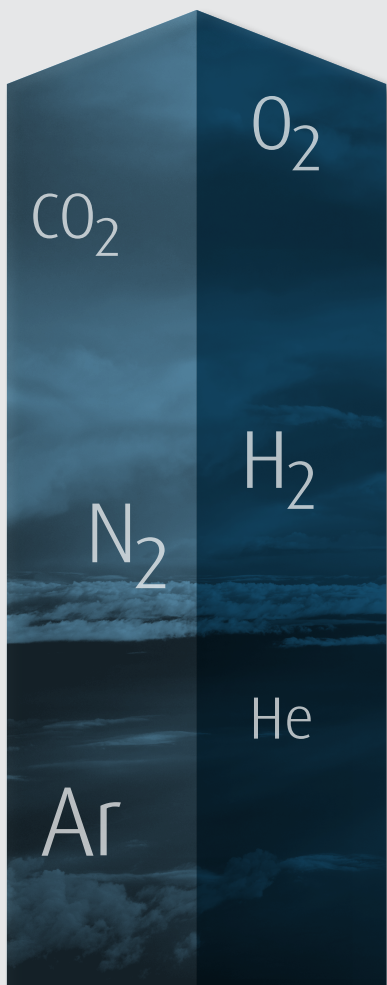


Condensed Interim Financial Statement
(Unaudited)
for the Half Year Ended
30 June 2024



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
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
Nadir Salar Qureshi	Independent Director

COMPANY SECRETARY

Mazhar Iqbal

BOARD AUDIT COMMITTEE

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

ENTITY CREDIT RATING BY PACRA

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

SHARE REGISTRAR

CDC Share Registrar Services Limited

Directors' Report

We are pleased to present the Directors' Review together with the Condensed Interim Financial Statements of your Company for the half-year ended June 30, 2024. The accompanying Financial Statements were subject to a limited scope review by the Statutory Auditors, as required under the Code of Corporate Governance.

Pakistan's economy continues to remain subdued. Although, the Consumer Price Index (CPI) for June 2024 was recorded at 12.6% compared to 29.4% for the same period last year (SPLY), growth numbers remain disappointing. Large Scale Manufacturing (LSM) remained almost stagnant, recording just 0.92% growth during FY 2023-24. The GDP growth for the fiscal year 2023-24 was recorded at 2.4%. SBP reduced its policy rate to 19.5%.

The Company achieved a Net Turnover of Rs. 5.5 billion up 49% over SPLY with strong performance in the Healthcare & Medical Engineering Services segments. Despite the overall lackluster LSM growth and subdued demand for welding products, sales to industrial customers recorded healthy growth on the back of price increases to pass through rising input costs and higher sales of Hydrogen to key customers.

Gross Profit for the half-year ended June 30, 2024 was recorded at Rs. 1.4 billion, up by a significant 165% compared to the corresponding period. This was achieved through improved pricing to offset rising input costs and enhanced production efficiencies following the successful commissioning of the ASU 270 TPD plant at Port Qasim. Overheads increased by 34%, mainly due to provision against doubtful debts amounting to Rs. 62 million, along with an increase of Rs. 39 million in the Workers Profit Participation Fund (WPPF) and Workers Welfare Funds (WWF) due to higher profitability. Overheads, excluding provision against doubtful debts, WPPF and WWF, were up by 6%, despite much higher inflation. Finance costs were recorded at Rs. 560 million, up 241% compared to the corresponding period. This rise is mainly attributable to higher discount rates coupled with the impact of finance costs associated with 270 TPD ASU and 11 TPS Electrode plants which were capitalized last year. Profit Before Tax for the half-year was recorded at Rs. 534 million compared to Rs. 48 million during the SPLY, witnessing an increase of 1009%. After accounting for income tax of Rs. 223 million, the Company recorded Profit After Tax for the half-year ended June 30, 2024 at Rs. 311 million, up by a significant 823% compared to the SPLY.

The economic outlook is bleak. Although, inflation is easing and there has been a reduction in the policy rate, GDP growth remains elusive. The Company through strong customer interactions has managed to deliver robust sales growth, and despite these external challenges remains on track to deliver a strong performance for the remainder of 2024.

