing (at year-end)	30.12.2022	Rs 139.75

STATEMENT OF COMPLIANCE

With the listed companies (code of corporate governance) regulations, 2019
For the year ended december 31, 2022

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:

Independent Directors

 - Mr. Atif Aslam Bajwa
 - Mr. Muhammad Younus Dagha
 - Mr. Tayyeb Afzal
 - Ms. Tushna D Kandawalla

Non-Executive Directors

 - Mr. Waqar Ahmed Malik
 - Mr. Javed Kureishi
 - Mr. Mohammad Iqbal Puri
 - Mr. Shahid Mehmood Umerani
 - Mr. Siraj Ahmed Dadabhoy
 - Syed Hassan Ali Bukhari

Deemed Director

 - Mr. Matin Amjad – CEO
3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a Code of Ethics as its Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board of Directors (the "Board") has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.
9. Majority of the Board members have completed their certification in DTP while one director was granted exemption by SECP based on prescribed qualification and experience. The Chief Executive Officer (a deemed director) and Company Secretary also acquired certification in DTP from a recognized institution. The Directors, who do not hold DTP certificates, are well conversant with their duties and responsibilities as directors of a listed Company.
10. No new appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit

has been made. However, the Board has approved their annual remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

Audit Committee

1. Mr. Tayyeb Afzal Chairman	Independent Director
2. Mr. Javed Kureishi Member	Non-Executive Director
3. Mr. Muhammad Younus Dagha Member	Independent Director
4. Ms. Tushna D. Kandawalla Member	Independent Director

Human Resource, Remuneration & Nomination Committee

1. Mr. Atif Aslam Bajwa Chairman	Independent Director
2. Mr. Shahid Mehmood Umerani Member	Non-Executive Director
3. Syed Hassan Ali Bukhari Member	Non-Executive Director
4. 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. During the year, five (5) meetings of the Board Audit Committee and three (3) meetings of the Board Human Resource, Remuneration & Nomination Committee were held.

15. The Board has outsourced the internal audit function to M/s EY Ford Rhodes & Co., Chartered Accountants, who are considered

suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, head of Internal Audit, Company Secretary or Directors of the Company;

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

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

On behalf of the Board



Matin Amjad
Chief Executive Officer



Waqar Ahmed Malik
Chairman

Karachi: March 7, 2023

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, 2022 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 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. 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.

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, 2022.

KARACHI

DATED: March 7, 2023

UDIN: CR202210067eK96mlsS0



CHARTERED ACCOUNTANTS

Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

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

TEN-YEAR FINANCIAL REVIEW

Rupees in '000	2013	2014	2015
Operating results			
Sales	4,016,101	3,925,036	3,914,176
Gross profit	764,231	710,372	829,223
Profit from operations	350,459	295,078	351,619
Profit before taxation	245,408	177,402	191,805
Taxation	(63,941)	(50,515)	(50,951)
Profit after taxation	181,467	126,887	140,854
Dividends	137,713	112,674	125,194
Bonus shares issued	-	-	-
Capital employed			
Paid-up capital	250,387	250,387	250,387
Revenue reserves and unappropriated profit	1,452,807	1,440,580	1,469,133
Deferred liabilities	291,789	339,425	399,414
Lease liabilities	-	-	-
Long-term liabilities and borrowings (net of cash)	959,159	1,171,059	1,371,743
	2,954,142	3,201,451	3,490,677
Represented by:			
Non - current assets	3,076,995	3,214,373	3,193,016
Working capital	(122,853)	(12,922)	297,661
	2,954,142	3,201,451	3,490,677
Statistics			
Expenditure on fixed assets	684,267	400,265	279,445
Annual depreciation & amortisation	244,873	290,509	328,713
Earnings per share (restated)-Rupees	3.10	2.17	2.40
Dividend per share-Rupees	5.50	4.50	5.00
Dividend cover-times	1.32	1.13	1.13
Net asset backing per share-Rupees	29.07	28.86	29.35
Return on average shareholders' fund (based on profit after tax)	10.73%	7.48%	8.26%
Dividend on average shareholders' fund	8.14%	6.64%	7.34%
Return on average capital employed (based on profit before financial charges & tax)	16.44%	9.59%	9.51%
Price/earning ratio (unadjusted)-times	57.75	95.80	48.36
Dividend yield ratio	3.08%	2.17%	4.30%
Dividend payout ratio	75.89%	88.80%	88.88%
Fixed assets/turnover ratio	1.31	1.22	1.23
Debt/equity ratio	39:61	37:63	43:57
Current ratio	1.06	0.86	1.09
Interest cover-times	3.34	2.51	2.52
Debtors turnover ratio	17.79	14.49	10.68
Gross profit ratio-percentage (%) of turnover	18.10%	18.10%	21.19%
Market value per share at year end	178.86	207.48	116.25

2016	2017	2018	2019	2020	2021	2022
3,954,638	4,412,652	4,860,059	4,666,590	5,545,137	7,005,454	7,296,365
895,994	991,727	1,109,531	1,065,756	1,103,569	1,360,449	1,324,450
420,199	435,398	654,850	569,929	616,306	752,822	684,452
309,589	340,021	538,531	396,879	452,717	633,505	475,409
(92,703)	(99,988)	(139,836)	(96,294)	(106,436)	(182,401)	(55,359)
216,886	240,033	398,695	300,585	346,281	451,104	420,050
125,194	137,713	175,271	-	-	-	-
-	-	75,116	65,101	78,121	117,181	146,477
250,387	250,387	250,387	325,503	390,604	468,725	585,906
1,562,974	1,716,975	3,648,593	3,818,236	4,111,221	4,524,471	7,178,054
397,383	356,990	317,812	282,803	259,292	235,765	159,979
-	-	-	29,530	23,211	20,588	17,968
1,184,877	1,146,845	1,288,606	1,505,282	1,299,109	2,688,097	6,859,228
3,395,621	3,471,197	5,505,398	5,961,354	6,083,437	7,937,646	14,801,135
3,212,333	3,030,626	4,661,754	4,575,999	4,597,390	6,019,310	12,188,150
183,288	440,571	843,644	1,385,355	1,486,046	1,918,336	2,612,985
3,395,621	3,471,197	5,505,398	5,961,354	6,083,436	7,937,646	14,801,135
350,411	175,133	210,914	254,493	407,448	1,802,659	4,147,928
344,959	358,751	367,847	359,643	379,052	379,442	390,610
3.70	4.10	6.80	5.13	5.91	7.70	7.17
5.00	5.5	7.00	-	-	-	-
1.73	1.74	2.27	-	-	-	-
30.95	33.58	66.55	70.72	76.84	85.22	132.51
12.28%	12.70%	13.59%	7.47%	8.01%	9.50%	6.59%
7.09%	7.29%	5.98%	-	-	-	-
12.20%	12.68%	14.59%	9.94%	10.23%	10.73%	6.02%
52.78	53.91	30.86	32.16	25.94	19.86	19.49
2.56%	2.49%	3.33%	-	-	-	-
57.72%	57.37%	43.96%	-	-	-	-
1.23	1.46	1.04	1.02	1.21	1.16	0.60
36:64	25:75	6:94	0:100	5:95	23:77	38:62
0.75	0.89	0.89	1.03	1.22	1.27	1.06
3.80	4.57	5.63	3.29	3.77	6.31	3.27
8.25	7.44	7.25	6.17	7.73	11.21	9.85
22.66%	22.47%	22.83%	22.84%	19.90%	19.42%	18.15%
195.37	220.85	210.00	165.00	153.33	152.92	139.75

STATEMENT OF PROFIT OR LOSS

VERTICAL AND HORIZONTAL ANALYSIS

Rupees in '000	2022	2021	2020	2019	2018	2017
Net sales	7,296,365	7,005,454	5,545,137	4,666,590	4,860,059	4,412,652
Cost of sales	(5,971,915)	(5,645,005)	(4,441,568)	(3,600,834)	(3,750,528)	(3,420,925)
Gross profit	1,324,450	1,360,449	1,103,569	1,065,756	1,109,531	991,727
Distribution and marketing expenses	(329,041)	(302,261)	(249,234)	(253,805)	(207,554)	(285,079)
Administrative expenses	(295,854)	(265,258)	(245,902)	(223,943)	(207,487)	(235,669)
Other operating expenses	(59,811)	(76,167)	(55,423)	(45,454)	(55,429)	(62,813)
Other income	44,708	36,059	63,296	27,375	15,789	27,232
Operating profit	684,452	752,822	616,306	569,929	654,850	435,398
Finance costs	(209,043)	(119,317)	(163,589)	(173,050)	(116,319)	(95,377)
Profit before tax	475,409	633,505	452,717	396,879	538,531	340,021
Taxation	(55,359)	(182,401)	(106,436)	(96,294)	(139,836)	(99,988)
Profit for the year	420,050	451,104	346,281	300,585	398,695	240,033
Vertical analysis - percentage (%) of sales						
Net sales	100	100	100	100	100	100
Cost of sales	(82)	(81)	(80)	(77)	(77)	(78)
Gross profit	18	19	20	23	23	22
Distribution and marketing expenses	(5)	(4)	(4)	(5)	(4)	(6)
Administrative expenses	(4)	(4)	(4)	(5)	(4)	(5)
Other operating expenses	(1)	(1)	(1)	(1)	(1)	(1)
Other operating income	0.6	0.5	1.1	0.6	0.3	1
Operating profit	9	11	11	12	13	10
Finance costs	(3)	(2)	(3)	(4)	(2)	(2)
Profit before tax	6	9	8	9	11	8
Taxation	(1)	(3)	(2)	(2)	(3)	(2)
Profit for the year	5	6	6	6	8	5
Horizontal analysis (year on year) percentage increase / (decrease) over preceding year						
Net sales	4	26	19	(4)	10	12
Cost of sales	6	27	23	(4)	10	12
Gross profit	(3)	23	4	(4)	12	11
Distribution and marketing expenses	9	21	(2)	22	(27)	21
Administrative expenses	12	8	10	8	(12)	3
Other operating expenses	(21)	37	22	(18)	(12)	96
Other operating income	24	(43)	131	73	(42)	30
Operating profit	(9)	22	8	(13)	50	4
Finance costs	75	(27)	(5)	49	22	(14)
Profit before tax	(25)	40	14	(26)	58	10
Taxation	(70)	71	11	(31)	40	8
Profit for the year	(7)	30	15	(25)	66	11

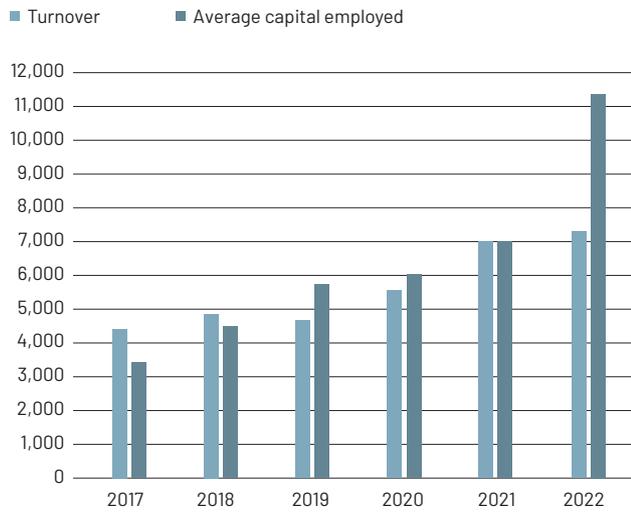
STATEMENT OF FINANCIAL POSITION

VERTICAL AND HORIZONTAL ANALYSIS

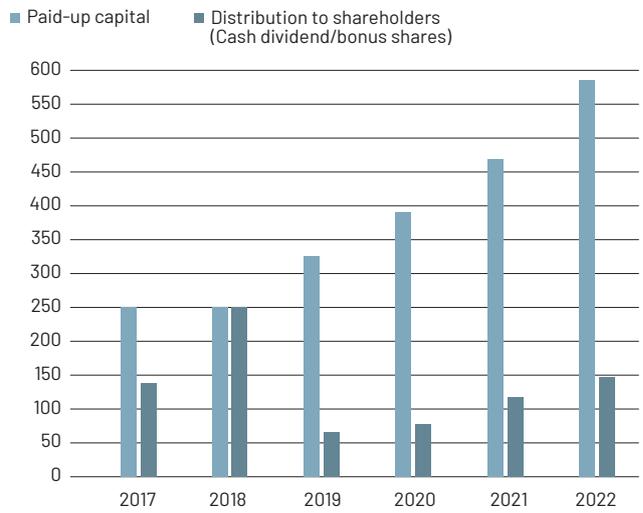
Rupees in '000	2022	2021	2020	2019	2018	2017
Equity and liabilities						
Total equity	7,763,960	4,993,196	4,501,825	4,143,739	3,898,980	1,967,362
Total non-current liabilities	4,740,210	1,823,548	603,633	505,849	502,630	813,374
Total current liabilities	4,926,749	2,990,205	2,283,719	2,413,481	2,295,628	2,306,546
Total equity and liabilities	17,430,919	9,806,949	7,389,177	7,063,069	6,697,238	5,087,282
Assets						
Total non-current assets	12,188,150	6,019,310	4,597,390	4,575,999	4,661,754	3,030,626
Total current assets	5,242,769	3,787,639	2,791,787	2,487,070	2,035,484	2,056,656
Total assets	17,430,919	9,806,949	7,389,177	7,063,069	6,697,238	5,087,282
Vertical analysis						
Equity and liabilities						
Total equity	45	51	61	59	58	39
Total non-current liabilities	27	19	8	7	8	16
Total current liabilities	28	30	31	34	34	45
Total equity and liabilities	100	100	100	100	100	100
Assets						
Total non-current assets	70	61	62	65	70	60
Total current assets	30	39	38	35	30	40
Total assets	100	100	100	100	100	100
Horizontal analysis (year on year) percentage increase / (decrease) over preceding year						
Equity and liabilities						
Total equity	55	11	9	6	98	8
Total non-current liabilities	160	202	19	1	(38)	(2)
Total current liabilities	65	31	(5)	5	(0)	1
Total equity and liabilities	78	33	5	5	32	3
Assets						
Total non-current assets	102	31	0	(2)	54	(6)
Total current assets	38	36	12	22	(1)	19
Total assets	78	33	5	5	32	3

KEY FINANCIAL DATA

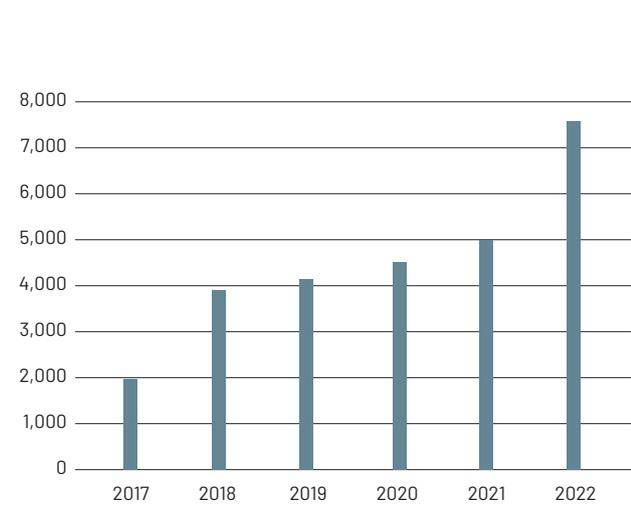
Turnover (net) and average capital employed (Rupees in million)



Paid-up capital and distribution to shareholders (Rupees in million)



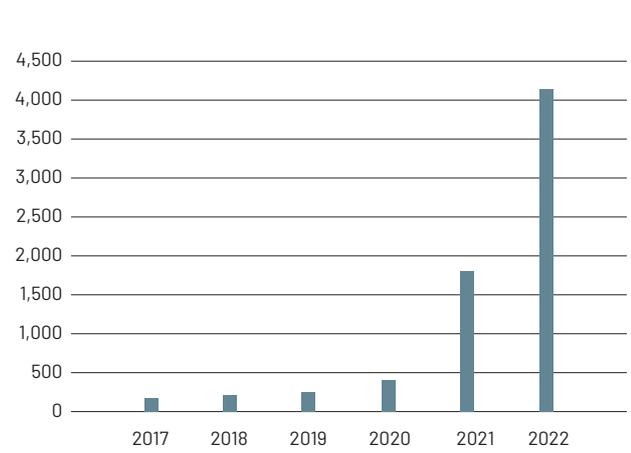
Shareholders' fund (Rupees in million)



