

# DEWAN CEMENT LIMITED

## NOTICE OF EXTRA ORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extra Ordinary General Meeting of **Dewan Cement Limited** ("DCL" or "**the Company**") will be held on **Monday, May 18, 2015, at 11:30 a.m.** at Dewan Cement Limited Factory Site, at Deh Dhando, Dhabeji, District Malir, Karachi, Pakistan; to transact the following businesses upon recitation from Holy Qur'aan and other religious recitals:

### ORDINARY BUSINESS:

1. To confirm the minutes of the preceding Annual General Meeting of the Company held on Thursday, October 30, 2014;
2. To consider any other business with the permission of the Chair.

### SPECIAL BUSINESS:

1. To pass a special resolution for conversion of outstanding loan from Director into equity of the Company by way of a further issue of shares to the respective Director under the first proviso to Section 86(1) of the Companies Ordinance, 1984.

By order of the Board

  
**Muhammad Hanif German**  
Company Secretary

Karachi: April 24, 2015

***"Statement under Section 160(1)(b) of the Companies Ordinance, 1984, concerning the Special Business, is attached along with the Notice circulated to the members of the Company, and is deemed an integral part hereof"***

### **NOTES:**

1. The Share Transfer Books of the Company will remain closed for the period from May 11, 2015 to May 18, 2015 (both days inclusive).
2. Members are requested to immediately notify change in their addresses, if any, at our Shares Registrar Transfer Agent BMF Consultants Pakistan (Private) Limited, located at Annum Estate Building, Room No. 310 & 311, 3<sup>rd</sup> Floor, 49 Darul Aman Society, Main Shahrah-e-Faisal, Adjacent Baloch Colony Bridge, Karachi, Pakistan.
3. A member of the Company entitled to attend and vote at this meeting, may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received by the Company at the abovesaid address, not less than 48 hours before the meeting.



**YD** | A YOUSUF DEWAN COMPANY

### **DEWAN CEMENT LIMITED**

Registered Office: 7th Floor, Block 'A', Finance & Trade Centre  
Shahrah-e-Faisal, Karachi-75350 Pakistan  
Fax +92 21 35630860 | UAN +92 21 111 364 111

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4. CDC Account holders will further have to observe the following guidelines, as laid down in Circular 01 dated January 20, 2000, issued by the Securities and Exchange Commission of Pakistan:

**a) For Attending Meeting:**

- i) In case of individual, 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 National Identity Card (CNIC), or original passport at the time of attending the meeting.
- ii) In case of corporate entity, the Board of Directors' resolution/power of attorney, along with the specimen signature of the nominee, shall be produced (unless it has been provided earlier) at the time of meeting.

**b) For Appointing Proxies:**

- i) In case of individual, 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 requirements.
- ii) Two persons, whose names, addresses, and CNIC numbers shall be mentioned on the form, shall witness the proxy.
- iii) Attested copies of CNIC or passport of the beneficial owners and proxy shall be furnished alongwith the proxy form.
- iv) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- v) In case of corporate entity, the Board of Directors' resolution/power of attorney, alongwith the specimen signature of the nominee, shall be produced (unless it has been provided earlier) along with the proxy form to the Company.



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## STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984

This statement is annexed as an integral part of the Notice of the Extra Ordinary General Meeting of Dewan Cement Limited ("the Company" or "DCL") to be held on **Monday, May 18, 2015, at 10:30 a.m.**, at Dewan Cement Limited, Plant Site, Deh Dhando, Dhabeji, District Malir, Karachi, Pakistan; and sets out the material facts concerning the Special Business to be transacted at the Meeting.

### Special Business

- 1. To pass a special resolution for Conversion of outstanding loan of Dewan Muhammad Yousuf Farooqui into equity of the Company under the provisions of Section 86(1) of the Companies Ordinance, 1984, for issuance of 45,000,000 ordinary shares of Dewan Cement Limited at Rs. 10/- (Rupees ten) each, total amounting to Rs. 450,000,000/- (Rupees Four Hundred Fifty Million Only), by way of otherwise than rights.**

The Board of Directors of the Company ("the Board"), at its meeting held on Thursday, April 23, 2015, has approved the raising of further capital without any offer and issue of right shares, as per proposed special resolution; subject to the approval of the members of the Company, and the Securities and Exchange Commission of Pakistan ("SECP"). Material facts concerning the said special business are as follows:

- 1.1** The outstanding loan from Dewan Muhammad Yousuf Farooqui, the Chairman Board of Directors of the Company ("Director"), amounting to PKR. 450 million, shall be converted into ordinary shares of the Company at par value of Rs. 10/- per share, without any offer and/or rights issue. Thus, the number of shares proposed to be issued 45,000,000 ordinary shares and the same shall rank *pari passu* to the existing shares of the company in all respects. This issue of shares otherwise than rights, following approval from the Shareholders, is subject to the approval of the Securities and Exchange Commission of Pakistan.