Karachi
August 22, 2024



Matin Amjad
Chief Executive Officer



Waqar Ahmed Malik
Chairman

ڈائریکٹرز کی رپورٹ

ہم انتہائی مسرت کے ساتھ 30 جون 2024 کو ختم ہونے والے سشماہی سے متعلق آپ کی کمپنی کے مرتکز عبوری مالیاتی گوشوارے معہ ڈائریکٹرز کا جائزہ آپ کی خدمت میں پیش کر رہے ہیں۔ کوڈ آف کارپوریٹ گورننس کے تحت منسلک مالیاتی گوشوارے قانونی آڈیٹرز کی جانب سے محدود پیمانے پر نظر ثانی سے مشروط تھے۔

پاکستان کی معیشت ابھی تک زبوں حالی کا شکار ہے۔ گوکہ جون 2024 میں کنزیومر پرائس انڈیکس %12.6 درج کیا گیا، یہ انڈیکس گزشتہ مالی سال کے اسی عرصے میں %29.4 ریکارڈ کیا گیا تھا، جبکہ شرح نمو سے متعلق اعداد و شمار مایوس کن ہیں۔ بڑے پیمانے کی صنعتیں تقریباً جمود کا شکار ہیں، مالی سال 2023-24 کے دوران شرح نمو محض %0.92 ریکارڈ کی گئی ہے۔ مالی سال 2023-24 کیلئے جی ڈی پی کی شرح %2.4 ریکارڈ کی گئی ہے، اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ کم کر کے %19.5 کر دیا ہے۔

کمپنی کی جانب سے ہیلتھ کیئر اور میڈیکل انجینئرنگ سروسز کے شعبوں میں زبردست کارکردگی کے ساتھ مجموعی کاروباری حجم %5.5 بلین روپے رہا جو کہ گزشتہ مالی سال کے اسی عرصے کے مقابلے میں %49 زائد ہے۔ بڑے پیمانے کی صنعتوں میں سست روی اور ویلڈنگ پروڈکٹس کی طلب میں کمی کے باوجود، انڈسٹریل کسٹمز کو کی جانے والی سیلز میں اضافہ ریکارڈ کیا گیا ہے جس کی وجہ قیمت فروخت میں اضافہ تھا جو کہ پیداواری لاگت میں ہونے والے اضافے کے باعث تھا اور بہتر کارکردگی کا سہرا اہم کسٹمز کو ہائیڈروجن کی فروخت کو بھی جاتا ہے۔

مالی سال اختتامیہ 30 جون 2024 کی سشماہی کیلئے نام منافع %1.4 بلین روپے ریکارڈ کیا گیا ہے جو کہ گزشتہ مالی سال کے اسی عرصے کے مقابلے میں %165 زائد ہے۔ ان نتائج کی ذمہ داری بنیادی طور پر پیداواری لاگت میں اضافے کے بعد قیمتوں میں کٹنے جانے والے اضافے، پیداواری صلاحیت کو مستعد انداز سے بروئے کار لانے اور پورٹ قاسم پر ASU 270 TPD پلانٹ کی تنصیب کے حق میں جاتی ہے۔ اوور ہیڈز کے اخراجات میں %34 اضافہ ہوا ہے، اس اضافے کی وجہ %62 ملین روپے کے غیر یقینی واجب الوصول قرضوں کا پروویژن قائم کرنا اور منافع کے پیش نظر %39 ملین روپے سے ورکرز پرافٹ پارٹیشننگ فنڈ (WPPF) اور ورکرز ویلفیئر فنڈ (WWF) کا قیام ہے۔

