

**CONDENSED INTERIM FINANCIAL INFORMATION
(UNAUDITED)**

FOR THE FIRST QUARTER ENDED

31 MARCH 2018



Pakistan Oxygen Limited
(formerly Linde Pakistan Limited)



Our vision

To improve the quality of life and wellbeing of people, communities and environment by operating in all sectors of the economy; envisage growth aggressively as a market leader while admiring its people.

Our mission

To remain the Market leader in industrial and medical sector while growing aggressively in welding & hardgoods.

We shall achieve this profitably on sustained basis through the talent of our people, product reliability, superior product service & quality.

We would provide innovative solutions to our customers along with enhancing trust of our shareholders while keeping highest standards of ethics, safety and environment.



COMPANY INFORMATION

Board of Directors

Waqar Ahmed Malik	Non-Executive Chairman
Matin Amjad	Chief Executive Officer
Atif Riaz Bokhari	Non-Executive Director
Siraj Ahmed Dadabhoy	Non-Executive Director
Fawad Anwar	Non-Executive Director
Syed Hasan Ali Bukhari	Non-Executive Director
Sheikh Muhammad Abdullah	Non-Executive Director
Shahid Mehmood Umerani	Non-Executive Director
Feroz Rizvi	Independent Director
Muhammad Zindah Moin Mohajir	Independent Director

Chief Financial Officer

Syed Ali Adnan

Company Secretary

Mazhar Iqbal

Board Audit Committee

Muhammad Zindah Moin Mohajir	Chairman	Independent Director
Fawad Anwar	Member	Non-Executive Director
Feroz Rizvi	Member	Independent Director
Sheikh Muhammad Abdullah	Member	Non-Executive Director
Mazhar Iqbal	Secretary	Manager Finance & Company Secretary

Board Human Resource & Remuneration Committee

Feroz Rizvi	Chairman	Independent Director
Atif Riaz Bokhari	Member	Non-Executive Director
Syed Hasan Ali Bukhari	Member	Non-Executive Director
Shahid Mehmood Umerani	Member	Non-Executive Director
Muhammad Salim Sheikh	Secretary	Head of Human Resources

Share Transfer Committee

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

Bankers

Standard Chartered Bank (Pakistan) Limited
Deutsche Bank AG
HBL Bank Limited
Citibank NA
MCB Bank Limited
National Bank of Pakistan Limited
Meezan Bank Limited
Askari Bank Limited

Auditors

BDO Ebrahim & Co.

Legal advisor

Ayesha Hamid of Hamid Law Associates

Registered office

West Wharf, Dockyard Road, Karachi

Share Registrar

Central Depository Company of Pakistan Limited

Website

www.pakoxygen.com



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 2018.

Pakistan's economy maintains its momentum of achieving a strong growth rate with average headline inflation remaining within comfortable bounds. Key challenges faced by the economy are the higher current account and fiscal deficits. The industrial sector managed to meet growing demand through improved utilization of existing capacity as well as through additions in installed capacity. As a result, Large Scale Manufacturing (LSM) sector posted healthy growth of 6.3 percent during Jul-Jan FY18 as compared to 3.6 percent during the corresponding period in FY17.

The Company continued its growth in terms of business performance. The net revenue of the Company for the first quarter ended 31 March 2018 was Rs. 1.2 billion, registering strong growth of 14% compared to the same period last year. This growth was supported by robust performance in the Hard Goods segment, which grew by 21% over the same period last year, witnessing significant volume growth for key portfolios. The industrial and medical segments also grew strongly with increase of 11% over the corresponding quarter last year primarily due to a broadening of the customer base in the Healthcare segment and higher demand from the steel and the oil & gas industries.

The gross profit margin for the first quarter ended 31 March 2018 was recorded at Rs. 267 million, which is 17% higher compared to the same period last year mainly due to higher sales, improvement in margins, cost containment and productivity initiatives. The gross profit ratio also increased to 23% in Q1 2018 up from 22% in the same period last year. Overheads continued to remain under focus and were maintained approximately at the last year's level of Rs. 135 million despite inflation. Finance cost was lower by 9%. As a result of above mentioned improvements, the Company recorded a profit after tax of Rs. 80 million (EPS of Rs. 3.20) a significant increase of 47% over last year.

