

Ref # DOL/2020/01  
April 02, 2020



**Mr. Wasim A. Sattar**  
Manager  
Listing Department  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

**Re: Material Information – Conversion of Loan into Equity**

Dear Sir,

Reference is made to your letter No. PSX/C-1124-5208 dated October 16, 2019 on the subject captioned above.

In this regard, please find enclosed the following documents;

1. Copy of the Special Resolution (Form-26) adopted in the General Meeting of shareholders.
2. Copy of letter of SECP approving issuance of shares by way of other than right against loan.
3. Return of Allotment i.e. Form-3 as filed with the Registrar of the Companies.
4. Auditor's Certificate confirming increase in paid-up capital of the Company by way of issuance of shares as Otherwise than Right along with the revised paid-up capital subsequent to issuance of further shares.
5. Copy of cheque as payment of PSX Additional Listing Fee in favour of Pakistan Stock Exchange @ one tenth of one percent of the increase in paid up capital under PSX Regulation No. 5.18
6. Copy of cheque for payment of Supervisory Fee of SECP in favour of Pakistan Stock Exchange @ 10% of the Additional Listing Fee paid to PSX

You are requested to please increase the paid-up capital of the Company in your records.

Yours faithfully,  
For Descon Oxychem Limited

  
**ABDUL SOHAIL**  
**COMPANY SECRETARY**

Encl: AA

FORM 26

Ann - 1

THE COMPANIES ACT, 2017  
 THE COMPANIES (GENERAL PROVISIONS AND FORMS) REGULATIONS, 2018  
 [Section 150 and Regulation 4]  
 SPECIAL RESOLUTION

PART I

1.1 CUN (Registration Number) 0048862

1.2 Name of the Company DESCON OXYCHEM LIMITED

1.3 Fee Payment Detail: 1.3.1. Chalan No. E-2019-1148612 1.3.2. Amount 800.00

PART II

2.1 Date of Dispatch of Notice dd mm yyyy 06/11/2019

2.2 Specify the intention to propose the resolution as Special Resolution  
 ALTERATION IN EXISTING MOM & A AND Conversion of Loan into Equity

2.3 Date of Passing of Special Resolution dd mm yyyy 27/11/2019

	Representing	# of Shares	each of (Rs.)
2.4 Total Number of Members	19	62195759	10.00
2.5 Members Present in Person and/or through proxy in the meeting	19	62195759	10.00
2.6 Members voted for	19	62195759	10.00
2.7 Members voted against	0	0	10.00

2.8 At a general meeting of the members of the said company, duly convened and held at 18-KM FERROZEPUR ROAD LAHORE Punjab 53000  
(Mention full address)

2.9 Place (City) LAHORE

2.10 Text of special resolution  
(attach copy, if space is insufficient to reproduce it)  
 Resolve That ATTACHED

PART III

3.1 Declaration:  
 I do hereby solemnly, and sincerely declare that the information provided in the form is:  
 (i) true and correct to the best of my knowledge, in consonance with the record as maintained by the Company and nothing has been concealed; and  
 (ii) hereby reported after complying with and fulfilling all requirements under the relevant provisions of law, rules, regulations, directives, circulars and notifications whichever is applicable.

3.2 Name of Director / Company Secretary ABDUL SOHAIL Secretary

3.3 Signatures Electronically sign by ABDUL SOHAIL

3.4 Reg No. of Authorized Intermediary (if applicable)

3.5 Date Day Month Year 29/11/2019



**EXTRACT FROM THE MINUTES OF THE EXTRA ORDINARY  
GENERAL MEETING OF DESCON OXYCHEM LIMITED HELD ON  
27 NOVEMBER 2019 AT 10:00 AM AT DESCON HEADQUARTERS, 18-KM  
FEROZEPUR ROAD, LAHORE**

**TO ALTER THE CAPITAL STRUCTURE OF THE AUTHORIZED CAPITAL /  
ALTERATION IN EXISTING MEMORANDUM OF ASSOCIATION AND ARTICLES OF  
ASSOCIATION OF THE COMPANY**

The Chairman informed the members that preference shares previously issued by the Company were approved for redemption by the Board of Directors of the Company on 23 October, 2018 in full, at par value. The Company has duly redeemed all preference shares on 23 November 2018 and currently the Company has not issued any preference shares.