افراط زر کے باوجود، اگر غیر یقینی واجب الوصول قرضوں کے پروویژن، WPPF اور WWF کو منہا کر دیا جائے تو اوور ہیڈز کے اخراجات میں محض %6 کا اضافہ ریکارڈ کیا گیا ہے۔ فنانس کی لاگت میں %560 ملین روپے ریکارڈ کی گئی ہے جو کہ گزشتہ مالی سال کے اسی عرصے کے مقابلے میں %241 ہے۔ اس اضافے کی وجہ بلند شرح سود ہے جس کا اثر فنانس کی لاگت پر پڑا ہے، گزشتہ سال ASU 270 TDP اور 11 TPS الیکٹروڈ پلانٹس سے منسلک فنانس کے اخراجات capitalize کئے گئے تھے۔ مذکورہ سشماہی کیلئے منافع قبل از ٹیکس %534 ملین روپے درج کیا گیا ہے جبکہ گزشتہ مالی سال کے اسی عرصے کے دوران یہ منافع %48 ملین روپے ریکارڈ کیا گیا تھا، اس طرح اس مد میں %1009 زائد منافع ریکارڈ کیا گیا ہے۔ انکم ٹیکس %223 ملین روپے تھا اور ٹیکس منہا کرنے کے بعد کمپنی کا منافع بعد از ٹیکس سشماہی اختتامیہ 30 جون 2024 کیلئے %311 ملین روپے ریکارڈ کیا گیا ہے، یہ منافع گزشتہ مالی سال کے مقابلے میں %823 زائد ریکارڈ کیا گیا ہے۔

معاشی لحاظ سے مستقبل میں بھی مسائل کم ہوتے نظر نہیں آتے۔ گوکہ افراط زر میں کمی واقع ہوئی ہے اور پالیسی ریٹ میں بھی کمی لائی گئی ہے جی ڈی پی کی شرح نمو ابہام کا شکار ہے۔ کسٹمز کے ساتھ بہتر تعلقات استوار کرتے ہوئے کمپنی اس قابل رہی ہے کہ بہترین سیلز گروتھ حاصل کر سکی، مذکورہ مسائل کے باوجود رواں مالی سال 2024 کے بقیہ عرصے کیلئے کمپنی موثر کارکردگی کا مظاہرہ کرنے کیلئے صحیح راستے پر گامزن ہے۔

Waqar Ahmad Malik

وقار احمد ملک
چیئرمین

Mohammad Ali

متین امجد
چیف ایگزیکٹو آفیسر

کراچی

22 اگست 2024



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Pakistan

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

Report on review of condensed interim financial statements

Introduction

We have reviewed the accompanying condensed interim statement of profit or loss of PAKISTAN OXYGEN LIMITED ("the Company") for the half year ended June 30, 2024 and the related condensed interim statement of comprehensive income, condensed interim statement of financial position as at June 30, 2024, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the financial statements for the six-month period then ended. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as at and for the six-month period ended as at June 30, 2024 is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The figures for the quarters ended June 30, 2024 and June 30, 2023 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

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

KARACHI

DATED: 28 AUG 2024

UDIN: AR202410067SxsXa6QY7

BDO EBRAHIM AND CO.
CHARTERED ACCOUNTANTS

BDO Ebrahim & Co. Chartered Accountants

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

PAKISTAN OXYGEN LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2024

	Note	For the half year ended		For the second quarter ended	
		June 30	June 30	June 30	June 30
		2024	2023	2024	2023
		-----Rupees in '000-----		-----Rupees in '000-----	
Gross sales	4	6,305,262	4,249,195	3,173,997	2,161,874
Trade discount and sales tax	4	(811,747)	(553,524)	(407,234)	(280,878)
Net sales		5,493,515	3,695,671	2,766,763	1,880,996
Cost of sales	4	(4,045,845)	(3,149,684)	(2,026,023)	(1,633,097)
Gross profit		1,447,670	545,987	740,740	247,899
Distribution and marketing expenses	4	(255,484)	(184,999)	(161,600)	(94,963)
Administrative expenses	4	(164,015)	(158,632)	(83,934)	(80,414)
Other operating expenses		(68,743)	(21,270)	(31,709)	(7,450)
		(488,242)	(364,901)	(277,243)	(182,827)
Operating profit before other income		959,428	181,086	463,497	65,072
Gain on sale of non current assets classified as held for sale	5	50,424	-	50,424	-
Other income		84,206	31,268	11,415	27,677
Operating profit		1,094,058	212,354	525,336	92,749
Finance cost		(560,349)	(164,243)	(290,357)	(91,621)
Profit before taxation		533,709	48,111	234,979	1,128
Taxation		(222,800)	(14,421)	(102,459)	(715)
Profit for the period		310,909	33,690	132,520	413
Earning per share -basic and diluted		3.57	(Restated) 0.39	1.52	(Restated) 0.00

