

NOTICE OF ANNUAL GENERAL MEETING



Notice is hereby given that the 16th Annual General Meeting ("AGM") of Descon Oxychem Limited (the 'Company') will be held on Wednesday, October 21, 2020 at 10:00 a.m. at the registered office of the Company at Descon Headquarters 18-Km Ferozepur Road Lahore:

To transact the following business:

Ordinary Business:

1. To confirm minutes of the last Extra Ordinary General Meeting of the Company held on February 28, 2020.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended 30th June 2020 together with the reports of Directors' and Auditors' thereon.
3. To appoint the External Auditors of the Company for the ensuing year and fix their remuneration. (The present auditors M/s. A.F. Ferguson & Co., Chartered Accountants, have retired and being eligible have offered themselves for re-appointment).
4. To approve, as recommended by the Board of Directors, the payment of Final Cash Dividend @ 10.00% (i.e. PKR 1.00 per ordinary share) for the year ended June 30, 2020.
5. To transact any other business with the permission of the Chair.

Special Business:

6. To approve the issuance of bonus shares in proportion of 16 Ordinary Shares for every 100 Ordinary Shares held by the Members (i.e. @ 16.00%), as recommended by the Board of Directors in their meeting held on 02 September 2020, and if thought fit, to pass the following resolutions:

Resolved that a sum of Rs. 241,422,190/- (Rs. two forty-one million four hundred twenty-two thousand one hundred and ninety only) out of the share premium of the Company be capitalized and applied towards issue of 24,142,219 Ordinary Shares of Rs. 10 each as fully paid bonus shares in the proportion of 16 Ordinary Shares for every 100 Ordinary Shares (i.e. @16%) held by every Member whose name appears on the Member's register at the close of business on 12-10-2020.

Further Resolved that these bonus shares shall rank pari passu in all respects with the existing shares but shall not be eligible for the final cash dividend declared for the year ended 30 June 2020.

Further Resolved that Members entitled to fractions of shares shall be given the sale proceeds of their fractional entitlements for which purpose the fractions shall be consolidated into whole shares and sold on the Pakistan Stock Exchange Limited.

Further Resolved that the Company Secretary of the Company be and is hereby authorized to give effect to these resolutions and to do or cause to be done all acts, deeds and things that may be necessary or required for issue, allotment and distribution of the said bonus shares, sale of fractions and payment of the sale proceeds of the fractional shares.

A statement of material facts under Section 134(3) of the Companies Act, 2017 pertaining to the Special Business referred above is annexed to this Notice.

Lahore
September 30, 2020

By order of the Board

Abdul Sohail
Company Secretary

Descon Oxychem Limited:



Corporate Office, 18 KM, Lahore Sheikhpura Road, Lahore - 53000, Pakistan.

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NOTES:

1. The Share Transfer Books of the Company will remain closed from October13, 2020 to October21, 2020 (both days inclusive). Transfers received in order by our Shares Registrar, M/s. Corplink (Private) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore by the close of business on October12, 2020 will be considered in time for the purpose of entitlement of final cash dividend and bonus shares to the transferees and to attend and vote at the AGM.
2. A member of the Company entitled to attend and vote at the Annual General Meeting may appoint another member as his / her proxy to attend and vote in place of him / her at the meeting. The proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the time of meeting. A proxy must be a member of the Company.
3. In view of the recent spike of Covid-19, gravity of the Coronavirus Pandemic on public health and instructions of the Government / institutions to consider the provision of video link facility for conducting meetings, the Annual General Meeting will be held virtually via video-link for the safety and wellbeing of our valued shareholders and general public.

To attend the AGM through video link, members are requested to register their following particulars by sending an e-mail at shareholders@descon.com.

Folio / CDC Account No.	No. of share held	Name	CNIC No.	Cell No.	Email address

The video link and login credentials will be shared with the shareholders whose e-mails, containing all the requested particulars, are received at the given e-mail address by or before the close of business hours (5:00 p.m.) on October12, 2020. The shareholders are also encouraged to send their comments / suggestions, related to the agenda items of the AGM on the abovementioned e-mail address or WhatsApp Number 0300-4536102 by the close of business hours (5:00 p.m.) October 12, 2020. For any query, the members may please contact and above mentioned email.

