



**PAKISTAN STOCK EXCHANGE LIMITED**

(formerly: Karachi Stock Exchange Limited)

PSX/N-4341

**NOTICE**

August 02, 2016

Reproduced hereunder the letter No. PSX/C1138-5620 dated July 26, 2016 sent to **DESCON OXYCHEM LIMITED**, by the Exchange and response received from the Company, vide their letter No. **DOL/CSD/07-16/002** dated July 28, 2016 for information of all concerned.

(Copy of the same is also available on our Website [www.psx.com.pk](http://www.psx.com.pk)).

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**PAKISTAN STOCK EXCHANGE LIMITED**

(Formerly Karachi Stock Exchange Limited)

Stock Exchange Building, Stock Exchange Road, Karachi - 74000, Pakistan.

UAN: 111-001-122 Fax: 32410825

Website: [www.psx.com.pk](http://www.psx.com.pk) Email: [info@psx.com.pk](mailto:info@psx.com.pk)

Ref. No. PSX/ C-1138-5620

July 26, 2016

Mr. Abdul Sohail  
Company Secretary  
**Descon Oxychem Limited**  
Descon Headquarter,  
18-km, Ferozpur Road,  
Lahore.

Subject: **ISSUANCE OF RIGHT SHARES**

Dear Sir,

Your attention is invited to our letters no. KSE/C-1138-3034 dated May 05, 2014 whereby you were required to provide us the quarterly progress report about utilization of the proceeds of right subscription amount until completion of the purpose of right issue.

It is regretted to note that the progress report has not been communicated so far. You are advised to submit the above immediately for its dissemination to all concerned and ensure its compliance until completion of the purpose.

Sincerely yours,

**MUHAMMAD GHUFURAN**  
Deputy General Manager – Operations

**Copy to:**

- The Director (Enforcement)
- Securities and Exchange Commission of Pakistan Islamabad
- The Managing Director - PSX
- The Chief Regulatory Officer-PSX
- The Deputy Managing Director-PSX

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Date: July 28, 2016

Muhammad Ghufraan  
Deputy General Manager - Operations  
Pakistan Stock Exchange Limited  
Stock Exchange Building, Stock Exchange Road  
Karachi – 74000 Pakistan



**Subject: ISSUANCE OF PREFERENCE SHARES**

Dear Sir:

Please refer to your office Letter # C-1138-5620 dated July 26, 2016 and pursuant to approval letter # KSE/C-1138-3034 dated May 05, 2014 whereby progress report was sought about utilization of the proceeds of right subscription amount until completion of the purpose of right issue.

At the very outset, we would like to restate the significance of issuance of 110,000,000 Preference Shares as a rights issue to the existing shareholders of the Company. It was projected that the major portion of capital raised by the issuance of Preference Shares shall be used to **repay and/or adjust the outstanding liabilities** of the Company that eventually shall improve the dividend payout and earnings capacity per share as well as the balance sheet of the Company. In this context:

- (i.) The Company issued 12%-non-voting Convertible Cumulative Redeemable Preference Shares ("Preference Shares") of Rs. 1,100,000,000/- divided into 110,000,000 (One hundred and Ten Million) Preference Shares of Rs.10/- to the existing shareholders of the Company on 02-11-2015;
- (ii.) 46 shareholders of the Company had accepted their combined entitlement of 204,389 Preference Shares of Rs. 10/- each valuing **PKR 2,043,890/-**;
- (iii.) Pursuant to the provisions of the Section 67 and all the other applicable sections, if any, of the Companies Ordinance, 1984 read with the applicable rules made thereunder, the Board of Directors of the Company approved the allotment of 204,389 Preference Shares of Rs.10/- each to the existing shareholders of the Company specified in Annexure – 1 attached hereto;
- (iv.) 109,795,611 Preference Shares of Rs. 10/- each, were renounced by the shareholders of the Company;
- (v.) With the consent of the underwriter of the issue, M/s. Arif Habib Limited, the Board of Directors of the Company approved the allotment of 109,795,611 Preference Shares of Rs. 10/- each, renounced by the existing shareholders, to the following associated companies against **adjustment/offset of outstanding principal amounts of loans** extended by such associated companies to the Company, with effect from October 29, 2015 in the following proportions:

Name of Associated Company:	No. of Preference Shares	Face Value per share in (Rs.)	Amount of Preference Shares
Descon Engineering Limited	78,795,611	10/-	Rs. 787,956,110
Presson Descon International Private Limited	31,000,000	10/-	Rs. 310,000,000
<b>TOTAL:</b>	<b>109,795,611</b>	<b>--</b>	<b>Rs. 1,097,956,110</b>

- (vi.) Return of allotments of Preference Shares required to be submitted u/s 73(1) of the Companies Ordinance, 1984 was submitted on 18-01-2016 to SECP.
- (vii.) The proceeds of right subscription amounting to Rs. **2,043,890/-** is available in bank account A/c. No:2-95-20311-714-132759 maintained with HabibMetro Bank Ltd, Ferozpur road Lahore.

We hope that the above information would suffice the requirements. We remain at your disposition for any further information you might require in this matter.

Yours faithfully,

for Descon Oxychem Limited

Abdul Sohail  
Company Secretary

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Descon Oxychem Limited:

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