Further, it was informed that the authorized capital of the Company is PKR 2,200,000,000 (Rupees two billion two hundred million only) currently divided into 110,000,000 ordinary shares of PKR 10 each and 110,000,000 preference shares of PKR 10 each.

Chairman also discussed that the Board of Directors in their meeting held on October 15, 2019 recommended to alter the structure of the authorized share capital by addition of 110,000,000 ordinary shares of PKR 10 each and deletion of 110,000,000 preference shares of PKR 10 each after required amendments in the Memorandum and Articles of Association of the Company subject to the approval by the shareholders. The total amount of authorized capital will remain the same i.e. PKR 2,200,000,000/- and a mere structural change is being proposed.

Modification in the structure of the authorized capital is necessary to cater for further issue of capital by way of otherwise than right shares. The proposed changes in the Memorandum of Association of the Company are being made to accommodate the aforesaid modification in the structure of authorized capital of ordinary shares as approved by the Board subject to approval by the shareholders of the Company.

It was further discussed that the Directors have no interest in the change in structure of the authorized capital, whether directly or indirectly except to the extent of their shareholding.

The shareholders discussed the matter and their queries were answered by the Chairman to their satisfaction. Therefore, the following special resolution was proposed by Mr. Sohail Abid folio No. 5047 which was seconded by Mr. Faisal Mushtaq folio No. 6161:

- I. **“RESOLVED THAT**, subject to compliance with the provisions of all applicable laws and requisite approvals, the authorized capital of the ordinary shares of the Company be increased from 110,000,000 ordinary shares of PKR 10 each to 220,000,000 ordinary shares of PKR 10 each by addition of 110,000,000 ordinary shares of PKR 10 each and deletion of 110,000,000 preference shares of PKR 10 each.”





II: **“RESOLVED THAT**, in consequence of the said change in the structure of share capital of the Company and after due approvals from the shareholders of the Company, the existing clause V of Memorandum of Association of the Company and Article 4 along with Article 5A of the Articles of Association of the Company shall be amended accordingly. The amended clauses shall be as follows.

i. Amended Clause V of Memorandum of Association

“The Authorized Share Capital of the Company is Rs. 2,200,000,000 (Rupees two billion two hundred million only) divided into 220,000,000 ordinary shares of Rs. 10 each. The Company shall have the power to; (1) vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Ordinance and/or the Articles and/or applicable rules and regulations; (ii) to increase and/or reduce the capital and to divide shares in the capital into several classes; and (iii) to consolidate or subdivide the shares and to issue shares of higher or lower denominations.”

ii. Amended Article 4 of the Articles of Association

“The Authorized Share Capital of the Company is Rs. 2,200,000,000 (Rupees two billion two hundred million only) divided into 220,000,000 ordinary shares of Rs. 10 each. The Company shall have the power to; (1) vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Ordinance and/or the Articles and/or applicable rules and regulations; (ii) to increase and/or reduce the capital and to divide shares in the capital into several classes; and (iii) to consolidate or subdivide the shares and to issue shares of higher or lower denominations.”

iii. Article 5A of the Articles of Association

Article 5A of the Articles of Association of the Company, setting out the details of “Preference Shares” be and is hereby deleted.

**1. ISSUANCE OF SHARES BY WAY OF OTHER THAN RIGHT SHARES**

The Chairman informed the members that Descon Oxychem Limited has an outstanding loan due to its associated company i.e. Descon Engineering Limited amounting to Rs. 733,333,000/- as at 30 September 2019. The Company is regularly paying high markup on this loan as the KIBOR has increased significantly during the recent economic changes.

The board has recommended to improve the financial position of the Company and debt equity ratio by raising further issue of capital amounting to PKR 488,888,660 divided into 48,888,866 ordinary shares of PKR 10, at a price of PKR 15.00 per share including PKR 5.00 as premium per share to Descon Engineering Limited. The aforesaid shares shall be issued to the associated company against its outstanding loan of Rs. 733,333,000/- towards the Company without

indulging in the exercise of right offer subject to approval of shareholders in this meeting and permission from the Securities and Exchange Commission of Pakistan in terms of first proviso to the Section 83 (1)(b) of the Companies Act, 2017 and subject to the completion of all legal formalities and compliances.