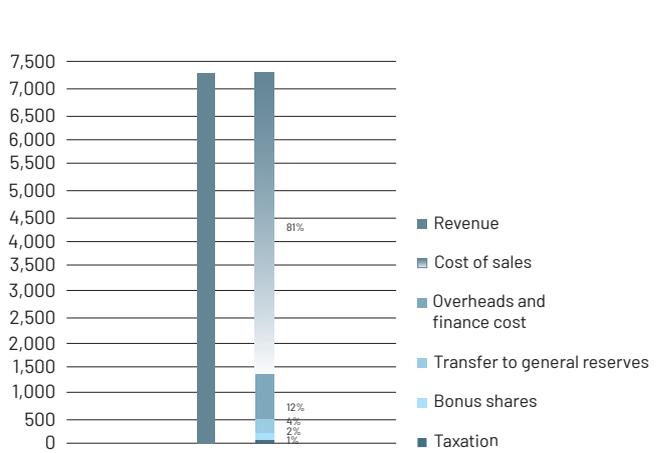
Break up value and EPS (Rupees)



Capital expenditure (Rupees in million)



Application of revenue 2022 (Rupees in million)



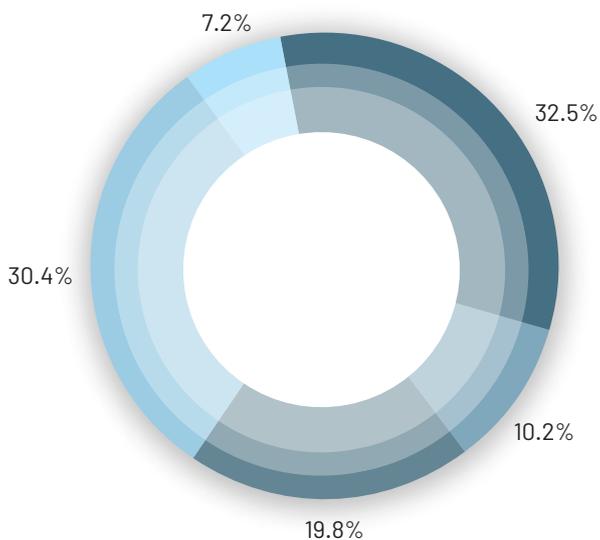
STATEMENT OF VALUE ADDED

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:

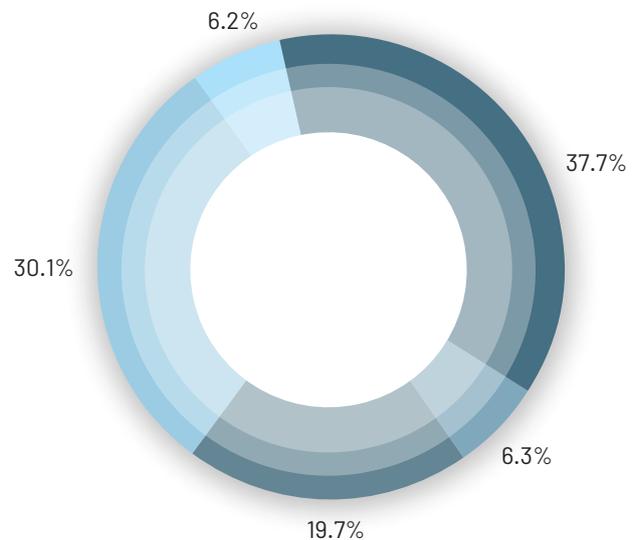
Rupees in '000	2022	2021
Wealth generated		
Total revenue (net of trade discount and sales tax)	7,341,073	7,041,513
Bought-in-material and services	(5,295,222)	(5,149,771)
	2,045,851	1,891,742
Wealth distributed		
To employees		
Salaries, allowances and other benefits	622,067	569,646
To Government		
Income tax on profit, workers' funds, import duties and un-adjustable sales tax	404,082	372,234
To providers of capital		
Issuance of bonus shares to shareholders *	146,477	117,181
To lenders		
Finance cost	209,043	119,317
Retained in the business		
Represented by depreciation and transfer to general reserves for replacement of fixed assets	664,183	713,365
	2,045,851	1,891,742

*Bonus shares issued subsequent to the year end.

Wealth generated and distributed 2022



Wealth generated and distributed 2021



Net retention

To lenders

To Government

To employees

To shareholders

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

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **PAKISTAN OXYGEN LIMITED** (the Company), which comprise the statement of financial position as at December 31, 2022, 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, 2022 and of the profit, its other comprehensive income, its cash flows and the changes in equity for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the Key audit matters:

S. NO	KEY AUDIT MATTERS	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
1.	TRADE DEBTS	
	As disclosed in note 19 to the financial statements of the Company for the year ended December 31, 2022, the Company has a trade debts balance amounting to Rs. 827.267 million, which represents a significant element of the statement of financial position.	Our audit procedures included the following: We tested the design and effectiveness of internal controls implemented by the Company through the trade debts cycle.

S. NO	KEY AUDIT MATTERS	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
	<p>A discrepancy in the valuation or existence of trade debts could cause the assets to be materially misstated, which would impact the Company's reported financial position as the valuation of aforesaid head is one of the main drivers of movements in the total assets of the Company.</p> <p>Management estimates the collectible amount of trade debts through expected credit loss (ECL) approach. An estimated provision is made against trade debts on the basis of lifetime expected credit loss model as explained in note 4.22.1 whereas trade debts considered irrecoverable are written off.</p> <p>In view of the significance of trade debts in relation to the total assets of the Company, we have considered it as a key audit matter due to the significant management judgment involved in determining the provision for expected credit losses and that the existence and carrying amount of trade debts could be material to the performance of the Company.</p>	<p>We circularized confirmation to a sample of trade debts with the outstanding balance at the end of the reporting period.</p> <p>We examined on a sample basis evidence related to post year-end receipts.</p> <p>We considered the appropriateness for expected credit losses (ECL) against trade debts as per the Company's policy and assessed compliance with applicable accounting standards.</p> <p>We reviewed the methodology developed and applied by the Company to estimate the ECL in relation to trade debts and evaluated the assumptions used in applying the ECL methodology based on historical information and qualitative factors as relevant for such estimates.</p> <p>We evaluated the relevance, completeness, and accuracy of the source data used for computation of ECL.</p> <p>We checked the mathematical accuracy of the ECL model by performing recalculation on test basis.</p> <p>We evaluated the adequacy of the disclosures and presentation of trade debts as per the requirements of applicable financial reporting framework.</p>
2.	EXISTENCE AND VALUATION OF INVENTORIES	
	<p>As disclosed in note 17 and 18 to the financial statements, the Company has net inventories of Rs. 1,316.935 million and Rs. 359.947 million as at December 31, 2022 for stock-in-trade and stores and spares, respectively. The total inventories form material part of the Company's assets representing 9.6% of the total assets.</p>	<p>Our audit procedures included the following:</p> <p>We obtained an understanding of internal controls over purchases and valuation of stock-in-trade and testing on a sample basis, their design, implementation and operating effectiveness.</p> <p>We performed physical count of inventories at respective locations on a test basis and checked for damaged and obsolete inventory physically identifiable during stock count observation.</p>

S. NO	KEY AUDIT MATTERS	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
	<p>The cost of stock-in-trade has different components which involves judgment in relation to the allocation of overhead costs and in determining the provision for slow moving stock and obsolete stock. The estimates of the provision for slow moving and obsolete inventory of stock in trade is 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>Due to the above factors, we have considered the existence and valuation of inventories as a key audit matter.</p>	<p>We performed, on sample basis, the purchases with supporting documentation and contracts, if any.</p> <p>We compared calculations of allocation of directly attributable costs with the underlying supporting documentation and tested the calculations of overhead costs and checked allocation of labor and overhead costs to the finished goods and work in process.</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> <p>We reviewed the year on year movement in provision for each category of inventories considering subsequent write offs, reversals on re-use and disposals.</p> <p>We compared the cost of inventories as at year end to their net realizable value subsequent to year end.</p> <p>We evaluated the appropriateness and adequacy of disclosures of inventories as per the applicable financial reporting framework.</p>
3.	<p>PROPERTY, PLANT AND EQUIPMENT</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 implementation of key controls over capital expenditure.</p> <p>We performed physical inspection of sites where significant capital projects are ongoing to determine the existence and nature of the projects.</p>

S. NO	KEY AUDIT MATTERS	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
	<p>The Company continued to invest in capital projects of plant and machinery with significant capital expenditure incurred during the year ended December 31, 2022. The significant level of capital expenditure requires consideration of the nature of the costs incurred to ensure that their capitalization in property, plant and equipment meets the specific recognition criteria given in the Company's accounting policy, in particular for assets constructed by the Company, and the useful lives assigned by management are appropriate. For these reasons, we considered it a key audit matter.</p>	<p>We ensured that items of property, plant and equipment have been carried as per the accounting policy disclosed in the financial statements for respective classes.</p> <p>We assessed the useful economic lives assigned with reference to the company's historical experience, including assessing the level of fully depreciated asset held by the Company and recalculating the depreciation expense for the year.</p> <p>We verified the additions and disposals in operating fixed assets and additions and transfers from capital work-in-progress on sample basis.</p> <p>We recalculated the amount and rate of borrowing costs capitalized in capital work-in-progress.</p> <p>We evaluated the competence, capability and independence of management expert which carried out the revaluation.</p> <p>We inspected the valuation report of expert and evaluated the adequacy of the work performed including assessing the relevance and reasonableness of assumptions used in determining the revaluated amount.</p> <p>We ensured that revaluation has been properly accounted for and disclosed in the financial statements as per the applicable financial reporting framework.</p> <p>We assessed the appropriateness and adequacy of the disclosures as per applicable financial reporting framework.</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, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

KARACHI

DATED: March 7, 2023

UDIN: AR202210067R1S6qNPz9



**BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS**

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED DECEMBER 31, 2022

Rupees in '000	Note	2022	2021
Gross sales	5	8,436,550	7,758,276
Trade discount and sales tax	5	(1,140,185)	(752,822)
Net sales		7,296,365	7,005,454
Cost of sales	6	(5,971,915)	(5,645,005)
Gross profit		1,324,450	1,360,449
Distribution and marketing expenses	7	(329,041)	(302,261)
Administrative expenses	8	(295,854)	(265,258)
Other operating expenses	9	(59,811)	(76,167)
		(684,706)	(643,686)
Operating profit before other income		639,744	716,763
Other income	10	44,708	36,059
Operating profit		684,452	752,822
Finance cost	11	(209,043)	(119,317)
Profit before taxation		475,409	633,505
Taxation	12	(55,359)	(182,401)
Profit for the year		420,050	451,104
			(Restated)
Earnings per share - basic and diluted (Rupees)	13	7.17	7.70

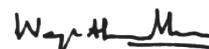
The annexed notes from 1 to 44 form an integral part of these financial statements.



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, 2022

Rupees in '000	Note	2022	2021
Profit for the year		420,050	451,104
Other comprehensive income for the year			
Items that will not be reclassified to statement of profit or loss			
Surplus on revaluation of property, plant and equipment		2,388,498	-
(Loss)/ gain on re-measurement of defined benefit plans - net	35.1	(11,710)	15,207
Tax impact		3,396	(4,410)
		2,380,184	10,797
Items that may be reclassified to statement of profit or loss			
Changes in fair value of cash flow hedge		(88,797)	41,507
Tax impact		25,751	(12,037)
		(63,046)	29,470
Total comprehensive income for the year		2,737,188	491,371

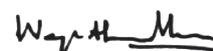
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Syed Ali Adnan
Chief Financial Officer



Matin Amjad
Chief Executive Officer



Waqar Ahmed Malik
Chairman

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

Rupees in '000	Note	2022	2021
Assets			
Non - current assets			
Property, plant and equipment	14	12,084,935	5,935,707
Intangible assets	15	22,145	27,359
Investment in subsidiary		10	10
Long-term loans	16	5,622	5,395
Long-term deposits		75,438	50,839
		12,188,150	6,019,310
Current assets			
Stores and spares	17	359,947	286,112
Stock-in-trade	18	1,316,935	1,041,152
Trade debts	19	827,267	653,763
Loans and advances	20	126,717	90,896
Deposits and prepayments	21	419,248	399,993
Other receivables	22	1,260,994	589,234
Taxation - net		384,726	296,734
Cash and bank balances	23	546,935	429,755
		5,242,769	3,787,639
Total assets		17,430,919	9,806,949
Equity and liabilities			
Share capital and reserves			
Share capital	24	585,906	468,725
Revenue reserves			
General reserves		2,579,669	2,234,950
Unappropriated profit		411,737	461,901
Capital reserves			
Cash flow hedge		-	29,470
Surplus on revaluation of property, plant and equipment		4,186,648	1,798,150
		7,763,960	4,993,196
Non-current liabilities			
Long-term deposits	25	250,909	224,693
Long-term financing	26	3,997,586	1,125,955
Lease liabilities	27	17,968	20,588
Deferred capital grant	28	313,768	216,547
Deferred liabilities	29	159,979	235,765
		4,740,210	1,823,548
Current liabilities			
Trade and other payables	30	2,061,731	1,417,497
Short term borrowings	31	2,477,513	1,394,044
Un-claimed dividend		18,495	19,428
Current maturity of long term financing	26	285,241	110,833
Current portion of lease liabilities	27	2,623	2,623
Current portion of deferred capital grant	28	81,146	45,780
		4,926,749	2,990,205
Total equity and liabilities		17,430,919	9,806,949
Contingencies and Commitments	32		

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



Syed Ali Adnan
Chief Financial Officer



Matin Amjad
Chief Executive Officer



Waqar Ahmed Malik
Chairman

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

Rupees in '000	Note	2022	2021
Cash flow from operating activities			
Cash generated from operations	33	304,738	645,162
Finance cost paid		(108,178)	(108,846)
Income tax paid		(205,408)	(122,916)
Post-retirement medical benefits paid		(545)	(272)
Long-term deposits receivable		(24,827)	923
Long-term deposits payable		26,216	16,063
Net cash (used in) / generated from operating activities		(8,004)	430,114
Cash flow from investing activities			
Addition to property, plant and equipment		(4,147,928)	(1,799,228)
Addition to intangible assets		-	(3,431)
Proceeds from disposal of property, plant and equipment		15,462	3,200
Interest received on balances with banks		1,294	1,428
Net cash (used in) investing activities		(4,131,172)	(1,798,031)
Cash flow from financing activities			
Long-term financing		3,292,254	1,376,787
Repayment of long-term financing		(113,630)	(104,926)
Repayment of lease liabilities	27	(4,804)	(4,491)
Dividend paid		(933)	(517)
Net cash generated from financing activities		3,172,887	1,266,853
Net (decrease) in cash and cash equivalents		(966,289)	(101,064)
Cash and cash equivalents at beginning of the year		(964,289)	(863,225)
Cash and cash equivalents at end of the year	34	(1,930,578)	(964,289)

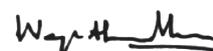
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Syed Ali Adnan
Chief Financial Officer



Matin Amjad
Chief Executive Officer



Waqar Ahmed Malik
Chairman

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2022

Rupees in '000	Issued, subscribed and paid-up capital	Revenue reserves			Capital reserves			Total
		General reserves	Unappropriated profit	Sub total	Cash flow hedge	Surplus on revaluation of property, plant and equipment	Sub total	
Balance as at January 01, 2021	390,604	1,954,985	358,086	2,313,071	-	1,798,150	1,798,150	4,501,825
Total comprehensive income for the year								
Profit for the year	-	-	451,104	451,104	-	-	-	451,104
Other comprehensive income for the year	-	-	10,797	10,797	29,470	-	29,470	40,267
	-	-	461,901	461,901	29,470	-	29,470	491,371
Transactions with owners of the Company, recognized directly in equity - distributions								
Issuance of bonus shares in proportion of 20 shares for every 100 shares	78,121	-	(78,121)	(78,121)	-	-	-	-
Transfer to general reserves	-	279,965	(279,965)	-	-	-	-	-
	78,121	279,965	(358,086)	(78,121)	-	-	-	-
Balance as at December 31, 2021	468,725	2,234,950	461,901	2,696,851	29,470	1,798,150	1,827,620	4,993,196
Total comprehensive income for the year								
Profit for the year	-	-	420,050	420,050	-	-	-	420,050
Other comprehensive income for the year	-	-	(8,314)	(8,314)	(63,046)	2,388,498	2,325,452	2,317,138
	-	-	411,736	411,736	(63,046)	2,388,498	2,325,452	2,737,188
Transactions with owners of the Company, recognized directly in equity - distributions								
Issuance of bonus shares in proportion of 25 shares for every 100 shares	117,181	-	(117,181)	(117,181)	-	-	-	-
Transfer to property, plant and equipment	-	-	-	-	33,576	-	33,576	33,576
Transfer to general reserves	-	344,719	(344,719)	-	-	-	-	-
	117,181	344,719	(461,900)	(117,181)	33,576	-	33,576	33,576
Balance as at December 31, 2022	585,906	2,579,669	411,737	2,991,406	-	4,186,648	4,186,648	7,763,960

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, 2022

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 since its incorporation. Accordingly, the Securities & Exchange Commission of Pakistan ("SECP") has granted status of inactive Company to BOCPL. SECP has also granted exemption from application of sub-section (1) of section 228 of the Companies Act, 2017 requiring consolidation of subsidiary in the preparation of financial statements for the current year.