As already announced at the Pakistan Stock Exchange, the Board of Directors of the Company have in principle approved an investment plan of about Rs. 4.4 billion to set-up the largest Air Separation Unit ('ASU', the "Plant") in Pakistan. The new state-of-the-art Plant will be capable of producing upto 250 tons per day of ASU products. This investment is a reflection of the confidence of the new shareholders, who acquired majority shareholding of the Company in January 2018, in the country's growing economy and the potential for growth in the various industrial segments serviced by the Company.

With an experienced and professional management team and with the existing footprint across Pakistan, this new investment in capacity enhancement presents growth opportunities that will contribute to build on your Company's legacy of introducing pioneering and sustaining technologies, products and services to local industries.

On behalf of the Board

A handwritten signature in black ink, appearing to read "Matin Amjad", written over a horizontal line.

Karachi
26 April 2018

Matin Amjad
Chief Executive Officer

A handwritten signature in black ink, appearing to read "Waqar Ahmed Malik", written over a horizontal line.

Waqar Ahmed Malik
Chairman

ڈائریکٹرز کا جائزہ

ہم انتہائی مسرت کے ساتھ 31 مارچ کو ختم ہونے والی 2018ء کی پہلی سہ ماہی کے لیے ڈائریکٹرز کا جائزہ بمعہ آپ کی کمپنی کی عبوری مالیاتی معلومات کا خلاصہ (غیر آڈٹ شدہ) پیش کرتے ہیں۔

پاکستان کی معیشت نے اپنی رفتار برقرار رکھتے ہوئے اوسط افراط زر کے ساتھ، جو اطمینان بخش حدود میں رہا، مضبوط شرح نمو حاصل کی۔ ملک کی معیشت کو کرنٹ اکاؤنٹ کی بلند سطح اور مالیاتی خسارے کے کلیدی چیلنجز کا سامنا رہا۔ صنعتی شعبہ موجودہ استعداد کو بہتر بنا کر اور تنصیبی استعداد میں اضافہ کر کے بڑھتی ہوئی طلب پوری کرنے میں کامیاب رہا، جس کے نتیجے میں لارج اسکیل مینوفیکچرنگ کے شعبے نے مالی سال 2018ء کے جولائی - جنوری کے عرصے میں 6.3 فیصد شرح نمو حاصل کی جو مالی سال 2017ء کی اسی مدت میں 3.6 فیصد تھی۔

کاروباری کارکردگی کے لحاظ سے کمپنی کا ترقی کا سفر جاری رہا۔ 31 مارچ 2018ء کو ختم ہونے والی پہلی سہ ماہی میں کمپنی کی خالص آمدنی 1.2 ارب روپے رہی جو گزشتہ سال کی اسی مدت کے مقابلے میں 14 فیصد مضبوط شرح نمو ظاہر کرتی ہے۔ اس شرح نمو میں ہارڈ ویئر سیکٹور کی مستحکم کارکردگی نے مدد دی، جس میں گزشتہ سال کی اسی مدت کے مقابلے میں 21 فیصد اضافہ ہوا۔ یہ اضافہ کلیدی پورٹ فولیوز میں نمایاں نظر آتا ہے۔ صنعت اور میڈیکل سیکٹورس میں بھی مستحکم ترقی رہی جس کی وجہ سے گزشتہ سال کی اسی مدت کے مقابلے میں 11 فیصد اضافہ ہوا، اس کی بنیادی وجہ پیلٹھ کیئر کسٹمرز کی تعداد اور اسٹیل اور آئل اینڈ گیس کی صنعتوں کی طلب میں اضافہ ہے۔