The Chairman further informed the members that the aforesaid transaction would result in better financial position of the Company and improve the debt equity ratio significantly. An improved debt equity ratio will enable the Company for debt serving of financial facility obtained for various expansions projects planned in the future. Further, the Company will not have to pay mark up in the future and thus the finance cost will decrease resulting in better profitability of the Company. Resultantly, the members will have a Company which is more profitable and has better financial position.

The Chairman also gave rationale that the shares shall be proposed to be issued at a price of PKR 15.00 per share including PKR 5.00 as premium per share.

Further, it was discussed that Descon Engineering Limited has issued a written consent letter whereby the associated company has given consent to convert its outstanding loan into equity accepting the issuance of ordinary shares at a premium of PKR 5 per share against loan outstanding amounting to PKR 733,333,000.

Chairman further discussed that the purpose of this conversion of loan is to reduce the liabilities and improvement of capital base of the Company and breakup value of the Company.

The board has recommended that shares shall be issued at a price of PKR 15 per share including PKR 5 as premium per share. The break-up value per share is PKR 7.68 per share as of 30 June 2019. The proposed price is also significantly higher than the average market price of PKR 14 each in the preceding three months from the date of board announcement. Further, the proposed share price is also in line with the average of share price of PKR 15 in the preceding six months. The share price has also touched a low of PKR 12.9 in the preceding six months and in the ongoing economic crises the share price is expected to remain low in the coming sessions

Further, it was informed that no directors have any interest in the proposed issuance of shares, whether directly or indirectly except to the extent of their shareholding.

After detailed discussion and elaboration, the following special resolutions were passed unanimously and none of the shareholders present in the meeting dissented on the special resolutions.

**RESOLVED THAT**, subject to compliance with the provisions of all applicable laws and requisite regulatory approvals, permissions and sanctions, including the approval of the Securities and Exchange Commission of Pakistan (the "SECP") under Section 83(1)(b) of the Companies Act, 2017, approval of the shareholders of the Company be and is hereby accorded to increase the paid up share capital of the Company from Rs. 1,020,000,000 divided into 102,000,000 Ordinary Shares of PKR 10 each to Rs. 1,508,888,660 divided into 150,888,866 Ordinary Shares of PKR 10 each by the issuance of additional 48,888,866 Ordinary Shares of the face value of PKR 10 each by way of otherwise than right shares at a price of PKR 15.00 each including PKR 5.00 as premium per share, an associated company against its outstanding loans towards the Company of Rs.733,333,000."

**FURTHER RESOLVED THAT**, the shares when issued shall from the date of their allotment, rank pari passu in all respects with the existing fully paid Ordinary Shares and the recipient of such shares shall enjoy similar rights and entitlements in respect of these shares as in respect of previously held shares, from the date of allotment.



**FURTHER RESOLVED THAT**, that the Chief Executive Officer and / or Company Secretary of the Company, be and are hereby authorized singly and / or jointly ("Authorized Persons") to enter into and execute such documents as may be required in relation to the further issue of shares otherwise than right shares.

**FURTHER RESOLVED THAT**, the Authorized Persons, be and are hereby further authorized singly and / or jointly, to take all steps necessary, ancillary and incidental for the issuance of the shares otherwise than right shares including but not limited to obtaining all requisite regulatory approvals, engaging legal advisor(s) and consultants for the purposes of the above, filing of the requisite application(s), statutory forms and all other documents as may be required to be filed with SECP and any other authority, submitting all such documents as may be required, executing all such certificates, applications, notices, reports, letters and any other document or instrument including any amendments or substitutions to any of the foregoing as may be required in respect of the issue of further shares without right shares and all other matters incidental or ancillary thereto.

**FURTHER RESOLVED THAT**, all acts, deed, and actions taken by the Authorized Persons pursuant to the above resolutions for and on behalf of and in the name of the Company shall be binding acts, deed and things done by the Company.

**FURTHER RESOLVED THAT**, the aforesaid special resolution(s) shall be subject to any amendment, modification, addition or deletion as may be suggested, directed and advised by the shareholders, SECP and / or any other regulatory body which suggestion, direction and advice shall be deemed to be part of these Special resolution(s) without the need of the shareholders to pass fresh Special Resolution(s)."