2. Basis of preparation

2.1 Statement of compliance

These financial statements represent standalone financial statements of the Company.

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

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

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

2.2 Basis of measurement

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

The preparation of these financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, assumptions and use judgements that affect the application of

policy and reported amount of assets and liabilities and income and expenses, estimates, assumptions and judgement are continually evaluated and 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 Pakistan 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 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2022

The following standards, amendments and interpretations are effective for the year ended December 31, 2022. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the financial statements.

- Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework
- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract

Certain annual improvements have also been made to a number of IFRSs.

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective after the year ended December 31, 2022. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements.

- Amendments to IFRS 16 'Leases' - Lease liability in a sale and leaseback
- Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants'
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as

current or non-current

- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates
- Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction

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

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 summarized 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.

- 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.
- Rental income is recognized over the period of relevant agreement based on agreed rate and other service income is recognized in the statement of profit or loss on rendering of relevant services.
- Return on bank deposits is recognized on time proportion using the effective rate of return.
- 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 the 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 realization 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 unutilized 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 the statement of profit or loss on a straight-line basis over the estimated useful life of an item of property, plant and equipment. Freehold land and leasehold are not depreciated. Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Gains and losses on disposal

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

Capital work in progress

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

Right of use asset

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

The right-of-use asset is subsequently depreciated using straight line method from the commencement date to the earlier of the end of useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property, plant and equipment. In

addition, the right-of-use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

4.6 Intangible assets

An intangible asset is recognised if it is probable that future economic benefits attributable to the asset will flow to the Company 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 82 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 18.

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 members 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 statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

4.17 Deferred capital grant

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

4.18 Trade and other payables

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

4.19 Provisions

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

4.20 Surplus on revaluation of property, plant and equipment

Any revaluation increase arising on the revaluation of property, plant and equipment is recognised in other comprehensive income and presented as a separate component of equity as "Surplus on revaluation of property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in statement of profit or loss, in which case the

increase is credited to statement of profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of property, plant and equipment is charged to statement of profit or loss to the extent that it exceeds the balance, if any, held in the surplus on revaluation of property, plant and equipment relating to a previous revaluation of that asset. The revaluation surplus on property, plant and equipment is a capital reserve, and is not available for distribution to the shareholders.

4.21 Foreign currency transactions and translations

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

4.22 Financial instruments

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.

Financial liabilities

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

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.

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 Earnings per share

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

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.27 Related party transactions

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

4.28 Derivative financial instruments

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

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

5. Segment information

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

Industrial, medical and other gases

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

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	2022			2021		
	Industrial, medical and other gases	Welding and others	Total	Industrial, medical and other gases	Welding and others	Total
Gross sales	6,539,944	1,896,606	8,436,550	6,359,503	1,398,773	7,758,276
Less						
Trade discount	362	-	362	8,651	-	8,651
Sales tax	867,537	272,286	1,139,823	545,725	198,446	744,171
	867,899	272,286	1,140,185	554,376	198,446	752,822
Net sales	5,672,045	1,624,320	7,296,365	5,805,127	1,200,327	7,005,454
Less						
Cost of sales	4,549,902	1,422,013	5,971,915	4,624,802	1,020,203	5,645,005
Distribution and marketing expenses	278,781	50,260	329,041	262,242	40,019	302,261
Administrative expenses	250,663	45,191	295,854	230,138	35,120	265,258
	5,079,346	1,517,464	6,596,810	5,117,182	1,095,342	6,212,524
Segment result	592,700	106,855	699,555	687,945	104,985	792,930
Unallocated corporate expenses:						
Other operating expenses			(59,811)			(76,167)
Other income			44,708			36,059
			(15,103)			(40,108)
Operating profit			684,452			752,822
Finance cost			(209,043)			(119,317)
Taxation			(55,359)			(182,401)
Profit for the year			420,050			451,104

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, 2022 are as follows:

Rupees in '000	2022			2021		
	Industrial, medical and other gases	Welding and others	Total	Industrial, medical and other gases	Welding and others	Total
Segment assets	13,382,148	1,206,936	14,589,084	7,370,546	546,186	7,916,732
Unallocated assets			2,841,835			1,890,217
Total assets			17,430,919			9,806,949
Segment liabilities	546,937	223,282	770,219	146,320	2,807	149,127
Unallocated liabilities			8,896,740			4,664,626
Total liabilities			9,666,959			4,813,753

5.5 All non-current assets of the Company as at December 31, 2022 were located within Pakistan. Depreciation expense mainly relates to industrial, medical and other gases segment.

6. Cost of sales

Rupees in '000	Note	2022	2021
Fuel and power		1,976,138	1,689,729
Raw materials consumed		1,754,480	1,192,227
Depreciation	14.6	348,255	341,825
Salaries, allowances and other benefits	6.1	310,143	292,094
Transportation expenses		578,118	500,286
Repairs and maintenance		97,569	96,254
Consumable spares		106,132	106,352
Insurance		42,901	46,078
Travelling and conveyance		39,346	33,805
Safety and security expenses		44,794	37,897
Communications and stationery		8,967	8,768
Rent, rates and taxes		6,293	5,291
Staff training, development and other expenses		721	2,021
Miscellaneous expenses		1,537	1,355
Cost of goods manufactured		5,315,394	4,353,982
Opening stock of finished goods		716,639	377,803
Purchase of finished goods		879,428	1,621,845
(Reversal) / write down of inventory to net realisable value		(2,790)	8,014
Closing stock of finished goods		(936,756)	(716,639)
		5,971,915	5,645,005

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

Rupees in '000	2022	2021
Defined benefit schemes	1,550	1,424
Defined contribution plans	8,969	5,934
	10,519	7,358

7. Distribution and marketing expenses

Rupees in '000	Note	2022	2021
Salaries, allowances and other benefits	7.1	236,785	220,942
Travelling and conveyance		39,905	25,666
Depreciation	14.6	14,062	12,887
Communications and stationery		7,527	5,999
Repairs and maintenance		9,642	7,401
Safety and security expenses		2,098	1,874
Electricity expense		1,545	3,018
Rent, rates and taxes		517	272
Sales promotion and symposium		12,149	7,718
Staff training, development and other expenses		1,005	13,191
Miscellaneous expenses		3,806	3,293
		329,041	302,261

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

Rupees in '000	2022	2021
Defined benefit schemes	2,144	4,094
Defined contribution plans	17,516	18,437
	19,660	22,531

8. Administrative expenses

Rupees in '000	Note	2022	2021
Salaries, allowances and other benefits	8.1	153,884	145,711
Travelling and conveyance		26,639	16,883
Communications and stationery		14,990	13,176
Depreciation	14.6	23,079	18,840
Repairs and maintenance		28,447	22,376
Electricity expense		15,594	14,509
Directors' fee and remuneration		16,150	18,940
Amortization	15.1	5,214	5,890
Safety and security expenses		2,318	1,302
Staff training, development and other expenses		2,501	2,483
Insurance		771	828
Rent, rates and taxes		2,296	1,580
Miscellaneous expenses		3,971	2,740
		295,854	265,258

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

Rupees in '000	2022	2021
Defined benefit schemes	437	487
Defined contribution plans	12,726	10,996
	13,163	11,483

9. Other operating expenses

Rupees in '000	Note	2022	2021
Workers' Profit Participation Fund		25,439	34,190
Workers' Welfare Fund		6,889	16,109
Legal and professional charges		19,511	23,524
Auditors' remuneration	9.1	2,523	2,342
Donations		5,449	2
		59,811	76,167

9.1 Auditors' remuneration

Rupees in '000	2022	2021
Audit fee	1,281	1,164
Audit of retirement funds, workers' profit participation fund and fee for special certifications	443	443
Fee for review of half yearly financial information	313	285
Out-of-pocket expenses	486	450
	2,523	2,342

10. Other income

Rupees in '000	2022	2021
Income from financial assets:		
Mark-up income on saving and deposit accounts	1,294	1,428
Income from non financial assets:		
Gain on disposal of property, plant and equipment	13,657	2,825
Insurance claim	8	15,686
Others	29,749	16,120
	44,708	36,059

11. Finance cost

Rupees in '000	Note	2022	2021
Mark-up / profit on long term financing	11.1	1,035	3,249
Mark-up / profit on short term running finances	11.2	199,326	109,045
Finance cost on lease liability		2,184	2,414
Bank charges		6,498	4,609
		209,043	119,317

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

11.2 This includes profit of Rs. 107.528 million (2021: Rs. 86.916 million) on facilities obtained under Islamic mode of financing.

12. Taxation

Rupees in '000	Note	2022	2021
Current			
For the year	12.1	92,847	221,255
For prior years	12.2	24,569	-
Deferred		(62,057)	(38,854)
		55,359	182,401

12.1 Due to applicability of minimum tax for the year, the reconciliation between tax expense and tax on accounting profit, using applicable rate is not presented.

12.2 This represents provision on account of super tax levied through Finance Act 2022 for financial year 2021 (tax year 2022).

12.3 The returns of total income for and upto the tax year 2022 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.

	2022	2021
Profit for the year - Rupees in '000	420,050	451,104
		(Restated)
Weighted average number of ordinary shares at the year end in '000	58,591	58,591
		(Restated)
Earnings per share – basic and diluted in Rupees	7.17	7.70

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

14. Property, plant and equipment

Rupees in '000	Note	2022	2021
Operating fixed assets	14.1	6,612,385	4,219,369
Capital work in progress	14.8	5,458,169	1,698,716
Right-of-use assets - buildings	14.9	14,381	17,622
		12,084,935	5,935,707

14.1 Operating fixed assets

The following is the statement of operating fixed assets:

Rupees in '000	Buildings on					*Plant and machinery	Vehicles	Furniture, fittings and office equipments	Computer equipments	Total
	Freehold land	Leasehold land	freehold land	leasehold land	customers' land					
Net carrying value basis year ended December 31, 2022										
Opening net book value	1,637,301	375,000	166,303	25,907	3,740	1,928,227	55,343	9,630	17,918	4,219,369
Additions (at cost)	-	-	26,337	-	-	268,075	80,604	2,021	11,439	388,476
Revaluation surplus	2,313,498	75,000	-	-	-	-	-	-	-	2,388,498
Disposals (NBV)	-	-	-	-	-	(58)	(1,640)	-	(106)	(1,804)
Depreciation charge	-	-	(15,186)	(4,878)	-	(320,481)	(25,811)	(1,669)	(14,130)	(382,155)
Closing net book value	3,950,799	450,000	177,454	21,029	3,740	1,875,763	108,496	9,982	15,121	6,612,385
Gross carrying value basis year ended December 31, 2022										
Cost / revalued amount	3,950,799	460,526	325,160	104,029	21,841	6,480,759	252,102	80,773	100,887	11,776,877
Accumulated depreciation	-	(10,526)	(147,705)	(83,000)	(18,101)	(4,604,996)	(143,606)	(70,791)	(85,766)	(5,164,492)
Closing net book value	3,950,799	450,000	177,455	21,029	3,740	1,875,763	108,496	9,982	15,121	6,612,385
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	-
Net carrying value basis year ended December 31, 2021										
Opening net book value	1,637,301	375,000	169,563	30,738	3,740	2,127,467	57,403	8,269	13,941	4,423,422
Additions (at cost)	-	-	10,985	-	-	117,403	18,757	3,679	15,808	166,632
Disposals (NBV)	-	-	-	-	-	(21)	(288)	-	(65)	(374)
Depreciation charge	-	-	(14,245)	(4,831)	-	(316,622)	(20,529)	(2,318)	(11,766)	(370,311)
Closing net book value	1,637,301	375,000	166,303	25,907	3,740	1,928,227	55,343	9,630	17,918	4,219,369
Gross carrying value basis year ended December 31, 2021										
Cost / revalued amount	1,637,301	385,526	298,822	104,029	21,841	6,212,685	171,498	78,752	89,449	8,999,903
Accumulated depreciation	-	(10,526)	(132,519)	(78,122)	(18,101)	(4,284,458)	(116,155)	(69,122)	(71,531)	(4,780,534)
Closing net book value	1,637,301	375,000	166,303	25,907	3,740	1,928,227	55,343	9,630	17,918	4,219,369
Depreciation rate (% per annum)	-	-	2.5 to 5	2.5 to 5	2.5 to 5	5 to 10	20	10 to 20	25 to 33.33	-

* This includes capital spares having cost of Rs. 106.38 million (2021: Rs. 106.38 million) and net book value of Rs. 19.496 million (2021: Rs. 26.218 million).

14.2 Fair value measurement

Fair value of lands is based on the valuation carried out by an independent valuer M/s Joseph Lobo (Private) Limited on the basis of market value.

Fair value of lands is based on the 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.

14.3 The forced sales value of freehold land and leasehold land is Rs. 2,963.1 million and Rs. 337.5 million, respectively.

14.4 Had there been no revaluation, the net book value of freehold land and leasehold land would have amounted to Rs. 214.151 million and Rs. Nil, respectively.

14.5 As at December 31, 2022, plant and machinery include cylinders held by customers and Vacuum Insulated Evaporators (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	
	2022	2021	2022	2021
Cylinders	269,373	271,030	131,555	144,429
Vacuum Insulated Evaporators	754,911	754,892	210,670	247,689
	1,024,284	1,025,922	342,225	392,118

14.6 Depreciation has been allocated as follows:

Rupees in '000	Note	2022	2021
Cost of sales	6	348,255	341,825
Distribution and marketing expenses	7	14,062	12,887
Administrative expenses	8	23,079	18,840
		385,396	373,552

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
Land (open plot)	Plot No.11-A, Special Economic Zone, Rashakai.	43,560
Manufacturing plant	P.O. Box 205 Shalamar Link Road, Mughalpura, Lahore.	36,270
Manufacturing plant	Wah Cantonment, Kabul Road, Rawalpindi.	25,168
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
Beach hut	Plot No. 101-N, Sandspit, Karachi.	250

14.8 Capital work in progress

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

Rupees in '000	Land and building	Plant and machinery	Advances to suppliers against vehicles	Furniture, fittings, office and computer equipments	Total
As at January 01, 2021	6,366	57,655	-	2,099	66,120
Additions during the year	15,096	1,736,240	27,680	23,643	1,802,659
Transfers to operating fixed assets	(10,985)	(120,628)	(15,342)	(19,677)	(166,632)
Transfers to intangible assets	-	-	-	(3,431)	(3,431)
As at January 01, 2022	10,477	1,673,267	12,338	2,634	1,698,716
Additions during the year (note 14.8.1)	47,288	4,007,194	79,745	13,701	4,147,928
Transfers to operating fixed assets	(26,337)	(268,075)	(80,604)	(13,459)	(388,476)
Reclassifications	38,839	(39,142)	30	273	-
As at December 31, 2022	70,267	5,373,244	11,509	3,149	5,458,169

14.8.1 Additions to plant and machinery include borrowing cost capitalised during the year amounting to Rs. 397.602 million (2021: Rs. 41.423 million). The rate of mark up used to determine the amount of borrowing cost is in the range of 4% to 3 months Kibor +1.4% (2021: 4%) per annum.

