

FORM-3

Our Ref: SEC/D.7/13/19

18 March 2019

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

Dear Sir

Subject: **Financial Results for the Year Ended December 31, 2018**

We have to inform you that the Board of Directors of our Company in their meeting held on Monday, March 18, 2019 at 2:00 p.m. at Karachi have recommended the following:

**(i) CASH DIVIDEND**

A Final Cash Dividend for the year ended December 31, 2018 at Rs 2.00 per share i.e. 20%. This is in addition to an Interim Dividend already paid at Rs 5.00 per share i.e. 50%.

**(ii) BONUS SHARES**

It has been recommended by the Board of Directors to issue Bonus Shares in the proportion of 3 shares for every 10 shares held i.e. 30%. The said bonus shares shall not be eligible for the dividend declared for the year ended December 31, 2018.

A certificate from our auditors, M/s BDO Ebrahim & Co., Chartered Accountants, is enclosed as required under clause 4(v) of the Companies (Further Issue of Shares) Regulations, 2018.

The audited financial results of the Company for the year ended December 31, 2018 are attached as Annexure-A.

The Annual General Meeting (AGM) of the Company will be held on Tuesday, April 30, 2019 at 9:30 a.m. at the Company's Registered Office, West Wharf, Dockyard Road, Karachi.

The Share Transfer Books of the Company will be closed from April 24, 2019 to April 30, 2019 (both days inclusive). Transfers received at the Company's Share Registrar, Central Depository Company of Pakistan Limited, Share Registrar Department, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi – 74400 at the close of Business on April 23, 2019 will be treated in time for the purpose of above entitlement to the transferees.

The Annual Report of the Company for the year ended December 31, 2018 will be transmitted through PUCARS separately, within the specified time.

Yours sincerely



Mazhar Iqbal  
Company Secretary

Encl. As above

Copy for information to:

--- The Director/HOD  
Surveillance, Supervision and Enforcement Department  
Securities & Exchange Commission of Pakistan  
NIC Building, 63-Jinnah Avenue  
Islamabad



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Karachi-74200  
Pakistan

The Board of Directors,  
Pakistan Oxygen Limited  
(Formerly Linde Pakistan Limited)  
P.O. Box 4845, Dockyard Road,  
West Wharf, Karachi - 74000,  
Pakistan.

March 18, 2019  
P-150/AA-0199/19

#### **AUDITORS' CERTIFICATE ON FREE RESERVES FOR THE ISSUE OF BONUS SHARES**

Dear Sir,

We have been requested to provide you with a certificate that the Company's residual free reserves, in terms of the meaning given to free reserves in the Companies (Further Issue of Shares) Regulations, 2018, after the proposed issue of bonus shares @ 30% in the proportion of 3 shares for every 10 shares held amounting to Rs. 75.116 million would be higher than fifteen percent of the enhanced paid up capital of the Company.

#### **Scope of certificate**

This certificate is being issued at the request of the Company for the purpose of issue of bonus shares in accordance with Regulation 4 (v) of the Companies (Further Issue of Shares) Regulations, 2018. The certificate is being issued to be submitted to Board of Directors, Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange Limited.

#### **Management responsibility**

The management of Pakistan Oxygen Limited is responsible for the completeness of the information provided to us with respect to the proposed issue of bonus shares and convening the meeting of the Board of Directors to resolve the issue of bonus shares. The management is also responsible for the maintenance of adequate accounting records and other information supporting the details and the discharge of obligations under Regulation 4 of the Companies (Further Issue of Shares) Regulations, 2018.

#### **Auditors' responsibility**

Our responsibility is to verify that Company's residual free reserves, in terms of the meaning given to free reserves in the Companies (Further Issue of Shares) Regulations, 2018, after the proposed issue of Bonus shares @ 30% in the proportion of 3 shares for every 10 shares held amounting to Rs. 75.116 million would be higher than fifteen percent of the enhanced paid up capital of the Company only in accordance with the "Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms" issued by the Institute of Chartered Accountants of Pakistan.

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**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.



Our verification was limited to the procedures as mentioned below:

1. Obtained the Company's annual financial statements for the year ended December 31, 2018 and ascertain the amount of free reserves.
2. We have reviewed the contingent liabilities outstanding as at December 31, 2018 to determine the contingent loss, if any, falling within the scope of paragraph 14 of the International Accounting Standard 37 'Provisions, Contingent Liabilities and Contingent Assets'.
3. Reviewed the Company's 'Free Reserves' to ascertain that the 'Free Reserves' retained after the issue of bonus shares do not include any reserves created as a result of revaluation of fixed assets or any intangible or fictitious assets such as preliminary expenses, goodwill, brokerage or commission.

#### Certificate

Based on procedures mentioned above, we certify that Company's residual free reserves after the issuance of 30% bonus shares i.e. Rs. 75.116 million in the proportion of 3 shares for every 10 shares held, will be more than 15% of the enhanced paid up capital of the Company in accordance with the meaning defined in the Companies (Further Issue of Shares) Regulations, 2018.

#### Restriction on use and distribution

This certificate is issued solely for the purpose set forth in the scope of certificate and is given in our capacity as statutory auditors of the Company and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein.

Yours faithfully,

*BDO Ebrahim & Co.*  
**BDO EBRAHIM & CO.**  
Chartered Accountants

PAKISTAN OXYGEN LIMITED  
 PROFIT AND LOSS ACCOUNT  
 FOR THE YEAR ENDED DECEMBER 31, 2018

		December 31, 2018	December 31, 2017
	Note	(Rupees in '000)	
Gross sales	7	5,483,981	4,995,079
Trade discount and sales tax	7	(623,922)	(582,427)
Net sales		4,860,059	4,412,652
Cost of sales	8	(3,750,528)	(3,420,925)
Gross profit		1,109,531	991,727
Distribution and marketing expenses	9	(207,554)	(285,079)
Administrative expenses	10	(207,487)	(235,669)
Other operating expenses	11	(55,429)	(62,813)
		(470,470)	(583,561)
Operating profit before other income		639,061	408,166
Other income	12	15,789	27,232
Operating profit		654,850	435,398
Finance cost	13	(116,319)	(95,377)
Profit before taxation		538,531	340,021
Taxation	14	(139,836)	(99,988)
Profit for the year		398,695	240,033
Earnings per share - basic and diluted (Rupees)	15	15.92	9.59

The annexed notes from 1 to 45 form an integral part of these financial statements.

*S. Anadva*  
 CHIEF FINANCIAL OFFICER

*Matin Anjum*  
 CHIEF EXECUTIVE OFFICER

*Waqar Khan*  
 CHAIRMAN

Bdo