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHAIRMAN

PAKISTAN OXYGEN LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2024

	<u>For the half year ended</u>		<u>For the second quarter ended</u>	
	<u>June 30</u>	<u>June 30</u>	<u>June 30</u>	<u>June 30</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	-----Rupees in '000-----		-----Rupees in '000-----	
Profit for the period	310,909	33,690	132,520	413
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>310,909</u>	<u>33,690</u>	<u>132,520</u>	<u>413</u>

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHAIRMAN

PAKISTAN OXYGEN LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	June 30 2024 (Unaudited)	December 31 2023 (Audited)
	-----Rupees in '000-----	
ASSETS		
Non-current assets		
Property, plant and equipment	13,392,568	13,538,765
Intangible assets	17,076	19,765
Investment in subsidiary	10	10
Long term loans	5,348	6,329
Long term deposits	80,610	73,082
	13,495,612	13,637,951
Current assets		
Stores and spares	483,079	362,507
Stock-in-trade	1,385,086	1,029,826
Trade debts	1,464,318	1,337,550
Loans and advances	96,066	53,042
Deposits and prepayments	457,538	328,228
Other receivables	847,592	1,063,092
Taxation - net	319,846	420,578
Cash and bank balances	551,313	406,822
	5,604,838	5,001,645
Non-current assets classified as held for sale	11,590	11,986
Total assets	<u>19,112,040</u>	<u>18,651,582</u>
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorised share capital 150,000,000 (2023: 150,000,000) Ordinary shares of Rs. 10 each	<u>1,500,000</u>	<u>1,500,000</u>
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	310,909	140,736
Capital reserves		
Share Premium	595,092	595,092
Surplus on revaluation of property, plant and equipment	4,186,648	4,186,648
	<u>8,078,315</u>	<u>7,767,406</u>
	8,949,558	8,638,649
Non-current liabilities		
Long term deposits	252,887	254,993
Lease liabilities against right of use asset	11,717	14,715
Long term financing	3,781,396	4,024,222
Deferred capital grant	399,859	447,046
Deferred liabilities	186,514	117,847
	4,632,373	4,858,823
Current liabilities		
Trade and other payables	2,387,544	1,693,913
Short term borrowings	2,582,192	2,930,941
Un-claimed dividend	18,345	18,495
Current portion of lease liabilities against right of use asset	3,707	2,623
Current maturity of long term financing	423,870	393,317
Current portion of deferred capital grant	114,451	114,821
	<u>5,530,109</u>	<u>5,154,110</u>
Total equity and liabilities	<u>19,112,040</u>	<u>18,651,582</u>
Contingencies and Commitments		

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHAIRMAN

PAKISTAN OXYGEN LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2024

	June 30 2024	June 30 2023
	-----Rupees in '000-----	
Cash flow from operating activities		
Cash generated from operations	1,431,744	191,886
Finance cost paid	(505,437)	(105,491)
Income tax paid - net	(54,010)	(74,798)
Post retirement medical benefits paid	(256)	(116)
Long term loans and deposits (receivable)	(6,547)	(4,750)
Long term deposits (payable)	(2,107)	(3,119)
Net cash flows from operating activities	863,387	3,612
Cash flows from investing activities		
Additions to property, plant and equipment	(243,470)	(1,212,200)
Additions to intangibles assets	-	(932)
Proceeds from disposal of property, plant and equipment	85,192	10,615
Proceeds from sale of non current assets classified as held for sale (net)	50,820	-
Interest received on balances with banks	24	5
Net cash used in investing activities	(107,434)	(1,202,512)
Cash flows from financing activities		
Repayment of long term financing	(259,830)	(102,731)
Proceeds from long term financing	-	118,783
Repayment of lease liabilities	(2,733)	(2,551)
Dividends paid	(150)	-
Net cash (used in) / flows from financing activities	(262,713)	13,501
Net Increase / (decrease) in cash and cash equivalents	493,240	(1,185,399)
Cash and cash equivalents at beginning of the period	(2,524,119)	(1,930,578)
Cash and cash equivalents at end of the period	(2,030,879)	(3,115,977)