31 مارچ 2018ء کو ختم ہونے والی سہ ماہی میں مجموعی منافع کی حد 267 ملین ریکارڈ کی گئی جو گزشتہ سال کی اسی مدت کے مقابلے میں 17 فیصد زیادہ ہے، اس کی وجہ پیلٹھ میں اضافہ، بہتر منافع، لاگت میں کمی اور پیداوار بہتر بنانے کے اقدامات ہیں۔ 2018ء کی پہلی سہ ماہی میں مجموعی منافع کی شرح بھی بڑھ کر 23 فیصد ہو گئی جو گزشتہ سال کی اسی مدت میں 22 فیصد تھی۔ اور ہیزڈ پرتو جو مرکز رہی اور افراط زر کے باوجود یہ تقریباً گزشتہ سال کی سطح پر، یعنی 135 ملین روپے رہے۔ فنانس کی لاگت میں 9 فیصد کمی واقع ہوئی۔ درج بالا بہتر اقدامات کے نتیجے میں کمپنی کو بعد از ٹیکس 80 ملین روپے منافع حاصل ہوا (نیٹ شیئر آمدنی 3.20 روپے)، جو گزشتہ سال کے مقابلے میں نمایاں طور پر 47 فیصد زیادہ ہے۔

جیسا کہ پاکستان اسٹاک ایکسچینج میں اعلان کیا جا چکا ہے، کمپنی کے بورڈ آف ڈائریکٹرز 4.4 ارب روپے کی سرمایہ کاری منصوبے کی اصولی منظوری دے چکے ہیں جس کے تحت پاکستان میں سب سے بڑا ایئر سپریشن پلانٹ ('ASU', the "Plant") لگایا جائے گا۔ نئی ٹیکنالوجی سے لیس اس جدید ترین پلانٹ کی پیداواری صلاحیت 250 ٹن یومیہ ایئر سپریشن مصنوعات ہوگی۔ یہ سرمایہ کاری نئے شیئر ہولڈرز، جنہوں نے جنوری 2018ء میں کمپنی کے اکثریتی شیئرز حاصل کیے، کے ملک کی ترقی کرتی معیشت اور صنعت کے متعدد شعبوں میں جہاں کمپنی خدمات انجام دے رہی ہے، کی نمو پذیری کے امکانات پر اعتماد کا مظہر ہے۔

تجربہ کار اور پیشہ ماور ماہرین پر مشتمل مینجمنٹ ٹیم اور پورے پاکستان میں کمپنی کی خدمات اور موجودگی کے موجودہ نقوش پاک کے ساتھ، استعداد میں اضافے کے لیے کی جانے والی یہ سرمایہ کاری معاشی نمو اور ترقی کے امکانات کی نوید ہے جو نئی پیش رفت میں پہل کاری، پائیدار ٹیکنالوجی متعارف کرانے اور مقامی صنعتوں کو نئی مصنوعات اور نئی خدمات کی فراہمی کی کمپنی کی روایت اور ورثہ کو مزید مضبوط کرے گی۔

منجانب بورڈ

Waqar Ahmad

وقار احمد ملک
چیئرمین

Mahmud

متین امجد
چیف ایگزیکٹو آفیسر

کراچی

26 اپریل، 2018ء



Pakistan Oxygen Limited

(formerly Linde Pakistan Limited)

Condensed Interim Profit and Loss Account *(Unaudited)*

For the first quarter ended 31 March 2018

	<u>Note</u>	<u>31 March 2018</u>	<u>31 March 2017</u>
<i>Rupees in '000</i>			
Gross sales	5	1,311,915	1,164,647
Trade discount and sales tax	5	(147,181)	(140,123)
Net sales		1,164,734	1,024,524
Cost of sales	5	(897,755)	(796,951)
Gross profit		266,979	227,573
Distribution and marketing expenses	5	(69,285)	(66,344)
Administrative expenses	5	(55,669)	(56,829)
Other operating expenses		(10,924)	(11,025)
		(135,878)	(134,198)
Operating profit before other income		131,101	93,375
Other income		3,322	5,109
Operating profit		134,423	98,484
Finance costs		(23,887)	(26,133)
Profit before taxation		110,536	72,351
Taxation	6	(30,523)	(17,736)
Profit for the period		80,013	54,615
----- (Rupees) -----			
Earnings per share - basic and diluted		3.20	2.18

The annexed notes 1 to 14 form an integral part of these condensed interim financial information.