CERTIFIED TRUE COPY





**EXTRACT FROM THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF DESCON OXYCHEM LIMITED HELD ON OCTOBER 15, 2019 AT 03.00 PM AT DESCON HEADQUARTERS, 18-KM FERROZEPUR ROAD, LAHORE**

Change in Capital Structure

The company Secretary informed the house that the authorized capital of the Company is PKR 2,200,000,000 (Rupees two billion two hundred million only) currently divided into 110,000,000 ordinary shares of PKR 10 each and 110,000,000 preference shares of PKR 10 each.

Company Secretary also informed that 110,000,000 preference shares previously issued were approved for redemption by the Board of Directors of the Company on 23 October, 2018 in full, at par value. The Company redeemed all preference shares on 23 November 2018. Currently the Company has not issued any preference shares. He further proposed that it is in the best interest of the Company and its members to alter the authorized capital structure of the Company by addition of 110,000,000 ordinary shares of PKR 10 each and deletion of 110,000,000 preference shares of PKR 10 each. It was further discussed that this will merely change the capital structure of the authorized capital and the total amount of authorized capital will remain the same i.e. PKR 2,200,000,000.

After detailed discussion the following resolutions were unanimously passed:

**RESOLVED** that, subject to compliance with the provisions of all applicable laws and requisite approvals and approval of the shareholders, the authorized capital of the ordinary shares of the Company be increased from 110,000,000 ordinary shares of PKR 10 each to 220,000,000 ordinary shares of PKR 10 each by addition of 110,000,000 ordinary shares of PKR 10 each and deletion of 110,000,000 preference shares of PKR 10 each.

**FURTHER RESOLVED** that, in consequence of the said change in structure of share capital of the Company, after due approvals from the members of the Company, the existing clause V of Memorandum of Association of the Company and Article 4 along with Article 5A of the Articles of Association of the Company shall be amended accordingly. The amended clauses shall be as follows.

*Amended Clause V of Memorandum of Association*

*"The Authorized Share Capital of the Company is Rs. 2,200,000,000 (Rupees two billion two hundred million only) divided into 220,000,000 ordinary shares of Rs. 10 each. The Company shall have the power to; (1) vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Ordinance and/or the Articles and/or applicable rules and regulations; (ii) to increase and/or reduce the capital and to divide shares in the capital into several classes; and (iii) to consolidate or subdivide the shares and to issue shares of higher or lower denominations."*



#### *Amended Article 4 of the Articles of Association*

*" the Authorized Share Capital of the Company is Rs. 2,200,000,000 (Rupees two billion two hundred million only) divided into 220,000,000 ordinary shares of Rs. 10 each. The Company shall have the power to; (1) vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Ordinance and/or the Articles and/or applicable rules and regulations; (ii) to increase and/or reduce the capital and to divide shares in the capital into several classes; and (iii) to consolidate or subdivide the shares and to issue shares of higher or lower denominations. "*

#### *Article 5A of the Articles of Association*

*Clause 5A of the Articles of Association of the Company, setting out the details of "Preference Shares," be and is hereby deleted.*

#### Conversion of loan into equity

The company Secretary informed the house that the Company has an outstanding loan due to its associated company i.e. Descon Engineering Limited amounting to Rs. 733,333,000/- as at 30 September 2019. The Company is regularly paying high markup on this loan as the KIBOR has increased significantly during the recent economic changes.

The Company Secretary further updated that the Company wishes to improve its financial position and debt equity ratio by raising further issue of capital amounting to PKR 488,888,660 divided into 48,888,866 ordinary shares of PKR 10, at a price of PKR 15.00 per share including PKR 5.00 as premium per share for a total of PKR 733,333,000 to Descon Engineering Limited. The aforesaid shares shall be issued to the associated company against its outstanding loan of Rs. 733,333,000/- towards the Company without indulging in the exercise of right offer subject to approval of shareholders and permission from the Securities and Exchange Commission of Pakistan in terms of first proviso to the Section 83 (1)(b) of the Companies Act, 2017 and subject to the completion of all legal formalities and compliances.

The Company Secretary further informed the Board that the aforesaid transaction would result in better financial position of the Company and improve the debt equity ratio significantly. An improved debt equity ratio will enable the Company for debt serving of financial facility obtained for various expansions projects planned in the future. Further, the Company will not have to pay mark up in the future and thus the finance cost will decrease resulting in better profitability of the Company. Resultantly, the members will have a Company which is more profitable and has better financial position.

