

# Condensed Interim Financial Statements (Unaudited) for the Nine Months Ended 30 September 2024



# 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
- Commit to Achieve
- Passion to Excel
- People to Perform
- Innovate to Grow

## 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

### 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
Nadir Salar Qureshi	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

Jamshed Azhar

### COMPANY SECRETARY

Mazhar Iqbal

### BOARD AUDIT COMMITTEE

Tayyeb Afzal	Chairman	Independent Director
Javed Kureishi	Member	Non-Executive Director
Nadir Salar Qureshi	Member	Independent Director
Tushna D Kandawalla	Member	Independent Director

### BOARD STRATEGY COMMITTEE

Waqar Ahmed Malik	Chairman	Non-Executive Director
Javed Kureishi	Member	Non-Executive Director
Matin Amjad	Member	Chief Executive Officer
Nadir Salar Qureshi	Member	Independent Director
Siraj Ahmed Dadabhoy	Member	Non-Executive Director
Tayyeb Afzal	Member	Independent Director

## 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

## SHARE TRANSFER COMMITTEE

Syed Hassan Ali Bukhari	Chairman	Non-Executive Director
Matin Amjad	Member	Chief Executive Officer

## 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

## LEGAL ADVISOR

Ayesha Hamid of Hamid Law Associates

## REGISTERED OFFICE

West Wharf, Dockyard Road, Karachi 74000

## WEBSITE

[www.pakoxygen.com](http://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 along with the Condensed Interim Financial Information (unaudited) for the third quarter and nine-month period ended September 30, 2024.


Pakistan's economy continues to face many fundamental challenges, including high energy prices which are impacting Large Scale Manufacturing (LSM), which declined by 0.19% during FY 2024-25. The key sectors of economy serviced by the Company including Healthcare, Food & Beverages, Steel & Rolling and Welding witnessed negative growth during the period under review. Consumer Price Index (CPI) for June 2024 was recorded at 9.6%, a notable reduction from 27.4% in the same period last year (SPLY). GDP growth for FY 2025 is projected to reach 2.8%. SBP reduced its policy rate to 17.5%.

Despite the challenges faced by the sectors serviced by the Company, Net Sales during the period under review were recorded at Rs. 8.3 billion up by a strong 36% compared to SPLY. This growth is primarily driven by the strong performance of the Healthcare and Medical Engineering Services (MES) segments, which registered a 62% growth over SPLY. This was achieved through strong customer-centric engagement and the delivery of high-quality services in the MES segment. Despite overall weak demand in the LSM sector, which adversely impacted Welding products sales, gases sales to industrial customers remained strong. This was achieved on the back of improved prices to pass through rising input costs and an increase in demand from the Chemical and Food & Beverage sectors.


Gross Profit for the nine-month period at Rs. 2.2 billion is up by a significant 129% compared to SPLY. This was achieved mainly through timely cost increase pass-through and better production efficiencies. Overheads, were tightly controlled and despite much higher inflation, were up by just 6%, excluding one-off provision for doubtful debts and higher WPPF & WWF amounting to Rs. 123 million and Rs. 54 million, respectively. Finance costs at Rs. 810 million were higher by 104% compared to SPLY primarily due to borrowing costs related to the long-term financing of the 270 TPD ASU and 11 TPS Electrode plants, which were capitalized last year. The Company posted a Profit Before Tax of Rs. 763 million, up by a significant 1284% compared to SPLY. After accounting for higher income tax, an effective tax rate of 39%, amounting to Rs. 306 million, Profit After Tax was recorded at Rs. 457 million up by a significant 1073% compared to SPLY.

The period under review witnessed strong performance by the Company in all key segments. Going forward, the recently approved IMF program is expected to bring further economic stability and a revival in LSM growth. There are other positive macro-economic signals including declining inflation and interest rates. The Company is well positioned to capitalize on these opportunities with a strong customer focus and gains from production efficiencies from its state-of-the-art ASU plant and expects to strongly close the year 2024.