Syed Ali Adnan
Chief Financial Officer

Matin Amjad
Chief Executive Officer

Waqar A. Malik
Chairman



Pakistan Oxygen Limited

(formerly Linde Pakistan Limited)

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the first quarter ended 31 March 2018

	31 March 2018	31 March 2017
	<i>Rupees in '000</i>	
Profit for the period	80,013	54,615
Other comprehensive income		
<i>Items that will never be reclassified to profit and loss account</i>		
Net re-measurement on defined benefit plans	2,280	(2,496)
Tax thereon	(684)	934
	1,596	(1,562)
Total comprehensive income for the period	81,609	53,053

The annexed notes 1 to 14 form an integral part of these condensed interim financial information.

Syed Ali Adnan
Chief Financial Officer

Matin Amjad
Chief Executive Officer

Waqar A. Malik
Chairman



Pakistan Oxygen Limited
(formerly Linde Pakistan Limited)
Condensed Interim Statement of Financial Position
As at 31 March 2018

	<u>Note</u>	31 March 2018 (Unaudited)	31 December 2017 (Audited)
<i>Rupees in '000</i>			
ASSETS			
Non-current assets			
Property, plant and equipment	7	2,868,166	2,948,292
Intangible assets		11,543	12,471
Investment in subsidiary		10	10
Long term deposits		69,853	69,853
		2,949,572	3,030,626
Current assets			
Stores and spares		139,284	117,768
Stock-in-trade	8	262,169	264,728
Trade debts		729,028	666,736
Loans and advances		28,255	22,159
Deposits and prepayments		108,694	93,887
Other receivables		92,646	139,863
Taxation - net		316,881	317,276
Cash and bank balances		62,359	434,239
		1,739,316	2,056,656
Total assets		4,688,888	5,087,282
EQUITY AND LIABILITIES			
Share capital and reserves			
<i>Authorised:</i>			
40,000,000 (2017: 40,000,000) Ordinary shares of Rs. 10 each		400,000	400,000
<i>Issued, subscribed and paid-up:</i>			
25,038,720 (2017: 25,038,720) Ordinary shares of Rs. 10 each		250,387	250,387
Reserves			
Unappropriated profit		1,579,262	1,475,338
		81,609	241,637
		1,660,871	1,716,975
		1,911,258	1,967,362
Non-current liabilities			
Long term financing		270,000	270,000
Long term deposits		187,796	186,384
Deferred liabilities		354,033	356,990
		811,829	813,374
Current liabilities			
Trade and other payables		1,099,510	1,181,846
Short term borrowings		481,291	739,700
Current maturity of long term financing		385,000	385,000
		1,965,801	2,306,546
Total equity and liabilities		4,688,888	5,087,282
Contingencies and Commitments			
	9		

The annexed notes 1 to 14 form an integral part of these condensed interim financial information.

Syed Ali Adnan
Chief Financial Officer

Matin Amjad
Chief Executive Officer

Waqar A. Malik
Chairman



Pakistan Oxygen Limited

(formerly Linde Pakistan Limited)

Condensed Interim Cash Flow Statement (Unaudited)

For the first quarter ended 31 March 2018

	31 March 2018	31 March 2017
Note	Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES		
Cash generated from operations	10 (58,118)	209,389
Finance costs paid	(11,841)	(15,881)
Income tax paid	(33,848)	(21,605)
Post retirement medical benefits paid	(58)	(3)
Long term deposits - paid	-	(3,322)
Long term deposits - received	1,412	435
Net cash generated from operating activities	<u>(102,453)</u>	<u>169,013</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(18,308)	(14,385)
Proceeds from disposal of operating assets	9,453	3,051
Interest received on balances with banks	128	38
Net cash used in investing activities	<u>(8,727)</u>	<u>(11,296)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term financing	-	(250,000)
Dividends paid	(2,291)	(1,424)
Net cash used in financing activities	<u>(2,291)</u>	<u>(251,424)</u>
Net (decrease) in cash and cash equivalents	<u>(113,471)</u>	<u>(93,707)</u>
Cash and cash equivalents at beginning of the year	<u>(305,461)</u>	<u>20,981</u>
Cash and cash equivalents at end of the period	11 <u>(418,932)</u>	<u>(72,726)</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial information.

