

**CONDENSED INTERIM FINANCIAL
INFORMATION (UNAUDITED)
FOR THE NINE MONTHS ENDED
30 SEPTEMBER 2018**



Pakistan Oxygen 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
Shahid Mehmood Umerani	Non-Executive Director
Sheikh Muhammad Abdullah	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.pakoxxygen.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 quarter and nine months ended 30 September 2018.

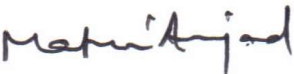
Pakistan's economy is expected to slowdown in FY 2019 and GDP growth is projected to around 5% in FY19 vs 5.4% in FY18. CPI inflation is expected to rise due to increase in international oil prices, increase in gas tariffs and depreciation of the rupee. SBP has raised its policy rate by 100 bps to 8.5%.

Your Company's results witnessed a strong performance for the nine-month period ended 30 September 2018 by exhibiting improvements in all key performance indicators. Profit after tax at Rs. 297 million was higher by 50% compared with the same period last year. EPS is Rs. 11.85 vs last year's 7.91. The higher profit after tax was driven by double digit growth in turnover, margin expansion of 11% due to growth in topline and favourable sales mix and continued cost optimization which reduced distribution & marketing and administration expenses by 20% and 16% respectively.

Your Company shall continue to focus on strong business growth while protecting the margins.

On behalf of the Board

Karachi:
26 October 2018


Matin Amjad
Chief Executive Officer


Waqar Ahmed Malik
Chairman

ڈائریکٹرز کا جائزہ

ہم نہایت مسرت کے ساتھ ڈائریکٹرز کا جائزہ مع آپ کی کمپنی کی عبوری مالیاتی معلومات (تخیر آؤٹ شدہ) برائے سہ ماہی اور نو ماہ
شعبہ 30 ستمبر 2018 کا خلاصہ پیش کر رہے ہیں۔

مالی سال 2019 میں پاکستان کی معیشت کمزور رہنے کی توقع ہے اور مالی سال 2019 میں GDP کی شرح 5% کے قریب رہنے کا
امکان ظاہر کیا گیا ہے جو کہ مالی سال 2018 میں 5.4% تھی۔ CPI (غیر ملکی زر میں بھی اضافی کی توقع ہے جس کی وجہ بین الاقوامی
نیل کی قیمتوں میں اضافہ ہوگا جس کے نرخوں کا بڑھنا اور روپے کی قدر میں کمی ہے۔ اس لیے بینک آف پاکستان نے اپنے پالیسی رجحان میں
100 bps کا اضافہ کر کے 8.5% کر دیا ہے۔

نو ماہ کی مدت شعبہ 30 ستمبر 2018 میں آپ کی کمپنی کے نتائج میں مضبوط کارکردگی نظر آ رہی ہے جس کا اظہار کارکردگی کے تمام بنیادی
اشارات سے ہوتا ہے۔ بعد از ٹیکس منافع 297 ملین روپے حاصل ہوا جو گزشتہ سال کے اسی مدت کے منافع سے 50% زیادہ ہے۔ اس
طرح فی شیئر آمدنی گزشتہ سال کے 7.91 روپے کے مقابلے میں 11.85 روپے رہی۔ بعد از ٹیکس منافع میں اضافی بلٹرم میں دو ہندسی
(Double digit) اضافے بنا آپ ان میں توسیع کی وجہ سے مارجن میں 11% اضافے اور موافق بلٹرمس کے علاوہ اخراجات پر
قاپو پانے کیلئے مسلسل اقدامات، جس سے تقسیم کاری اور مارکیٹنگ اور انتظامی اخراجات میں 20% اور 16% کمی آئی، کی
بدولت حاصل ہوا۔

آپ کی کمپنی مضبوط کاروباری ترقی اور مارجن کے تحفظ پر مستقل توجہ مرکوز رکھے گی۔

یقیناً ہوگا

Waqar Ahmad Malik

وقار احمد ملک
چیئرمین

Mahmud Amir

مستین امجد
چیف ایگزیکٹو آفیسر

کراچی
26 اکتوبر 2018

Pakistan Oxygen Limited
Condensed Interim Statement of Financial Position
As at 30 September 2018