Karachi  
October 24, 2024



Matin Amjad  
Chief Executive Officer



Waqar Ahmed Malik  
Chairman

ہم انتہائی مسرت کے ساتھ مالی سال 2024 کی 30 ستمبر کو ختم ہونے والی تیسری سہ ماہی و نو ماہی سے متعلق ڈائریکٹرز کا جائزہ معہ معجز عبوری مالیاتی معلومات (غیر آڈٹ شدہ) پیش کر رہے ہیں۔

تاحال پاکستان کی معیشت کو بنیادی مسائل درپیش ہیں، ان مسائل میں توانائی کی بڑھتی ہوئی قیمتیں بھی شامل ہیں جس کی وجہ سے بڑے پیمانے کی پیداواری صنعتیں متاثر ہو رہی ہیں، مالی سال 2024-25 کے دوران ان صنعتوں کی شرح نمو میں 0.19% کمی واقع ہوئی ہے۔ ان چیلنجز کا سامنا کرنے والے اہم شعبے، جن کو کچنی خدمات فراہم کرتی ہے، جن میں ہیلتھ کیئر، فوڈ اینڈ بیورس، اسٹیل، وولنگ اینڈ ویلڈنگ وغیرہ شامل ہیں زیر نظر عرصے کے دوران منفی شرح نمو ریکارڈ کی گئی ہے۔ جون 2024 میں کنزیومر پرائس انڈیکس (CPI) کی شرح 9.6% ریکارڈ کی گئی ہے جو کہ گزشتہ مالی سال کے اسی عرصے کے دوران 27.4% کے مقابلے میں بہت کم ہے۔ مالی سال 2025 کیلئے شرح نمو کا ہدف 2.8% مقرر کیا گیا ہے، اسٹیٹ بینک آف پاکستان نے اپنا پالیسی ریٹ کم کر کے 17.5% کر دیا ہے۔

کچنی کی جانب سے سروس فراہم کئے جانے والے متعلقہ سیکٹرز کو مذکورہ بالا مسائل درپیش ہونے کے باوجود آپ کی کچنی کی مجموعی فروخت 8.3 بلین روپے ریکارڈ کی گئی ہے جو کہ گزشتہ مالی سال کے اسی عرصے کے مقابلے میں 36% زائد ہے۔ گروتھ میں یہ اضافہ ہیلتھ کیئر اینڈ میڈیکل انجینئرنگ سروسز (MES) کے شعبے کی جانب سے زبردست کارکردگی کا مظاہرہ کئے جانے کی وجہ سے ممکن ہوا ہے، جس میں گزشتہ مالی سال کے اسی عرصے کے مقابلے میں 62% اضافہ ریکارڈ کیا گیا ہے۔ ایم ای ایس کے شعبے میں اس کامیابی کے پیچھے صارفین کی ضروریات کو مد نظر رکھے جانے کی پالیسی اور اعلیٰ معیار کی خدمات کی فراہمی جیسے عوامل شامل ہیں۔ ایل ایس ایم سیکٹرز میں مجموعی طور پر طلب کی کمی کی وجہ سے ویلڈنگ کی مصنوعات پر بہت ہی منفی اثرات مرتب ہوئے ہیں، تاہم انڈسٹری کے صارفین کو گیس کی فروخت اچھی رہی۔ یہ کامیابی بہتر قیمتوں کی وجہ سے حاصل ہوئی جس نے بڑھتے ہوئے پیداواری اخراجات کو پورا کیا اور کیمیکل اور فوڈ اینڈ بیورس کے شعبوں میں طلب میں اضافے سے مدد ملی۔

زیر نظر نو ماہی کیلئے خام منافع 2.2 بلین روپے ریکارڈ کیا گیا ہے جو کہ گزشتہ مالی سال کے مقابلے میں 129% زائد ہے۔ اس اضافے کی بنیادی وجہ پیداواری لاگت کو بروقت منتقل کیا جانا اور پیداواری صلاحیتوں سے زیادہ سے زیادہ فائدہ اٹھانا تھا۔ عمومی اخراجات کو سختی کے ساتھ کنٹرول کیا گیا، افراط زر کی بلند شرح کے باوجود ان اخراجات میں محض 6% کا اضافہ ہوا ہے، اس میں ایک بار کے مشکوک قرضوں کا حذف کیا جانا اور WPPF اور WWF کی بلند شرح شامل نہیں ہیں جن کی مالیت بالترتیب 123 اور 54 ملین روپے بنتی ہے۔ مالی اخراجات 810 ملین روپے جو گزشتہ سال کی اسی مدت کے مقابلے میں 104% زیادہ ہیں، جو بنیادی طور پر 270 TPD ASU اور 11 الیکٹروڈ پلانٹس کی طویل مدتی فنانسنگ سے متعلق قرضوں کی لاگت کی وجہ سے ہیں جنہیں گزشتہ سال Capitalized کیا گیا تھا۔ کچنی کی جانب سے 763 ملین روپے کا منافع قبل از ٹیکس ریکارڈ کیا گیا ہے، جو کہ گزشتہ مالی سال کے اسی عرصے کے مقابلے میں 1284% زائد ہے۔ 306 ملین روپے کے بلند انکم ٹیکس، جس کی حقیقی شرح 39% ہے، ریکارڈ کرنے کے بعد منافع بعد از ٹیکس 457 ملین روپے بنتا ہے، یہ منافع گزشتہ مالی سال کے اسی عرصے کے مقابلے میں 1073% زائد ہے۔

