

A COMPANY MOVING FORWARD

Condensed Interim Financial Information (Unaudited)
for the First Quarter Ended
31 March 2022

VISION

Oxygen for life and sustainable growth

MISSION

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

CODE OF ETHICS

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

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

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

COMPANY INFORMATION

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

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

Chief Financial Officer

Syed Ali Adnan

Company Secretary

Mazhar Iqbal

Board Audit Committee

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

Chairman
 Member
 Member
 Member
 Secretary

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

Board Strategy Committee

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

Chairman
 Member
 Member
 Member
 Member
 Secretary

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

Board Human Resource, Remuneration and Nomination Committee

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

Chairman
 Member
 Member
 Member
 Secretary

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

Share Transfer Committee

Muhammad Zindah Moin Mohajir
 Matin Amjad
 Wakil Ahmed Khan

Chairman
 Member
 Secretary

Independent Director
 Chief Executive Officer
 Manager – Corporate Services

Bankers

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

External Auditors

BDO Ebrahim & Co.

Internal Auditors

EY Ford Rhodes

Legal advisor

Ayesha Hamid of Hamid Law Associates

Registered office

West Wharf, Dockyard Road, Karachi 74000

Website

www.pakoxygen.com

Entity Credit Rating by PACRA

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

Share Registrar

CDC Share Registrar Services Limited

Directors' Review

We are pleased to present the Directors' Review together with the Condensed Interim Financial Information (un-audited) of your Company for the first quarter ended 31 March 2022.

Pakistan's GDP growth is projected at 4% in FY 2022. Large Scale Manufacturing (LSM) has rebounded strongly with a 12-month moving average growth of 14.5% in FY 2022 as compared to negative 9.9% last year. The average 12-months Consumer Price Index (CPI) is recorded at 10.4% in February 2022 compared to 8.5% for the same period last year. The SBP has raised Policy rate by 250 basis points to 12.25%.

Net Sales for the first quarter ended March 31, 2022 were recorded at Rs. 1.8 billion, up by a robust 20% over last year. This was driven by strong performance in all business segments. Growth in hardgoods and healthcare segments was 31% and 21% higher than last year, respectively. The hardgoods segment continued on its growth trajectory with strong market acceptance of existing brands and newly launched products as well as expansion in customer base. The healthcare segment also recorded significant growth over last year due to strong performance of medical engineering services portfolio as the Company continued to expand its product offering and extended engineering solutions to various hospitals both in public and private sectors. Performance in the bulk segment was also much improved due to better product availability for the industrial sector. The CO2 business also witnessed growth of over 200% over last year after re-commissioning of the Company's own plant.

Gross Profit for the quarter at Rs. 368 million is 19% higher compared to the same period last year. This was achieved despite adverse impact on margins of the healthcare segment due to withdrawal of sales tax exemption on sale of products to hospitals. Overall, margins and overheads were effected due to higher inflation, rupee depreciation, increasing interest rates and higher commodity prices in the international market. Finance cost at Rs. 45 million is 54% higher compared to last year mainly due to increased interest rates.

Profit After Tax and Earning Per Share (EPS) for the quarter were recorded at Rs. 120 million and Rs. 2.56 respectively, higher by 11% compared to last year.

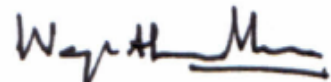
The Company's expansion projects, including the ASU 270 TPD plant and the new electrode manufacturing facility, are progressing as per plan. The Russia-Ukraine conflict has resulted in a high degree of uncertainty in the outlook for international commodity prices and global financial conditions. While, foreseeable challenges of high inflation, global supply chain blockages and the unexpected withdrawal of exemption from sales tax on supplies to hospitals may adversely impact profitability margins, the Company remains focused to overcome these challenges and deliver the various ongoing projects as per plan.

