



PAK ELEKTRON LIMITED

17 - Aziz Avenue, Canal Bank, Gulberg - V, Lahore - 54660, Pakistan,
G. P. O. Box No: 675 Telephone: 92 - 42 - 35718274 - 77 & 35717364 - 66,
Fax: 92-42-35762707, 35717785 & 35715105 E-mail: saigolgroup@saigols.com

June 29, 2015

Mr. Muhammad Ghufuran,
Deputy General Manager
Karachi Stock Exchange Limited,
Stock Exchange Building/Road,
Karachi.

Subject: Issuance Of Further Capital without right offering

Dear Sir,

With reference to you letter No. KSE/C-604-5002 dated June 26, 2015, we enclosed herewith declaration of board meeting dated June 26, 2015 and notice of Extraordinary general meeting duly revised dates of book closure i.e. July 16, 2015 to July 23, 2015 (both days inclusive).

Thanking you.

Yours truly,

For **PAK ELEKTRON LIMITED**

M. Omer Farooq
Company Secretary



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NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Shareholders of Pak Elektron Limited ("Company") will be held on Thursday, July 23, 2015 at 11:00 A.M. at Factory Premises, 14-KM, Ferozpur Road, Lahore to transact the following business:-

1. To confirm the minutes of Annual General Meeting held on April 27, 2015.
2. To consider and if thought fit to pass the following resolutions as Special Resolution, with or without modifications, addition or deletion:

"RESOLVED THAT the approval of members of Pak Elektron Limited (the "Company") be and is hereby accorded and subject to the sanction of the Securities & Exchange Commission of Pakistan under the provision of Section 86 (1) of the Companies Ordinance, 1984 and relaxation and exemption under the Companies (Issue of Capital) Rules, 1996 for issuance of 40,000,000 ordinary shares ("Shares") of the Company having face value of 400,000,000 (@ Rs. 10/- each) at a premium to be calculated on the date of issue of sanction letter by the Securities and Exchange Commission of Pakistan ("SECP") as per the following formula by way of other than right to National Bank of Pakistan ("NBP") for redemption of the outstanding Privately Placed Term Finance Certificates held by NBP.

Formula for Issue Price

Issue Price = Market Price - C

Market Price shall be the closing rate as per KSE quotation on the date of issue of sanction letter by the SECP.

Where $C = S \times [\text{Market price} - 12.5]$

Where S = Applicable NBP's discount below:

Market Price of PEL Share	NBP's Discount
Up to Rs. 25	50%
Rs. 26-35	50%
Rs. 36-45	50%
Rs. 46-55	40%
Rs. 56 and above	30%



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FURTHER RESOLVED THAT these new ordinary shares shall from the date of allotment, rank *pari passu* in all respect with the then existing fully paid ordinary shares of the Company.

"RESOLVED FURTHER THAT the Chief Executive and Company Secretary ("Authorized Officers") be and are hereby jointly and/or severally authorized to get approval from SECP to issue ordinary shares to NBP 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 Stock Exchanges and CDC as may be necessary or incidental for the purpose of implementing the aforesaid resolution;

RESOLVED FURTHER 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 Authorized Officers be and are hereby authorized to make any such amendment, modification, addition or deletion as may be required.

RESOLVED FURTHER THAT that all actions hereto taken and/or to be taken by and on behalf of the Company by any of the Authorized Officers in terms of these resolution be and are hereby ratified and confirmed by the Company.

3. Any other business with the permission of the Chair.

A statement under Section 160(1) (b) of the Companies Ordinance, 1984 pertaining to the special business is being sent to the shareholders along with this Notice.

