

PAKISTAN OXYGEN LIMITED**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given of the Seventieth Annual General Meeting of PAKISTAN OXYGEN LIMITED to be held on Tuesday, the 30th day of April 2019 at 9:45 a.m. at the Company's Registered Office, West Wharf, Dockyard Road, Karachi to transact the following business:

ORDINARY BUSINESS:

1. To receive and consider the Financial Statements of the Company for the year ended 31 December 2018 and Reports of the Directors and Auditors thereon.
2. To consider and, if thought fit, to authorize the payment of final cash dividend of Rs. 2/- per ordinary share of Rs. 10/- each for the year ended 31 December 2018 as recommended by the Directors of the Company, payable to those Members whose names appear on the Register of Members as at the close of business on 23 April 2019.
3. To appoint the Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS:

4. To capitalize a sum of Rs. 75,116,160/- out of the un-appropriated profits of the Company for the issuance of 7,511,616 Bonus Shares to the Members of the Company as at the close of business on 23 April 2019 in the proportion of 3 ordinary shares for every 10 ordinary shares held at that date.
5. To approve and authorize the sale of the immovable property of the Company in Lahore, Pakistan.

By order of the Board

Mazhar Iqbal
Company Secretary

Karachi: 18 March 2019

NOTES:

1. Transport will be provided to members of the Company from the Parking Area of the Pakistan Stock Exchange Limited at Railway premises, near Merewether Tower. The time for departure will be at 9:00 a.m. sharp on 30 April 2019.
2. The Share Transfer Books of the Company will be closed from 24 April 2019 to 30 April 2019 (both days inclusive).
3. A member entitled to attend, speak and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf and a proxy so appointed shall have the same rights in respect of speaking and voting at the meeting as are available to a Member. Proxies in order to be effective must be received at the Registered Office of the Company not later than 48 hours before the time of the meeting. The proxy must be a member of the Company, except that a Corporation being a member of the Company may appoint as its proxy one of the officers or some other person though not a member of the Company.
4. Members are requested to immediately notify any change in their address or bank mandate, as registered, to the Company's Share Registrar, Central Depository Company of Pakistan Limited, Shares Registrar Department, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi -74400.
5. CDC Account Holders will further have to follow the guidelines as laid down in Circular 1, dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan. These guidelines have been incorporated in the Notice being sent to the shareholders.

Submission of CNIC/NTN (Mandatory):

According to Securities and Exchange Commission of Pakistan's (SECP) SRO 831(I)/2012 and other relevant rules, the electronic dividend should also bear the Computerized National Identity Card (CNIC) number of the registered shareholder or the authorized person, except in the case of minor(s) and corporate shareholders.

As per Regulation No. 6 of the Companies (Distribution of Dividend) Regulations, 2017 and Section 243 of the Companies Act, 2017, the Company will be constrained to withhold payment of dividend to shareholders, in case of non-availability of identification number of the shareholder or authorized person (CNIC or NTN).

Accordingly, the individual members, who have not yet submitted photocopy of their valid CNIC to the Company/Share Registrar, are once again requested to send their CNIC (copy) at the earliest directly to the Company's Share Registrar. Corporate Entities are requested to provide their National Tax Number (NTN).

Payment of Cash Dividend Electronically (Mandatory):

Under second proviso to Section 242 of the Companies Act, 2017, listed companies are required to pay declared cash dividends only through electronic mode directly into the bank accounts designated by the entitled shareholders. In this way, dividends may be instantly credited to respective bank accounts and there are no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc.

Accordingly, the shareholders of the Company are requested to provide the following information for payment of cash dividend to be declared by the Company through electronic mode directly in the bank account designated by them:

Title of Bank Account	
Account Number	
IBAN Number	
Bank's Name	
Branch Name and Address	
Cell Number of Shareholder	
Landline Number of Shareholder	
Email of Shareholder	

Shareholders will intimate the changes, if any, in the above-mentioned information to the Company's Share Registrar as soon as these occur.

Unclaimed Dividend:

Shareholders, who could not claim their dividend due to any reason, are advised to contact the Company's Share Registrar, CDC, immediately to collect/enquire about their unclaimed dividend, if any.

The Company, after having completed the prescribed procedures, shall deposit all dividends outstanding for a period of 3 years or more from the date of issue to the Federal Government in case such dividend remains unclaimed in compliance with the requirement of Section 244 of the Companies Act, 2017.