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHAIRMAN

PAKISTAN OXYGEN LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2024

	Issued, subscribed and paid-up Capital	Revenue Reserves			Capital Reserves			Total
		General reserve	Unappropri ated profit	Sub total	Share Premium	Surplus on revaluation of property, plant and equipment	Sub total	
-----Rupees in '000-----								
Balance as at January 01, 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	-	-	33,690	33,690	-	-	-	33,690
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 June 30, 2023 (Un-audited)	<u>732,382</u>	<u>2,844,929</u>	<u>33,690</u>	<u>2,878,620</u>	<u>-</u>	<u>4,186,648</u>	<u>4,186,648</u>	<u>7,797,650</u>
Balance as at January 01, 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	-	-	310,909	310,909	-	-	-	310,909
Transfer to general reserves	-	140,736	(140,736)	-	-	-	-	-
Balance as at June 30, 2024 (Un-audited)	<u>871,243</u>	<u>2,985,666</u>	<u>310,909</u>	<u>3,296,575</u>	<u>595,092</u>	<u>4,186,648</u>	<u>4,781,740</u>	<u>8,949,558</u>

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHAIRMAN

PAKISTAN OXYGEN LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED JUNE 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 June 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 June 30, 2024 have been extracted from the unaudited condensed interim financial statements for the period ended June 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 half year ended						For the second quarter ended					
	June 30, 2024			June 30, 2023			June 30, 2024			June 30, 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	5,393,016	912,246	6,305,262	3,249,817	999,378	4,249,195	2,714,788	459,209	3,173,997	1,596,434	565,440	2,161,874
Less:												
Sales tax	(675,058)	(136,689)	(811,747)	(398,777)	(154,747)	(553,524)	(338,587)	(68,647)	(407,234)	(194,466)	(86,412)	(280,878)
Net sales	4,717,958	775,557	5,493,515	2,851,040	844,631	3,695,671	2,376,201	390,562	2,766,763	1,401,968	479,028	1,880,996
Less:												
Cost of sales	3,373,021	672,824	4,045,845	2,422,575	727,109	3,149,684	1,690,989	335,034	2,026,023	1,226,304	406,793	1,633,097
Distribution and marketing expenses	237,354	18,130	255,484	145,178	39,821	184,999	149,739	11,861	161,600	68,821	26,142	94,963
Administrative expenses	152,376	11,639	164,015	124,487	34,145	158,632	77,642	6,292	83,934	58,152	22,262	80,414
	3,762,751	702,593	4,465,344	2,692,240	801,075	3,493,315	1,918,370	353,187	2,271,557	1,353,277	455,197	1,808,474
Segment result	955,207	72,964	1,028,171	158,800	43,556	202,356	457,831	37,375	495,206	48,691	23,831	72,522
Unallocated corporate expenses:												
- Other operating expenses			(68,743)			(21,270)			(31,709)			(7,450)
- Gain on sale of non current assets classified as held for sale			50,424			-			50,424			-
- Other income			84,206			31,268			11,415			27,677
			65,887			9,998			30,130			20,227
Operating profit			1,094,058			212,354			525,336			92,749
Finance cost			(560,349)			(164,243)			(290,357)			(91,621)
Taxation			(222,800)			(14,421)			(102,459)			(715)
Profit for the period			310,909			33,690			132,520			413

		June 30 2024 (Unaudited)	31 December 2023 (Audited)
	Note	-----Rupees in '000-----	
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	(396)	-
	Gain on disposal	<u>50,424</u>	<u>-</u>
6	PROPERTY, PLANT AND EQUIPMENT		
	Operating assets	6.1 12,618,539	12,913,617
	Capital work-in-progress	6.2 764,510	614,008
	Right-of-use assets - building	6.3 9,519	11,140
		<u>13,392,568</u>	<u>13,538,765</u>
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	74,014	416,976
	Plant and machinery	12,823	6,413,185
	Vehicle	-	11,783
	Furniture, fittings and office equipment	6,130	2,284
	Computer equipment	-	2,120
		92,967	6,846,348
	Less:		
	Disposals during the period/year - net book value	(15,501)	(4,975)
	Depreciation charge during the period/year	(372,940)	(528,155)
		<u>(388,441)</u>	<u>(533,130)</u>
		12,630,129	12,925,603
	Non-current assets classified as held for sale	(11,590)	(11,986)
		<u>12,618,539</u>	<u>12,913,617</u>
6.2	Capital work-in-progress		
	As at January 01	614,008	5,458,169
	Additions during the period/year	6.2.1 243,469	2,005,062
		857,477	7,463,231
	Transfers during the period/year	(92,967)	(6,849,223)
	As at June 30	<u>764,510</u>	<u>614,008</u>

6.2.1 Additions to plant and machinery include borrowing cost capitalised during the period amounting to Rs. 35.979 million (June 30, 2023: Rs.395.808 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.