By Order of the Board

M. Omer Farooq
Company Secretary

Lahore: June 26, 2015



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Notes:

1. Share Transfer Books of the Company will remain closed from July 16, 2015 to July 23, 2015 (both days inclusive) for the purpose of attending the Extraordinary general meeting. Physical transfers/CDS Transactions IDs received in order at Company registrar office M/s Corplink (Pvt.) Limited Wings Arcade, 1-K, Commercial Model Town, Lahore on July 15, 2015 will be treated in time.
2. A member entitled to attend and vote at this Meeting may appoint another Member as his/her proxy. Proxies in order to be effective, must be received at the Registered Office of the Company, 17-Aziz Avenue Canal Bank, Gulberg-V, Lahore not later than forty-eight hours before the time for holding the meeting and must be duly stamped signed and witnessed.
3. Members whose shares are deposited with Central Depository System are requested to bring their original National Identity Cards or original Passports along with their Account Numbers in Central Depository System for attending the meeting.
4. The form of the proxy must be submitted with the Company within the stipulated time, duly witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the form, along with attested copies of the CNIC or the passport of the beneficial owner and the proxy. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with the proxy form of the Company.
5. Members are requested to notify the Company change in their addresses, if any.
6. **COMPUTERIZED NATIONAL TAX NUMBER AND TAX DEDUCTION**

Pursuant to the directives of the Securities and Exchange Commission of Pakistan CNIC number of individuals is mandatorily required to be mentioned on dividend warrants and pursuant to the provisions of Finance Act 2015, the rate of deduction of income tax under section 150 of the Income Tax Ordinance 2001 from dividend payment have been revised as: for filers of Income Tax return 12.5% and Non filers of Income Tax return 17.5%. In case of Joint account, each holder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each joint holder as may be notified



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by the shareholder, in writing as follows, to our Share Registrars, or if no notification, each joint holder shall be assumed to have an equal number of shares.

Company Name	Folio/CDS Account No.	Total Shares	Principal	Shareholder	Joint	Shareholder
			Name & CNIC No.	Shareholding Proportion No. Of Shares	Name & CNIC No.	Shareholding proportion No. Of Shares

The CNIC number/NTN details is now mandatory and is required for checking the tax status as per the Active Taxpayers List (ATL) issued by Federal Board of Revenue (FBR) from time to time.

Individuals including all joint holders holding physical share certificates are therefore requested to submit a copy of their valid CNIC to the company or its Registrar if not already provided, For shareholders other than individuals, the checking will be done by matching the NTN number, therefore the Corporate shareholders having CDC accounts are requested in their own interest to provide a copy of NTN certificate to check their names in the ATL before the book closure date to their respective participants/CDC, whereas corporate shareholders holding physical share certificates should send a copy of their NTN certificate to the Company or its Share Registrar. The Shareholders while sending CNIC or NTN certificates, as the case may be must quote their respective folio numbers.

In case of non-receipt of the copy of a valid CNIC or NTN, the Company would be unable to comply with SRO 831(1)/2012 dated July 05, 2012 of SECP and therefore will be constrained under Section 251(2)(a) of the Companies Ordinance, 1984 to withhold dispatch of dividend warrants of such shareholder. Further, all shareholders are advised to immediately check their status on ATL and may, if required take necessary action for inclusion of their name in the ATL. The company as per the new law, shall apply 17.5% rate of withholding tax if the shareholders name, with relevant details, does not appear on the ATL, available on the FBR website on the first day of book closure and deposit the same in the Government Treasury as this has to be done within the prescribed time.



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7. ZAKAT DECLARATIONS (CZ-50)

The Zakat will be deducted from the dividends at source at the rate of 2.5% of the paid-up value of the shares (Rs. 10/- each) under Zakat and Ushr Laws and will be deposited within the prescribed period with the relevant authority, Please submit your Zakat Declarations under Zakat and Ushr Ordinance, 1980 & Rule 4 of Zakat (Deduction & Refund) Rules, 1981 CZ-50 Form, in case you want to claim exemption, with your brokers or the Central Depository Company Ltd. (in case the shares are held in Investor Account Services on the CDC) or to our Registrars, M/s Corplink Private Limited, 1-K, Commercial Model Town, Lahore (in case the shares are held in paper certificate form). The shareholders while sending the Zakat Declarations, as the case may be must quote company name and respective folio numbers.