The Company Secretary also gave rationale that the shares shall be proposed to be issued at a price of PKR 15.00 per share including PKR 5.00 as premium per share. This price is substantially above the average share price of PKR 14.2. in the preceding three months and the break-up value per share of PKR 7.68 per share as of 30 June 2019 PKR 8.21 per share as of 30 September, 2019. Further, the share price has also touched a low of PKR 12.94 in the preceding six months and in the ongoing economic crises the share price is expected to remain below PKR 14.5 in the coming sessions.

It was further discussed that in the current economic and market conditions it is unlikely that the shareholders will subscribe to right offer at a premium and the aforesaid transaction will result in PKR 244,444,330 converted into share premium reserve.



The Company Secretary also informed the Board that Descon Engineering Limited has issued a written consent letter whereby the associated company has given consent to convert its outstanding loan into equity.

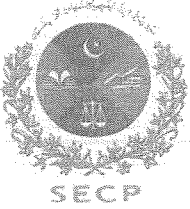
**RESOLVED** that, subject to compliance with the provisions of all applicable laws and requisite regulatory approvals, permissions and sanctions, including the approvals of the Securities and Exchange Commission of Pakistan (SECP) under Section 83(1) of the Companies Act, 2017 and approval of the shareholders of Descon Oxychem Limited approval be and is hereby accorded to increase the paid up capital of the Company from PKR 1,020,000,000 to PKR 1,508,888,660 by the issuance of additional 48,888,866 ordinary shares of PKR 10 each at a price of PKR 15 each by way of otherwise than right shares to Descon Engineering Limited against their outstanding loan of PKR 733,333,000 towards the Company.

**FURTHER RESOLVED** that the shares when issued shall from the date of their allotment, rank pari passu in all respects with the existing fully paid Ordinary Shares and the recipient of such shall enjoy similar rights and entitlements in respect of these shares as in respect of previously held shares from the date of allotment.

**FURTHER RESOLVED THAT** that the Chief Executive Officer and / or Company Secretary of the Company, be and are hereby authorized singly and / or jointly ("Authorized Persons") to enter into and execute such documents as may be required in relation to the further issue of shares otherwise than right shares.

**FURTHER RESOLVED THAT**, the Authorized Persons, be and are hereby further authorized singly and / or jointly, to take all steps necessary, ancillary and incidental for the issuance of the shares otherwise than right shares including but not limited to obtaining all requisite regulatory approvals, engaging legal advisor(s) and consultants for the purposes of the above, filing of the requisite application(s), statutory forms and all other documents as may be required to be filed with SECP and any other authority, submitting all such documents as may be required, executing all such certificates, applications, notices, reports, letters and any other document or instrument including any amendments or substitutions to any of the foregoing as may be required in respect of the issue of further shares without right shares and all other matters incidental or ancillary thereto.

**FURTHER RESOLVED THAT**, all acts, deed, and actions taken by the Authorized Persons pursuant to the above resolutions for and on behalf of and in the name of the Company shall be binding acts, deed and things done by the Company.



Ann - 2

No.CSD/CI/30/2019 - 160

January 10, 2020

Mr. Abdul Sohail,  
Company Secretary,  
Descon Oxychem Limited,  
DCB Corporate Office, 18 KM,  
Lahore Sheikupura Road,  
Lahore.

**Subject: Application for Approval to issue further shares by way of other than right offer under Section 83 of the Companies Act, 2017**

Dear Sir,

Please refer to your application dated December 4, 2019 on the captioned subject.


2. In this regard, I am directed to inform you that the Securities & Exchange Commission of Pakistan (the "Commission"), on the basis of special resolution of Descon Oxychem Limited ("the Company") passed in the extraordinary general meeting (EOGM) held on November 27, 2019 and information provided to the Commission, has allowed the Company to issue 48,888,866 ordinary shares of Rs.10.00 per share at a premium of Rs. 5 per share to Descon Engineering Limited (DEL) by way of other than right under clause (b) of sub-section (1) of Section 83 of the Companies Act, 2017.