	<u>Note</u>	30 September 2018 (Unaudited)	31 December 2017 (Audited)
<i>Rupees in '000</i>			
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,726,289	2,948,292
Intangible assets		36,508	12,471
Investment in subsidiary		10	10
Long term deposits		69,853	69,853
		2,832,660	3,030,626
Current assets			
Stores and spares		185,294	117,768
Stock-in-trade	6	391,653	264,728
Trade debts		767,158	666,736
Loans and advances		15,713	22,159
Deposits and prepayments		130,296	93,887
Other receivables		149,678	174,975
Taxation - net		355,781	317,276
Cash and bank balances		122,609	434,239
		2,118,182	2,091,768
Total assets		4,950,842	5,122,394
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		1,579,262	1,475,338
Unappropriated profit		298,285	241,637
		1,877,547	1,716,975
		2,127,934	1,967,362
Non-current liabilities			
Long term financing		135,000	270,000
Long term deposits		191,243	186,384
Deferred liabilities		329,178	356,990
		655,421	813,374
Current liabilities			
Trade and other payables		941,196	1,216,958
Short term borrowings		956,291	739,700
Current maturity of long term financing		270,000	385,000
		2,167,487	2,341,658
Total equity and liabilities		4,950,842	5,122,394

Contingencies and Commitments

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

Syed Ali Adnan

Syed Ali Adnan
Chief Financial Officer

Matin Amjad

Matin Amjad
Chief Executive Officer

Waqar A. Malik

Waqar A. Malik
Chairman



Pakistan Oxygen Limited
Condensed Interim Profit and Loss Account (Unaudited)

	Note	For the nine months ended		For the third quarter ended	
		30 September	30 September	30 September	30 September
		2018	2017	2018	2017
		Rupees in '000		Rupees in '000	
Gross sales	8	4,076,982	3,723,618	1,394,993	1,316,246
Trade discount and sales tax	8	(458,538)	(438,297)	(158,342)	(150,904)
Net sales		3,618,444	3,285,321	1,236,651	1,165,342
Cost of sales	8	(2,797,643)	(2,542,816)	(953,786)	(893,486)
Gross profit		820,801	742,505	282,865	271,856
Distribution and marketing expenses	8	(156,132)	(194,707)	(55,766)	(69,828)
Administrative expenses	8	(151,728)	(181,399)	(45,362)	(64,030)
Other operating expenses		(38,694)	(45,474)	(13,740)	(16,677)
		(346,554)	(421,580)	(114,868)	(150,535)
Operating profit before other income		474,247	320,925	167,997	121,321
Other income		9,342	20,421	2,674	10,156
Operating profit		483,589	341,346	170,671	131,477
Finance costs		(82,681)	(73,404)	(31,817)	(22,540)
Profit before taxation		400,908	267,942	138,854	108,937
Taxation	9	(104,219)	(69,781)	(34,212)	(33,344)
Profit for the period		296,689	198,161	104,642	75,593
----- (Rupees) -----					
Earnings per share - basic and diluted		11.85	7.91	4.18	3.01

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

Syed Ali Adnan

Syed Ali Adnan
Chief Financial Officer

Matin Amjad

Matin Amjad
Chief Executive Officer

Waqar A. Malik

Waqar A. Malik
Chairman



Pakistan Oxygen Limited
Condensed Interim Statement of Comprehensive Income (Unaudited)

	For the nine months ended		For the third quarter ended	
	30 September	30 September	30 September	30 September
	2018	2017	2018	2017
	<i>Rupees in '000</i>		<i>Rupees in '000</i>	
Profit for the period	296,689	198,161	104,642	75,593
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	(805)	-	(2,868)
Tax thereon	(684)	427	-	861
	1,596	(378)	-	(2,007)
<i>Items that will be reclassified subsequently to profit and loss account</i>				
Derivative financial instruments	-	(737)	(737)	(737)
Tax thereon	-	221	221	221
	-	(516)	(516)	(516)
Total comprehensive income for the period	298,285	197,267	104,126	73,070

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

Syed Ali Adnan

Syed Ali Adnan
Chief Financial Officer

Matin Amjad

Matin Amjad
Chief Executive Officer

Waqar A. Malik

Waqar A. Malik
Chairman



Pakistan Oxygen Limited
Condensed Interim Cash Flow Statement (Unaudited)
For the nine months ended 30 September 2018

	<u>Note</u>	<u>30 September 2018</u>	<u>30 September 2017</u>
		<i>Rupees in '000</i>	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	10	157,159	591,436
Finance costs paid		(57,474)	(66,822)
Income tax paid		(170,708)	(58,900)
Post retirement medical benefits paid		(924)	(93)
Long term loans and deposits		(0)	(3,322)
Long term deposits		4,858	9,902
Net cash (used in) / generated from operating activities		<u>(67,089)</u>	<u>472,201</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(59,207)	(33,329)
Acquisition of intangible assets		(26,827)	-
Proceeds from disposal of operating assets		10,619	6,411
Interest received on balances with banks		239	72
Net cash used in investing activities		<u>(75,176)</u>	<u>(26,846)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term financing		(250,000)	(385,000)
Dividends paid		(135,956)	(83,973)
Net cash used in financing activities		<u>(385,956)</u>	<u>(468,973)</u>
Net (decrease) in cash and cash equivalents		<u>(528,221)</u>	<u>(23,618)</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>(833,682)</u>	<u>(2,637)</u>