On behalf of the Board

Karachi:
26 April 2022



Matin Amjad
Chief Executive Officer



Waqar Ahmed Malik
Chairman

ہم نہایت مسرت کے ساتھ آپ کی کمپنی کے ڈائریکٹرز کا جائزہ مع مختصر عبوری مالیاتی معلومات (غیر آڈٹ شدہ) برائے پہلی سہ ماہی ستمبر 2022 پیش کر رہے ہیں۔

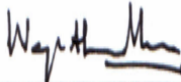
مالی سال 2022 میں پاکستان کی جی ڈی پی کی شرح نمو 4% رہنے کی توقع ظاہر کی گئی ہے۔ بڑے پیمانے کی مینوفیکچرنگ (LSM) نے گزشتہ مالی سال کے منفی 9.9% کے مقابلے میں اوسطاً 14.5% نمو ریکارڈ کی ہے جو 12 ماہ کی اوسطاً زبردست ترقی کا مظہر ہے۔ فروری 2022 کا کنزیومر پرائس انڈیکس (CPI)، 10.4% ریکارڈ کیا گیا جو گزشتہ سال کی اسی مدت کے مقابلے میں 8.5% تھا۔ اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ میں 250 basis points کا اضافہ کر کے اسے 12.25% کر دیا ہے

31 مارچ 2022 کو ختم ہونے والی پہلی سہ ماہی کیلئے خالص سیلز 1.8 ارب روپے ریکارڈ کی گئی جو گزشتہ سال کے مقابلے میں 20% کا زبردست اضافہ ہے۔ یہ ہمارے تمام کاروباری شعبہ جات کی بھرپور کارکردگی کے سبب حاصل ہوا۔ ہارڈ گڈز اور ہیلتھ کیئر کے شعبہ جات میں گزشتہ سال کے مقابلے میں بالترتیب 31% اور 21% کا اضافہ ہوا۔ ہارڈ گڈز کے شعبہ نے موجودہ ہائر ڈاؤرنٹی متعارف کروائی جانے والی مصنوعات کی مارکیٹ میں بھرپور مقبولیت اور صارفین میں توسیع کی بنا پر اپنی ترقی کی رفتار جاری رکھی۔ میڈیکل انجینئرنگ سروسز کے پورٹ فولیو کی زبردست کارکردگی کے سبب ہیلتھ کیئر کے شعبہ نے بھی گزشتہ سال کے مقابلے میں نمایاں ترقی ریکارڈ کی جبکہ کمپنی نے سرکاری اور نجی دونوں شعبوں کے مختلف ہسپتالوں میں اپنی مصنوعات کی پیشکش اور توسیعی انجینئرنگ سروسز کو جاری رکھا۔ Bulk کے شعبہ میں بھی کافی بہتری آئی جس کی وجہ سے صنعتی شعبہ کیلئے ہماری مصنوعات کی دستیابی تھی۔ کمپنی کے اپنے پلانٹ کی دوبارہ کھلوانے کے باعث CO2 بزنس میں بھی گزشتہ سال کے مقابلے میں 200% اضافہ دیکھنے میں آیا۔

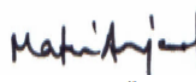
اس سہ ماہی کیلئے مجموعی منافع 368 ملین روپے ہے جو گزشتہ سال کی اسی مدت کے مقابلے میں 19% زیادہ ہے۔ یہ اضافہ ہیلتھ کیئر کے شعبہ کے منافع پر ان منفی اثرات کے باوجود حاصل ہوا جو ہسپتالوں کو مصنوعات کی سپلائی پر سیلز ٹیکس سے استثنیٰ کو واپس لینے کے سبب پڑے تھے۔ مجموعی طور پر بلند افراط زر، روپے کی قدر میں کمی، شرح سود میں اضافہ اور بین الاقوامی مارکیٹ میں اشیاء کی قیمتوں میں اضافے سے منافع اور اثرا جات پر منفی اثرات پڑے۔ مالیاتی لاگت 45 ملین روپے رہی جو شرح سود میں اضافے کے سبب گزشتہ سال کے مقابلے میں 54% زیادہ ہے۔

اس سہ ماہی کیلئے بعد از ٹیکس منافع اور فی شیئر آمدنی (EPS) بالترتیب 120 ملین روپے اور 2.56 روپے رہی جو گزشتہ سال کے مقابلے میں 11% زیادہ ہے۔