	June 30 2024 (Unaudited)	December 31 2023 (Audited)
	-----Rupees in '000-----	
6.3 Right-of-use assets - Buildings		
Net carrying value basis		
As at January 01	11,140	14,381
Depreciation during the period	<u>(1,621)</u>	<u>(3,241)</u>
As at June 30	<u><u>9,519</u></u>	<u><u>11,140</u></u>
7 STOCK-IN-TRADE		
Raw and packing materials - in hand	312,795	229,584
Finished goods - in hand	<u>1,072,291</u>	<u>800,242</u>
7.1	<u><u>1,385,086</u></u>	<u><u>1,029,826</u></u>
7.1	The cost of raw and packaging materials and finished goods has been adjusted for provision for slow moving and obsolete stock by Rs. 38.504 million (December 31, 2023: Rs. 34.444 million). During the period, provision in respect of slow moving and obsolete stock amounting to Rs. 4.060 million was recorded (June 30, 2023: reversal of provision Rs 2.402 million).	
8 OTHER RECEIVABLES		
Considered good		
Receivable from defined benefit funds	56,226	52,338
Receivable from defined contribution funds	-	2,623
Sales tax recoverable	759,109	948,015
Margin against letters of credit and bank guarantees	<u>32,257</u>	<u>60,116</u>
	<u><u>847,592</u></u>	<u><u>1,063,092</u></u>
9 CASH AND BANK		
Cash in hand	4,633	3,164
Cash at bank - current and savings accounts	<u>546,680</u>	<u>403,658</u>
	<u><u>551,313</u></u>	<u><u>406,822</u></u>
9.1	This includes an amount of Rs. 93.573 million held in savings accounts (December 31, 2023: Rs.39.811 million). The mark-up on saving account is at the rate of 19% - 20.5% per annum (December 31, 2023:15.5% - 20.50% per annum).	

		30 June 2024 (Unaudited)	31 December 2023 (Audited)
	Note	-----Rupees in '000-----	
10	LEASE LIABILITIES		
		17,338	20,591
		819	1,895
		<u>(2,733)</u>	<u>(5,148)</u>
	10.1	<u><u>15,424</u></u>	<u><u>17,338</u></u>
10.1	Break up of lease liabilities		
		15,424	17,338
		<u>(3,707)</u>	<u>(2,623)</u>
		<u><u>11,717</u></u>	<u><u>14,715</u></u>
		5,068	5,258
		<u>13,252</u>	<u>15,795</u>
		<u><u>18,320</u></u>	<u><u>21,053</u></u>
10.2	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.		
11	LONG TERM FINANCING		
	Secured from banking companies		
	Temporary economic relief facility	11.1 2,787,314	2,918,197
	Term finance facility	11.2 <u>1,417,952</u>	<u>1,499,342</u>
		4,205,266	4,417,539
	Less: current portion shown under current liabilities	<u>(423,870)</u>	<u>(393,317)</u>
		<u><u>3,781,396</u></u>	<u><u>4,024,222</u></u>
11.1	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. 1,854 million (December 31, 2023 : Rs. 1,978 million) obtained from ITERF.		

11.2 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% to 1.4%. The amount of loan outstanding as at reporting date includes Rs. 1,418 million (December 31, 2023 : Rs. 1,499 million) obtained under islamic mode of financing.

	Note	June 30 2024 (Unaudited)	31 December 2023 (Audited)
-----Rupees in '000-----			
12 DEFERRED CAPITAL GRANT			
Capital grant	12.1	514,310	561,867
Current portion shown under current liability		<u>(114,451)</u>	<u>(114,821)</u>
		<u>399,859</u>	<u>447,046</u>

12.1 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.