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

Syed Ali Adnan

Syed Ali Adnan
Chief Financial Officer

Matin Amjad

Matin Amjad
Chief Executive Officer

Waqar A. Malik

Waqar A. Malik
Chairman



Pakistan Oxygen Limited
Condensed Interim Statement of Changes in Equity (Unaudited)

For the nine months ended 30 september 2018

	Share capital Issued, subscribed and paid-up	Reserves Hedging reserve	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	-	-	-	198,161	198,161
Other comprehensive income for the period	-	(516)	-	(378)	(894)
	-	(516)	-	197,783	197,267
Transactions with owners of the Company recognised directly in equity - distribution					
Final dividend for the year ended 31 December 2016 - Rs. 3.50 per share	-	-	-	(87,636)	(87,636)
Transfer to general reserve	-	-	99,925	(99,925)	-
Balance as at 30 September 2017	250,387	(516)	1,475,338	197,783	1,922,992
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	-	-	-	296,689	296,689
Other comprehensive income for the period	-	-	-	1,596	1,596
	-	-	-	298,285	298,285
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 30 September 2018	250,387	-	1,579,262	298,285	2,127,934

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

Syed Ali Adnan

Syed Ali Adnan
Chief Financial Officer

Matin Amjad

Matin Amjad
Chief Executive Officer

Waqar A. Malik

Waqar A. Malik
Chairman



Pakistan Oxygen Limited
Notes to the Condensed Interim Financial Information (Unaudited)
For the nine months ended 30 September 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.

During the period, on January 7, 2018, by virtue of share acquisition made in accordance with the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 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 Dadabhoi (Adira and Affiliates), the Company is now majority owned by Adira and Affiliates. Accordingly, the Company is no more subsidiary of the BOC Group with effect from January 7, 2018 and resultantly Linde AG, Germany also ceases to be the ultimate parent company of the Company simultaneously.

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 December 31, 2018 and all interim periods within the aforementioned year.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information is unaudited and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended December 31, 2017 which have been prepared in accordance with approved accounting standards as applicable in Pakistan.

This condensed interim financial information of the Company for the nine months period ended September 30, 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.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except for the recognition of certain staff retirement benefits at present value. This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted by the Company in the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual audited financial statements of the Company as at and for the year ended December 31, 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 this condensed interim financial information, 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 were applied to the audited annual financial statements of the Company as at and for the year ended December 31, 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 December 31, 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 to their carrying amounts.



5. PROPERTY, PLANT AND EQUIPMENT

		30 September Note 2018	31 December 2017
		Rupees in '000	
Operating assets	5.1	2,690,357	2,749,332
Capital work-in-progress		35,932	198,960
		2,726,289	2,948,292

5.1 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		198,095	95,524
- Vehicles		21,077	19,970
- Furniture, fittings and office equipments		-	1,022
- Computer equipments		3,063	4,040
		222,235	123,956
Less:			
- Disposals during the period / year - net book value		(9,015)	(1,911)
- Depreciation charge during the period / year		(272,195)	(355,030)
		(281,210)	(356,941)
		2,690,357	2,749,332

6. STOCK-IN-TRADE

Raw and packing materials - in hand		108,504	83,581
Finished goods			
- in hand		279,457	171,138
- in transit		3,692	10,009
		283,149	181,147
		391,653	264,728

- 6.1** Raw and packing materials and finished goods include inventories held by various parties, located at Site and Landhi industrial area of Karachi, amounting to Rs. 23,896 thousand (31 December 2017: Rs. 29,461 thousand) for manufacturing purposes.
- 6.2** The cost of raw and packaging materials and finished goods has been adjusted net of provision for slow moving and obsolete stock by Rs. 34,266 thousand (31 December 2017: Rs. 35,482 thousand).



7. CONTINGENCIES AND COMMITMENTS

7.1 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 30 September 2018 amounted to Rs. 47,306 thousand (31 December 2017: Rs.45,442 thousand).

7.2 Commitments

Capital commitments outstanding as at 30 September 2018 amounted to Rs. 234,137 thousand (31 December 2017: Rs. 128,385 thousand).