کمپنی کے توسیعی پروجیکٹس بشمول ASU 270 TPD پلانٹ اور نئی ایکٹرو ڈیمنو فیکچرنگ فیسٹلٹی کا کام منصوبے کے مطابق آگے بڑھ رہا ہے۔ روس یوکرین تصادم کے نتیجے میں بین الاقوامی اشیاء کی قیمتوں اور عالمی مالیاتی حالات کے منظر میں انتہائی درجہ کی غیر یقینی کیفیت پیدا ہوئی۔ اگرچہ بلند افراط زر، عالمی سپلائی چین میں رکاوٹوں اور ہسپتالوں میں سپلائی پر سیلز ٹیکس پر غیر متوقع طور پر استثنیٰ واپس لینے جیسی مشکلات منافع پر منفی اثرات مرتب کر سکتے ہیں، تاہم کمپنی ان مشکلات پر قابو پانے اور مختلف جاری پروجیکٹس پر منصوبے کے مطابق کام جاری رکھنے پر بھرپور توجہ مرکوز کئے ہوئے ہے۔


وقار احمد ملک

چیئر مین


متین احمد

چیف ایگزیکٹو آفیسر

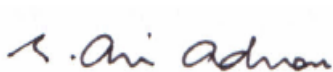
منجانب بورڈ
کراچی

26 اپریل 2022

Pakistan Oxygen Limited
Condensed Interim Statement of Profit or Loss (Unaudited)
For the period ended March 31, 2022

	31 March	31 March
Note	2022	2021
	-----Rupees in '000-----	
Gross sales	4 2,119,606	1,690,972
Trade discount and sales tax	4 (290,907)	(169,030)
Net sales	1,828,699	1,521,942
Cost of sales	4 (1,460,618)	(1,211,881)
Gross profit	368,081	310,061
Distribution and marketing expenses	4 (76,291)	(65,453)
Administrative expenses	4 (69,435)	(59,606)
Other operating expenses	(20,304)	(17,624)
	(166,030)	(142,683)
Operating profit before other income	202,051	167,378
Other income	12,476	17,299
Operating profit	214,527	184,677
Finance costs	(45,375)	(29,371)
Profit before taxation	169,152	155,306
Taxation	(48,960)	(46,630)
Profit for the period	120,192	108,676
		(Restated)
Earnings per share - basic and diluted (Rupees)	2.56	2.32

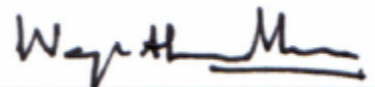
The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Syed Ali Adnan
Chief Financial Officer



Matin Amjad
Chief Executive Officer



Waqar A. Malik
Chairman

Pakistan Oxygen Limited
Condensed Interim Statement of Comprehensive Income (Unaudited)
For the period ended March 31, 2022

	31 March 2022	31 March 2021
	-----Rupees in '000-----	
Profit for the period	120,192	108,676
<i>Other comprehensive income</i>		
Items that will be reclassified subsequently to profit and loss account		
Changes in fair value of cash flow hedge	(41,507)	-
Tax thereon	12,037	-
	(29,470)	-
Total comprehensive income for the period	90,721	108,676

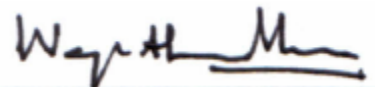
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Syed Ali Adnan
Chief Financial Officer



Matin Amjad
Chief Executive Officer

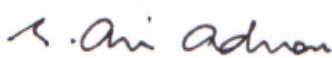


Waqar A. Malik
Chairman

Pakistan Oxygen Limited
Condensed Interim Statement of Financial Position
As at March 31, 2022