زیر نظر عرصے کے دوران کچنی کی جانب سے تمام شعبوں میں زبردست کارکردگی کا مظاہرہ کیا گیا ہے۔ مزید برآں، آئی ایم ایف کی جانب سے حال ہی میں منظور کئے جانے والے پروگرام کی وجہ سے مزید معاشی استحکام کی امید ہے جس کے باعث بڑے پیمانے کی صنعتوں کی بحالی کی امید ہے۔ اس کے علاوہ مزید مثبت کئی معاشی اشاریے بھی نظر آ رہے ہیں، جیسا کہ افراط زر اور شرح سود میں کمی۔ صارفین کی ضروریات کو مد نظر رکھتے ہوئے اور اپنے بہترین ASU پلانٹ کی پیداواری صلاحیتوں کو زیادہ سے زیادہ استعمال میں لانے کی پوزیشن میں ہونے کی وجہ سے، ان حالات سے بھرپور فائدہ حاصل کرنے کیلئے کچنی ہر لحاظ سے تیار ہے اور اس بات کی قوی امید ہے کہ مالی سال 2024 کا اختتام بہترین انداز سے ہوگا۔



دقار احمد ملک  
چیئرمین



متمین احمد  
چیف ایگزیکٹو آفیسر

کراچی

24 اکتوبر 2024

**Pakistan Oxygen Limited**  
**Condensed Interim Statement of Profit or Loss (Unaudited)**  
**For the period ended September 30, 2024**

	Note	For the nine months ended		For the third quarter ended	
		30 September 2024	30 September 2023	30 September 2024	30 September 2023
		-----Rupees in '000-----		-----Rupees in '000-----	
Gross sales	4	9,516,778	6,983,358	3,211,516	2,734,163
Trade discount and sales tax	4	(1,244,479)	(909,900)	(432,733)	(356,377)
Net sales		8,272,299	6,073,458	2,778,783	2,377,786
Cost of sales	4	(6,072,653)	(5,111,906)	(2,026,808)	(1,962,222)
Gross profit		2,199,646	961,552	751,975	415,564
Distribution and marketing expenses	4	(415,833)	(281,507)	(160,349)	(96,508)
Administrative expenses	4	(251,085)	(241,130)	(87,070)	(82,498)
Other operating expenses		(95,213)	(31,252)	(26,471)	(9,982)
		(762,131)	(553,889)	(273,890)	(188,988)
Operating profit before other income		1,437,515	407,663	478,085	226,576
Gain on sale of non current assets classified as held for sale	5	50,424	-	-	-
Other income		85,165	44,793	959	13,525
Operating profit		1,573,104	452,456	479,044	240,101
Finance cost		(809,964)	(397,317)	(249,614)	(233,074)
Profit before taxation		763,140	55,139	229,430	7,027
Taxation		(305,941)	(16,175)	(83,141)	(1,754)
Profit for the period		457,199	38,964	146,289	5,273
			(Restated)		(Restated)
Earnings per share - basic and diluted (Rupees)		5.25	0.45	1.68	0.06

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.



**Jamshed Azhar**  
**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 September 30, 2024**

	<u>For the nine months ended</u>		<u>For the third quarter ended</u>	
	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>-----Rupees in '000-----</u>		<u>-----Rupees in '000-----</u>	
Profit for the period	457,199	38,964	146,289	5,273
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>457,199</u>	<u>38,964</u>	<u>146,289</u>	<u>5,273</u>

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.