8. SEGMENT RESULTS

	For the nine months ended						For the third quarter ended					
	30 September 2018			30 September 2017			30 September 2018			30 September 2017		
	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)						(Rupees in '000)					
Gross sales	3,214,995	861,987	4,076,982	3,081,981	641,637	3,723,618	1,093,723	301,270	1,394,993	1,094,153	222,093	1,316,246
Less:												
Trade discount	4,463		4,463	1,767	-	1,767	2,486	-	2,486	568	-	568
Sales tax	331,002	123,073	454,075	345,164	91,366	436,530	112,641	43,215	155,856	117,911	32,425	150,336
	335,465	123,073	458,538	346,931	91,366	438,297	115,127	43,215	158,342	118,479	32,425	150,904
Net sales	2,879,530	738,914	3,618,444	2,735,050	550,271	3,285,321	978,596	258,055	1,236,651	975,674	189,668	1,165,342
Less:												
Cost of sales	2,150,364	647,279	2,797,643	2,105,147	437,669	2,542,816	735,811	217,975	953,786	739,423	154,063	893,486
Distribution and marketing expenses	138,701	17,431	156,132	165,179	29,528	194,707	47,955	7,811	55,766	60,730	9,098	69,828
Administrative expenses	134,789	16,939	151,728	153,890	27,509	181,399	38,617	6,745	45,362	55,722	8,308	64,030
	2,423,854	681,649	3,105,503	2,424,216	494,706	2,918,922	822,383	232,531	1,054,914	855,875	171,469	1,027,344
Segment result	455,676	57,265	512,941	310,834	55,565	366,399	156,213	25,524	181,737	119,799	18,199	137,998
Unallocated corporate expenses:												
- Other operating expenses			(38,694)			(45,474)			(13,740)			(16,677)
- Other income			9,342			20,421			2,674			10,156
			(29,352)			(25,053)			(11,066)			(6,521)
Operating profit			483,589			341,346			170,671			131,477
Finance costs			(82,681)			(73,404)			(31,817)			(22,540)
Taxation			(104,219)			(69,781)			(34,212)			(33,344)
Profit for the period			296,689			198,161			104,642			75,593

9. TAXATION

Under Section 5A of the Income Tax Ordinance, 2001 (the Ordinance), amended by Finance Act, 2018, tax shall be imposed at the rate of 5.0 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 20 percent of its after-tax profits within six months of the end of said tax year through cash.

The Board of Directors of the Company intends to distribute sufficient cash dividend for the year ending December 31, 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.

10. CASH GENERATED FROM OPERATIONS

	Note	30 September 2018	30 September 2017
		Rupees in '000	
Profit before taxation		400,908	267,942
<i>Adjustments for :</i>			
Depreciation		272,195	266,461
Amortisation		2,790	2,790
Gain on disposal of property, plant and equipment		(1,604)	(5,099)
Mark-up income from savings and deposit accounts		(239)	(72)
Finance cost		82,681	73,404
Post retirement medical benefits		414	403
Working capital changes	10.1	(599,986)	(14,393)
		157,159	591,436

10.1 Working capital changes

<i>Decrease / (increase) in current assets:</i>			
Stores and spares		(67,526)	(19,916)
Stock-in-trade		(126,925)	122,795
Trade debts		(100,423)	(180,940)
Loans and advances		6,446	9,080
Deposit and prepayments		(36,409)	(1,392)
Other receivables		27,577	3,947
		(297,260)	(66,426)
<i>Increase in current liabilities:</i>			
Trade and other payables		(302,726)	52,033
		(599,986)	(14,393)

11. CASH AND CASH EQUIVALENTS

Cash and bank balances		122,609	356,026
Short term borrowings - running finance under mark-up arrangement		(956,291)	(358,663)
		(833,682)	(2,637)



12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

12.1 Transactions with related parties are summarised as follows:

Nature of relationship	Nature of transactions	30 September 2018	30 September 2017
Rupees in '000			
Adira Capital Holdings (Private) Limited	Dividend	60,374	59,798
Associated companies by virtue of shareholding and common directorship	Sale of goods	19,489	19,765
	Purchase of goods and receipt of service	52,148	43,635
	Mark up	13,367	19,018
	Dividend	49,802	-
Key management personnel	Compensation	173,119	172,248
Directors	Meeting fee	5,325	3,927
Staff retirement benefits	Contributions to staff retirement funds	23,024	22,420
	Re-measurement: Actuarial gain / (Loss) recognised in other comprehensive income	2,280	207

12.2 Balances with related parties are summarised as follows:

	30 September 2018	31 December 2017
Rupees in '000		
Receivable from:		
Staff Retirement Funds	22,873	21,542
Associated companies by virtue of shareholding and common directorship	5,871	2,678
Payable to:		
Staff Retirement Funds	3,240	-
Short term financing facilities including markup payable: Standard Chartard Bank (Pakistan) Ltd	894,590	518,096

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 October 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

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

Southern region

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

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

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

Sales depot

Gas compression facility

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

Sales depot