	Note	31 March 2022 (Unaudited)	31 December 2021 (Audited)
-----Rupees in '000-----			
ASSETS			
Non-current assets			
Property, plant and equipment	5	6,121,119	5,935,707
Intangible assets		25,991	27,359
Investment in subsidiary		10	10
Long term loans		5,550	5,395
Long term deposits		50,839	50,839
		6,203,509	6,019,310
Current assets			
Stores and spares		318,192	286,112
Stock-in-trade	6	1,006,790	1,041,152
Trade debts		749,544	653,763
Loans and advances		94,057	90,896
Deposits and prepayments		425,730	399,993
Other receivables		543,946	589,234
Taxation - net		289,497	296,734
Cash and bank balances		352,495	429,755
		3,780,251	3,787,639
Total assets		9,983,760	9,806,949
EQUITY AND LIABILITIES			
Share capital and reserves			
<i>Authorised</i>			
70,000,000 (2021: 70,000,000) Ordinary shares of Rs. 10 each		700,000	700,000
<i>Issued, subscribed and paid-up</i>			
46,872,483 (2021: 46,872,483) Ordinary shares of Rs. 10 each		468,725	468,725
<i>Revenue reserves</i>			
General reserves		2,234,950	2,234,950
Unappropriated profit		582,093	461,901
Capital reserves		1,798,150	1,827,620
		4,615,193	4,524,471
		5,083,918	4,993,196
Non-current liabilities			
Long term deposits		229,682	224,693
Lease liabilities	7	19,818	20,588
Long term financing	8	1,316,291	1,125,955
Deferred capital grant	9	228,070	216,547
Deferred liabilities		217,213	235,765
		2,011,074	1,823,548
Current liabilities			
Trade and other payables		1,445,160	1,417,497
Short term borrowings		1,291,406	1,394,044
Un-claimed dividend		18,495	19,428
Current portion of deferred capital grant		47,143	45,780
Current portion of lease liabilities	7	2,774	2,623
Current maturity of long term financing	8	83,790	110,833
		2,888,768	2,990,205
Total equity and liabilities		9,983,760	9,806,949
Contingencies and Commitments			
	10		

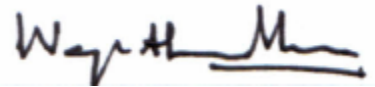
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Syed Ali Adnan
Chief Financial Officer



Matin Amjad
Chief Executive Officer

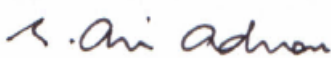


Waqar A. Malik
Chairman

Pakistan Oxygen Limited
Condensed Interim Statement of Cash Flows (Unaudited)
For the period ended March 31, 2022

	Note	31 March 2022	31 March 2021
-----Rupees in '000-----			
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	11	207,903	168,580
Finance costs paid		(34,151)	(25,922)
Income tax paid - net		(48,351)	(26,104)
Post retirement medical benefits paid		(138)	(94)
Long term deposits - receivable		(155)	665
Long term deposits - payable		4,988	2,244
Net cash generated from operating activities		130,096	119,369
CASH FLOW FROM INVESTING ACTIVITIES			
Addition to property, plant and equipment		(279,972)	(571,790)
Addition to Intangibles		-	(724)
Proceeds from disposal of property, plant and equipment		402	471
Interest received on balances with banks		798	106
Net cash used in investing activities		(278,772)	(571,938)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term financing		(28,406)	(28,406)
Long term financing		204,585	473,548
Repayment of lease liabilities		(1,191)	(1,113)
Dividends paid		(933)	(800)
Net cash generated from/(used) in financing activities		174,054	443,229
Increase/(decrease) in cash and cash equivalents		25,378	(9,341)
Cash and cash equivalents at beginning of the year		(964,289)	(863,225)
Cash and cash equivalents at end of the period	12	(938,911)	(872,566)

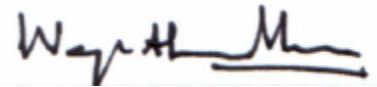
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Syed Ali Adnan
Chief Financial Officer



Matin Amjad
Chief Executive Officer



Waqar A. Malik
Chairman

Pakistan Oxygen Limited
Condensed Interim Statement of Changes in Equity (Unaudited)
For the period ended March 31, 2022