Circulation of Audited Financial Statements through E-mail and by CD/DVD/USB:

Pursuant to Notification SRO No. 470(I)/2016 dated 31 May 2016, the SECP has allowed (in addition to email) circulation of annual balance sheet and profit and loss account, auditor's report and directors' report etc. ("Audited Financial Statements") to the members along with the notice of the Annual General Meeting ("AGM") through CD/DVD/USB to the members at their registered addresses.

Therefore, it is notified to all members that in accordance with Notification SRO No. 470(I)/2016, members who wish to receive the hard copies of the Audited Financial Statements (Annual Report) along with notice of AGM, may send the Standard Request Form to the Company's Share Registrar. The Standard Request Form is available from the Company's website (www.pakooxygen.com). If a member prefers to receive hard copies for all the future Audited Financial Statements and notices of AGM, then such preference of the member shall be noted in the Standard Request Form.

*The Daily
Business
Recorder
of 09/04/19*

Deduction of Withholding Tax on the Amount of Dividend U/S 150 of the Income Tax Ordinance, 2001 (Mandatory):

As per Section 150 of the Income Tax Ordinance, 2001, different rates have been prescribed for deduction of withholding tax on the amount of dividend paid by companies. These rates are as under:

- (a) For filers of income tax returns : 15%
- (b) For non-filers of income tax returns : 20%

To enable the Company to make a tax deduction on the amount of cash dividend @ 15% instead of 20%, all the shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised immediately to make sure that their names are entered into ATL by the close of business on 23 April 2019, otherwise tax on their cash dividend will be deducted @ 20% instead of 15%. For any query/problem/information, the investors may contact the Company and/or the Share Registrar.

Further, according to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as Joint-holder(s) based on their shareholding proportions, in case of joint accounts. In this regard, all shareholders who hold shares jointly are requested to furnish shareholding details of Principal shareholder and Joint-holder(s) in respect of shares held by them to the Company's Share Registrar in writing in the following manner by close of business on 23 April 2019:

Folio/CDS Account #	Total Shares	Principal Shareholder		Joint Shareholder	
		Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. of Shares)

The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificates to the Company's Share Registrar. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

Availability of Annual Audited Financial Statements on the Company's Website:

In accordance with the provisions of Section 223(7) of the Companies Act 2017, the audited financial statements of the Company for the year ended 31 December, 2018, are available on the Company's website (www.pakoxigen.com).

Consent for Video Conference Facility:

Members may participate in the meeting via video-link facility. If the Company receives consent from members holding in aggregate 10% or more shareholding, residing at a geographical location outside Karachi, to participate in the meeting through video link at least 7 days prior to the date of meeting, the Company will arrange video link facility subject to availability of such facility in that city.

The Company will intimate members regarding venue of video conference facility 5 days before the date of general meeting along with complete information necessary to enable them to access such facility.

In this regard, Members, who wish to participate through video link facility, should send a duly signed request as per the following format to the registered address of the Company at least 7 days before the date of general meeting.

Consent for Video Conference Facility

I/We/Messrs., _____ of _____, being a member of Pakistan Oxygen Limited, holder of _____ ordinary share(s) as per Registered Folio/CDC Account No. _____, hereby opt for video link facility at _____.

Signature of the Member(s)
(Please affix company stamp in case of corporate entity)

A statement as required under Section 134(3) of the Companies Act, 2017 in respect of the aforesaid special business to be considered at the Annual General Meeting is annexed with the Notice of Meeting being sent to the Members.

Notice of Annual General Meeting

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SPECIAL BUSINESS:

4. To capitalize a sum of Rs. 75,116,160 out of the un-appropriated profits of the Company for the issuance of 7,511,616 Bonus Shares to the Members of the Company as at the close of business on 23 April 2019 in the proportion of 3 ordinary shares for every 10 ordinary shares held at that date.
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5. CDC Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular 1, dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan:

A. For Attending the Meeting:

- i) In case of individuals, the account holder or sub-account holder and/or the person, whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport as applicable at the time of attending the meeting.
- ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies:

- i) In case of individuals, the account holder or sub-account holder and/or the person, whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his/her original CNIC or original passport as applicable at the time of the meeting.
- v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

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<hr/> Signature of the Member(s) (Please affix company stamp in case of corporate entity)

Statement of Material Facts as Required Under Section 134(3) of the Companies Act, 2017

Agenda Item No. 4

In the opinion of the Directors the financial position of the Company justifies the capitalization of a sum of Rs. 75,116,160 out of unappropriated profits of the Company for the issuance of Bonus Shares in the ratio of 3 ordinary shares for every 10 ordinary shares held. Those persons whose names appear on the Register of Members of the Company as at the close of business on 23 April 2019 will be entitled to the proposed issuance of Bonus Shares in the proportion mentioned above.