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

This statement sets out the material facts concerning the special business to be transacted at the Extraordinary General Meeting of the Company to be held on July 23, 2015.

The Company has issued Privately Placed Term Finance Certificates ("PPTFCs") to National Bank of Pakistan ("NBP"). The company has also availed other financing facilities from NBP. As per arrangement for re-structuring of the finance facilities, the outstanding PPTFCs are to be redeemed by fresh issue of ordinary shares otherwise than right shares to NBP. The Board of Directors of the Company in its meeting held on 26 June 2015 has approved further issue of capital without right offering to NBP subject to the approval of the Securities and Exchange Commission of Pakistan ("SECP"). The share will be issued at a price to be calculated on the basis of formula mentioned in the proposed special resolution.

The requisite material facts concerning the special business are as follows:

- i) **Justification for Issue of Shares otherwise than Right shares and not as right shares;**

As a part of arrangement for re-structuring of finance facilities of NBP, the outstanding Privately Placed Term Finance Certificates are to be redeemed by issue of fresh shares to NBP without right offering.

- ii) **Names of the persons to whom shares will be issued;**

National Bank of Pakistan.

- iii) **Price at which shares will be issued and justification with reference to latest available market price, breakup value per share.**

The price of shares to be issued to National Bank of Pakistan Limited would be determined on the basis of the following formula on the date of



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the approval of the Securities and Exchange Commission of Pakistan to the issue of such shares.

Formula for Issue Price

Issue Price = Market Price - C

Where C = S x [Market price - 12.5]

Where S = Applicable NBP's Discount below:

Market Price of PEL Share	NBP's Discount
Up to Rs. 25	50%
Rs. 26-35	50%
Rs. 36-45	50%
Rs. 46-55	40%
Rs. 56 and above	30%

The current market price of the share of the Company as of 25 June 2015 is Rs. 82.81. The break-up value of the Company's share on the basis of audited financial statements for the year ended 31 December 2014 is Rs. 38.04. The issue of proposed shares to NBP will be at a premium to be calculated on the date of issue of sanction letter by the SECP. The issue of shares at premium to the NBP would be beneficial for the Company and its shareholders.

- iv) **Details of assets, if shares are to be issued for consideration otherwise than in cash:**

Shares will be issued against the redemption of outstanding Privately Placed Term Finance Certificates held by National Bank of Pakistan.

- v) **Purpose of the Issue, Utilization of proceeds and benefits to the Company and its shareholders;**

This is a structured transaction for the purpose of conversion / settlement of outstanding Privately Placed TFCs held by National Bank of Pakistan. There will be no proceeds from issue of shares. The Company will save substantial amount of financial cost being incurred on Privately Placed



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Term Finance Certificates held by National Bank of Pakistan and its equity would be strengthened.

- vi) Existing shareholding of the persons / organizations to whom proposed shares will be issued;

National Bank of Pakistan's current shareholding in the Company is 4,551 shares i.e., 0.001%.

- vii) Total shareholding of persons / organizations after the proposed issue of shares (in number as well as percentage of paid up share capital of the company);

The shareholding of National Bank of Pakistan after the proposed issue of shares would be 40,004,551 shares i.e., 9.130% of the enhanced capital of the Company.

- viii) Written consent of the Company to purchase shares;

National Bank of Pakistan has consented to the acquisition of shares against redemption of Privately Placed TFCs held by it.

- ix) The new shares of the Company will rank *pari passu* in all respect with the existing shares of the Company;

- x) The subject issue of shares is subject to the approval of the SECP.

No Director or Chief Executive of the Company or their relatives has any interest in the proposed issue, except in their capacities as Director / Chief Executive / shareholders.

Inspection of Documents

The documents related to the proposed issue of shares to National Bank of Pakistan has been placed at the Registered Office of the Company which could be inspected on any working days during usual business hours till the date of the Extra Ordinary General Meeting.