



## 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

January 04, 2016

**The General Manager**

Karachi Stock Exchange Limited  
Stock Exchange Building/Road,  
Karachi.  
Fax No. 111-573-329

**The General Manager**

Lahore Stock Exchange Limited  
19-Khyaban-e-Aiwan-e-Iqbal,  
Lahore.  
Fax No. 042-3636-8485

**The General Manager**

Islamabad Stock Exchange Limited  
55-B, Jinnah Avenue, Blue Area,  
Islamabad.  
Fax No. 051-111-473-329

**Subject: Declaration of Right Shares**

Dear Sir,

We have to inform you that the Board of Directors of the Company in their meeting held today on Monday, January 04, 2016 at 11:30 A.M. at Factory Premises, 14 - KM, Ferozepur Road, Lahore have decided to issue 25% Right Shares (i.e., 25 Right Shares for every 100 existing shares held) at a premium of Rs. 30/- per share (Total Rs. 40/- per share) to the existing shareholders of the Company.

The share transfer books of the company will be closed from 25-01-2016 to 31-01-2016 (Both days inclusive) to determine the entitlement of Right Shares.

Physical Share transfers received at the office of Share Registrar of the Company, M/s Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore at the close of business on 24-01-2016 will be treated in time for the purpose of entitlement of Right Shares to the transferee.

The Statement regarding purpose of right issue, benefit to the company, use of funds and financial projections for three years duly signed by all the directors who were present in the meeting is attached herewith.

You may please inform the TRE Certificate holders of your exchange.

Yours truly,  
For PAK ELEKTRON LIMITED

  
M. Omer Farooq  
Company Secretary

CC: **Executive Director (Enforcement)**  
Securities and Exchange Commission of Pakistan  
7<sup>th</sup> Floor, NIC Building, Blue Area,  
**Islamabad.**




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## PAK ELEKTRON LIMITED STATEMENT OF PURPOSE, BENEFITS, USE OF FUNDS AND FINANCIAL PROJECTIONS

January 04, 2016

<b>Purpose of Right Issue:</b>	The purpose of the right issue (25% at Rs. 40.00 including premium of Rs. 30.00 per share)																										
	i) To strengthen the working capital of the Company, Reduction in debt;																										
	ii) To reduce the financial cost.																										
<b>Benefits to the Company:</b>	The following benefits are likely to accrue to the Company:																										
	i) Strengthening of the equity;																										
	ii) Reduction in debt;																										
	iii) Improved financial health;																										
	iv) Improved liquidity;																										
	v) Reduction in financial cost;																										
	vi) Growth in business.																										
<b>Use of Funds:</b>	The funds generated from the right issue will be utilized for working capital requirements of the Company.																										
<b>Financial projections:</b>	<table border="1"> <thead> <tr> <th></th> <th colspan="3">Rupees in Millions</th> </tr> <tr> <th></th> <th>2016</th> <th>2017</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>37,629</td> <td>41,202</td> <td>45,124</td> </tr> <tr> <td>Profits</td> <td>4,109</td> <td>4,168</td> <td>4,558</td> </tr> <tr> <td>EPS (Rupees)</td> <td>8.26</td> <td>8.37</td> <td>9.16</td> </tr> <tr> <td>Paid up share capital</td> <td>4,977</td> <td>4,977</td> <td>4,977</td> </tr> </tbody> </table>				Rupees in Millions				2016	2017	2018	Sales	37,629	41,202	45,124	Profits	4,109	4,168	4,558	EPS (Rupees)	8.26	8.37	9.16	Paid up share capital	4,977	4,977	4,977
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<b>Note:</b>	The financial projections provided herein above are based on the perception of the Directors regarding the performance of the business in the current business environment. The Company or its directors do not accept any liability for any investment decisions by any person on the basis of the above financial projections.																										