14.9 Right-of-use assets - Buildings

Rupees in '000		2022	2021
Net Carrying value basis			
As at January 01		17,622	20,863
Depreciation during the year		(3,241)	(3,241)
Net book value as at December 31		14,381	17,622
Gross Carrying value basis			
Cost		30,004	30,004
Accumulated depreciation		(15,623)	(12,382)
		14,381	17,622
Depreciation rate % per annum		12.5 to 20	12.5 to 20

15. Intangible assets

Rupees in '000	Note	2022	2021
Computer software	15.1	22,145	27,359

15.1 Net carrying value basis

Rupees in '000		2022	2021
Opening net book value at January 01		27,359	29,818
Additions during the year		-	3,431
		27,359	33,249
Amortisation for the year		(5,214)	(5,890)
Closing net book value at December 31		22,145	27,359
Gross carrying value basis			
Cost		72,518	72,518
Accumulated amortisation		(50,373)	(45,159)
Net book value		22,145	27,359

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

16. Long term loans

Rupees in '000	Note	2022	2021
Loans - considered good			
Employees	16.1	8,693	8,027
Current portion shown under current assets			
Employees		(3,071)	(2,632)
		5,622	5,395

16.1 These are interest free loans recoverable in monthly installments.

17. Stores and spares

Rupees in '000	Note	2022	2021
Spares		477,719	409,484
Provision against slow moving stores and spares	17.1	(117,772)	(123,372)
		359,947	286,112

17.1 The Company has reversed a provision against slow moving stores and spares amounting to Rs. 3.247 million during the year (2021: of Rs. 4.398 million). The Company has also written off slow moving stores and spares amounting to Rs. 2.353 million during the year (2021: Nil) by utilizing the provision.

18. Stock-in-trade

Rupees in '000	Note	2022	2021
Raw and packing materials - in hand		380,180	324,513
Finished goods - in hand		936,755	716,639
	18.1	1,316,935	1,041,152

18.1 The cost of raw and packing materials and finished goods has been adjusted net of provision for slow moving and obsolete stock by Rs. 33.998 million (2021: Rs. 28.980 million). During the year, a provision amounting to Rs. 16.029 million (2021: Rs. 12.730 million) in respect of slow moving and obsolete stock has been recorded. The Company has also written off slow moving and obsolete stock amounting to Rs. 11.011 million (2021: 6.790 million) by utilizing the provision.

19. Trade debts

Rupees in '000	Note	2022	2021
Unsecured			
Considered good		827,267	653,763
Considered doubtful		63,964	74,011
	19.1	891,231	727,774
Allowance for expected credit losses	19.3	(63,964)	(74,011)
		827,267	653,763

19.1 These include balances due from related parties as follows:

Rupees in '000	2022	2021
Engro Polymer and Chemicals Limited	1,337	4,786
Soorty Enterprises (Private) Limited	141	176
Fauji Foundation Hospital	3,360	2,302
Fauji Fertilizer Company Limited	874	-
Fauji Akber Portia Marine Terminals	19	-
Fauji Fertilizer Bin Qasim Limited	286	253
Mari Petroleum Company	332	261
Loads Limited	-	164
GSK Consumer Healthcare Pakistan Limited	40	40
Rafhan Maize Products Company Limited	26	-
Terminal One Limited	628	-
FFC Energy Limited	-	1
	7,043	7,983
Past due considered doubtful as per Company's credit policy	(1,678)	(1,678)
	5,365	6,305

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

Rupees in '000	2022	2021
Not past due	4,205	5,035
Past due from 1- 90 days	1,629	2,231
Past due from 90 days onward	1,209	717
	7,043	7,983
Past due considered doubtful as per Company's credit policy	(1,678)	(1,678)
	5,365	6,305

19.2 The maximum amount due from related parties at the end of any month during the year was Rs. 13.717 million (2021: Rs. 17.689 million).

19.3 Allowance for expected credit losses

Rupees in '000	2022	2021
Balance at beginning of the year	74,011	84,899
Reversal of expected credit losses	(10,047)	(10,888)
Balance at end of the year	63,964	74,011

20. Loans and advances

Rupees in '000	Note	2022	2021
Loans - considered good			
Current maturity of long term loan to employees	16	3,071	2,632
Advances considered good			
Employees		2,445	1,009
Suppliers		121,201	87,255
		126,717	90,896

21. Deposits and prepayments

Rupees in '000	2022	2021
Security deposits	127,232	158,798
Other deposits	287,158	239,717
Prepayments	4,858	1,478
	419,248	399,993

22. Other receivables

Rupees in '000	Note	2022	2021
Considered good			
Receivable from defined benefit funds	35.1	39,932	45,427
Receivable from defined contribution funds		8,971	2,570
Sales tax recoverable		1,144,872	499,680
Insurance claim		32	50
Margin against letters of credit and bank guarantees		67,187	-
Derivative financial asset		-	41,507
		1,260,994	589,234

23. Cash and bank balances

Rupees in '000	Note	2022	2021
Cash in hand		2,470	1,027
Cash at bank - current and savings accounts	23.1	544,465	428,728
		546,935	429,755

23.1 This includes an amount of Rs. 188.956 million held in savings accounts (2021: Rs. 125.769 million). The mark-up on saving account is 14.50% per annum (2021: 7.25% per annum). None of the balances were kept in shariah compliant bank accounts.

24. Share capital

24.1 Authorised share capital

	(Number of shares)		(Rupees in '000)	
	2022	2021	2022	2021
Ordinary shares of Rs. 10 each	70,000,000	70,000,000	700,000	700,000

24.2 Issued, subscribed and paid-up capital

	(Number of shares)		(Rupees in '000)	
	2022	2021	2022	2021
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	57,465,604	45,747,483	574,656	457,475
	58,590,604	46,872,483	585,906	468,725

24.3 During the year, the Company issued bonus shares in proportion of 25 shares for every 100 shares held i.e. 25% amounting to Rs. 117.181 million.

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

25. Long term deposits

Rupees in '000	2022	2021
Deposits		
Against cylinders	235,959	214,138
Others	14,950	10,555
	250,909	224,693

26. Long-term financing

Rupees in '000	Note	2022	2021
Secured from banking companies			
Temporary economic refinance facility	26.1	2,062,042	1,125,955
Term finance facility	26.2	2,220,785	-
Refinance facility		-	110,833
		4,282,827	1,236,788
Less: current portion shown under current liabilities		(285,241)	(110,833)
		3,997,586	1,125,955

26.1 This represents long term financing agreements entered into by the Company with certain banks to avail long term financing facility including Islamic / Temporary Economic Refinance Facility (I/TERF) for an amount of Rs. 3,600 million and Rs. 200 million for import and construction of ASU 270 TPD plant and 11 TPS Electrode plant, respectively. The loans are repayable in thirty two quarterly installments over a period of eight years beginning from May 2023. The facility is fixed at the rate of 4% (SBP rate 1% + bank spread 3%) and secured against charge over certain fixed assets of the Company.

26.2 This represents financing agreements entered into by the Company with certain banks for an amount of Rs. 2,300 million, Rs. 1,300 million and Rs. 100 million for construction of ASU 105 TPD plant, ASU 270 TPD plant and 11 TPS Electrode plant, respectively. The loans are repayable in thirty two quarterly installments over a period of eight years beginning from May 2023. The facility has a variable rate of 3 months KIBOR + 1.1% - 1.4% and secured against charge over certain fixed assets of the Company.

27. Lease liabilities

Rupees in '000	Note	2022	2021
Lease liabilities recognised as on January 01		23,211	25,288
Interest accrued		2,184	2,414
Less: repayment of lease liabilities		(4,804)	(4,491)
	27.1	20,591	23,211

27.1 Break up of lease liabilities

Rupees in '000	2022	2021
Lease liabilities	20,591	23,211
Less: current portion	(2,623)	(2,623)
	17,968	20,588
Maturity analysis - contractual undiscounted cash flow		
Less than one year	5,148	5,110
One to five year	21,053	23,937
More than five year	-	2,264
Total undiscounted lease liability	26,201	31,311

27.2 When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate which was 10% (2021: 10%).

28. Deferred capital grant

Rupees in '000	Note	2022	2021
Capital grant	28.1	394,914	262,327
Current portion shown under current liability		(81,146)	(45,780)
		313,768	216,547

28.1 The Company received term finance facility amounting to Rs. 2,457 million from certain banks under "Islamic / Temporary Economic Refinance Facility (I/TERF)" introduced by the State Bank of Pakistan. The loans are repayable in thirty two quarterly installments over a period of eight years beginning May 2023. The facility is secured against charge over certain fixed assets of the Company. Deferred capital grant has been recorded accordingly in respect of this facility under IAS-20, Government Grants.

29. Deferred liabilities

Rupees in '000	Note	2022	2021
Deferred taxation	29.1	149,331	226,821
Staff retirement benefit funds	35.1	10,648	8,944
		159,979	235,765

29.1 Deferred taxation

Rupees in '000	2022	2021
Taxable temporary differences:		
Accelerated tax depreciation	255,599	279,302
Remeasurement: actuarial gain on defined benefit plans - net	-	4,410
Cash flow hedge	-	12,037
Deductible temporary differences:		
Minimum tax	(43,579)	-
Slow moving stores and spares and stock-in-trade	(44,013)	(45,509)
Employees' benefit plans	(3,396)	(1,678)
Allowance for expected credit losses and other provisions	(15,280)	(21,741)
	149,331	226,821

30. Trade and other payables

Rupees in '000	2022	2021
Creditors	770,219	312,471
Accrued liabilities	904,063	750,989
Advances from customers	46,259	208,624
Payable to staff retirement benefit funds	3,257	2,740
Workers' Profits Participation Fund	2,075	3,610
Workers' Welfare Fund	37,977	44,679
Mark-up payable	218,040	36,734
Other payables	79,841	57,650
	2,061,731	1,417,497

31. Short term borrowings

Conventional facilities

The Company has arrangement for running finance facilities under mark-up arrangement with various banks amounting to Rs. 1,150 million (2021: Rs. 850 million). The unutilized running finance facilities as at year end is Rs. 503 million (2021: Rs. 330 million).

The rate of mark-up on running finance facility is in the range of 1 - 3 months KIBOR + 0.05%-0.50% (2021: 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, 2022 amounting to Rs. 1,075 million (2021: Rs. 875 million). The unutilized balance as at year ended is Rs. 817 million (2021: Rs. Nil).

Islamic facilities

The Company has arrangements for running musharakah facilities from certain banks. The overall facilities under running musharakah amount to Rs. 2,900 million (2021: Rs. 1,425 million). The unutilized running musharkah facilities as at year end amount to Rs. 390 million (2021: Rs. 216 million).

The rate of profit on the running musharakah facilities ranges from 1 month KIBOR + 0.05% to 1 month KIBOR + 0.25% (2021: 1 month KIBOR + 0.15% to 1 months KIBOR + 0.35%) 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, 2022 amounting to Rs. 1,425 million (2021: Rs. 375 million). The unutilized balance as at year end is Rs. 1,146 million (2021: Rs. 349 million).

32. Contingencies and commitments

32.1 Contingencies

The Company has disputed the unilateral increase in rentals of one of its leased premises being exorbitant, unreasonable and unjustified. Therefore, a civil suit has been filed against the lessor. The Court has directed parties to maintain status quo. The amount not acknowledged as debt in this regard as at December 31, 2022 amounted to Rs. 61.09 million (2021: Rs. 56.063 million).

32.2 Commitments

32.2.1 Capital commitments outstanding as at December 31, 2022 amounted to Rs. 333.890 million (2021: Rs. 381.724 million).

32.2.2 Commitments under letters of credit for inventory items as at December 31, 2022 amounted to Rs. 175 million (2021: Rs. 505 million).

32.2.3 Banks have provided guarantees to various parties on behalf of the Company in normal course of business. Guarantees outstanding as at December 31, 2022 amounted to Rs. 361 million (2021: Rs. 134.209 million).

32.2.4 Commitments under letters of credit for fixed assets as at December 31, 2022 amounted to Rs. 1,511 million (2021: Rs. 2,263.392).

33. Cash generated from operations

Rupees in '000	Note	2022	2021
Profit before taxation		475,409	633,505
Adjustments for non-cash charges and other items:			
Depreciation	14.6	385,396	373,552
Gain on disposal of property, plant and equipment	10	(13,657)	(2,825)
Mark-up income on saving and deposit accounts	10	(1,294)	(1,428)
Finance cost	11	209,043	119,317
Amortisation	15.1	5,214	5,890
Post retirement medical benefits		2,253	945
Working capital changes	33.1	(757,626)	(483,794)
		304,738	645,162

33.1 Working capital changes

Rupees in '000	2022	2021
Increase in current assets:		
Stores and spares	(73,835)	(48,197)
Stock-in-trade	(275,783)	(388,140)
Trade debts	(173,504)	(58,159)
Loans and advances	(35,821)	(42,190)
Deposits and prepayments	(19,255)	(157,651)
Other receivables	(724,977)	(135,018)
	(1,303,175)	(829,355)
Increase in current liabilities:		
Trade and other payables	545,549	345,561
	(757,626)	(483,794)

34. Cash and cash equivalents

Rupees in '000	Note	2022	2021
Cash and bank balances	23	546,935	429,755
Short-term borrowings - running finance under mark-up arrangement		(2,477,513)	(1,394,044)
		(1,930,578)	(964,289)

35. Staff retirement benefits

35.1 Defined benefit schemes

The actuarial valuation of pension, gratuity and medical benefit schemes was carried out at December 31, 2022. The projected unit credit method using the following significant assumptions, has been used for the actuarial valuation:

Percent % per annum	Pension Fund	Gratuity Fund	Medical Scheme
Financial assumptions			
Rate of discount	14.50%	14.50%	14.50%
Expected rate of pension increase	9.50%	-	-
Expected rate of salary increase			
for first three years following valuation	-	14.50%	-
long term (fourth year following valuation)	-	14.50%	-
Medical cost escalation rate	-	-	12.50%
Demographic assumptions			
Mortality rate	SLIC (2001-05)-1	SLIC (2001-05)-1	SLIC (2001-05)-1
Rates of employee turnover	Moderate	Moderate	Moderate

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

Rupees in '000	2022			
	Pension Fund	Gratuity Fund	Medical Scheme	Total
Present value of defined benefit obligation	58,076	192,802	10,648	261,526
Fair value of plan assets	(99,144)	(191,665)	-	(290,809)
(Asset) / liability in statement of financial position	(41,068)	1,137	10,648	(29,283)
Movements in the present value of defined benefit obligation				
Present value of defined benefit obligation - beginning of the year	51,736	162,777	8,944	223,457
Current service cost	-	8,177	-	8,177
Interest cost	5,797	19,318	1,004	26,119
Re-measurements : Actuarial (gains) / losses on obligation	7,480	4,963	1,249	13,692
Benefits paid	(6,937)	(2,433)	(549)	(9,919)
Present value of defined benefit obligation - end of the year	58,076	192,802	10,648	261,526
Movements in the fair value of plan assets				
Fair value of plan assets - beginning of the year	(93,786)	(166,154)	-	(259,940)
Interest income on plan assets	(10,471)	(19,694)	-	(30,165)
Re-measurements: Return on plan assets over interest (income) / loss	(1,824)	(157)	-	(1,981)
Benefits paid	6,937	2,433	-	9,370
Contribution to fund	-	(8,093)	-	(8,093)
Fair value of plan assets - end of the year	(99,144)	(191,665)	-	(290,809)
Movement in the net defined benefit liability / (asset)				
Opening balance	(42,050)	(3,377)	8,944	(36,483)
Net periodic benefit (income) / cost for the year	(4,674)	7,802	1,004	4,132
Contribution paid during the year	-	(8,093)	-	(8,093)
Benefits paid during the year	-	-	(549)	(549)
Re-measurements recognised in other comprehensive (income) / loss during the year	5,656	4,805	1,249	11,710
Closing balance	(41,068)	1,137	10,648	(29,283)

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	2022			
	Pension Fund	Gratuity Fund	Medical Scheme	Total
Component of defined benefit costs recognised in statement of profit or loss				
Current service cost	-	8,177	-	8,177
Net interest cost	-	-	-	-
Interest cost on defined benefit obligation	5,797	19,318	1,004	26,119
Interest income on plan assets	(10,471)	(19,694)	-	(30,165)
	(4,674)	7,801	1,004	4,131
Component of defined benefit costs (re-measurement) recognised in other comprehensive income				
Re-measurements: Actuarial (gain) / loss on obligation				
(Gain) / loss due to change in financial assumptions	485	1,168	(111)	1,542
(Gain) / loss due to change in experience adjustments	6,995	3,794	1,360	12,149
	7,480	4,962	1,249	13,691