Syed Ali Adnan
Chief Financial Officer

Matin Amjad
Chief Executive Officer

Waqar A. Malik
Chairman



Pakistan Oxygen Limited

(formerly Linde Pakistan Limited)

Condensed Interim Statement of Changes in Equity (Unaudited)

For the first quarter ended 31 March 2018

	Issued, subscribed and paid-up Share capital	General reserve	Unappropriated profit	Total
-----Rupees in '000-----				
Balance as at 1 January 2017	250,387	1,375,413	187,561	1,813,361
Total comprehensive income for the period:				
Profit for the period	-	-	54,615	54,615
Other comprehensive income for the period	-	-	(1,562)	(1,562)
	-	-	53,053	53,053
Transactions with owners of the Company recognised directly in equity - distribution				
Final dividend for the year ended 31 December 2016 - Rs. 3.75 per share	-	-	(87,636)	(87,636)
Transfer to general reserve	-	99,925	(99,925)	-
Balance as at 31 March 2017	250,387	1,475,338	53,053	1,778,778
Balance as at 1 January 2018	250,387	1,475,338	241,637	1,967,362
Total comprehensive income for the period:				
Profit for the period	-	-	80,013	80,013
Other comprehensive income for the period	-	-	1,596	1,596
	-	-	81,609	81,609
Transactions with owners of the Company recognised directly in equity - distribution				
Final dividend for the year ended 31 December 2017 - Rs. 5.50 per share	-	-	(137,713)	(137,713)
Transfer to general reserve	-	103,924	(103,924)	-
	-	103,924	(241,637)	(137,713)
Balance as at 31 March 2018	250,387	1,579,262	81,609	1,911,258

The annexed notes 1 to 14 form an integral part of these condensed interim financial information.

Syed Ali Adnan
Chief Financial Officer

Matin Amjad
Chief Executive Officer

Waqar A. Malik
Chairman



Pakistan Oxygen Limited
(formerly Linde Pakistan Limited)
Notes to the Condensed Interim Financial Information (Unaudited)
For the first quarter ended 31 March 2018

1. LEGAL STATUS AND OPERATIONS

Pakistan Oxygen Limited (formerly Linde Pakistan Limited) ["the Company"] was incorporated in Pakistan under the 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 its registered office 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 is majority owned by Adira Capital Holdings (Private) Limited and its affiliates consisting of Hilton Pharma (Private) Limited, Soorty Enterprises (Private) Limited, Al-Karam Textile Mills (Private) Limited, Mr. Fawad Anwar and Mr. Siraj Dadabhoj.

The Company owns a wholly owned subsidiary, BOC Pakistan (Private) Limited ("BOCPL"), which has not carried out any business activities during the year. Accordingly, exemption has been granted by the Securities and Exchange Commission of Pakistan ("SECP") from the application of sub-section (1) to (7) of section 228 of the Companies Act, 2017 requiring consolidation of subsidiary in the preparation of financial statements for the year ending 31 December 2018 and all interim periods within the aforementioned year.

2. BASIS OF PREPARATION

This condensed interim financial information of the Company for the first quarter ended 31 March 2018 has been prepared in accordance with accounting and reporting Standard 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
- Provision of and directives issued under the Companies Act, 2017.

Where the provision of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial information of the Company does not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements of the Company as at and for the year ended 31 December 2017.

This condensed interim financial information is presented in Pak Rupee which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand.

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 31 December 2017.
- 3.2 Amendments to certain existing standards and new standards and interpretations on approved accounting 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. ACCOUNTING ESTIMATES, JUDGMENTS, FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT

In preparing these condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Estimates and judgements made by management in the preparation of this condensed interim financial information are the same as those that were applied to the audited annual financial statements of the Company as at and for the year ended 31 December 2017.