3. The aforesaid approval is, however, subject to the following conditions:

- a) The Company shall ensure compliance with all the applicable laws particularly the relevant provisions of the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017;
- b) The Company shall inform the Commission within seven days of the issuance of shares to DEL;
- c) DEL shall not divest its shareholding in the Company for a period of three years from the date of issue;
- d) The Company shall within seven days of the date of this letter provide an undertaking to the effect that:
  - i. nothing in applicable laws, its memorandum and articles of association restrict it to issue the said shares; and
  - ii. any change or material information effecting the subject issuance of shares shall be communicated to the Commission immediately;

4. Please acknowledge receipt.

Regards,

  
Abid Hussain  
Executive Director

Cc: (i) Pakistan Stock Exchange, Stock Exchange Building, Stock Exchange Road, Karachi-74000, Pakistan.  
(ii) Central Depository Company, CDC House, 99-B, Block 'B', S.M.C.H.S. Main Shahrah-e-Faisal, Karachi

SECURITIES AND EXCHANGE  
COMMISSION OF PAKISTAN  
NIC Building, 63 Jinnah Avenue,  
Islamabad, Pakistan

PABX: +92-51-9207091-4, Fax: +92-51-9100454, 9100471, Email: webmaster@secp.gov.pk, Website: www.secp.gov.pk

Ann - 3

**FORM 3**

**THE COMPANIES ACT, 2017**  
**THE COMPANIES (GENERAL PROVISIONS AND FORMS) REGULATIONS, 2018**  
**[Section 70 and Regulations 4 & 12]**

**RETURN OF ALLOTMENTS OF SHARES**

**PART-I**

*(Please complete in typescript or in bold block capitals.)*

1.1 CUIIN (Registration Number) 

0	0	4	8	8	6	2
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1.2 Name of the Company 

<b>DESCON OXYCHEM LIMITED</b>
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1.3 Fee Payment Details      1.3.1 Challan No 

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      1.3.2 Amount 

600/-
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**PART-II**

2. Share Capital

	Number of Shares	Amount (Rs)
2.1 Authorized capital	220,000,000	2,200,000,000/-
2.2 Paid up capital <i>(Inclusive of present allotment)</i>	150,888,866	1,508,888,660/-

2.3 Kind of shares  
*(Check relevant checkbox)*       Ordinary       Preference

2.4 Class of shares  
*(Check relevant checkbox)*

- Class A
- Class B
- Preferred: Participatory: Redeemable at company's option
- Preferred: Participatory: Redeemable at Shareholder's option
- Preferred: Non Participatory: Non-Redeemable
- Preferred: Non Participatory: Redeemable at company's option
- Preferred: Non Participatory: Redeemable at Shareholder's option
- Any other Class, (please specify) \_\_\_\_\_

2.5 Date of allotment\*      Day: 

2	9
---	---

 - Month: 

0	1
---	---

 - Year: 

2	0	2	0
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*(\*If shares were allotted on different dates, then date of first allotment shall be mentioned)*

**2.6 SECTION A — SHARES ALLOTTED AGAINST CASH CONSIDERATION**

	No of shares	indicating class, if any
2.6.1	48,888,866	
	Per share (Rs)	Total Amount (Rs)
2.6.2 Nominal amount	10	488,888,660

2.6.3	Premium	5	244,444,330
2.6.4	Discount	( )	( )
2.6.5	Total (Amount paid on each share 2.6.2 to 2.6.4)	15	733,332,990
		Specify currency	Total Amount of foreign currency
2.6.6	Consideration received against allotment in foreign currency (equivalent amount in PKR included in total amount mentioned at 2.6.5)		

**2.7 SECTION B — SHARES ALLOTTED FOR CONSIDERATION OTHERWISE THAN IN CASH**

	No of shares	indicating class, if any
2.7.1		
	Per share (Rs)	Total Amount (Rs)
2.7.2	Nominal amount	
2.7.3	Premium	
2.7.4	Discount	( )
2.7.5	Total (2.7.2 to 2.7.4)	
2.7.6	The consideration for which shares have been allotted is as follow:	
		Amount (Rs.)
(a)	Property and assets acquired (give description)	
(b)	Good will	
(c)	Services (give nature of services)	
(d)	Other items ( to be specified)	
(e)	Total (a to d)	