Rupees in '000	2022			
	Pension Fund	Gratuity Fund	Medical Scheme	Total
Re-measurements: Net return on plan assets over interest income				
Actual return on plan assets	10,471	19,693	-	30,164
Interest income on plan assets	(12,295)	(19,850)	-	(32,145)
	(1,824)	(157)	-	(1,981)
Net re-measurement recognised in other comprehensive income	5,656	4,805	1,249	11,710
Total defined benefit cost recognised in statement of profit or loss and other comprehensive income				
	982	12,606	2,253	15,841
Actual return on plan assets	(10,471)	(19,693)	-	(30,164)
Expected contributions to funds in the following year	(5,565)	8,711	1,473	4,619
Expected benefit payments to retirees in the following year	5,542	15,720	1,001	22,263
Re-measurements: Accumulated actuarial (gains)/ losses recognised in equity	5,565	4,805	1,249	11,619
Weighted average duration of the defined benefit obligation (years)	6.54	6.36	6.46	
Analysis of present value of defined benefit obligation				
Type of Members:				
Pensioners	58,076	-	-	58,076
Beneficiaries	-	-	10,648	10,648
Officers	-	153,863	-	153,863
Supervisors	-	38,939	-	38,939
	58,076	192,802	10,648	261,526
Vested / Non-Vested				
Vested benefits	58,076	178,343	10,648	247,067
Non - vested benefits	-	14,459	-	14,459
	58,076	192,802	10,648	261,526
Type of benefits				
Accumulated obligations	58,076	87,303	10,648	156,027
Amounts attributed to future salary increase	-	105,499	-	105,499
	58,076	192,802	10,648	261,526
Disaggregation of fair value of plan assets				
The fair value of the plan assets at statement of financial position date for each category are as follows:				
Cash and cash equivalents (comprising bank balances as adjusted for current liabilities)	11,549	5,929	-	17,478
Debt instruments(Quoted / not quoted)				
AAA	86,463	177,335	-	263,798
AA	-	8,001	-	8,001
	86,463	185,336	-	271,799
Equity instruments(Quoted) - Oil and gas sector	508	400	-	908
Mutual Fund(Quoted)				
Assets Allocation Fund	624	-	-	624
	99,144	191,665	-	290,809

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	2022		
	Pension Fund	Gratuity Fund	Medical Scheme
Discount rate +0.5%	56,234	186,838	10,313
Discount rate -0.5%	60,031	199,106	11,000
Long term pension / salary increase +0.5%	60,114	199,295	-
Long term pension / salary decrease -0.5%	56,144	186,609	-
Medical cost +1% - effect on service cost and interest cost	-	-	30
Medical cost +1% - effect on defined benefit obligation	-	-	334
Medical cost -1% - effect on service cost and interest cost	-	-	(28)
Medical cost -1% - effect on defined benefit obligation	-	-	(318)

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, 2021. The projected unit credit method using the following significant assumptions, has been used for the actuarial valuation:

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

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

Rupees in '000	2021			
	Pension Fund	Gratuity Fund	Medical Scheme	Total
Present value of defined benefit obligation	51,736	162,777	8,944	223,457
Fair value of plan assets	(93,786)	(166,154)	-	(259,940)
(Asset) / liability in statement of financial position	(42,050)	(3,377)	8,944	(36,483)
Movements in the present value of defined				
Present value of defined benefit obligation - beginning of the year	67,885	141,553	10,064	219,502
Current service cost	-	8,190	-	8,190
Interest cost	6,380	13,984	945	21,309
Re-measurements: Actuarial (gains) / losses on obligation	(16,199)	2,805	(1,794)	(15,188)
Benefits paid	(6,330)	(3,755)	(271)	(10,356)
Present value of defined benefit obligation - end of the year	51,736	162,777	8,944	223,457

Rupees in '000	2021			
	Pension Fund	Gratuity Fund	Medical Scheme	Total
Movements in the fair value of plan assets				
Fair value of plan assets - beginning of the year	(92,577)	(150,488)	-	(243,065)
Interest income on plan assets	(8,678)	(14,815)	-	(23,493)
Re-measurements: Return on plan assets over interest income	379	(398)	-	(19)
Benefits paid	6,330	3,754	-	10,084
Contribution to fund	760	(4,207)	-	(3,447)
Fair value of plan assets - end of the year	(93,786)	(166,154)	-	(259,940)
Movement in the net defined benefit liability / (asset)				
Opening balance	(24,692)	(8,935)	10,064	(23,563)
Net periodic benefit (income) / cost for the year	(2,298)	7,358	945	6,005
Contribution paid during the year	760	(4,207)	-	(3,447)
Benefits paid during the year	-	-	(271)	(271)
Re-measurements recognised in other comprehensive (income) / loss during the year	(15,820)	2,407	(1,794)	(15,207)
Closing balance	(42,050)	(3,377)	8,944	(36,483)

Amounts recognised in total comprehensive income

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

Rupees in '000	2021			
	Pension Fund	Gratuity Fund	Medical Scheme	Total
Component of defined benefit costs recognised in statement of profit or loss				
Current service cost	-	8,190	-	8,190
Net interest cost				
Interest cost on defined benefit obligation	6,380	13,984	945	21,309
Interest income on plan assets	(8,678)	(14,815)	-	(23,493)
	(2,298)	7,359	945	6,006
Component of defined benefit costs (re-measurement) recognised in other comprehensive income				
Re-measurements: Actuarial (gain) / loss on obligation				
(Gain) / loss due to change in financial assumptions	(12,726)	733	(1,403)	(13,396)
(Gain) / loss due to change in experience adjustments	(3,472)	2,072	(391)	(1,791)
	(16,198)	2,805	(1,794)	(15,187)
Re-measurements: Net return on plan assets over interest income				
Actual return on plan assets	(9,506)	(16,233)	-	(25,739)
Interest income on plan assets	9,884	15,835	-	25,719
	378	(398)	-	(20)
Net re-measurement recognised in other comprehensive income	(15,820)	2,407	(1,794)	(15,207)
Total defined benefit cost recognised in statement of profit or loss and other comprehensive income				
	(18,118)	9,766	(849)	(9,201)
Actual return on plan assets	9,506	16,233	-	25,739
Expected contributions to funds in the following year	(4,674)	7,802	1,004	4,132
Expected benefit payments to retirees in the following year	4,933	4,818	816	10,567
Re-measurements: Accumulated actuarial (gains) / losses recognised in equity	(15,820)	2,407	(1,794)	(15,207)
Weighted average duration of the defined benefit obligation (Years)	6.69	7.07	6.93	

Rupees in '000	2021			
	Pension Fund	Gratuity Fund	Medical Scheme	Total
Analysis of present value of defined benefit obligation				
Type of Members:				
Pensioners	51,736	-	-	51,736
Beneficiaries	-	-	8,944	8,944
Officers	-	100,280	-	100,280
Supervisors	-	62,497	-	62,497
	51,736	162,777	8,944	223,457
Vested / Non-Vested				
Vested benefits	51,736	152,061	8,944	212,741
Non - vested benefits	-	10,716	-	10,716
	51,736	162,777	8,944	223,457
Type of benefits				
Accumulated obligations	51,736	77,389	8,944	138,069
Amounts attributed to future salary increase	-	85,388	-	85,388
	51,736	162,777	8,944	223,457
Disaggregation of fair value of plan assets				
The fair value of the plan assets at statement of financial position date for each category are as follows:				
Cash and cash equivalents (comprising bank balances and adjusted for current liabilities) - quoted	393	1,597	-	1,990
Debt instruments				
AAA	92,113	156,766	-	248,879
AA	-	7,333	-	7,333
	92,113	164,099	-	256,212
Equity instruments (Quoted) - Oil and gas sector	716	458	-	1,174
Mutual funds - Quoted				
Assets Allocation Fund	564	-	-	564
	93,786	166,154	-	259,940

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

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

35.2 Defined contribution plan

Staff provident fund

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

Rupees in '000	July 31, 2022	July 31, 2021
Size of the Fund (Net of Liabilities)	159,872	146,402
Cost of investments made	137,056	119,326
Fair value / amortised cost of the investments	153,292	143,229
Percentage of investments made (%) - based on fair value / amortised cost	96%	98%

Break up of the investments is as follows:

	(Rupees in '000)		(% of total investments)	
	July 31, 2022	July 31, 2021	July 31, 2022	July 31, 2021
National savings schemes	18,811	52,510	12.27	36.66
Government securities	124,071	78,308	80.94	54.67
Term Finance Certificate	7,794	7,794	5.08	5.44
Cash and bank balances	2,616	4,617	1.71	3.22
	153,292	143,229	100	100

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

36. Remuneration of chief executive, directors and executives

Rupees in '000	2022		2021	
	Chief Executive	Executive	Chief Executive	Executive
Managerial remuneration	34,879	120,468	30,127	105,004
Bonus, house rent, utilities, etc.	20,456	112,818	15,852	104,245
Company's contribution to staff retirement benefits	7,900	31,735	6,824	29,545
Medical and others	26	8,902	270	8,573
	63,261	273,923	53,073	247,367
Number of persons (including those who worked part of the year)	1	45	1	42

- 36.1 The Chief Executive and certain executives of the Company are provided with company maintained cars as per terms of employment. During the year, cars were sold to executives, as per the Company policy. Provision in respect of compensated absences is also made and charged in financial statements as per the requirements of International Financial Reporting Standards.
- 36.2 Aggregate amount charged in the financial statements for fee to ten non-executive directors (including directors who retired during the year) was Rs. 16.150 million (2021: ten non-executive directors Rs. 18.940 million).
- 36.3 Professional indemnity insurance cover is available to the directors. The Chief Executive and executives are also covered under the group life insurance as per their terms of employment.

37. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including foreign 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 programmed focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

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

37.1 Credit risk

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

Rupees in '000	Note	2022	2021
Deposits		489,828	449,354
Trade debts	37.1.1	827,267	653,763
Bank balances		544,465	428,728
		1,861,560	1,531,845

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

According to the age analysis, trade debts include balances which are due by not later than 90 days valuing Rs. 751.812 million (2021: Rs. 535.563 million). Trade debts due by more than 90 days as at December 31, 2022 amounted to Rs. 75.455 million (2021: Rs. 118.199 million), net of allowance for impairment for expected credit losses. The Company recognises allowance for Expected Credit Losses (ECLs) on trade debts.

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

Rupees in '000	2022	2021
Opening balance	74,011	84,899
Reversal of expected credit losses	(10,047)	(10,888)
Closing balance	63,964	74,011

37.2 Liquidity risk

Liquidity risk is the risk that 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:

Description	2022					2021				
	Carrying amount	On Demand	Contractual cash flows	Maturity upto one year	Maturity after one year	Carrying amount	On Demand	Contractual cash flows	Maturity upto one year	Maturity after one year
Rupees in '000										
Lease liabilities	20,591	-	26,201	5,148	21,053	23,211	-	31,009	4,807	26,201
Long term financing	4,282,827	-	6,497,609	676,064	5,821,544	1,125,955	-	1,862,614	-	1,862,614
Long term deposits	250,909	-	250,909	250,909	-	224,693	-	224,693	224,693	-
Trade and other payables	1,972,163	-	1,972,163	1,972,163	-	1,157,843	-	1,157,843	1,157,843	-
Short term borrowings	2,477,513	2,477,513	-	-	-	1,394,044	1,394,044	-	-	-
	9,004,002	2,477,513	8,746,882	2,904,284	5,842,597	3,925,746	1,394,044	3,276,159	1,387,343	1,888,815

37.3 Market risk

i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency 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 currency risk arising from currency exposures.

ii) Interest rate risk

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

The short term financing which carries floating rate, a hypothetical change of 100 basis points in interest rates at the statement of financial position date would have decreased profit for the year by approximately Rs. 23 million (2021: Rs. 17 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 2021.

iii) **Price risk**

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to price risk.

37.4 Fair values of financial assets and liabilities

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

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized 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.

Rupees in '000	2022					
	Carrying amount			Fair value		
	Amortised cost	Carrying Value	Fair value	Level 1	Level 2	Level 3
Financial assets						
Trade debts	-	827,267	-	-	-	-
Loans to employees	-	2,445	-	-	-	-
Deposits	-	489,828	-	-	-	-
Cash and bank balances	-	359,048	-	-	-	-
Financial liabilities						
Lease liabilities	17,968	-	-	-	-	-
Current portion of lease liabilities	2,623	-	-	-	-	-
Long term financing	3,997,586	-	-	-	-	-
Current maturity of long term financing	285,241	-	-	-	-	-
Long term deposits	-	250,909	-	-	-	-
Trade and other payables	-	1,754,121	-	-	-	-
Short term borrowings	-	2,289,627	-	-	-	-

Rupees in '000	2021					
	Carrying amount			Fair value		
	Amortised cost	Carrying Value	Fair value	Level 1	Level 2	Level 3
Financial assets						
Trade debts	-	653,763	-	-	-	-
Loans to employees	-	9,036	-	-	-	-
Deposits	-	449,354	-	-	-	-
Other receivables	-	50	-	-	-	-
Cash and bank balances	-	429,755	-	-	-	-
Financial assets						
At fair value through profit or loss						
Derivative financial asset	-	-	41,507	41,507	-	-
Financial liabilities						
Lease liabilities	20,588	-	-	-	-	-
Current portion of lease liabilities	2,623	-	-	-	-	-
Long term financing	1,125,955	-	-	-	-	-
Current maturity of long term financing	110,833	-	-	-	-	-
Long term deposits	-	224,693	-	-	-	-
Trade and other payables	-	1,157,843	-	-	-	-
Short term borrowings	-	1,394,044	-	-	-	-

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.

38. Capital management

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

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

As of the date of statement of financial position, the Company's debt comprises of long-term floating rate kibar, long-term islamic / temporary economic refinancing facility (I/TERF) and short-term running finances.

The Company is not subject to externally imposed capital requirements.

39. Transactions and balances with related parties

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

39.1 Transactions with related parties are summarised as follows:

Related Party	Nature of transactions	2022	2021
Major shareholders and associated companies by virtue of common directorship	Sale of goods	96,059	107,284
	Purchase of goods and receipt of service	102,013	111,294
	Mark up on short term financing	123,048	68,915
	Long term loan	319,185	-
	Mark up on long term financing	32,591	-
	Issuance of bonus shares	53,204	35,227
Directors	Meeting fee	16,150	18,940
	Issuance of bonus shares	8,442	5,669
Staff retirement benefits	Charge in respect of staff retirement funds	42,338	40,427
	Re-measurement: actuarial gain / (loss) recognised in other comprehensive income	(11,710)	15,207
Key management personnel	Compensation	337,184	300,440
	Issuance of bonus shares	37	24

39.2 Balances with related parties are summarised as follows:

Rupees in '000	2022	2021
Receivable from:		
Staff retirement funds	58,853	47,998
Associated companies	7,057	12,734
Payable to:		
Staff Retirement Funds	4,392	2,740
Short term borrowings from an associated company	892,638	875,000

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

Name of the related party	Basis of relationship and percentage of shareholding (%)
Adira Capital Holdings (Private) Limited	Holds 33% shares of the Company and associated company by virtue of common directorship
Paradigm Factors (Private) Limited	Holds 0.2034% shares of the Company and associated company
Soorty Enterprises (Private) Limited	Holds 12% shares of the Company and associated company by virtue of common directorship
Terminal One Limited	Holds 0.1702% shares of the Company and associated company by virtue of common directorship
Engro Polymer and Chemicals Limited	Associated company by virtue of common directorship
Captain PQ Chemical Industries (Private) Limited	Associated company by virtue of common directorship
FFC Energy Limited	Associated company by virtue of common directorship
Fauji Fertilizer Company Limited	Associated company by virtue of common directorship
Fauji Akbar Portia Marine Terminal Limited	Associated company by virtue of common directorship
Fauji Foundation	Associated company by virtue of common directorship
Fauji Cement Company Limited	Associated company by virtue of common
Rafhan Maize Products Company Limited	Associated company by virtue of common directorship
Mari Petroleum Company Limited	Associated company by virtue of common directorship
Askari Bank Limited	Associated company by virtue of common directorship
Shahid Mehmood Umerani	Director, holds 7.2% shares of the Company.
Siraj Ahmed Dadabhoy	Director, holds 0.0001% shares of the Company.
Syed Hassan Ali Bukhari	Director, holds 0.0026% shares of the Company.
Feroz Rizvi	Director, holds 0.0004% shares of the Company
Muhammad Zindah Moin Mohajir	Director, holds 0.0004% shares of the Company
Mohammad Iqbal Puri	Director
Waqar Ahmed Malik	Director
Tushna D. Kandawalla	Director
Sheikh Muhammad Abdullah	Director
Key Management Personnel	Employees
Staff Provident Fund	Retirement Fund
Management Staff Pension Fund	Retirement Fund
Pakistan Employees Gratuity Fund	Retirement Fund
Management Staff Pension Fund	Retirement Fund

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

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

40. Production capacity

	Unit of quantity	Number of shifts	Capacity		Actual production	
			2022	2021	2022	2021
Oxygen/Nitrogen	Cubic meters	Triple shift	82,233,900	82,233,900	59,017,382	65,371,450
Hydrogen	Cubic meters	Triple shift	3,400,056	3,400,056	2,276,994	2,496,613
Dissolved acetylene	Cubic meters	Single shift	268,152	268,152	79,540	81,882
Nitrous oxide	Gallons	Triple shift	39,422,000	39,422,000	23,505,972	17,917,470
Carbon dioxide	Metric tons	Triple shift	27,850	27,850	5,340	5,085
Electrodes	Metric tons	Double shift	4,738	4,738	3,398	3,500

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

41. Non adjusting subsequent event

Subsequent to the year end, the shareholders of the Company have approved increase in authorized share capital of the Company from Rs. 700 million (70 million shares of Rs. 10 each) to Rs. 1,500 million (150 million shares of Rs. 10 each) through a special resolution passed at the Extra Ordinary General Meeting held on January 23, 2023.