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements of the Company as at and for the year ended 31 December 2017. The Company has established control framework with respect to the measurements of fair values. Management uses observable inputs / data as far as possible to determine fair values of assets and liabilities, where ever required or permitted under accounting standards. At reporting date management considers fair values of financial assets and liabilities not measured at fair values approximate their carrying amounts.



5. SEGMENT RESULTS

	31 March 2018			31 March 2017		
	Industrial, medical and other gases	Welding and others	Total	Industrial, medical and other gases	Welding and others	Total
	-----(<i>Rupees in '000</i>)-----					
Gross sales	1,060,841	251,074	1,311,915	957,929	206,718	1,164,647
Less:						
Trade discount	906	-	906	765	-	765
Sales tax	110,137	36,138	146,275	110,417	28,941	139,358
	<u>111,043</u>	<u>36,138</u>	<u>147,181</u>	<u>111,182</u>	<u>28,941</u>	<u>140,123</u>
Net sales	949,798	214,936	1,164,734	846,747	177,777	1,024,524
Less:						
Cost of sales	703,464	194,291	897,755	657,262	139,689	796,951
Distribution and marketing expenses	63,927	5,358	69,285	55,240	11,104	66,344
Administrative expenses	51,365	4,304	55,669	47,318	9,511	56,829
	<u>818,756</u>	<u>203,953</u>	<u>1,022,709</u>	<u>759,820</u>	<u>160,304</u>	<u>920,124</u>
Segment result	131,042	10,983	142,025	86,927	17,473	104,400
Unallocated corporate expenses:						
- Other operating expenses			(10,924)			(11,025)
- Other income			3,322			5,109
			<u>(7,602)</u>			<u>(5,916)</u>
Operating profit			134,423			98,484
Finance costs			(23,887)			(26,133)
Taxation			(30,523)			(17,736)
Profit for the period			80,013			54,615

6. TAXATION

Under Section 5A of the Income Tax Ordinance, 2001 (the Ordinance), amended by Finance Act, 2017, tax shall be imposed at the rate of 7.5 percent of accounting profit before tax on every public company other than a scheduled bank or a modaraba, that derives profits for a tax year but does not distribute at least 40 percent of its after-tax profits within six months of the end of said tax year through cash or bonus shares.

The Board of Directors of the Company intends to distribute sufficient cash dividend for the year ending 31 December 2018 to comply with the above stated requirement. Accordingly, no provision for tax on undistributed reserves has been recognised in these condensed interim financial information.



7. PROPERTY, PLANT AND EQUIPMENT

	31 March	31 December
Note	2018	2017
	(Unaudited)	(Audited)
	<i>Rupees in '000</i>	
Operating assets	7.1 2,783,898	2,749,332
Capital work-in-progress	84,268	198,960
	2,868,166	2,948,292

7.1 Operating assets

Net book value as at 1 January 2018 / 2017	2,749,332	2,982,317
Additions during the period / year:		
- Land and Building	-	3,400
- Plant and machinery	131,685	95,524
- Vehicles	213	19,970
- Furniture, fittings and office equipments	-	1,022
- Computer equipments	1,102	4,040
	133,000	123,956
Less:		
- Disposals during the period / year - net book value	(9,015)	(1,911)
- Depreciation charge during the period / year	(89,419)	(355,030)
	(98,434)	(356,941)
	2,783,898	2,749,332

8. STOCK-IN-TRADE

Raw and packing materials - in hand	102,618	83,581
Finished goods		
- in hand	147,822	171,138
- in transit	11,729	10,009
	159,551	181,147
	262,169	264,728

8.1 Raw and packing materials and finished goods include inventories held by various parties, located at Site and Landhi industrial areas of Karachi, amounting to Rs. 36,299 thousand (31 December 2017: Rs. 29,461 thousand) for manufacturing purposes.