**Jamshed Azhar**  
**Chief Financial Officer**



**Matin Amjad**  
**Chief Executive Officer**



**Waqar A. Malik**  
**Chairman**



**Pakistan Oxygen Limited**  
**Condensed Interim Statement of Financial Position**  
**As at September 30, 2024**

	Note	30 September 2024 (Unaudited)	31 December 2023 (Audited)
-----Rupees in '000-----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	13,531,426	13,538,765
Intangible assets		15,730	19,765
Investment in subsidiary		10	10
Long term loans		4,732	6,329
Long term deposits		80,610	73,082
		13,632,508	13,637,951
<b>Current assets</b>			
Stores and spares		494,484	362,507
Stock-in-trade	7	1,536,895	1,029,826
Trade debts		1,772,973	1,337,550
Loans and advances		51,078	53,042
Deposits and prepayments		486,635	328,228
Other receivables	8	791,748	1,063,092
Taxation - net		255,702	420,578
Cash and bank balances		474,375	406,822
		5,863,890	5,001,645
<b>Non-current assets classified as held for sale</b>	6	11,590	11,986
<b>Total assets</b>		<u>19,507,988</u>	<u>18,651,582</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised share capital 150,000,000 (2023: 150,000,000 ) Ordinary shares of Rs. 10 each		1,500,000	1,500,000
Issued, subscribed and paid-up capital 87,124,228 (2023: 87,124,228) Ordinary shares of Rs. 10 each		871,243	871,243
Revenue reserves			
General reserves		2,985,666	2,844,930
Unappropriated profit		457,199	140,736
Capital reserves			
Share Premium		595,092	595,092
Surplus on revaluation of property, plant and equipment		4,186,648	4,186,648
		8,224,605	7,767,406
		9,095,848	8,638,649
<b>Non-current liabilities</b>			
Long term deposits		257,884	254,993
Lease liabilities	9	10,728	14,715
Long term financing	10	3,673,517	4,024,222
Deferred capital grant	11	372,402	447,046
Deferred liabilities		215,297	117,847
		4,529,828	4,858,823
<b>Current liabilities</b>			
Trade and other payables		2,668,089	1,693,913
Short term borrowings		2,643,452	2,930,941
Un-claimed dividend		18,045	18,495
Current portion of lease liabilities	9	3,762	2,623
Current maturity of long term financing	10	435,764	393,317
Current portion of deferred capital grant	11	113,200	114,821
		5,882,312	5,154,110
<b>Total equity and liabilities</b>		<u>19,507,988</u>	<u>18,651,582</u>
<b>Contingencies and Commitments</b>	12		

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.



**Jamshed Azhar**  
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 September 30, 2024**

	30 September 2024	30 September 2023
Note	-----Rupees in '000-----	
<b>Cash flow from operating activities</b>		
Cash generated from operations	1,981,281	873,751
Finance cost paid	(751,272)	(295,367)
Income tax paid - net	(44,654)	(105,388)
Post retirement medical benefits paid	(258)	(165)
Long term loans and deposits (Receivable)	(5,931)	(3,817)
Long term deposits (Payable)	2,889	(398)
Net cash generated from operating activities	1,182,055	468,616
<b>Cash flow from investing activities</b>		
Additions to property, plant and equipment	(574,248)	(1,403,975)
Additions to intangibles assets	-	(2,150)
Proceeds from disposal of property, plant and equipment	85,192	13,501
Proceeds from sale of non current assets classified as held for sale (net)	50,820	-
Interest received on balances with banks	238	22
Net cash used in investing activities	(437,998)	(1,392,602)
<b>Cash flow from financing activities</b>		
Repayment of long term financing	(384,524)	(205,463)
Proceeds from long term financing	-	118,783
Repayment of lease liabilities	(4,041)	(3,832)
Dividends paid	(450)	-
Net cash (used in) / generated from financing activities	(389,015)	(90,512)
Net Increase / (decrease) in cash and cash equivalents	355,042	(1,014,498)
Cash and cash equivalents at beginning of the year	(2,524,119)	(1,930,578)
Cash and cash equivalents at end of the period	(2,169,077)	(2,945,076)

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.