Accordingly, the Board of Directors of the Company have recommended that the following resolution be passed as an Ordinary Resolution:

RESOLVED that:

- (i) in pursuance of Article 129 and 130 of the Company's Articles of Association, a sum of Rs 75,116,160 (Rupees Seventy five million, one hundred sixteen thousand and one hundred sixty) out of unappropriated profits as of 31 December 2018 be capitalised and distributed, by issuing 7,511,616 fully paid ordinary shares of Rs 10 each to the Members of the Company whose names appear in the Register of Members at the close of business on 23 April 2019 in the proportion of 3 bonus shares for every 10 shares held by the entitled Members;
- (ii) the bonus shares so issued shall rank pari passu in all respect with the existing shares of the Company, but shall not be eligible for the dividend declared for the year ended 31 December 2018;
- (iii) members' entitlement to fractional shares as a result of their entitlement being less than one ordinary share shall be consolidated into whole shares and sold on the Stock Market and the proceeds so realized shall be distributed to the shareholders entitled to the fraction in proportion to their respective entitlements; and
- (iv) the Chief Executive Officer and Chief Financial Officer and/or Company Secretary be and hereby jointly and/or severally authorised to do all acts, deeds and things and take any and all necessary steps to fulfill the legal, corporate and procedural formalities and to file all documents/returns as deemed necessary, expedient and desirable to give effect to this resolution.

The Directors are not personally interested in this business except to the extent of their entitlement to bonus shares as shareholders.

Agenda Item No. 5

After setting up the largest gases manufacturing facility in the year 2012 at Sundar Industrial Estate, Lahore, the Company relocated its major production facilities from its site at Shalamar Link Road, Mughalpura, Lahore (the "**Immovable Property**") to Sundar Industrial site.

The Immovable Property, admeasuring in the aggregate 59 Kanals and 19 Marlas, and bearing Khasra Nos: 3454, 3455, 3456, 3457, 3458, 3484, 3485 and 3486 is situated in Mauza Baghbanpura, now Shalamar Link Road, Mughalpura, Lahore. The Immovable Property which is freehold land was acquired by the Company on 9th May 1957, at a cost of Rs. 329,500. The current book value of the Immovable Property is Rs. 329,500 and its revalued amount is Rs. 1.3 billion and its approximate current market price/fair value is Rs. 1.3 billion.

Over time, the Immovable Property has, however lost its industrial significance due to adjoining areas which have been fully converted into residential and commercial areas. As a result, further industrial development at the said location may not be suitable.

Therefore, the Immovable Property is an underutilized asset and the Company is not deriving proportionate benefits from it.

The Board of Directors have therefore thought it prudent to sell the Immovable Property and to utilize the proceeds from such sale for purchasing an alternate site in Lahore and for various capital expenditures planned by the Company as deemed appropriate by the Board of Directors. The Company has as yet not identified a purchaser for the Immovable Property but will be doing so in due course.

The disposal of the Immovable Property shall have no effect on the operational capacity of the Company and there will be no interruption in the Company's production and operations. The existing facility for manufacturing nitrous oxide and gas compression as well as admin office/sales office shall, before the sale of the Immovable Property be shifted to a new location to allow for smooth transition.

In view of the above, the Members are requested to authorize and approve sale of the aforesaid property and in this respect pass the following Resolution as an Ordinary Resolution:

RESOLVED that Company do sell its entire estate right title and interest in and to the pieces or parcels of land admeasuring in the aggregate 59 Kanals and 19 Marlas or thereabouts bearing Khasra Nos: 3454, 3455, 3456, 3457, 3458, 3484, 3485 and 3486 situated in Mauza Baghbanpura, now Shalamar Link Road, Mughalpura, Lahore, ("Immovable Property"), to such third party and in such manner and upon such terms and subject to such conditions and for such consideration as may be determined by the Board of Directors of the Company or such persons as may be identified by the Board of Directors, and each of them be and is hereby authorised to take and do, and to authorise others to take and do, all such steps, acts, deeds and things as any of them may think fit for the purposes of and in connection with the negotiation, finalisation, execution and delivery on behalf of the Company of any and all agreements, deeds of conveyance, deeds of assignment, affidavits, undertakings and other deeds and papers as may be required for and in connection with the sale of the Immovable Property, including without limitation the sale deed/conveyance deed.

The Directors are not interested, directly or indirectly, in the above business except to the extent of their investment as has been detailed in the pattern of shareholding annexed to the Directors' Report.