The scrip of the Company, at the close of trading hours at the Karachi Stock Exchange (Guarantee) Limited ("KSE"), on Thursday, April 23, 2015, was Rs. 6.61 per share. The preceding six-month and three-month volume weighted average price ("VWAP") of the share at the KSE, is Rs. 7.30 per share and Rs. 6.91 per share, respectively.

However, the Company is making conversion at par value which is justified mainly due to the reason that the current market scenario does not support the issuance of further shares under a right issue/secondary public offer, and that this loan was extended to the Company by the Director without any security, markup/interest, and definitive terms of repayment. Also in the present business scenario it is impracticable to make any prediction for the repayment of this Loan. Therefore, it would be in the better interests of the Company, as well as its shareholders, to have its liabilities reduced, enhancement in capital base, creditors comforted, and to facilitate any future business prospects, without any impact on its cash flows.



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The present Vs post-further share issuance of the respective Director, as contemplated hereby, together with the respective percentages to the total issued capital, now and then, shall comprise as follows:

Sponsors	Present Shareholding		Further issue of Shares (Number) under First Proviso to Section 86(1) of the Companies Ordinance, 1984, as contemplated hereby	Proposed Shareholding	
	Number of Shares held	% to Total Issued Capital		Number of Shares	% to Total Issued Capital
Dewan Muhammad Yousuf Farooqui	95,000,606	24.41%	45,000,000	140,000,606	32.25%

- 1.2 The above shares shall be issued to the Director, *at par*, against the amount of loan extended by him to the Company.
- 1.3 The Director to whom these shares will be issued has given written consent for the same.
- 1.4 The new shares shall rank *pari passu* in all respects with the existing shares of the Company.
- 1.5 The said Director is interested in the transaction to the extent of issue of new shares in consideration of his outstanding loan amount.
- 1.6 Therefore, the following special resolutions are proposed to be passed, with or without modification(s):

## IT IS HEREBY RESOLVED:

1. That the Company, subject to the approval of the Securities and Exchange Commission of Pakistan ("SECP" or the "Commission"), be and is hereby authorized to issue 45,000,000 further ordinary shares of Rs. 10/- (Rupees ten) each (that is of Rs. 450,000,000/-), as fully paid-up and without the offer and/or issue of right shares, to Dewan Muhammad Yousuf Farooqui the Chairman Board of Directors ("Director") of the Company, in lieu of his outstanding loan towards the Company, under the first proviso to Section 86(1) of the Companies Ordinance, 1984 ("the Ordinance");
2. That the above shares shall be issued against the amount of loan extended by the Director and that he has already consented for the same;



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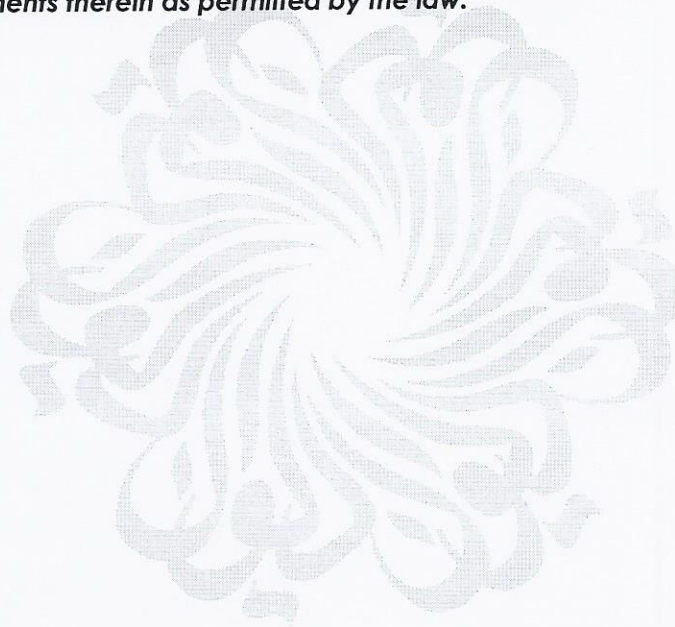
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3. *That the new shares shall rank pari passu, in all respects, with the existing shares of the Company;*
4. *That Mr. Haroon Iqbal, Director and Mr. Muhammad Hanif German, Company Secretary of the Company be and are hereby authorized to complete all necessary legal and corporate formalities with regard to the above Resolutions, and to take such actions as they may consider necessary or expedient to complete the process of raising further capital without issue of right shares; and*
5. *That in case any error, omission, or mistake is pointed out in the aforesaid Resolutions by the Commission and/or any other competent authority, Mr. Haroon Iqbal, Director and Mr. Muhammad Hanif German, Company Secretary of the Company, be and are hereby authorized to make necessary amendments therein as permitted by the law.*



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