42. Number of employees

Rupees in '000	2022	2021
Total Number of employees as at December 31	144	151
Average number of employees during the year	148	146
Total number of employees working in the Company's factory as at December 31	55	53
Average number of employees working in the Company's factory during the year	55	54

43. Date of authorisation for issue

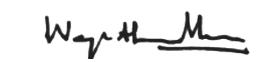
These financial statements were authorized for issue on March 7, 2023 by the Board of Directors of the Company.

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 statements of the Company for the year ended December 31, 2022, the Securities and Exchange Commission of Pakistan has granted exemption to the Company from application of sub-section (1) of section 228 of the Companies Act, 2017 requiring consolidation of its subsidiary in the preparation of financial statements of the Company for the year ended December 31, 2022.

Financial Highlights of BOCPL

Rupees in '000	2022	2021
Profit after taxation	578	263
Net assets / shareholders' funds	13,362	12,784
Total assets	13,923	13,338

General

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

SHAREHOLDERS' INFORMATION

Stock Exchange Listing

Pakistan Oxygen Limited (the "Company") is a public limited company and its shares are traded on Pakistan Stock Exchange Limited.

Market capitalization and market price of Pakistan Oxygen's Share

Market Capitalization

As at December 31, 2022, the market capitalization of the Company's share stood at Rs. 8.19 billion with a market price of Rs. 139.75 per share and breakup value of Rs. 132.51 per share.

Market Share Price

Highest price per share during the year	Rs. 177.61
Lowest price per share during the year	Rs. 118.03
Closing price per share at year-end	Rs. 139.75

Financial calendar

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

Financial Results for the year 2023 will be announced as per the following tentative schedule:

1 st quarter ending March 31, 2023	April 2023
2 nd quarter ending June 30, 2023	August 2023
3 rd quarter ending September 30, 2023	October 2023
Year ending December 31, 2023	February 2024

Announcements of the Financial Results for the year ended December 31, 2022 were made as follows:

1 st quarter ended March 31, 2022	April 26, 2022
2 nd quarter ended June 30, 2022	August 25, 2022
3 rd quarter ended September 30, 2022	October 25, 2022
Year ended December 31, 2022	March 7, 2023

Annual General Meeting

The Seventy-Fourth annual general meeting of the shareholders will be held on April 26, 2023 at 2:00 p.m. at the Company's registered office, West Wharf, Dockyard Road, Karachi.

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

Investor Relations Contact

Amna Mustafa
(Deputy Manager Reporting & Corporate Compliance)

Email: amna.mustafa@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 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 our share registrar 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

Email: info@cdcsrsl.com

Public Information

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

معلومات برائے شیئر ہولڈرز

اسٹاک ایکسچینج لسٹنگ

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

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

مارکیٹ میں سرمایہ کاری

31 دسمبر 2022ء کو کمپنی شیئر کی مارکیٹ میں 8.19 بلین روپے کی سرمایہ کاری تھی جبکہ مارکیٹ میں فی شیئر قیمت 139.75 اور بریک اپ ویلیو 132.51 روپے فی شیئر تھی۔

مارکیٹ میں حصص کی قیمت

سال کے دوران میں سب سے زیادہ فی شیئر قیمت	177.61
سال کے دوران میں سب سے کم فی شیئر قیمت	118.03
سال کے اختتام پر فی شیئر آخری قیمت	139.75

مالیاتی کیلنڈر

کمپنی کے مالیاتی کیلنڈر کی مدت یکم جنوری سے 31 دسمبر تک ہوتی ہے۔

سال 2023ء کے مالیاتی نتائج کے اعلان کا عارضی شیڈول درج ذیل ہے:

پہلی سہ ماہی ختمتہ 31 مارچ 2023ء	اپریل 2023ء
دوسری سہ ماہی ختمتہ 30 جون 2023ء	اگست 2023ء
تیسری سہ ماہی ختمتہ 30 ستمبر 2023ء	اکتوبر 2023ء
سال ختمتہ 31 دسمبر 2023ء	فروری 2024ء

سال ختمتہ 31 دسمبر 2022ء کے مالیاتی نتائج کا اعلان درج ذیل شیڈول کے مطابق کیا گیا:

پہلی سہ ماہی ختمتہ 31 مارچ 2022ء	26 اپریل 2022ء
دوسری سہ ماہی ختمتہ 30 جون 2022ء	25 اگست 2022ء
تیسری سہ ماہی ختمتہ 30 ستمبر 2022ء	25 اکتوبر 2022ء
سال ختمتہ 31 دسمبر 2022ء	7 مارچ 2023ء

سالانہ اجلاس عام

شیئر ہولڈرز کا 74 واں سالانہ اجلاس عام مورخہ 26 اپریل 2023ء کو دوپہر 2:00 بجے بذریعہ ویڈیو لنک اور ذاتی طور پر شرکت کے لیے کمپنی کے رجسٹرڈ دفتر، ویسٹ وہارف، ڈاکٹریٹ روڈ، کراچی میں منعقد ہوگا۔

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

سرمایہ کاروں کے لیے رابطہ آفیسر

آمنہ مصطفیٰ

(ڈپٹی منیجر، رپورٹنگ اینڈ کارپوریٹ کمیونٹنس)

ای میل: amna.mustafa@pakoxygen.com

فون: (021) 32316914

فیکس: (021) 32312968

کمپنیز ایکٹ 2017ء کے سیکشن 195 کی شرائط کے مطابق سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، کمپنی کے خود مختار شیئر رجسٹرار کے طور پر کام کرتا ہے۔

اس لیے گمشدہ شیئرز سٹیٹمنٹس، ڈیوٹیڈ ٹو کی ادائیگی، پتے میں تبدیلی، ٹرانسفر ڈیڈز کی تصدیق اور شیئر ٹرانسفرز کے بارے میں معلومات کے لیے براہ مہربانی ہمارے شیئر رجسٹرار سے درج ذیل پتے پر رابطہ کریں:

سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ

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

مین شاہراہ فیصل، کراچی 74400

ٹیلی فون نمبر: 111-111-500 (21-92)

فیکس نمبر: 34326031 (21-92)

ای میل: info@cdcsrsl.com

اطلاع عام

مالیاتی تجزیہ کار، اسٹاک بروکرز اور انویسٹرز، جو کمپنی کے مالیاتی اسٹیٹمنٹس میں دلچسپی رکھتے ہوں، براہ مہربانی ہماری ویب سائٹ www.pakoxygen.com وزٹ کریں۔

PATTERN OF SHAREHOLDING

AS OF DECEMBER 31, 2022

No. of Shareholders	Shareholder's Slab		Total Shares Held
468	1	to 100	12,281
467	101	to 500	128,436
189	501	to 1000	141,000
489	1001	to 5000	1,102,968
116	5001	to 10000	832,283
40	10001	to 15000	489,746
35	15001	to 20000	603,684
20	20001	to 25000	451,639
9	25001	to 30000	241,927
5	30001	to 35000	159,462
3	35001	to 40000	113,444
4	40001	to 45000	168,349
5	45001	to 50000	235,560
1	50001	to 55000	52,650
3	55001	to 60000	170,635
4	60001	to 65000	245,097
3	65001	to 70000	201,151
2	70001	to 75000	145,668
2	80001	to 85000	163,660
1	85001	to 90000	87,935
3	90001	to 95000	279,319
2	95001	to 100000	199,750
1	100001	to 105000	100,620
1	110001	to 115000	111,443
1	145001	to 150000	150,000
1	150001	to 155000	154,765
3	180001	to 185000	546,135
1	190001	to 195000	193,415
1	200001	to 205000	202,265
1	205001	to 210000	206,797
2	230001	to 235000	466,575
1	235001	to 240000	238,250
1	310001	to 315000	310,505
1	360001	to 365000	360,125
1	365001	to 370000	365,040
1	390001	to 395000	390,721
1	455001	to 460000	459,008
1	645001	to 650000	650,000
1	695001	to 700000	697,745
1	2105001	to 2110000	2,109,260
1	4215001	to 4220000	4,218,521
3	4685001	to 4690000	14,061,743
1	7030001	to 7035000	7,030,872
1	19340001	to 19345000	19,340,155
1898			58,590,604

CATEGORIES OF SHAREHOLDERS

AS OF DECEMBER 31, 2022

Categories of Shareholders	No. of Shareholders	Shares Held	Percentage
Directors And Their Spouse (s) and Minor Children			
Shahid Mehmood Umerani	2	4,218,754	7.20
Syed Hasan Ali Bukhari	1	1,500	0.00
Feroz Rizvi	1	233	0.00
Muhammad Zindah Moin Mohajir	1	233	0.00
Siraj Ahmed Dadabhoy	1	71	0.00
Tushna D Kandawalla	1	1	0.00
Mohammad Younus Dagha	1	1	0.00
Executives	1	18,251	0.03
Associated Companies, Undertakings and Related Parties			
M/s Adira Capital Holdings (Private) Limited	3	19,451,992	33.20
M/s Soorty Enterprises (Private) Limited	1	7,030,872	12.00
M/s Paradigm Factors (Private) Limited	2	119,150	0.20
M/s P.K. Energy Limited	1	56,700	0.10
NIT and ICP	1	701	0.00
Banks, Development Financial Institutions and Non-banking Financial Institutions	2	361,393	0.62
Insurance Companies	4	744,065	1.27
Modarabas and Mutual Funds	2	517,233	0.88
General Public			
a. Local	1800	23,867,524	40.74
b. Foreign	29	17,734	0.03
Foreign Companies	1	47,500	0.08
Others	43	2,136,696	3.65
Total	1898	58,590,604	100.00
Shareholders Holding 10% or More		Shares Held	Percentage
M/s Adira Capital Holdings (Private) Limited		19,451,992	33.20
M/s Soorty Enterprises (Private) Limited		7,030,872	12.00

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 74th Annual General Meeting ("AGM") of PAKISTAN OXYGEN LIMITED (the "Company") will be held on Wednesday, the 26th day of April 2023 at 2:00 p.m. virtually via video link facility and in person at the Company's Registered Office, West Wharf, Dockyard Road, Karachi to transact the following business:

Ordinary Business:

1. To receive and consider the Financial Statements of the Company for the year ended December 31, 2022 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. 146,476,510 out of the un-appropriated profits of the Company for the issuance of 14,647,651 Bonus Shares to the Members of the Company as at the close of business on April 17, 2023 in the proportion of 25 ordinary shares for every 100 ordinary shares held at that date.

By Order of the Board

Mazhar Iqbal

Karachi: March 7, 2023 Company Secretary

Notes:

1. Closure of Share Transfer Books:

Share Transfer Books of the Company will remain closed from April 18, 2023 to April 26, 2023 (both days inclusive). Transfers received at the office of the Company's Shares Registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi -74400 at the close of business on April 17, 2022 will be treated in time for the purpose of aforesaid entitlement.

2. Attendance in the Meeting:

A member entitled to attend, speak and vote at the AGM may appoint a proxy to attend and vote on his/her behalf and a proxy so appointed shall have the same rights in respect of speaking and voting at the meeting as are available to a Member. An instrument of proxy in order to be

effective must be deposited at the Company's Registered Office, West Wharf, Dockyard Road, Karachi-74000 or through email at mazhar.iqbal@pakoxygen.com not less than 48 hours before the time of the meeting. The proxy must be a member of the Company, except that a Corporation being a member of the Company may appoint as its proxy one of the officers or some other person though not a member of the Company. Further copies of the instrument of proxy may be downloaded from the Company's website: (www.pakoxygen.com).

Members are requested to immediately notify any change in their address or bank mandate as registered to the Company's Share Registrar, CDC Share Registrar Services Limited at their abovementioned address.

3. Guidelines for CDC Account Holders:

Account Holders of Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under-mentioned guidelines as laid down in Circular 1, dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan:

A. For Attending the Meeting:

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

B. For Appointing Proxies:

- i) In case of individuals, the account holder or sub-account holder and/or the person, whose securities are in group account and their registration details are uploaded as per the

Regulations, shall submit the proxy form as per the above requirement.

- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his/her original CNIC or original passport as applicable at the time of the meeting.
- v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

4. Procedure for E-voting and Voting through Post:

Pursuant to Companies (Postal Ballot) Regulations, 2018 amended through Notification dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan ("SECP"), members of the Company will be allowed to exercise their right to vote through electronic voting facility and voting by post for the special business in its AGM to be held on April 26, 2023, in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

- i) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on April 17, 2023.
- ii) The web address, login details, password, will be communicated to members via email. The security codes will be communicated to members through SMS from web portal of CDC Share Registrar Services Limited (being the e-voting service provider).
- iii) Identity of the Members intending to cast vote

through e-Voting shall be authenticated through electronic signature or authentication for login.

- iv) Members shall cast vote online at any time from April 19, 2023, 09:00 a.m. to April 25, 2023. Voting shall close on April 25, 2023, at 5:00 p.m. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.
- v) The members shall ensure that duly filled and signed ballot paper along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post on the Company's registered address, West Wharf, Dockyard Road, Karachi, or email at chairman.agm@pakoxygen.com one day before the AGM on April 26, 2023, during working hours. The signature on the ballot paper shall match with the signature on CNIC.
- vi) For the convenience of the Members, ballot paper is annexed to this notice and the same is also available on the Company's website at www.pakoxygen.com.

5. Participation in the AGM through Video Link Facility:

The Company has made necessary arrangement to hold its AGM proceedings also via video conference facility. Shareholders, interested to participate in the AGM through video link, are requested to send their particulars, as 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 - 2023" 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.

6. Submission of CNIC/NTN (Mandatory):

Shareholders, who have not yet submitted photocopy of their valid CNIC to the Company/Share Registrar, are once again requested to send their CNIC (copy) at the earliest directly to the Company's Share Registrar. Corporate Entities are also requested to provide their National Tax Number (NTN).

As per Regulation No. 6 of the Companies (Distribution of Dividend) Regulations, 2017, the Company will be constrained to withhold payment of dividend to shareholders, in case of non-availability of identification number of the shareholder or authorized person (CNIC or NTN).

7. Unclaimed Shares/Unpaid Dividend:

As per the provisions of Section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company which have remained unclaimed/unpaid for a period of three years from the date it was due and payable are required to be deposited with the Commission for credit to the Federal Government after issuance of notices to the shareholders to file their claims. The details of the shares issued and dividend declared by the Company which have remained unclaimed/unpaid for a period of three years from the date these have become due and payable are available on Company's website www.pakoxygen.com. The Company has also issued notices to shareholders and published a Final Notice in the newspapers to lodge their claims within 90 days of notice to the Company's aforesaid Share Registrar. Shareholders are requested to ensure that their claims for unclaimed shares/unpaid dividends are lodged timely. In case no claim is received within the given period, the Company shall proceed to deposit the unclaimed/unpaid amount with the Federal Government pursuant to sub-section 2 of Section 244 of the Companies Act, 2017.