13 CONTINGENCIES AND COMMITMENTS

13.1 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 June 30, 2024 amounted to Rs. 67.9 million (December 31, 2023: Rs. 67.9 million).

13.2 Commitments

13.2.1 Capital commitments outstanding as at June 30, 2024 amounted to Rs. 227.078 million (December 31, 2023: Rs. 288.032 million).

13.2.2 Commitments under letters of credit for inventory items as at June 30, 2024 amounted to Rs. 166 Million (December 31, 2023: Rs. 804 million).

13.2.3 Commitments under letters of credit for fixed assets as at June 30, 2024 amounted to Rs. 1,506.611 million (December 31, 2023: Rs. 1,528 million).

13.2.4 Banks have provided guarantees to various parties on behalf of the Company in normal course of business. Guarantees outstanding as at June 30, 2024 amounted to Rs. 194 million (December 31, 2023: Rs. 434 million).

	June 30 2024 (Un-audited)	30 June 2023 (Un-audited)
Note	-----Rupees in '000-----	
14 CASH GENERATED FROM OPERATIONS		
Profit before taxation	533,709	48,111
Adjustments for non cash charges and other items:		
Depreciation	374,561	202,011
Amortisation	2,692	2,699
Gain on disposal of property, plant and equipment	(70,086)	(6,149)
Gain on disposal of non current assets held for sale	(50,424)	-
Mark-up income from saving and deposit accounts	(24)	(5)
Finance cost	560,349	164,243
Post retirement medical benefits	865	737
Working capital changes	14.1 80,102	(219,761)
	<u>1,431,744</u>	<u>191,886</u>
14.1 Working capital changes		
Decrease / (Increase) in current assets:		
Stores and spares	(120,572)	(9,315)
Stock-in-trade	(355,260)	(204,150)
Trade debts	(126,768)	(32,660)
Loans and advances	(43,024)	58,864
Deposit and prepayments	(129,310)	(2,270)
Other receivables	215,500	31,542
	<u>(559,434)</u>	<u>(157,989)</u>
Increase / (Decrease) in current liabilities:		
Trade and other payables	639,536	(61,772)
	<u>80,102</u>	<u>(219,761)</u>
15 CASH AND CASH EQUIVALENTS		
Cash and bank balances	551,313	304,946
Short term borrowings - running finance under mark-up arrangement	(2,582,192)	(3,420,923)
	<u>(2,030,879)</u>	<u>(3,115,977)</u>

16 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:

16.1 Transactions with related parties are summarised as follows:

Nature of Relationship	Nature of Transaction	June 30	June 30
		2024	2023
		(Un-audited)	(Un-audited)
		-----Rupees in '000-----	
Major shareholders and associated companies by virtue of common directorship	Sale of goods	34,259	23,035
	Purchase of goods and receipt of services	79,478	6,478
	Mark up on long term financing	17,938	14,355
	Mark up on short term financing	49,633	39,434
Directors	Meeting fee	7,750	11,050
Staff retirement funds	Charge in respect of retirement funds	28,500	24,277
Key management personnel	Compensation	194,413	180,802
		June 30	31 December
		2024	2023
		(Un-audited)	(Audited)
		-----Rupees in '000-----	

16.2 Balances with related parties are summarised as follows:

Receivable from:

Staff retirement funds	56,226	54,961
Associated companies	4,311	1,497

Payable to:

Staff Retirement Funds	19,720	18,017
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Advance from Customer:

Associated company	363	921
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16.3 Sales, purchases and other transactions with related parties are carried out on commercial terms and conditions.

17 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.

18 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.

19 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on August 22, 2024 by the Board of Directors of the Company.

20 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.

21 GENERAL

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

These financial statements for the half year ended June 30, 2024 have been signed by the Chief Executive Officer and two Directors of the Company as the position of Chief Financial Officer of the Company is presently vacant due to the resignation of the Chief Financial Officer effective April 19, 2024.



CHIEF EXECUTIVE OFFICER



DIRECTOR



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 (O₂, N₂O, Air, Suction etc)
- Safety, quality, risk analysis and training on medical gases pipeline systems

INDUSTRIAL GASES

Bulk Industrial Gases

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

- 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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