4. In accordance with the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. In order to receive dividends directly into their bank account, shareholders are requested to fill in Electronic Credit Mandate Form available on Company's website www.desconoxychem.com and send it duly signed along with a copy of CNIC to the Shares Registrar of the Company, Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore in case of physical shares. In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's Broker/Participant/CDC Account Services.
5. The Government of Pakistan has made certain amendments in the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These rates are as follows:

For filers of income tax returns 15%

For non-filers of income tax returns 30%

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- To enable the Company to make tax deduction on the amount of cash dividend @15% instead of 30% 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 to make sure that their names are entered into ATL before the date of payment of the cash dividend, otherwise tax on their cash dividend will be deducted @30% instead of 15%.
- In the case of shares registered in the name of two or more shareholders, each joint-holder is to be treated individually as either a filer or non-filer and tax will be deducted by the Company on the basis of shareholding of each joint-holder as may be notified to the Company in writing. If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company latest by the AGM date:

Folio / CDC Account No.	Name of shareholder	CNIC	Shareholding	Total Shares	Principal/Joint Shareholders

- 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 certificate to the Company or the Shares Registrar. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.
- A valid tax exemption certificate is necessary for exemption from the deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001. Members who qualify under Income Tax Ordinance, 2001 and wish to seek an exemption must provide a copy of their valid tax exemption certificate to the Shares Registrar prior to the date of book closure otherwise tax will be deducted according to applicable law.
- The Company has placed the Audited Annual Financial Statements for the year ended 30 June 2020 along with Auditors and Directors Reports thereon and Chairman's Review Report on its website: www.desconoxychem.com
- Members having physical shares are requested to immediately notify the change in their addresses, if any to our Shares Registrar, whereas CDC account holders are requested to contact their CDC Participant / CDC Account Services.
- For any query / problem / information, the investors may contact the Shares Registrar, Corplink (Pvt.) Limited, Phone No. 042-35839182, 35916714, 35916719, e-mail address: corplink786@gmail.com.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 CONCERNING THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING:

This statement sets out the material facts concerning the Special Business to be transacted at the Annual General Meeting of the Company to be held on October 21, 2020.

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Issue of Bonus Shares to Members

a. The Board of Directors in their meeting held on September 02, 2020 has recommended to issue bonus shares in proportion of 16 Ordinary Shares for every 100 Ordinary Shares held by the Members (i.e. 16%) and decided that a sum of Rs. 241,142,190/- be appropriated from the shares premium amount for the issuance of 24,114,219 Bonus Shares. After the issue of bonus shares, the paid-up capital of the Company will increase to Rs. 1,750,310,850/-.

b. The following resolutions are proposed to be passed as special resolution, with or without modification:

Resolved that a sum of Rs. 241,422,190/- (Rs. two forty-one million four hundred twenty-two thousand one hundred and ninety only) out of the share premium of the Company be capitalized and applied towards issue of 24,142,219 Ordinary Shares of Rs. 10 each as fully paid bonus shares in the proportion of 16 Ordinary Shares for every 100 Ordinary Shares (i.e. @16%) held by every Member whose name appears on the Member's register at the close of business on 12-10-2020.

Further Resolved that these bonus shares shall rank pari passu in all respects with the existing shares but shall not be eligible for the final cash dividend declared for the year ended 30 June 2020.

Further Resolved that Members entitled to fractions of shares shall be given the sale proceeds of their fractional entitlements for which purpose the fractions shall be consolidated into whole shares and sold on the Pakistan Stock Exchange Limited.

Further Resolved that the Company Secretary of the Company be and is hereby authorized to give effect to these resolutions and to do or cause to be done all acts, deeds and things that may be necessary or required for issue, allotment and distribution of the said bonus shares, sale of fractions and payment of the sale proceeds of the fractional shares.

c. The Directors of the Company are not directly or indirectly interested in this special business except to the extent of entitlements of bonus shares on their shareholdings.

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