8. Circulation of Audited Financial Statements through E-mail And By CD/DVD/USB:

Pursuant to the SECP's SRO No. 470(I)/2016 dated May 31, 2016, the SECP has allowed companies to circulate its audited financial statements to the shareholders along with the notice of the AGM through CD/DVD/USB or any other electronic media at their registered addresses.

Shareholders, who wish to receive hard copy of the financial statements (annual report) along with notice of AGM, may send the Standard Request Form to the Company's Share Registrar. The Standard Request Form is available from the Company's website: (www.pakoxygen.com).

9. 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, 2022, are available on the Company's website www.pakoxygen.com.

10. Conversion of Physical Shares into the Book Entry Form:

In continuation of the Company's earlier notification on the subject through direct letter and notice in the press, shareholders, who still hold shares in physical form, are once again requested to convert their physical shares into book-entry form at the earliest for compliance with Section 72 (2) of the Companies Act, 2017. Shareholders may contact a PSX Member, CDC Participant or CDC Investor Accounts Services Provider for assistance in opening a CDS Account and subsequent conversion of the physical shares into book-entry form.

Maintaining shares in book-entry form has many advantages such as safe custody of shares, avoidance of formalities required for issuance of duplicate shares and readily available for sale and purchase in open market, at better rates.

**Statement of Material Facts as Required
Under Section 134(3) of The Companies Act, 2017**

Agenda Item No. 3

In the opinion of the Directors, the financial position of the Company justifies the capitalization of a sum of Rs. 146,476,510 out of unappropriated profits of the Company for the issuance of Bonus Shares in the ratio of 25 ordinary shares for every 100 ordinary shares held. Those persons whose names appear on the Register of Members of the Company as at the close of business on April 17, 2023 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:

- In pursuance of Article 129 and 130 of the Company's Articles of Association, a sum of Rs. 146,476,510 (Rupees One Hundred Forty-Six Million Four Hundred Seventy-Six Thousand Five Hundred Ten) out of unappropriated profits as of December 31, 2022 be capitalised and distributed, by issuing 14,647,651 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 17, 2022 in the proportion of 25 bonus shares for every 100 shares held by the entitled Members
- The bonus shares so issued shall rank pari passu in all respect with the existing shares of the Company;
- Members' entitlement to fractional shares resulting from their entitlement being less than one ordinary share shall be consolidated into whole shares and sold on Pakistan Stock Exchange Limited and the proceeds so realized shall be donated to a recognized charitable trust; and
- The Chief Executive Officer and Chief Financial Officer and/or Company Secretary be and hereby jointly and/or severally authorized 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.

کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے تحت درکار مطلوبہ حقائق کا اسٹیٹمنٹ

ایجنڈا آئٹم نمبر 3:

ڈائریکٹرز کی رائے میں کمپنی کی مالی حالت اتنی مناسب ہے کہ ہر 100 عمومی شیئرز کیلئے 25 عمومی شیئرز کے حساب سے بونس شیئرز کا اجراء کرنے کیلئے کمپنی کے غیر تخصیص شدہ منافع سے 46,476,510 روپے مخصوص کئے جائیں اور کمپنی کے جن ممبران کے نام 17 اپریل 2023 کو کاروباری اوقات کے اختتام پر ممبران کے رجسٹر میں موجود ہوں گے وہ درج بالا تناسب 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:

- کمپنیز کے آرٹیکلز آف اسیوشن کے آرٹیکل 129 اور 130 کی پیروی میں کمپنی کے غیر تخصیص شدہ منافع بمطابق 31 دسمبر 2022 میں سے 146,476,510 روپے (ایک سو چھیالیس ملین، چار سو چھتر ہزار اور پانچ سو دس روپے) کی رقم کو capitalize کیا جائے اور کمپنی کے ممبران کے درمیان جن کے نام ممبران کے رجسٹر میں 17 اپریل 2023 کو کاروباری اوقات کے اختتام پر ممبران کے رجسٹر میں درج ہوں گے، 10 روپے مالیت کے مکمل ادا شدہ 14,647,651 عمومی شیئرز بحساب ہر ملکیتی 100 شیئرز کیلئے 25 عمومی شیئرز اہل ممبران میں تقسیم کیلئے جاری کئے جائیں۔
- یہ جاری ہونے والے بونس شیئرز ہر لحاظ سے کمپنی کے موجودہ شیئرز کی خصوصیات کے برابر ہوں گے۔
- فریکشنل شیئرز کا استحقاق رکھنے والے اہل ممبران، جن کا استحقاق ایک شیئر سے کم ہوگا تو ایسے حصص مجموعی شیئرز کی حیثیت سے پاکستان اسٹاک ایکسچینج لمیٹڈ میں فروخت کر دیئے جائیں اور اس سے حاصل ہونے والی رقم کو تسلیم شدہ فلاحی ٹرسٹ کو عطیہ کر دی جائے : اور
- چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر اور/یا کمپنی سیکرٹری مشترکہ طور پر اہل طور پر مجاز ہوں گے اور یہیں 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 /ریٹرنز جمع کرائیں۔

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

اداروں سے بھی درخواست ہے کہ وہ اپنا نیشنل ٹیکس نمبر (NTN) فراہم کریں۔

کمپنیز (ڈسٹری بیوشن آف ڈیویڈنڈ) ریگولیشنز 2017 کے ریگولیشن نمبر 6 کے تحت کمپنی شیئرز ہولڈرز یا مجاز شخص کے شناختی نمبر (CNIC یا NTN) دستیاب نہ ہونے کی صورت میں شیئرز ہولڈرز کو ڈیویڈنڈ کی ادائیگی روک سکتی ہے۔

۷۔

غیر دعویٰ شدہ شیئرز/غیر ادا شدہ ڈیویڈنڈ:

کمپنیز ایکٹ 2017 کے سیکشن 244 کی دفعات کے مطابق کمپنی کی طرف سے جاری شدہ شیئرز یا اعلان کردہ ڈیویڈنڈز کو، جو واجب الادا اور قابل ادائیگی کی تاریخ سے تین سال کی مدت تک غیر دعویٰ شدہ/غیر ادا شدہ ہوں تو شیئرز ہولڈرز کو دعویٰ دائر کرنے کے نوٹس کے اجراء کے بعد وفاقی حکومت کو کریڈٹ کرنے کیلئے کمیشن کے پاس جمع کرانا ضروری ہے۔ کمپنی کی جانب سے جاری شدہ شیئرز اور اعلان کردہ ڈیویڈنڈز جو واجب الادا اور قابل ادائیگی کی تاریخ سے تین سال کی مدت تک غیر دعویٰ شدہ/غیر ادا شدہ ہیں، ان کی تفصیلات کمپنی کی ویب سائٹ www.pakoxygen.com پر دستیاب ہیں۔

کمپنی نے شیئرز ہولڈرز کو نوٹس بھی جاری کئے ہیں اور اخبارات میں ایک حتمی نوٹس شائع کیا ہے کہ وہ کمپنی کے مذکورہ شیئرز رجسٹرار کو نوٹس کے 90 دن کے اندر کے اپنے دعوے درج کرائیں۔ شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے غیر دعویٰ شدہ شیئرز/غیر ادا شدہ ڈیویڈنڈ کے دعوے یقینی طور پر بروقت جمع کرائیں۔ اگر مقررہ مدت میں کوئی دعویٰ موصول نہیں ہوا تو کمپنیز ایکٹ 2017 کے سیکشن 244 کے سب سیکشن 2 کی رو سے کمپنی غیر دعویٰ شدہ/غیر ادا شدہ رقم وفاقی حکومت کے پاس جمع کرادے گی۔

۸۔

آڈٹ شدہ مالیاتی اسٹیٹمنٹس کی بذریعہ ای میل اور بذریعہ

CD/DVD/USB ترسیل:

ایس ای سی پی کے ایس آر او نمبر 1/2016(470) مورخہ 31 مئی 2016 کے مطابق، SECP نے کمپنیز کو آڈٹ شدہ مالیاتی اسٹیٹمنٹس شیئرز ہولڈرز کو سالانہ اجلاس عام کے نوٹس کے ساتھ بذریعہ CD/DVD/USB یا کسی دوسرے

الیکٹرونک میڈیا کے ذریعے ان کے رجسٹرڈ پتوں پر بھجوانے کی اجازت دی ہے۔ جو شیئرز ہولڈرز مالیاتی اسٹیٹمنٹس (سالانہ رپورٹ) مع AGM کے نوٹس کی بارڈر کا پی مگوانا چاہتے ہوں، وہ اس کیلئے مقررہ درخواست فارم کمپنی کے شیئرز رجسٹرار کو بھجوادیں۔ یہ مقررہ درخواست فارم کمپنی کی ویب سائٹ www.pakoxygen.com پر دستیاب ہے۔

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

کمپنیز ایکٹ 2017 کے سیکشن (7) 223 کے مطابق کمپنی کے مالیاتی اسٹیٹمنٹس برائے سال ختم 31 دسمبر 2022 کمپنی کی ویب سائٹ www.pakoxygen.com پر دستیاب ہیں۔

۱۰۔ فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرانا:

بلسلسلہ اس موضوع پر کمپنی کے براہ راست خطوط اور پریس میں نوٹس کے ذریعے جاری کردہ گزشتہ نوٹیفیکیشن، جن شیئرز ہولڈرز کے پاس ابھی فزیکل فارم میں شیئرز ہیں؛ ان سے ایک مرتبہ پھر درخواست ہے کہ کمپنیز ایکٹ 2017 کے سیکشن (2) 72 کی تعمیل کے لئے اپنے فزیکل شیئرز کو جلد از جلد بک انٹری فارم میں تبدیل کرائیں۔ شیئرز ہولڈرز سی ڈی ایس اکاؤنٹ کھولنے اور بعد ازاں فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرانے میں معاونت کیلئے پی ایس ایکس ممبر، سی ڈی سی پارٹنر شپ یا سی ڈی سی انویسٹرز اکاؤنٹ سروسز کے فراہم کنندہ سے رابطہ کر سکتے ہیں۔

شیئرز کو بک انٹری فارم میں رکھنے کے بہت سے فوائد ہیں جن میں شیئرز کی محفوظ تحویل، ڈپلیکیٹ شیئرز کے اجراء کیلئے ضروری سہولتوں اور ایس ایس سی کے نجات اور اوپن مارکیٹ میں فروخت اور خریداری کے لئے بہتر نرخوں پر فوری دستیابی شامل ہے۔

- (ب) پراسیسز کے تقرر کے لئے:
- (i) انفرادی حیثیت میں کوئی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا کوئی فرد جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور اس کے رجسٹریشن کی تفصیلات ضابطے کے مطابق اپ لوڈڈ ہیں، ان کو درج بالا شرائط کے مطابق پراسیس فارم جمع کرانا ہوگا۔
- (ii) پراسیس فارم پر دو گواہوں کے دستخط ہونا لازمی ہیں، جن کے نام، پتے اور CNIC نمبر فارم پر درج ہوں۔
- (iii) پراسیس فارم کے ساتھ پیفیشیل اوزر اور پراسیس کے CNIC یا پاسپورٹ کی تصدیق شدہ کاپیاں منسلک ہوں۔
- (iv) اجلاس میں شرکت کے وقت پراسیس کو اپنا اصل CNIC یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (v) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نمونے کے دستخط (اگر پہلے ہی فراہم نہ کئے گئے ہوں) کمپنی کو فراہم کرنا ہوں گے۔

۵۔ ویڈیولنک کی سہولت کے ذریعے سالانہ اجلاس عام میں شرکت: کمپنی نے اپنے سالانہ اجلاس عام کی کارروائی ویڈیو کانفرنس کی سہولت کے ذریعے بھی پیش کرنے کے لئے ضروری انتظامات کئے ہیں۔ ویڈیولنک کے ذریعے اجلاس میں شرکت کے خواہشمند شیئر ہولڈرز سے درخواست ہے کہ وہ نیچے دیئے گئے جدول کے مطابق اپنی تفصیلات بذریعہ ای میل، واٹس ایپ، یا کسی دوسرے الیکٹرونک طریقہ کار یا پوسٹ یا کوریئر کے ذریعے بعنوان "رجسٹریشن برائے سالانہ اجلاس عام پاکستان آکسیجن لمیٹڈ - 2023" مع کارآمدی این آئی سی کے دونوں اطراف کی کاپی بذریعہ ای میل:

mazhar.iqbal@pakoxygen.com

سیل فون نمبر: +92 301 8221709

رجسٹرڈ آفس کا پتہ: پاکستان آکسیجن لمیٹڈ، ویسٹ وہارف، ڈاکٹریٹ روڈ، کراچی 74000 پریجیجی۔

Name of Shareholder	CNIC No.	Folio No.	Cell No.	Email Address
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ویڈیولنک اور لاگ ان کی تفصیلات صرف ان ممبران/مقرر کردہ پراسیسز کے ساتھ شیئر کی جائیں گی جن کی مذکورہ تفصیلات پر مبنی ای میل کمپنی کو سالانہ اجلاس عام کے وقت سے کم از کم 48 گھنٹے پہلے موصول ہوں گی۔

۶۔ CNIC/NTN جمع کرانا (لازمی):

شیئر ہولڈرز جنہوں نے ابھی تک اپنے موثر CNIC کی فوٹو کاپی کمپنی/شیئر رجسٹرار کے پاس جمع نہیں کرائی ہے، ان سے ایک بار پھر درخواست کی جاتی ہے کہ وہ اپنا CNIC (کاپی) جلد از جلد براہ راست کمپنی کے شیئر رجسٹرار کو بھیج دیں۔ کارپوریٹ

۴۔ ای ووٹنگ یا بذریعہ ڈاک ووٹنگ کا طریقہ: کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 ترمیم شدہ بذریعہ نوٹیفکیشن مورخہ 05 دسمبر 2022، جاری کردہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("SECP") کے مطابق ممبرز کو 26 اپریل 2023 کو منعقد ہونے والے سالانہ اجلاس عام میں خصوصی کارروائی میں بذریعہ الیکٹرونک ووٹنگ کی سہولت اور بذریعہ ڈاک ووٹنگ شرکت کرنے کی اجازت ہوگی جو شرائط کے مطابق اور مذکورہ بالا ریگولیشن میں درج شرائط سے مشروط ہے۔

(i) ووٹنگ کی سہولت کی تفصیلات، پاس ورڈ کمپنی کے ان ممبرز کے ساتھ شیئر کی جائیں گی جن کے کارآمد CNIC نمبرز، میل نمبرز اور ای میل کے پتے کمپنی کے ممبرز کے رجسٹر میں مورخہ 17 اپریل 2023 کو کاروباری اوقات کے اختتام پر دستیاب ہوں گے۔

(ii) ویب کا پتہ، لاگ ان کی تفصیلات، پاس ورڈ سے ممبرز کو بذریعہ ای میل مطلع کیا جائے گا۔ ممبرز کو سیکورٹی کوڈز CDC شیئر رجسٹرار سروسز لمیٹڈ (بحیثیت ای ووٹنگ سروس پرووائیڈر) کے پورٹل سے بذریعہ SMS بھیج دیا جائے گا۔

اطلاع برائے سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ پاکستان آکسیجن لمیٹڈ کا 74 واں سالانہ اجلاس عام ("AGM") بروز بدھ 26 اپریل 2023 کو دن 2.00 بجے ورچوئل طور پر بذریعہ ویڈیولنک کی سہولت اور ذاتی طور پر شرکت کیلئے کمپنی کے رجسٹرڈ دفتر، ویسٹ وہارف، ڈاکٹریٹ روڈ، کراچی میں درج ذیل امور کی انجام دہی کے لئے منعقد ہوگا:

عمومی کارروائی:

- ۱۔ کمپنی کے مالیاتی اسٹیٹمنٹس برائے مالی سال مختتمہ 31 دسمبر 2022 مع ڈائریکٹرز اور آڈیٹرز کی رپورٹ وصول کرنا اور ان پر غور کرنا۔
- ۲۔ کمپنی کے آڈیٹرز کا تقرر کرنا اور ان کے مشاہرے کا تعین کرنا۔

خصوصی کارروائی:

- ۳۔ کمپنی کے غیر تخصیص شدہ منافع سے 146,476,510 روپے کی رقم کو 14,647,651 بونص شیئرز کے اجراء کیلئے مخصوص کرنا جو 17 اپریل 2023 کو کاروباری اوقات کے اختتام پر اور اس تاریخ پر کمپنی کے ممبران کے پاس موجود ہر 100 عمومی شیئرز پر 25 عمومی شیئرز کے تناسب سے جاری کئے جائیں گے۔

بحکم بورڈ

مظہر اقبال

کمپنی سیکریٹری

کراچی:

7 مارچ 2023

نوٹس:

۱۔ شیئر ٹرانسفر بکس کی بندش:

کمپنی کی شیئر ٹرانسفر بکس مورخہ 18 اپریل 2023 تا 26 اپریل 2023 (بشمول دونوں ایام) بند رہیں گی۔ 17 اپریل 2023 کو کاروباری اوقات کے اختتام تک کمپنی کے شیئر رجسٹرار کے دفتر، سی ڈی سی شیئر رجسٹرار سرورسز لمیٹڈ، سی ڈی سی ہاؤس، B-99، بلاک بی، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی 74400 کو موصول ہونے والے ٹرانسفرز مذکورہ استحقاق کیلئے بروقت تصور کئے جائیں گے۔

۲۔ اجلاس میں حاضری کے لئے:

کوئی ممبر، جو سالانہ اجلاس عام میں شرکت کرنے، بولنے اور ووٹ

دینے کا حقدار ہے، اپنی جگہ کسی کو پراسی مقرر کرنے کا اختیار رکھتا ہے۔ اس تقرر کردہ پراسی کو اجلاس میں بولنے اور ووٹ دینے کے وہی حقوق حاصل ہوں گے جو ممبر کو ہیں۔ پراسی دستاویز کے موثر ہونے کیلئے اس کی اطلاع کمپنی کے رجسٹرڈ دفتر، ویسٹ وہارف، ڈاک یارڈ، روڈ، کراچی 74000 پر یا بذریعہ ای میل

mazhar.iqbal@pakoxygen.com پر اجلاس

شروع ہونے کے مقررہ وقت سے کم از کم 48 گھنٹے پہلے موصول ہونا لازمی ہے۔ پراسی کیلئے کمپنی کا ممبر ہونا ضروری ہے، سوائے کارپوریشن کے کمپنی ممبر ہونے کی صورت میں، جس کا کوئی افسر یا کوئی اور فرد پراسی ہو سکتا ہے خواہ وہ کمپنی کا ممبر نہ ہو۔ مزید برآں پراسی کے انسٹرومنٹ کی نقول کمپنی کی ویب سائٹ www.pakoxygen.com سے ڈاؤن لوڈ کی جاسکتی ہیں۔

ممبران سے درخواست ہے کہ وہ اپنے رجسٹرڈ پتے یا بینک مینڈیٹ میں کسی تبدیلی کی صورت میں فوری طور پر کمپنی کے شیئر رجسٹرار، سی ڈی سی شیئر رجسٹرار کو درج بالا پتے پر مطلع کریں۔

۳۔ سی ڈی سی اکاؤنٹ ہولڈرز کیلئے رہنما ہدایات:

سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ ("CDC") کے اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر 1 مجریہ 26 جنوری 2000 میں درج رہنما ہدایات کی پیروی بھی کرنا ہوگی۔

الف) اجلاس میں شرکت کے لئے:

(i) انفرادی حیثیت میں کوئی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا کوئی فرد جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کے رجسٹریشن کی تفصیلات ضابطے کے مطابق اپ لوڈ ہیں، ان کو اجلاس میں شرکت کے وقت اپنی شناخت کی تصدیق کیلئے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ پیش کرنا ہوگا۔

(ii) کارپوریٹ ادارے کی صورت میں اجلاس میں شرکت کے وقت بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد فرد کے نمونہ دستخط (اگر پہلے ہی فراہم نہ کئے گئے ہوں) پیش کرنا ہوں گے۔

BALLOT PAPER

ANNUAL GENERAL MEETING

Ballot paper for voting through post for the Special Business at the Annual General Meeting to be held on Wednesday, April 26, 2023, at 02:00 p.m. at the Company's Registered office, West Wharf, Dockyard Road, Karachi.
Phone: +92 21 32313361(9 lines) Website: www.pakoxygen.com.

Folio / CDS Account Number	
Name of Shareholder / Proxy Holder	
Registered Address	
Number of shares Held	
CNIC/Passport No. (in case of foreigner)(copy to be attached)	
Additional information and enclosures (in case of representative of body corporate, corporation, and federal Government)	
Name of Authorized Signatory	
CNIC/Passport No.(in case of foreigner) of Authorized Signatory (copy to be attached)	

Resolution for Agenda Item No. 3

RESOLVED that:

- In pursuance of Article 129 and 130 of the Company's Articles of Association, a sum of Rs. 146,476,510 (Rupees One Hundred Forty-Six Million Four Hundred Seventy-Six Thousand Five Hundred Ten) out of unappropriated profits as of December 31, 2022 be capitalised and distributed, by issuing 14,647,651 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 17, 2023 in the proportion of 25 bonus shares for every 100 shares held by the entitled Members.
- The bonus shares so issued shall rank pari passu in all respect with the existing shares of the Company.
- Members' entitlement to fractional shares resulting from their entitlement being less than one ordinary share shall be consolidated into whole shares and sold on Pakistan Stock Exchange Limited and the proceeds so realized shall be donated to a recognized charitable trust; and
- The Chief Executive Officer and Chief Financial Officer and/or Company Secretary be and hereby jointly and/or severally authorized 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.

Instructions For Poll

- Please indicate your vote by ticking (✓) the relevant box.
- In case if both the boxes are marked as (✓), you poll shall be treated as "Rejected".
I/we hereby exercise my/our vote in respect of the above resolution through ballot by conveying my/our assent or dissent to the resolution by placing tick (✓) mark in the appropriate box below;

Resolution	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Agenda Item 3: Issuance of Bonus Shares in the ratio of 25 ordinary shares for every 100 ordinary shares held.		

Notes:

- Dully filled ballot paper should be sent to the Chairman of Pakistan Oxygen Limited at West Wharf, Dockyard Road, Karachi or e-mail at chairman.agm@pakoxygen.com.
- Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
- Ballot paper should reach the Chairman within business hours by or before Tuesday, April 25, 2023. Any postal ballot received after this date, will not be considered for voting.
- Signature on ballot paper should match with signature on CNIC/ Passport. (in case of foreigner).
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written poll paper will be rejected.
- In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution, Power of Attorney, Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Counsel General of Pakistan having jurisdiction over the member.
- Ballot Paper form has also been placed on the website of the Company at: www.pakoxygen.com. Members may download the ballot paper from the website or use an original/photocopy published in newspapers.

Date: _____

Shareholder / Proxy holder Signature/Authorized Signatory
(In case of corporate entity, please affix company stamp)

بیلیٹ پیپر

سالانہ اجلاس عام

26 اپریل 2023 بروز بدھ، دوپہر 02:00 بجے کمپنی کے رجسٹرڈ آفس، ویسٹ وارف، ڈاکٹریٹ روڈ، کراچی پر منعقد ہونے والے سالانہ اجلاس عام میں خصوصی کاروبار کیلئے بذریعہ ڈاک ووٹنگ کیلئے بیلیٹ پیپر۔

فون: (9 lines) 92 21 32313361 + ویب سائٹ: www.pakoxygen.com

فولیو/سی ڈی ایس اکاؤنٹ نمبر	
شیر ہولڈر/پراکسی ہولڈر کا نام	
رجسٹرڈ ایڈریس	
ملکیتی حصص کی تعداد	
CNIC / پاسپورٹ نمبر (غیر ملکی ہونے کی صورت میں) (کاپی منسلک کی جائے گی)	
اضافی معلومات اور منسلک دستاویزات (کارپوریٹ باڈی، کارپوریشن اور وفاقی حکومت کے نمائندے کی صورت میں)	
مجاز دستخط کنندہ کا نام	
مجاز دستخط کنندہ کا CNIC / پاسپورٹ نمبر (غیر ملکی ہونے کی صورت میں) (کاپی منسلک کی جائے گی)	

ایجنڈا آئٹم نمبر ۳ کیلئے قرارداد

قرار پایا کہ:

- کمپنی کے ریگولر آف ایسوسی ایشن کے آرٹیکل 129 اور 130 کی تعمیل میں، 31 دسمبر 2022 کو کمپنی کے غیر تخصیص شدہ منافع سے 146,476,510 روپے (ایک سو چھیالیس ملین، چار سو چھتر ہزار، پانچ سو سو روپے) کی رقم کو مکمل ادا شدہ 14,647,651 عام حصص بحساب فی حصص 10 روپے کے اجراء کے ذریعے کمپنی کے ان اراکین میں جن کے نام 17 اپریل 2023 کو کاروبار کے اختتام پر ممبران کے رجسٹر میں درج ہوں ہر 100 حصص کی ملکیت پر 25 بونس حصص کے تناسب سے تقسیم کیا جائے۔
- اس طرح جاری کئے گئے بونس حصص کو کمپنی کے موجودہ حصص کے ساتھ برلحاظ سے مساوی درجہ دیا جائے گا۔
- ایک عام حصص سے کم کا حقدار ہونے کے نتیجے میں ممبران کے جزوی حصص کے حق کو مکمل حصص میں یکجا کیا جائے گا اور پاکستان اسٹاک ایکچینج لمیٹڈ پر فروخت کیا جائے گا اور اس سے حاصل ہونے والی آمدنی کو ایک تسلیم شدہ خیراتی ٹرسٹ کو عطیہ کیا جائے گا؛ اور
- چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر اور/یا کمپنی بیکری میٹری مشنر کے طور پر اور/یا فرداً فرداً اس قرارداد کے نفاذ کیلئے جیسا ضروری، مناسب اور مطلوب ہو تمام کاموں، افعال اور چیزوں کی انجام دہی اور قانونی، کارپوریٹ اور طریقہ کار کی کارروائیوں کو پورا کرنے کیلئے تمام ضروری اقدامات کرنے اور تمام دستاویزات/ریٹرن فائل کرنے کے مجاز ہوں گے۔

پول کیلئے ہدایات

- برائے مہربانی متعلقہ باکس پر (۷) کا نشان لگا کر اپنے ووٹ کی نشاندہی کریں۔
- اگر دونوں خانوں پر (۷) کا نشان لگا یا گیا تو آپ کے پول کو "مسز ڈ" سمجھا جائے گا۔
- میں/ہم بذریعہ نامندرجہ بالا قرارداد کے سلسلے میں بیلیٹ کے ذریعے اپنا ووٹ استعمال کرتا ہوں/کرتے ہیں اور ذیل میں مناسب باکس میں ٹک (۷) کا نشان لگا کر قرارداد پر میری/ہماری رضامندی یا اختلاف ظاہر کرتا ہوں/کرتے ہیں؛

قرارداد	میں/ہم قرارداد کے حق میں ہوں/ہمیں (حق میں)	میں/ہم قرارداد سے اختلاف کرتا ہوں/کرتے ہیں (مخالفت میں)
ایجنڈا آئٹم نمبر ۳: ہر 100 عام حصص کیلئے 25 عام حصص کے تناسب سے بونس حصص کا اجراء		

نوٹس:

- باضابطہ پر شدہ بیلیٹ پیپر چیئر مین پاکستان آکسیجن لمیٹڈ کو ویسٹ وارف، ڈاکٹریٹ روڈ، کراچی پر بھیجا جائے گا یا chairman.agm@pakoxygen.com پر ای میل کیا جائے گا۔
- CNIC / پاسپورٹ کی کاپی (غیر ملکی ہونے کی صورت میں) پوسٹل بیلیٹ فارم کے ساتھ منسلک ہونی چاہیے۔
- بیلیٹ پیپر 125 اپریل 2023، بروز منگل تک یا اس سے پہلے کاروباری اوقات میں چیئر مین تک پہنچ جانا چاہیے۔ اس تاریخ کے بعد موصول ہونے والی کسی بھی ڈاک کو ووٹنگ کا حصہ نہیں سمجھا جائے گا۔
- بیلیٹ پیپر پر دستخط CNIC / پاسپورٹ پر دستخط سے مماثل ہونا چاہئے (غیر ملکی ہونے کی صورت میں)۔
- ناکمل، غیر دستخط شدہ، غلط، مخمخ شدہ، پھٹا ہوا، ترمیم شدہ، اضافی تحریر والا پول پیپر مسز وکریا جائے گا۔
- باڈی کارپوریٹ، کارپوریشن یا وفاقی حکومت کے نمائندے کی صورت میں، کمپنیز ایکٹ، 2017 کے سیکشن (ز) 138 یا 139 کے مطابق جیسا لاگو ہو، کسی مجاز شخص کے CNIC، بورڈ کی قرارداد/پاور آف اتارنی/اختیار نامہ وغیرہ کی تصدیق شدہ کاپی بیلیٹ پیپر فارم کے ساتھ ہونا ضروری ہے۔ غیر ملکی باڈی کارپوریٹ وغیرہ کے معاملے میں، تمام دستاویزات کاممبر پر دائرہ اختیار رکھنے والے ٹوٹل جزل آف پاکستان سے تصدیق شدہ ہونا ضروری ہے۔
- بیلیٹ پیپر فارم کمپنی کی ویب سائٹ www.pakoxygen.com پر بھی موجود ہے۔ ممبران ویب سائٹ سے بیلیٹ پیپر ڈاؤن لوڈ کر سکتے ہیں یا اخبارات میں شائع ہونے والی اصل/فونو کاپی استعمال کر سکتے ہیں۔

FORM OF PROXY

ANNUAL GENERAL MEETING

I/We _____ of _____ in the district
of _____ being a member of Pakistan Oxygen Limited, hereby appoint
_____ of _____
as my/our proxy, and failing him/her _____
of _____ another Member of the Company to vote for me/us and on my/
our behalf at the Annual General Meeting of the Company to be held via video link facility and in person on the 26th day of April 2023 and
at adjournment thereof.

Signed on this _____ day of _____ 2023 in the presence of:

Name _____

Address _____

CNIC or Passport No. _____

Folio / CDC Account No.

Name _____

Address _____

CNIC or Passport No. _____

Signature on
Revenue Stamp of Rs. 10/-

This signature should agree with the
specimen registered with the company

Important

- The 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 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/کرتی ہوں/کرتے ہیں اور اس کی عدم موجودگی میں کمپنی کے دوسرے ممبر _____ کو اپنی جگہ کمپنی کے سالانہ اجلاس عام میں جو
26 اپریل 2023ء کو ویڈیو لنک کے ذریعے اور ذاتی حیثیت میں منعقد ہوگا، میں شرکت کرنے اور میری/ہماری جگہ ووٹ دینے کا حقدار مقرر کرتا ہوں/کرتی ہوں/کرتے ہیں۔
میں/ہم نے آج مورخہ _____ 2023ء کو درج ذیل کی موجودگی میں دستخط کیے۔

1. دستخط _____ نام _____
2. دستخط _____ نام _____
پتہ _____ پتہ _____
سی این آئی سی یا پاسپورٹ نمبر _____ سی این آئی سی یا پاسپورٹ نمبر _____

فولیو ای سی ڈی سی کاؤنٹ نمبر

دس روپے کے ریوینیو سٹیپ پر دستخط

دستخط، کمپنی کے پاس رجسٹرڈ نمونے کے دستخط کے مطابق ہونے چاہئیں۔

اہم نوٹ:

- یہ پراکسی فارم مکمل پر شدہ اور دستخط شدہ، کمپنی کے رجسٹرڈ دفتر واقع ویسٹ وارہاؤس، ڈاکٹر روڈ، کراچی میں اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل
لازمًا وصول ہو جانا چاہیے۔
- 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 کاؤنٹ 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۔
- بیتیفیشل اور پراکسی کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ فراہم کی جائیں۔
- پراکسی کو اجلاس میں شرکت کے وقت اپنا اصل سی این آئی سی یا پاسپورٹ پیش کرنا ہوگا۔
- کارپوریٹ ادارہ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی اور نمونے کے دستخط (اگر پہلے سے جمع نہ کرائے گئے ہوں) کمپنی کو فراہم کرنا لازمی ہے۔



Pakistan Oxygen Limited

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