8.2 The cost of raw and packaging materials and finished goods has been adjusted net of provision for slow moving and obsolete stock by Rs. 36,382 thousand (31 December 2017: Rs. 35,482 thousand).



9. CONTINGENCIES AND COMMITMENTS

9.1 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 31 March 2018 amounted to Rs. 46,054 thousand (31 December 2017: Rs.45,442 thousand).

9.2 Commitments

Capital commitments outstanding as at 31 March 2018 amounted to Rs. 122,075 thousand (31 December 2017: Rs. 128,385 thousand).

10. CASH GENERATED FROM OPERATIONS

	Note	31 March 2018	31 March 2017
		<i>Rupees in '000</i>	
Profit before taxation		110,536	72,351
<i>Adjustments for :</i>			
Depreciation		89,419	88,489
Amortisation		928	930
Gain on disposal of property, plant and equipment		(438)	(2,919)
Mark-up income from savings and deposit accounts		(126)	(38)
Finance cost		23,887	26,133
Post retirement medical benefits		138	134
Working capital changes	10.1	(282,462)	24,309
		(58,118)	209,389

10.1 Working capital changes

<i>Decrease / (increase) in current assets:</i>			
Stores and spares		(21,516)	(5,140)
Stock-in-trade		2,559	51,995
Trade debts		(62,292)	(25,462)
Loans and advances		(6,096)	(11,206)
Deposit and prepayments		(14,807)	(8,509)
Other receivables		49,495	1,517
		(52,657)	3,195
<i>Increase in current liabilities:</i>			
Trade and other payables		(229,805)	21,114
		(282,462)	24,309

11. CASH AND CASH EQUIVALENTS

Cash and bank balances		62,359	185,913
Short term borrowings - running finance under mark-up arrangement		(481,291)	(258,639)
		(418,932)	(72,726)



12. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

12.1 Transactions with related parties are summarised as follows:

Nature of relationship	Nature of transactions	31 March	31 March
		2018	2017
<i>Rupees in '000</i>			
Adira Capital Holdings (Private) Limited	Management fee	<u>12,500</u>	-
	Dividend	<u>60,374</u>	-
Associated companies by virtue of shareholding and common directorship	Sale of goods	<u>4,891</u>	1,612
	Purchase of goods and receipt of service	<u>19,108</u>	20,099
	Dividend	<u>49,802</u>	-
Staff retirement benefits	Contributions to staff retirement funds	<u>7,261</u>	7,259
Key management personnel	Compensation	<u>58,446</u>	51,235
Directors	Meeting fee	<u>2,900</u>	1,217
Re-measurement: Actuarial gain / (Loss) recognised in other comprehensive income on account of Staff Retirement Benefits		<u>2,280</u>	(2,329)

12.2 Balances with related parties are summarised as follows:

	31 March	31 December
	2018	2017
<i>Rupees in '000</i>		
<i>Receivable from:</i>		
Staff Retirement Funds	<u>22,400</u>	21,542
Associated companies by virtue of shareholding and common directorship	<u>3,678</u>	2,678
<i>Payable to:</i>		
Staff Retirement Funds	<u>1,895</u>	-

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

13. CORRESPONDING FIGURES

The condensed interim balance sheet has been compared with the preceding balance sheet as at 31 December 2017, whereas the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity have been compared with the corresponding period of the previous year.

14. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on 26th April 2018 by the Board of Directors of the Company.

Syed Ali Adnan
Chief Financial Officer

Matin Amjad
Chief Executive Officer

Waqar A. Malik
Chairman



Our Products and Services

In Pakistan our business and reputation is built around our customers. Whatever the industry or interest, we continue to respond to its needs as quickly and effectively as possible. The ever changing requirements of customers are the driving force behind the development of all our products, technologies and support services. Pakistan Oxygen provides gas products, facilities and turnkey services and solutions which are customized to meet the unique needs of our customers and add value to their businesses. Our competitive advantage is our

extensive process engineering, project development and comprehensive product portfolio. We have the widest range of bulk and compressed gases product lines as well as welding consumables, equipments and safety gear. At Pakistan Oxygen, our highly qualified and experienced engineers, product managers, technologists and marketers excel at providing dedicated support. A Pakistan Oxygen customer receives for each gas application, the complete solution – gas, know-how, tailor-made hardware and customized services

