

## POWER CEMENT LIMITED

February 12, 2018

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

Dear Sir,

Subject: ISSUANCE OF SHARES AS OTHERWISE THAN RIGHT

This refers to your letter dated April 25, 2017 regarding the above captioned subject. Kindly find attached the following documents:

1. Certified True Copy of Special Resolution adopted by Shareholders in the EOGM.
2. Payment of Additional listing fee in favor of "Pakistan Stock Exchange Limited" @ one-tenth of one percent of the increase in paid-up capital under Regulation No. 5.18.1 of the Exchange is attached herewith vide Cheque no. 76686876 Dated 09.02.2018.
3. Approval of Securities & Exchange Commission of Pakistan under Section 86(1) of the Companies Ordinance, 1984
4. Return of Allotment i.e. Form-3 filed with the Registrar of Companies.
5. Auditors' Certificate confirming increase in paid-up capital of the Company along with total paid-up capital after issuance of shares as Otherwise than Right.
6. Copy of tax challan towards deduction of Income Tax out of payment of Additional Listing Fee within a week from the date of this letter.
7. Payment of Supervisory Fee of SECP @ 10 % of the additional fee paid to PSX on increase in the paid-up capital of the Company as notified vides our Notice No. PSX/N-4413 dated August 05, 2016 is attached herewith vide Cheque no. 76686877 Dated 09.02.2018.

Yours Sincerely,

Tahir Iqbal  
Chief Financial Officer &  
Company Secretary



No.CSD/CI/3/2016 — 634

October 12, 2017

Company Secretary  
Power Cement Limited  
Arif Habib Centre 23,  
M.T. Khan Road,  
Karachi-74000  
Fax: 021-35884138

**Subject: Application for approval for issue of further shares other than right issuance**

Dear Sir, —

Please refer to application of Power Cement Limited ("the Company") dated September 28, 2017 and letter of this Commission dated August 08, 2017 regarding the aforementioned subject.

2. In this connection, the competent authority has allowed extension in time of 4 months, i.e. till February 08, 2018, for issuance of 104,658,670 shares at price of Rs.12.50 per share by way of shares otherwise than right to the respective parties in the manner stated in aforementioned letter of this Commission. Other conditions of the letter of this Commission shall remain unchanged.

**Amina Aziz**  
Director  
Corporate Supervision Department

**CERTIFIED TRUE COPY**

*Amina Aziz*  
Company Secretary.

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



No.CSD/CI/3/2016-261

August 8, 2017

Company Secretary  
Power Cement Limited  
Arif Habib Centre 23,  
M.T. Khan Road,  
Karachi-74000  
Fax: 021-35884138

**Subject: Application for approval for issue of further shares other than right issuance**

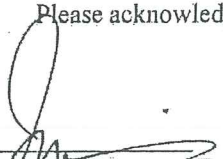
Dear Sir,

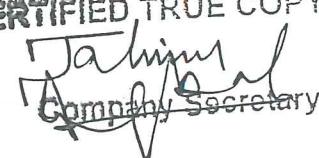
Please refer to application of Power Cement Limited ("the Company") dated May 29, 2017 and subsequent correspondence regarding the aforementioned subject.

2. In this connection, I am pleased to inform you that the competent authority on the basis of special resolution passed by the shareholders of the Company in the Extra Ordinary General Meeting (EOGM) held on May 20, 2017, information provided to the Commission and circumstances of the case presented by Company has allowed the Company to issue 104,658,670 shares at price of Rs.12.50 per share by way of shares otherwise than right under Section 86 of the Companies Ordinance, 1984 to the following:

i.	FLSmith&Co.(Denish Global Engineering Co.)	24,152,000 shares
ii.	IFU (Denish Investment Fund)	40,253,335 shares
iii.	IIP (IFU investment Partners)	40,253,335 shares
	<b>Total</b>	<b>104,658,670 shares</b>

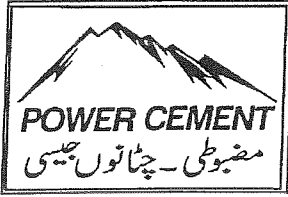
3. The aforesaid approval is, however, subject to the following conditions:
- Copy(s) of the agreement duly translated in English and certified depicting the mandate of the Funds to invest in Pakistan shall be provided to the Commission within 10 days of this approval;
  - Shares shall be issued within 60 days from the date of this letter under intimation to this office;
  - The Company shall inform the Commission within 07 days of the issuance of shares;
  - The aforesaid parties shall not divest their shareholding for a period of five years;
  - The aforesaid approval for issuance of shares is being given based on the documents/ information provided, relevant laws and regulations and hence the Commission bears no responsibility whatsoever for the (express or implied) agreements between the lenders and the Company.
4. It may be noted that the aforesaid is issued without prejudice to the relevant requirements of Securities Act, 2015, if applicable.
5. Please acknowledge receipt.