**2.8 SECTION C — ALLOTMENT OF BONUS SHARES**

	No of shares	indicating class, if any
2.8.1		
	Allotment Ratio (Existing shares / bonus shares)	Total Amount (Rs)
2.8.2	Details of Bonus Shares	

Particulars of resolution 2.8.3 of Board of directors / shareholders	Resolution number	Day	Month	Year
	Board Meeting # 67	1 5	1 0	2 0 1 9

2.9 **SECTION D—NAME, ADDRESSE, AND OTHER PARTICULARS, OF THE ALLOTTEES**

Date of allotment	Name of allottee in full	Father's / husband's name	Nationality	Country of origin in case of foreign national	Address of the allottee	Number of shares allotted	NIC No./NICOP/Passport No. of allottee/Registration Number, if any (in case of allottee other than natural person)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
dd mm yyyy							Please enter NIC No. without (-)
2 9 0 1 2 0 2 0	DESCON ENGINEERING LIMITED				18-KM, FERUZ EPUR ROAD, LAHORE	48,888,866	

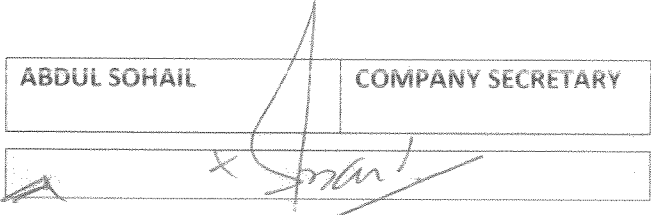
**PART-III**

3.1 Declaration:

I do hereby solemnly; and sincerely declare that the information provided in the form is:

- (i) true and correct to the best of my knowledge, in consonance with the record as maintained by the Company and nothing has been concealed; and
- (ii) hereby reported after complying with and fulfilling all requirements under the relevant provisions of law, rules, regulations, directives, circulars and notifications whichever is applicable.

3.2 Name of Authorized Officer with designation/ Authorized Intermediary **ABDUL SOHAIL** **COMPANY SECRETARY**

3.3 Signatures 

3.4 Registration No of Authorized Intermediary, if applicable 

3.5 Date Day Month Year  
2 9 0 1 2 0

**Enclosures:**

1. In case shares are allotted against cash consideration, a report from Auditor of the Company in terms of section 70(1)(b) of the Act as per Appendix attached herewith, to the effect that the amount of consideration has been received in full.
2. In case shares are allotted against consideration otherwise than in cash, a copy of the contract in writing constituting the title of the allottee to the allotment together with a contract of sale,

or for services or other consideration in respect of which that allotment was made, such contract being duly stamped.

3. In case bonus shares are issued, copies of the resolution of Board of Directors /members authorizing the issue of such shares.
4. In case the shares are issued at discount, a copy of the special resolution passed by the members authorizing such issue and where the maximum rate of discount exceeds limits specified in the Act, a copy of the order of the Commission permitting the issue at the higher percentage.
5. In case of allotment of shares in consequence of the exercise of the option for conversion in terms of an agreement for participation term certificates, term finance certificates, redeemable capital, musharika or hire-purchase shall be reported in Section-B and copies of the relevant documents submitted with the return.
6. Any other document, certificate, report etc. required under any regulation pertaining to issuance of shares.

Ann-4



**pwc**

**A.F.FERGUSON & CO.**

**March 13, 2020**

**3008**

The Chief Executive Officer  
Descon Oxychem Limited  
Lahore

Dear Sir

**DESCON OXYCHEM LIMITED - CERTIFICATE OF REVISED ISSUED,  
SUBSCRIBED AND PAID UP CAPITAL AND RECEIPT OF  
SUBSCRIPTION AMOUNT**

We have been requested to provide you with a certificate on revised paid up capital of Descon Oxychem Limited ('the Company') post issuance of shares to Descon Engineering Limited ('DEL') otherwise than right along with the receipt of subscription amount.

**Scope of Certificate**

The management of the Company has requested us to issue a certificate on the revised paid up capital and receipt of subscription amount for submission to Pakistan Stock Exchange ('PSX') and Central Depository Company of Pakistan Limited ('CDC').

**Management's Responsibility**

It is the managements' responsibility to prepare the Statement containing revised paid capital and subscription amount for shares issued to DEL.