**Jamshed Azhar**  
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 September 30, 2024**

	Issued, subscribed and paid-up Capital	Revenue Reserves			Capital Reserves			Total
		General reserve	Unappropriated profit	Sub total	Share Premium	Surplus on revaluation of property, plant and equipment	Sub total	
-----Rupees in '000-----								
Balance as at 1 January 2023 (Audited)	585,906	2,579,669	411,737	2,991,406	-	4,186,648	4,186,648	7,763,960
Total comprehensive income for the period:								
Profit for the period	-	-	38,964	38,964	-	-	-	38,964
Transactions with owners of the Company recognised directly in equity - distribution								
Issuance of bonus shares in proportion of 25 shares for every 100 shares	146,476	-	(146,476)	(146,476)	-	-	-	-
Transfer to general reserve		265,261	(265,261)	-	-	-	-	-
Balance as at 30 September 2023 (Un-audited)	<u>732,382</u>	<u>2,844,930</u>	<u>38,964</u>	<u>2,883,894</u>	<u>-</u>	<u>4,186,648</u>	<u>4,186,648</u>	<u>7,802,924</u>
Balance as at 1 January 2024 (Audited)	871,243	2,844,930	140,736	2,985,666	595,092	4,186,648	4,781,740	8,638,649
Total comprehensive income for the period:								
Profit for the period	-	-	457,199	457,199	-	-	-	457,199
Transfer to general reserves	-	140,736	(140,736)	-	-	-	-	-
Balance as at 30 September 2024 (Un-audited)	<u>871,243</u>	<u>2,985,666</u>	<u>457,199</u>	<u>3,442,865</u>	<u>595,092</u>	<u>4,186,648</u>	<u>4,781,740</u>	<u>9,095,848</u>

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.



**Jamshed Azhar**  
**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 September 30, 2024**

**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.

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.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These condensed interim financial statements of the Company for the period ended September 30, 2024 have been prepared in accordance with the accounting and reporting standards (IFRS) 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 the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange.

These condensed interim financial statements do not include all the information and disclosures as 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, 2023 which have been prepared in accordance with the IFRS as applicable in Pakistan.

The comparative statement of financial position presented in these condensed interim financial statements, together with the notes thereto have been extracted from the annual audited financial statements of the Company for the year ended December 31, 2023, 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 together with the notes thereto for the period ended September 30, 2024 have been extracted from the unaudited condensed interim financial statements for the period ended September 30, 2023.

**2.2 Basis of measurement**

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

**2.3 Functional and presentation currency**

These condensed interim financial statements have been presented in Pakistan Rupees, which is the functional and presentation currency of the Company.

**3 MATERIAL ACCOUNTING POLICIES INFORMATION**

3.1 The accounting policies adopted by the Company in the preparation of these condensed interim financial statements are the same as those applied in preparation of the preceding annual audited financial statements of the Company as at and for the year ended December 31, 2023.

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 nine months ended						For the third quarter ended					
	30 September 2024			30 September 2023			30 September 2024			30 September 2023		
	Industrial, medical and other gases	Welding and others	Total	Industrial, medical and other gases	Welding and others	Total	Industrial, medical and other gases	Welding and others	Total	Industrial, medical and other gases	Welding and others	Total
	-----Rupees in '000-----											
Gross sales	8,185,884	1,330,894	9,516,778	5,396,627	1,586,731	6,983,358	2,792,868	418,648	3,211,516	2,146,810	587,353	2,734,163
Less:												
Sales tax	1,044,720	199,759	1,244,479	666,425	243,475	909,900	369,662	63,071	432,733	267,649	88,728	356,377
Net sales	7,141,164	1,131,135	8,272,299	4,730,202	1,343,256	6,073,458	2,423,206	355,578	2,778,783	1,879,161	498,625	2,377,786
Less:												
Cost of sales	5,103,153	969,500	6,072,653	3,962,502	1,149,404	5,111,906	1,730,132	296,676	2,026,808	1,539,927	422,295	1,962,222
Distribution and marketing expenses	385,277	30,556	415,833	224,754	56,753	281,507	147,923	12,426	160,349	79,576	16,932	96,508
Administrative expenses	232,635	18,450	251,085	192,517	48,613	241,130	80,259	6,811	87,070	68,030	14,468	82,498
	5,721,065	1,018,506	6,739,571	4,379,773	1,254,770	5,634,543	1,958,314	315,913	2,274,227	1,687,533	453,695	2,141,228
Segment result	1,420,099	112,629	1,532,728	350,429	88,486	438,915	464,892	39,665	504,556	191,628	44,931	236,558
Unallocated corporate expenses:												
- Other operating expenses			(95,213)			(31,252)			(26,471)			(9,982)
- Gain on sale of non current assets classified as held for sale			50,424			-			-			-
- Other income			85,165			44,793			959			13,525
			40,376			13,541			(25,512)			3,543
Operating profit			1,573,104			452,456			479,044			240,101
Finance cost			(809,964)			(397,317)			(249,614)			(233,074)
Taxation			(305,941)			(16,175)			(83,141)			(1,754)
Profit for the period			457,199			38,964			146,289			5,273