  
Amna Aziz  
Director  
Corporate Supervision Department

**CERTIFIED TRUE COPY**  
  
Company Secretary.

SECURITIES AND EXCHANGE  
COMMISSION OF PAKISTAN  
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ANNEXURE - I  
**POWER CEMENT LIMITED**

Extracts of resolutions passed during the Extraordinary General Meeting of Power Cement Limited held on 20<sup>th</sup> May 2017

**ORDINARY BUSINESS:**

*Resolved that the minutes of the Extra Ordinary General Meeting held on March 06, 2017 be and are hereby approved and the Chairman be and is hereby authorized to sign the minutes as token of confirmation.*

**SPECIAL BUSINESS:**

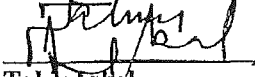
*Resolved that the approval of members of Power Cement Limited be and is hereby accorded offer and allot 104,658,670 ordinary shares having face value of Rs.10/- each at a premium of Rs.2.5/- per share by the way of allotment otherwise than the Right Shares under Section 86(1) of the Companies Ordinance, 1984, to a consortium of FLSmith & Co. (Denish global engineering company), IFU (Denish Investment Fund) and IIP (IFU Investment Partners), ("the Consortium") or in case the Offer is not accepted by any of the above Consortium members in time, then to any other interested investor(s) as decided by the Board of Directors of the Company, not saleable for Five (05) years, subject to the approval of shareholders by way of a Special Resolution and thereafter approval of the SECP.*

*Further resolved that the shares issued will rank pari-passu in all respects with the existing shares of the Company except these shares will not be entitled for 162% Right Shares announced on 25<sup>th</sup> April 2017.*

*Further resolved that the Chief Executive Officer and the Company Secretary ("the Authorized Officers") be and are hereby singly and severally authorized to get approval from SECP to issue ordinary shares to Consortium or other investor(s) as the case may be, and to do all acts, deeds and things, take any or all necessary actions including appointment of consultant(s)/ advisers and to complete all legal formalities and file all necessary documents to the Stock Exchange and CDC as may be necessary or incidental for the purpose of implementing the aforesaid resolution.*

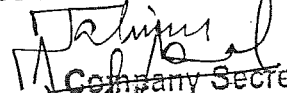
*Further resolved that the aforesaid resolutions shall be subject to any amendment, modification, addition or deletion as may be deemed appropriate and as approved by the shareholders or as may be suggested, directed and advised by the SECP which suggestion, direction and advice shall be deemed to be part of this resolution without the need to pass a fresh Resolution. The above mentioned Authorized Officers be and are hereby authorized to make any such amendment, modification, addition or deletion as may be required without the need to obtain any further approval of the Shareholders.*

**CERTIFIED TRUE COPY**

  
Tahir Iqbal

**Chief Financial Officer & Company Secretary**

**CERTIFIED TRUE COPY**

  
Company Secretary.

Head Office : Arif Habib Centre 23, M.T. Khan Road, Karachi - 74000. Pakistan. Phone : (92-21) 32468231-32, 32468350-51  
Fax : (92-21) 32463209 E-mail : info@powercement.com.pk Web : www.powercement.com.pk

Factory : Nooriabad Industrial Area, Kalo Kohar Distt. Jamshoro, Sindh. PABX: 0301-8248183-6



Arif Habib Group



KPMG Taseer Hadi & Co.  
Chartered Accountants  
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Karachi, 75530 Pakistan

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Fax + 92 (21) 3568 5095  
Internet www.kpmg.com.pk

Mr. Tahir Iqbal  
Company Secretary  
Power Cement Limited  
Arif Habib Center  
23, M.T. Khan Road  
Karachi

Our ref KA-AQ-853

Contact Muhammad Taufiq

6 February 2018

Dear Sirs,

**Receipt of subscription from foreign investors towards issue of further shares other than rights issuance**

As requested by you, we have carried out certain procedures in order to verify that Power Cement Limited ("the Company") have received the amount of subscription from foreign investors towards issue of further shares other than rights issuance as required under Central Depository System ("CDS") Standard Operating Procedures issued by the Central Depository Company of Pakistan Limited ("CDC").