**Auditors' Responsibility**

Being statutory auditor of the Company, our responsibility is to certify the Statement prepared by the management of the Company and reporting thereon 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 through circular 03/2016 dated February 25, 2016. Our verification was limited to the procedures as given below:

- a) Examined minutes of meeting of board and shareholders of the Company for approval of issuance of shares by way of other than right to DEL against outstanding loan from DEL;



A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
23-C, Aziz Avenue, Canal Bank, Gulberg-V, P.O.Box 39, Lahore-54660, Pakistan  
Tel: +92 (42) 3571 5868-71 / 3577 5747-50 Fax: +92 (42) 3577 5754 www.pwc.com/pk



- b) Checked approval of Securities and Exchange Commission of Pakistan for issuance of shares by way of other than right to DEL;
- c) Traced the loan proceeds and payments against loan from DEL in Company's bank statements and agree the outstanding loan from DEL with books of account of the Company;
- d) Matched outstanding issued, subscribed and paid up capital before issuance of shares with audited financial statements for the year ended June 30, 2019 and unaudited condensed interim financial statements for six month period ended December 31, 2019 of the Company; and
- e) Agreed number and par value of shares issued to DEL with the share certificate.

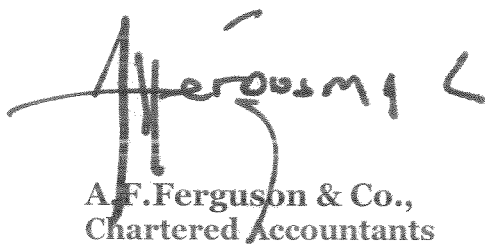
### **Certificate**

Based on procedures mentioned above, we confirm that the revised issued, subscribed and paid up capital post issuance of shares to DEL furnished in the annexed Statement prepared by the Company's management, initialed by us for identification purposes, is Rs 1,508,889 thousand [150,888,866 shares of Rs 10 each].

### **Restriction on use and distribution**

This certificate is issued at the request of the Company's management and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein. It is intended solely for the information and use by the Company, PSX and CDC should not be distributed to parties other than the Company, PSX or CDC.

Yours truly



A.F. Ferguson & Co.,  
Chartered Accountants

Lahore

Encl



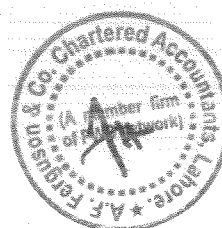
## DESCON OXYCHEM LIMITED

### STATEMENT OF REVISED PAID UP CAPITAL [OF RUPEES 10 EACH] AND RECEIPT OF SUBSCRIPTION AMOUNT

	Number of Sharees	Rs in thousand
Issued, subscribed and paid up capital before issuance of shares	102,000,000	1,020,000
Ordinary shares issued to Decson Engineering Limited ('DEL') - otherwise than right(*)	48,888,866	488,889
Revised issued, subscribed and paid up capital	150,888,866	1,508,889

(\*) The Company issued 48,888,866 ordinary shares of Rs 10 each (at a premium of Rs 5 per share) against outstanding loan of Rs 733.33 million from DEL.

Company Secretary



HABIB METROPOLITAN BANK LTD.

FEROZEPUR ROAD BR. LAHORE

Cheque No. 099940400

Date January 28, 2020

ANWER  
5-6

\*\*Pakistan Stock Exchange Limited\*\*

Pay Fourty Seven Thousand Four Hundred Twenty Two Only\*\* or bearer  
Rupees

PKR \*\*47,422\*\*

PK98 MPBL 0295 2171 4011 2425  
DESCON OXYCHEM LIMITED

DESCON OXYCHEM LIMITED

*Salman* *Waqar*

Signature

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HABIB METROPOLITAN BANK LTD.

FEROZEPUR ROAD BR. LAHORE

Cheque No. 099940399

Date January 28, 2020

\*\*Pakistan Stock Exchange Limited\*\*

Pay Four Hundred Seventy Four Thousand Two Hundred Twenty Two Only\*\* or bearer  
Rupees

PKR \*\*474,222\*\*

PK98 MPBL 0295 2171 4011 2425  
DESCON OXYCHEM LIMITED

DESCON OXYCHEM LIMITED

*Salman* *Waqar*

Signature

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