**5 GAIN ON DISPOSAL OF NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE**

Reference to note 15 to the annual financial statements of the Company for the year ended December 31, 2023, the Company during the period completed the disposal transaction of its CO2 23 TPD Plant at Port Qasim. The summary of disposal is as follows:

Net sale proceeds on disposal	50,820	-
Non-current assets classified as held for sale as at December 31	(396)	-
Gain on disposal	50,424	-

**6 PROPERTY, PLANT AND EQUIPMENT**

Operating assets	6.1	12,896,021	12,913,617
Capital work-in-progress	6.2	626,696	614,008
Right-of-use assets - building	6.3	8,709	11,140
		13,531,426	13,538,765

**6.1 Operating assets**

Net book value as at January 01		12,925,603	6,612,385
Additions during the period / year:			
Land and building		126,902	416,976
Plant and machinery		420,443	6,413,185
Vehicle		-	11,783
Furniture, fittings and office equipment		8,869	2,284
Computer equipment		5,345	2,120
		561,559	6,846,348
Less:			
Disposals during the period / year - net book value		(15,501)	(4,975)
Depreciation charge during the period / year		(564,050)	(528,155)
		(579,551)	(533,130)
		12,907,611	12,925,603
Non-current assets classified as held for sale		(11,590)	(11,986)
		12,896,021	12,913,617

**6.2 Capital work-in-progress**

As at January 01		614,008	5,458,169
Additions during the period /year	6.2.1	574,248	2,005,062
		1,188,256	7,463,231
Transfers during the period/year		(561,559)	(6,849,223)
		626,696	614,008

6.2.1 Additions to plant and machinery include borrowing cost capitalised during the period amounting to Rs. 53.182 million (September 30, 2023: Rs.500.780 million). The rate of mark up used to determine the amount of borrowing cost is in the range of 3 months KIBOR+1.4% (2023: 3 months KIBOR+1.4% ) per annum.

	30 September 2024 (Unaudited)	31 December 2023 (Audited)
	-----Rupees in '000-----	
<b>6.3 Right-of-use assets - Buildings</b>		
<b>Net carrying value basis</b>		
As at January 01	11,140	14,381
Depreciation during the period/year	<u>(2,431)</u>	<u>(3,241)</u>
	<u>8,709</u>	<u>11,140</u>
<b>7 STOCK-IN-TRADE</b>		
Raw and packing materials - in hand	337,296	229,584
Finished goods - in hand	1,199,599	800,242
	<u>1,536,895</u>	<u>1,029,826</u>
	7.1	
<b>7.1</b>	The cost of raw and packaging materials and finished goods has been adjusted for provision for slow moving and obsolete stock by Rs. 40.604 million (December 31, 2023: Rs. 34.444 million). During the period, provision in respect of slow moving and obsolete stock amounting to Rs. 6.160 million was recorded (September 30, 2023: reversal of provision Rs. 0.302).	
<b>8 OTHER RECEIVABLES</b>		
Considered good		
Receivable from defined benefit funds	58,169	52,338
Receivable from defined contribution funds	-	2,623
Sales tax recoverable	701,322	948,015
Insurance claim	-	-
Margin against letters of credit and bank guarantees	32,257	60,116
	<u>791,748</u>	<u>1,063,092</u>
<b>9 LEASE LIABILITIES</b>		
Lease liabilities recognised as on January 01	17,338	20,591
Interest accrued	1,193	1,895
Less: repayment of lease liabilities	<u>(4,041)</u>	<u>(5,148)</u>
	<u>14,490</u>	<u>17,338</u>
	9.1	
<b>9.1 Break up of lease liabilities</b>		
Lease liabilities	14,490	17,338
Less: current portion	<u>(3,762)</u>	<u>(2,623)</u>
	<u>10,728</u>	<u>14,715</u>
Maturity analysis-contractual undiscounted cashflow		
Less than one year	5,032	5,258
One to five year	11,980	15,795
Total undiscounted lease liability	<u>17,012</u>	<u>21,053</u>
<b>9.2</b>	When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate of 10% at the time of initial recognition of the lease liabilities.	