The CDS Standard operating procedures require the auditor to confirm as follows:

- Revised paid up capital and receiving of subscription amount.
- All requirements with regards to allotment of shares in the name of CDC have been fulfilled by the Issuer.

**Scope of Certificate**

The engagement is to perform certain procedures to confirm the receipt of subscription money from foreign investors towards issue of further shares other than rights issuance.

**Management Responsibility**

It is the management's responsibility to ensure that the issue of further shares other than rights issuance is made in accordance with the requirements of the Companies Act, 2017 / the repealed Companies ordinance, 1984 and Pakistan Stock Exchange (PSX), and that all requirements with respect to allotment of shares in the name of CDC are fulfilled. We have not checked the compliance of the aforementioned requirements in this respect.



KPMG Taseer Hadi & Co.

*Power Cement Limited  
Receipt of subscription from foreign investors towards  
issue of further shares other than rights issuance  
6 February 2018*

### **Auditor's Responsibility**

Our responsibility is to carry out the procedures required by the CDS Standard operating procedures as outlined above and report as per the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan.

Our verification was limited to the procedures as mentioned below:

1. Reviewed resolution of the Extra Ordinary General Meeting of the shareholders of the Company and approval of the SECP to check the approval of the issuance of further shares other than rights.
2. Reviewed correspondence with the Banks regarding the receipt of subscription money from foreign investors towards issue of further shares other than rights.
3. Reviewed correspondence made with the authorities to establish that the requirements with regard to allotment of shares in the name of CDC have been fulfilled.

### **Certification**

Based on the procedures above, we report as follows:

1. The issue of further shares other than rights issuance was approved in Extra Ordinary General Meeting of the shareholders of the Company held on 20 May 2017. It was resolved that Power Cement Limited shall issue 104,658,670 ordinary shares having face value of Rs.10 each at a premium of Rs. 2.5 – per share by the way of allotment otherwise than the Right Shares under Section 86(1) of the Companies Ordinance, 1984, to a consortium of FLSmith & Co. (Denish global engineering company), IFU (Denish Investment Fund) and IIP (IFU Investment Partners), ("the Consortium"), subject to the approval of the SECP.

SECP through its letter No.CSD/CI/3/2016 dated 08 August 2017 has allowed the Company to issue 104,658,670 shares at a price of Rs. 12.5 per share by way of shares other than rights under section 86 of the repealed Companies Ordinance, 1984, subject to condition mentioned in the letter.

The Company's paid up capital (ordinary shares) at 31 December 2017 amounts to Rs. 9,587,557,640 (Nine billion, five hundred eighty-seven million, five hundred fifty-seven thousand, six hundred forty rupees only). This paid up capital represented 958,755,764 ordinary shares of Rs. 10 each.

The enhanced paid up capital (ordinary shares) of the Company after the issue of further shares other than rights issuance will amount to Rs. 10,634,144,340 (Ten billion, six hundred thirty-four million, one hundred forty-four thousand, three hundred forty rupees only). This paid up capital represented 1,063,414,434 ordinary shares of Rs. 10 each.



KPMG Taseer Hadí & Co.

*Power Cement Limited  
Receipt of subscription from foreign investors towards  
issue of further shares other than rights issuance  
6 February 2018*

2. Following amounts have been received by the Company in respect of further shares other than rights issuance and the amount deposited with Dubai Islamic Bank – Clifton Branch Karachi in POWER CEMENT LIMITED (IBAN A/C No: PK94DUIB0000000426966004):

Foreign Investor	Receipt Amount in Euro (€)
FLSmith & Co. (Denish Global Engineering Co.)	2,558,656.48
IFU (Denish Investment Fund)	4,264,485.81
IIP (IFU Investment Partners)	4,264,485.81

We were informed by the management that a rate of Pak rupees (PKR) 118 per Euro (€) was agreed with the investors for the issuance of these shares.

3. The corporate action notice in respect of further issue other than right shares was issued on 27 April 2017. The letter for authorization to upload data was sent to CDC on 6 February 2018 and the upload of securities in the CDS has been completed on 6 February 2018.

We have been informed by the management that the requirements in respect of allotment of further shares other than rights in the name of CDC have been fulfilled by them and they have initiated the process of filing of return of allotment to the registrar.

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

This certificate is being issued in capacity of the statutory auditors of the Company in relation with the further issue of shares other than rights for onward submission to the Central Depository Company of Pakistan Limited. This certificate is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein.

Yours faithfully,

KPMG Taseer Hadí & Co. |