Issued, subscribed and paid-up Capital	Revenue Reserves			Capital Reserves			Total	
	General reserve	Unappropriated profit	Sub total	Cash flow hedging reserve	Surplus on revaluation of property, plant & equipment	Sub total		
-----Rupees in '000-----								
Balance as at 1 January 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 period:								
Profit for the period	-	-	108,676	108,676	-	-	-	108,676
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	390,604	1,954,985	466,762	2,421,747	-	1,798,150	1,798,150	4,610,501
Balance as at 1 January 2022	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 period:								
Profit for the period	-	-	120,192	120,192	-	-	-	120,192
Other comprehensive income for the period	-	-	-	-	(29,470)	-	(29,470)	(29,470)
	-	-	120,192	120,192	(29,470)	-	(29,470)	90,721
Balance as at 31 March 2022	468,725	2,234,950	582,093	2,817,043	(0)	1,798,150	1,798,150	5,083,918

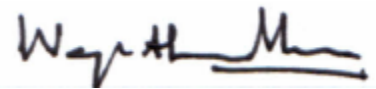
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Syed Ali Adnan
Chief Financial Officer



Matin Amjad
Chief Executive Officer



Waqar A. Malik
Chairman

Pakistan Oxygen Limited
Notes to the Condensed Interim Financial Information (Unaudited)
For the period ended March 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.

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.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information is unaudited and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange. This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended December 31, 2021 which have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan.

This condensed interim financial information of the Company for period ended March 31, 2022 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards 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.

The comparative statement of financial position presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended December 31, 2021, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the period ended March 31, 2021.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except leasehold and freehold land which are recognized at revalued amount and lease liabilities and certain retirement benefits which are recognized at present values. This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

This condensed interim financial information has been presented in Pak Rupees, which is the functional and presentation currency of the Company.

3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies adopted by the Company in the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual audited financial statements of the Company as at and for the year ended December 31, 2021.
- 3.2 Amendments to certain existing standards, interpretations on accounting standards and new standards became effective during the period either were not relevant to the Company's operations or did not have any significant impact on the accounting policies of the Company.

4. SEGMENT RESULTS

For the period ended

	31 March 2022			31 March 2021		
	Industrial, medical and other gases	Welding and others	Total	Industrial, medical and other gases	Welding and others	Total
	------(Rupees in '000)-----					
Gross sales	1,723,320	396,286	2,119,606	1,387,782	303,190	1,690,972
Less:						
Trade discount	362	-	362	844	-	844
Sales tax	234,541	56,005	290,545	124,997	43,189	168,186
Net sales	1,488,417	340,281	1,828,698	1,261,941	260,001	1,521,942
Less:						
Cost of sales	1,168,802	291,816	1,460,618	995,956	215,925	1,211,881
Distribution and marketing expenses	66,246	10,045	76,291	56,148	9,304	65,453
Administrative expenses	60,293	9,142	69,435	51,133	8,473	59,606
	1,295,341	311,003	1,606,344	1,103,237	233,702	1,336,940
Segment result	193,076	29,278	222,354	158,704	26,299	185,002
Unallocated corporate expenses:						
- Other operating expenses			(20,304)			(17,624)
- Other income			12,476			17,299
			(7,828)			(325)
Operating profit			214,526			184,677
Finance costs			(45,375)			(29,371)
Taxation			(48,960)			(46,630)
Profit for the period			120,192			108,676

	31 March 2022	31 December 2021
Note	(Unaudited)	(Audited)
	-----Rupees in '000-----	
5 PROPERTY, PLANT AND EQUIPMENT		
Operating assets	4,220,313	4,219,369
Capital work-in-progress	1,883,994	1,698,716
Right-of-use assets - Building	16,812	17,622
	6,121,119	5,935,707
5.1 Operating assets		
Net book value/revalued amount as at 1 January 2022 / 2021	4,219,369	4,423,422
Additions during the period / year:		
- Land and Building	5,986	10,985
- Plant and machinery	77,011	117,403
- Vehicles	8,477	18,757
- Furniture, fittings and office equipments	-	3,679
- Computer equipments	3,223	15,808
	94,696	166,632
Less:		
- Disposals during the period / year - net book value	(163)	(374)
- Depreciation charge during the period / year	(93,589)	(370,311)
	(93,752)	(370,685)
	4,220,313	4,219,369
5.2 Right-of-use assets - Building		
Net Carrying value basis		
Right of use assets as on January 1	17,622	20,863
Depreciation charge during the period / year	(810)	(3,241)
	16,812	17,622
6 STOCK-IN-TRADE		
Raw and packing materials		
- in hand	327,612	324,513
Finished goods		
- in hand	679,178	716,639
	1,006,790	1,041,152