## 10 LONG TERM FINANCING

		30 September 2024 (Unaudited)	31 December 2023 (Audited)
	Note	-----Rupees in '000-----	
<b>Secured from banking companies</b>			
Temporary economic relief facility	10.1	2,732,025	2,918,197
Term finance facility	10.2	1,377,256	1,499,342
		<u>4,109,281</u>	<u>4,417,539</u>
Less: current portion shown under current liabilities		<u>(435,764)</u>	<u>(393,317)</u>
		<u>3,673,517</u>	<u>4,024,222</u>

10.1 This represents long term financing agreements entered into by the Company with certain banks to avail long term financing facilities including Islamic Temporary Economic Refinance Facility (I/TERF) of the State Bank of Pakistan 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. These loans are repayable in thirty two quarterly installments over a period of eight years beginning from May 2023 and are secured against charge over certain fixed assets of the Company. These facilities carry mark-up/ profit at 4% (SBP rate 1% + bank spread 3%). The amount of loan outstanding as at reporting date includes Rs. 1,789 million (December 31, 2023: Rs. 1,978 million) obtained under I/TERF.

10.2 This represents financing agreements entered into by the Company with certain banks under Islamic mode of financing 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 and are secured against charge over certain fixed assets of the Company. These facilities carry mark-up /profit rate ranging from 3 months KIBOR + 1.1% - 1.4%.

## 11 DEFERRED CAPITAL GRANT

Capital grant	11.1	485,602	561,867
Current portion shown under current liability		<u>(113,200)</u>	<u>(114,821)</u>
		<u>372,402</u>	<u>447,046</u>

11.1 The Company received term finance facility amounting to Rs. 3,665 million from certain banks under Islamic / Temporary Economic Refinance Facility (I/TERF) introduced by the State Bank of Pakistan. Deferred capital grant has been recorded in respect of this facility under IAS-20, Government Grants.

## 12 CONTINGENCIES AND COMMITMENTS

### 12.1 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 September 30, 2024 amounted to Rs. 67.9 million (December 31, 2023: Rs. 67.9 million).

### 12.2 Commitments

12.2.1 Capital commitments outstanding as at September 30, 2024 amounted to Rs. 206.307 million (December 31, 2023: Rs. 288.032 million).

12.2.2 Commitments under letters of credit for inventory items as at September 30, 2024 amounted to Rs. 178 Million (December 31, 2023: Rs. 804 million).

12.2.3 Commitments under letters of credit for fixed assets as at September 30, 2024 amounted to Rs. 1,505 Million (December 31, 2023: Rs. 1,528 million).

12.2.4 Banks have provided guarantees to various parties on behalf of the Company in normal course of business. Guarantees outstanding as at September 30, 2024 amounted to Rs. 289 million (December 31, 2023: Rs. 434 million).



		30 September 2024 (Un-audited)	30 September 2023 (Un-audited)
	Note	-----Rupees in '000-----	
<b>13 CASH GENERATED FROM OPERATIONS</b>			
Profit before taxation		763,140	55,139
Adjustments for non cash charges and other items:			
Depreciation		566,481	335,479
Amortisation		4,039	4,141
Gain on disposal of property, plant and equipment		(70,086)	(8,810)
Gain on disposal of non current assets held for sale		(50,424)	-
Mark-up income from saving and deposit accounts		(238)	(22)
Finance cost		809,964	397,317
Post retirement medical benefits		1,298	1,105
Working capital changes	12.1	(42,893)	89,401
		<u>1,981,281</u>	<u>873,751</u>
<b>13.1 Working capital changes</b>			
Decrease / (Increase) in current assets:			
Stores and spares		(131,977)	(17,942)
Stock-in-trade		(507,069)	(29,437)
Trade debts		(435,423)	(293,674)
Loans and advances		1,964	38,412
Deposit and prepayments		(158,407)	41,619
Other receivables		271,344	126,206
		<u>(959,568)</u>	<u>(134,816)</u>
Increase / (Decrease) in current liabilities:			
Trade and other payables		916,675	224,217
		<u>(42,893)</u>	<u>89,401</u>
<b>14 CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	14.1	474,375	339,687
Short term borrowings - running finance under mark-up arrangement		(2,643,452)	(3,284,763)
		<u>(2,169,077)</u>	<u>(2,945,076)</u>

**14.1** This includes an amount of Rs. 91.198 million held in savings accounts (December 31, 2023: 39.811 million). The mark-up on saving account is at the rate of 16% - 20.50% per annum (December 31, 2023: 15.5% - 20.50% per annum).