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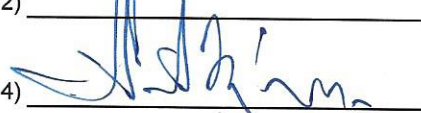
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## **RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF PAK ELEKTRON LIMITED IN THEIR MEETING HELD ON JANUARY 04, 2016 AT FACTORY PREMISES 14-KILOMETERS, FERAZEPUR ROAD, LAHORE**

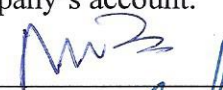
**Resolved** That the ordinary paid up share capital of Pak Elektron Limited (the "Company") be and is hereby increased from Rs. 3,981,451,880 to Rs.4,976,814,850 by issue of further 99,536,297 ordinary shares to be offered as Right Shares at Rs. 40/- per share inclusive of Rs. 30/- as premium per share in the ratio of 25 Right Shares for every 100 existing ordinary share of Rs. 10/- each (i.e., @25%) and that these Ordinary Right Shares be and are hereby offered to the Company's existing ordinary shareholders as provided under Section 86 of the Companies Ordinance, 1984 against payment of value of shares to the Company up to the date as per Right Allotment letters to be issued. These shares shall rank *pari passu* in all respect with the existing ordinary shares of the Company.

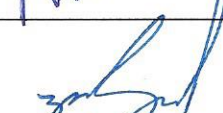
**Resolved Further** That the Chief Executive and / or company Secretary be and are hereby singly / jointly authorized to appoint the Bankers to collect the amount of subscription towards right shares.


**Resolved Further** That the Chief executive and / or Company Secretary be and are hereby singly / jointly authorized to appoint consultant / advisor for Right Issue, announce book closure dates or any change therein and to prepare the schedule for issue of right shares and to make any amendment in the said schedule and to take all necessary actions required by SECP/ KSE /CDC or any other authority and to take all necessary action as may be require in this regard.

**Resolved Further** That the Chief Executive be and is hereby authorized to negotiate with underwriters for allotment of unsubscribed portion of Right Shares to any / or all of the underwriter(s) / all or any director of the company.

**Resolved Further** That the Chief Executive / Authorized Signatories be and is / are hereby authorized for transfer of proceeds from Right Subscription account to the Company's account.


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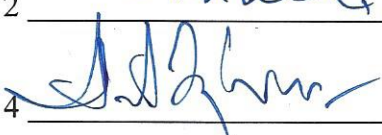
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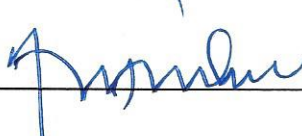
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# Rahman Sarfaraz Rahim Iqbal Rafiq

Chartered Accountants

72-A, Faisal Town, Lahore.

T: +92 42 35160431 - 35160432

F: +92 42 35160433

The Board of Directors  
Pak Elektron Limited  
17-Aziz Avenue,  
Canal Bank, Gulberg V,  
Lahore

December 21, 2015

Gentlemen,

## CERTIFICATE OF FREE RESERVES FOR PROPOSED RIGHTS ISSUE PURSUANT TO RULE 5(IV) OF THE COMPANIES (ISSUE OF CAPITAL) RULES, 1996

Based on the un-audited financial statements of Pak Elektron Limited ('the Company') for the six months ended June 30, 2015, the free reserves of the Company, pursuant to Clause 5(IV) of the Companies (Issue of Capital) Rules, 1996, as at June 30, 2015 were as follows:

	<i>Rupees '000</i>
Unappropriated profit	4,906,083
Adjustments for:	
Profit attributable to Preference Shareholders ( <i>accumulated upto June 30, 2015</i> )	234,904
Intangible assets	341,601
Reserve for contingencies and commitments *	-
<b>Free reserves</b>	<b><u>4,329,578</u></b>
	<i>No. of shares</i>
<b>Number of Ordinary Shares</b>	<b><u>398,145,188</u></b>
	<i>Rupees</i>
<b>Free reserves per Ordinary Share</b>	<b><u>10.87</u></b>

\* No adjustment has been made for contingencies or commitments as disclosed in the audited financial statements of the Company for the year ended June 30, 2015 as no reserve or part thereof has been retained to meet any contingency or commitment known to exist at the balance sheet date.

This certificate has been issued on the request of the Board of Directors of the Company.

  
RAHMAN SARFARAZ RAHIM IQBAL RAFIQ  
Chartered Accountants



Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, is a partnership firm registered in Pakistan and a member of Russell Bedford International, a global network of independent accounting firms and consultants with affiliated offices worldwide.