6.1 The cost of raw and packaging materials and finished goods has been adjusted net of provision for slow moving and obsolete stock by Rs. 30.48 million (31 December 2021: Rs. 28.98 million). During the year, a provision amounting to Rs. 1.5 million (2021: Rs. 12.73 million) in respect of slow moving and obsolete stock has been recorded.

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Note	-----Rupees in '000-----	
7 LEASE LIABILITIES		
Lease liabilities as on January 1	23,211	25,288
Interest accrued	572	2,414
Less: Repayment of lease liabilities	(1,191)	(4,491)
7.1	<u>22,592</u>	<u>23,211</u>
Lease liabilities	22,592	23,211
Less: Current portion	(2,774)	(2,623)
	<u>19,818</u>	<u>20,588</u>
Maturity analysis-contractual undiscounted cashflow:		
Less than one year	4,892	5,110
One to five year	24,925	23,937
More than five year	-	2,264
Total undiscounted lease liability	<u>29,817</u>	<u>31,311</u>

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

8 LONG TERM FINANCING

	31 March 2022 (Unaudited)	31 December 2021 (Audited)
Note	-----Rupees in '000-----	
Secured-from banking companies		
Long term finance facility	1,316,291	1,125,955
Refinance Facility	83,790	110,833
Less: current portion shown under current liabilities	(83,790)	(110,833)
	<u>1,316,291</u>	<u>1,125,955</u>

8.1 This represents long term finance agreements entered into by the Company with certain banks to avail long term financing facility including Islamic / Temporary Economic Refinance Facility (I/TERF) for an amount of Rs. 4,900 million, 2,300 million and Rs. 200 million for import and construction of the ASU 270 TPD plant, ASU 105 TPD plant and 11 TPS Electrode plant, respectively. The loans are repayable in thirty two quarterly installments over the period of eight years beginning May 2023. I/TERF amounting to Rs. 3,800 million is fixed at 4% (SBP rate 1% + Bank Spread 3%) whereas, the remaining of the financing amount is based on 3 month Karachi Interbank Offer Rate (KIBOR) + 1.10% - 1.40% per annum. The facility is secured against charge

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

31 March 2022	31 December 2021
(Unaudited)	(Audited)
-----Rupees in '000-----	

9 DEFERRED CAPITAL GRANT

Capital grant	275,213	262,327
Current Portion of Capital Grant	(47,143)	(45,780)
	228,070	216,547

The Company has received term finance facility amounting to Rs, 1,454.49 million from certain banks under "Islamic / Temporary Economic Refinance Facility (I/TERF)" introduced by the State Bank of Pakistan. The loans are repayable in thirty two quarterly installments over the period of eight years beginning May 2023.

In the year 2020, the Company received term finance facility amounting to Rs. 227.25 million from Habib Bank Limited under "Refinance Scheme for Payment of Salaries to the Workers and Employees of Business Concerns" introduced by the State Bank of Pakistan to finance salaries and wages of all employees of the Company. The tenor of the term finance is two and a half year inclusive of six months grace period and is repayable in eight equal quarterly instalments beginning from January 2021.

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

10 CONTINGENCIES AND COMMITMENTS

10.1 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 March 31, 2022 amounted to Rs. 56.78 million (December 31, 2021: Rs. 56.06 million).

10.2 Commitments

Capital commitments outstanding as at March 31, 2022 amounted to Rs. 539.20 million (December 31, 2021 : Rs. 381.72 million).