**15 TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

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

**15.1 Transactions with related parties are summarised as follows:**

Nature of Relationship	Nature of Transaction	30 September 2024	30 September 2023
		(Un-audited)	(Un-audited)
-----Rupees in '000-----			
Major shareholders and associated companies by virtue of common directorship	Sale of goods	54,121	32,386
	Purchase of goods and receipt of services	82,185	8,225
	Mark up on long term financing	17,938	14,355
	Mark up on short term financing	49,633	39,434
Directors	Meeting fee	12,175	16,025
Staff retirement funds	Charge in respect of retirement funds	43,567	37,350
Key management personnel	Compensation	291,326	269,799
		30 September 2024	31 December 2023
		(Un-audited)	(Audited)
-----Rupees in '000-----			

**15.2 Balances with related parties are summarised as follows:**

**Receivable from:**

Staff retirement funds	58,169	54,961
Associated companies	8,528	3,825

**Payable to:**

Staff Retirement Funds	19,960	18,017
Associated companies	562	

**Advance from Customer:**

Associated company	-	921
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**15.3** Sales, purchases and other transactions with related parties are carried out on commercial terms and conditions.

**16 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, 2023.

**17 FAIR VALUE OF FINANCIAL INSTRUMENTS**

The carrying values of all financial assets and financial liabilities reflected in these condensed interim financial statements approximate their fair values. As of the reporting date, none of the financial instruments of the Company are carried at fair value.

**18 DATE OF AUTHORISATION**

These condensed interim financial statements were authorised for issue on 24 October 2024 by the Board of Directors of the Company.

**19 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.

**20 GENERAL**

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



Jamshed Azhar  
Chief Financial Officer



Matin Amjad  
Chief Executive Officer



Waqar A. Malik  
Chairman

## PRODUCTS AND SERVICES

At Pakistan Oxygen, our reputation is built on our ability to promptly and effectively address the diverse needs of our customers, regardless of their industry or interests. Our customer-centric approach guides the development of our products, technologies, and support services, ensuring they are tailored to meet each customer's unique requirements and contribute value to their operations.

What distinguishes Pakistan Oxygen is our extensive expertise in process engineering, project development, and our comprehensive product range. We offer a diverse array of gas products, facilities, turnkey services, and solutions, encompassing bulk and compressed gas lines, welding consumables, equipment, and safety gear. Supported by a team of highly skilled engineers, product managers, technologists, and marketers, we provide dedicated assistance and collaborate closely with customers to deliver tailored solutions for their specific gas applications.

At Pakistan Oxygen, we believe in empowering our customers with the knowledge and resources they need for success. Recognizing that each customer faces unique challenges, we are committed to delivering customized solutions that address their individual needs. Our ultimate objective is to ensure a seamless and hassle-free experience for our customers, allowing them to concentrate on their core business activities.

In essence, Pakistan Oxygen is an organization driven by customer needs, offering customized solutions to businesses throughout Pakistan. With our extensive product portfolio, comprehensive services, and unwavering support, we differentiate ourselves from the competition and remain dedicated to empowering our customers with the tools and insights required for success.

## HEALTHCARE

### Medical Gases

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

### Medical Equipment

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

### Medical Engineering Services

- Consultation, design, installation and service of medical gas pipeline systems (O<sub>2</sub>, N<sub>2</sub>O, Air, Suction etc)
- Safety, quality, risk analysis and training on medical gases pipeline systems

## INDUSTRIAL GASES

### Bulk Industrial Gases

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

### 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

- KuickApp™ (Low-code/No-code Application development platform)
- TeleTel™ (remote telemetry)
- Asset Tracking System
- Oxygizer™ (portable oxygen canister)

## WELDING CONSUMABLES AND HARDGOODS

### Welding Consumables

- Low hydrogen welding electrode - E7018 - Quick Pac™ H4R & Alpha Weld™ - H4
- Low hydrogen welding electrode - Fortrex™ E7018
- Low hydrogen welding electrode – Matador48™ E7018
- Mild Steel welding electrode Zodian Universal™ E6013
- Mild Steel welding electrode Prime Arc™ E6013
- Mild Steel welding electrode Matador47™ E6013
- Mild Steel welding electrode HERO WELD™
- Mild Steel welding electrode POL 113 SUPER™ E6013
- Mild Steel welding electrode POL 113™ E6013
- Hard facing welding electrode POLHARD 650™
- Saffire™ MIG welding wire, flux cored wire, arc & gas equipment
- Saffire lite™ MIG welding wire

### Welding Machines

- SPARK ARC 200™
- MMA, MIG, TIG, Plasma

### 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)



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