Industrial gases

Bulk gases

- Liquid oxygen
- Liquid nitrogen
- Liquid argon
- Pipeline & Trailer hydrogen
- Liquid carbon dioxide
- Industrial pipelines

PGP gases

- Compressed oxygen
- Aviation oxygen
- Compressed nitrogen
- Compressed argon
- Compressed air
- Compressed hydrogen
- Compressed carbon dioxide
- Dissolved acetylene

Specialty gases

- High purity gases
- Research grade gases
- Gaseous chemicals
- Calibration mixtures
- Argon mixtures
- Welding gas mixtures
- Sterilization gases
- Propane
- Helium (liquid & compressed)
- Refrigerants

Healthcare

Medical gases

- Liquid medical oxygen
- Compressed medical oxygen
- Nitrous oxide
- ENTONOX®
- Specialty Medical Gases & Mixtures e.g. Helium, Carbon dioxide, Heliox etc

Medical equipment

- Medical Air, Vacuum & AGSS Plants
- Medical Gases high & low-Pressure Monitoring & Alarm Systems, High precision flowmeters
- Suction injector units and oxygen therapy products
- ENTONOX® delivery systems complete with apparatus, regulators and cylinders

Medical engineering services

- Consultation, design, Installation and servicing of medical gas pipeline systems – (O₂, N₂O, Air, Suction etc)
- Safety, quality, risk analysis & training on medical gas pipeline systems.

Welding & others

Welding consumables

- Low hydrogen welding electrodes Fortrex E7018
- Mild Steel welding electrodes - Zodian Universal E6013
- Mild Steel welding electrodes - Matador47 E6013
- Mild Steel welding electrode - Spark E6013
- Stainless steel electrodes- Matador SS (E308 & E308L)
- Special Electrodes
- MIG welding wires- Matador

Welding machines

- Automatic
- Semi-automatic
- Manual

Welding accessories

- Regulators
- Cutting torches
- Welding torches
- Cutting machines
- Abrasives (Cutting & Grinding discs)
- Welding Cable
- Gas control equipment
- Safety equipment

PGP – others

- Calcium Carbide
- Industrial gases pipeline (O₂, N₂, DA, Ar etc)
- Training on safe use of industrial gases and pipelines system.



BUSINESS LOCATIONS

Registered office/head office

Karachi
P.O.Box 4845, West Wharf
Phones +92.21.32313361 (9 lines)
Fax 92.21 32312968

Wah Cantonment
Kabul Road
Phone +92.51.4545359
Taxila
Adjacent to HMC No.2
Phones +92.51.4560701(5 lines) & 4560600
Fax +92.51.4560700

Acetylene plant

Gas compression facility

North-western region

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

Nitrous oxide plant

Gas compression facility

Rawalpindi
2nd Floor, Jahangir Multiplex
Golra Mor, Peshawar Road
Phones +92.51.2315501 (3 lines)
Fax +92.51.2315050

Sales office

Plot No. 705, Sundar Industrial Estate
Phones +92.42.35297244-47 (4 lines)

ASU plant

Southern region

Mehmood Kot
Adjacent to PARCO
Mid Country Refinery, Mehmood Kot
Qasba Gujrat, Muzaffargarh
Phones +92.66.2290751 & 2290484-85
Fax +92.66.2290752

Nitrogen plant

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

Gas compression facility
Acetylene plant
Electrode factory
Speciality gases

Faisalabad
Altaf Ganj Chowk
Near Usman Flour Mills
Jhang Road
Phones +92.41.2653463 & 2650564
Sales depot

Sales depot

Gas compression facility

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

ASU plant
Hydrogen plant
Carbon dioxide plant
Dry ice plant

Sukkur
A-15, Airport Road
Near Bhatti Hospital
Phone +92.71.5630871

Sales depot