Commitments under letters of credit for inventory items as at March 31, 2022 amounted to Rs. 242.6 million (December 31, 2021: Rs. 505 million).

Commitments under letters of credit for fixed assets as at March 31, 2022 amounted to Rs. 3,065.01 million (December 31, 2021: Rs. 2,263.39 million).

Banks have provided guarantees to various parties on behalf of the Company in normal course of business. Guarantees outstanding as at March 31, 2022 amounted to Rs. 119 million (December 31, 2021: Rs. 134.21 million).

	2022 (Un-audited)	2021 (Un-audited)
Note	-----Rupees in '000-----	
11 CASH GENERATED FROM OPERATIONS		
Profit before taxation	169,152	155,306
<i>Adjustments for :</i>		
Depreciation	94,399	93,462
Amortisation	1,369	1,615
Gain on disposal of property, plant and equipment	(241)	(449)
Mark-up income from savings and deposit accounts	(798)	(106)
Finance cost	45,375	29,371
Post retirement medical benefits	251	236
Working capital changes	11.1 (101,604)	(110,855)
	<u>207,903</u>	<u>168,580</u>
11.1 Working capital changes		
<i>Decrease / (increase) in current assets:</i>		
Stores and spares	(32,080)	7,692
Stock-in-trade	34,362	(42,837)
Trade debts	(95,781)	(36,309)
Loans and advances	(3,161)	(36,586)
Deposit and prepayments	(25,737)	(14,651)
Other receivables	3,781	(34,694)
	<u>(118,616)</u>	<u>(157,385)</u>
<i>Increase / (decrease) in current liabilities:</i>		
Trade and other payables	17,012	46,530
	<u>(101,604)</u>	<u>(110,855)</u>
12 CASH AND CASH EQUIVALENTS		
Cash and bank balances	352,495	222,355
Short term borrowings - running finance under mark-up arrangement	(1,291,406)	(1,094,921)
	<u>(938,911)</u>	<u>(872,566)</u>

13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of associated companies, entities with common directors, major shareholders, key management employees and retirement benefit funds. Transactions and balances with related parties and associated undertakings are given below:

13.1 Transactions with related parties are summarised as follows:

Nature of Relationship	Nature of Transaction	31 March 2022	31 March 2021
		-----Rupees in '000-----	
Major shareholders and associated companies by virtue of common directorship	Sale of goods	17,442	18,174
	Purchase of goods and receipt of services	24,855	22,265
	Mark up	22,790	16,401
Directors	Meeting fee	3,950	3,250
Staff retirement benefits	Charge in respect of retirement funds	12,335	9,480
Key management personnel	Compensation	78,832	69,319
		31 March 2022	31 December 2021
		(Un-audited)	(Audited)
		-----Rupees in '000-----	

13.2 Balances with related parties are summarised as follows:

Receivable from:

Staff Retirement Funds	<u>46,552</u>	<u>47,998</u>
Associated companies by virtue of shareholding and common directorship	<u>13,388</u>	<u>12,734</u>

Payable to:

Staff Retirement Funds	<u>4,518</u>	<u>2,740</u>
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13.3 Sales, purchases and other transactions with related parties are carried out on commercial terms and conditions.

14 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the annual audited financial statements of the Company for the year ended December 31, 2021.

15 IMPACTS OF COVID-19 ON THE FINANCIAL STATEMENTS

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

16 DATE OF AUTHORISATION

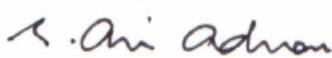
This condensed interim financial information was authorised for issue on April 26, 2022 by the Board of Directors of the Company.

17 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. However, no significant reclassification has been made during the period.

18 GENERAL

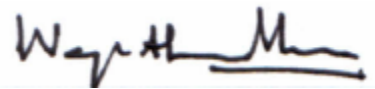
Amounts have been rounded off to the nearest thousands of rupees unless otherwise stated.



Syed Ali Adnan
Chief Financial Officer



Matin Amjad
Chief Executive Officer



Waqar A. Malik
Chairman