

Ref: PGL/CS/ SE/RIGHTISSUE/03/2015

December 01, 2015

The General Manager
Karachi Stock Exchange (Guarantee) Ltd.
Stock Exchange Building
Stock Exchange Road
Karachi.

The General Manager
Lahore Stock Exchange (Guarantee) Ltd.
19, Khayaban -e- Aiwan -e- Iqbal
Lahore.

The General Manager
Islamabad Stock Exchange (Guarantee) Ltd.
Stock Exchange Building
Blue Area
Islamabad.

Dear Sir(s),

**APPLICATION BY PAK-GULF LEASING COMPANY LIMITED TO SECP FOR
PERMISSION TO ISSUE RIGHT SHARES AT DISOCUNT**

With reference to the above noted subject following submissions are made:

Further to the Board of Directors approval of the issue of right shares at discount of 30% and Shareholders approval of the same through Special Resolution(s) in the Annual General Meeting held on October 27, 2015 the Company in accordance with the provisions of the Companies Ordinance, 1984 had applied to Securities and Exchange Commission of Pakistan (the SECP) for granting permission to the Company for Issue of Right shares at discount. Please note that the SECP vide letter Ref No. SC/NBFC-1/PGL/2015-35 dated November 30, 2015 has not acceded to request of the Company for Issue of Shares at discount.

The copy of SECP reply on the subject referred to above has been attached.

With regards

Yours truly
For & on behalf of:
Pak-Gulf Leasing Company Limited (PGL)


Mehreen Usama
Company Secretary



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
SPECIALIZED COMPANIES DIVISION
POLICY, REGULATION AND DEVELOPMENT DEPARTMENT

No. SC/NBFC-1/PGL/2015-35

November 30, 2015

Ms. Mehreen Osama
Company Secretary,
Pak Gulf Leasing Company Limited
Room # 125-127, First Floor, Block # 9,
Main Khayaban e Jami,
Clifton, Karachi,



Subject:- Application by Pak Gulf Leasing Company Limited (PGL) for permission to issue right shares at discount under Section 84 of the Companies Ordinance, 1984

Dear Madam,

This is with reference to your application and subsequent correspondence pertaining to Issue of right shares by Pak Gulf Leasing Company Limited (PGL) at 30% discount.

2. In this regard, your application has been considered in light of the justifications provided by you and the following has been observed:
 - i. PGL is compliant with the newly introduced Minimum Equity Requirements (MER) of Rs. 500 million. Therefore, the justification for issuance of right shares at discount for this purpose is no more relevant.
 - ii. During the last six months, market price of shares of PGL ranged between Rs.13.25 to Rs. 19.20. PGL's current market price of Rs. 18.81 per share and its breakup value of Rs. 20.32 per share is far above the par value of Rs. 10 per share. Therefore, 30% discount on issuance of right shares does not appear to be reasonable.
 - iii. The issuance of right shares at 30% discount for generation of additional funds has not been found justifiable as PGL may raise funds through other sources.
3. In view of the above, the issuance of right shares by PGL at 30% discount is not tenable; hence the request has not been acceded to by this office.

Regards,

Saima
30/11/15
Saima Ahrar
Deputy Director