



## PAKISTAN REFINERY LTD.

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

February 10, 2020

Dear Sir,

**Subject: Declaration of Right Shares**

We are pleased to inform you that the Board of Directors of Pakistan Refinery Limited (the 'Company'), in their meeting held on February 10, 2020, at PSO House, Karachi, has approved the increase in the ordinary paid up share capital of the Company by issue of 315,000,000 ordinary shares at par, to be offered to the shareholders of the Company in proportion to the number of shares held by each shareholder (i.e. as right shares) in accordance with the provisions of Section 83 of the Companies Act, 2017 (the Act) at face value of Rs. 10 per share, in the ratio of 1 right share for every 1 existing ordinary share of Rs. 10 each held (i.e. 100%), which shares shall rank pari passu in all respects with the existing ordinary shares of the Company ("Right Issue").

In this respect the Share Transfer Books of the Company will be closed from March 5, 2020 till March 11, 2020 (both days inclusive) to determine the entitlements of the shareholders of the Company with respect to the Right Issue. Physical transfers/CDS Transaction IDs received at the Company's Shares Registrar Messrs. FAMCO Associates (Private) Limited, 8-F, next to Hotel Faran, Nursery Block-6, P.E.C.H.S. Shakra-e-Faisal, Karachi by close of business on March 4, 2020 will be treated in time for the purpose of entitlement to right shares to the transferees.

We enclose herewith the following information / documents:

- i. Statement with respect to the details of the Right Issue, including the purpose, benefits and underlying risk factors along with financial plan, as approved by the Board of Directors (Annexure "A");
- ii. Financial Projections duly approved by the Board of Directors (Annexure "B");
- iii. Certified true copy of the extract of the resolutions passed by the Board of Directors dated February 10, 2020 (Annexure "C");
- iv. Draft copy of the Notice of the Right Issue and the book closure dates to the shareholders prior to its publication in the newspapers (Annexure "D"); and
- v. Approval of Board of Directors in respect of financial projections and other details relating to the Right Issue (Annexure "E").

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You may please inform the TRE Certificate Holders of the exchange accordingly.

Yours truly  
for **PAKISTAN REFINERY LIMITED**

  
**Imran Ahmad Mirza**  
Chief Financial Officer

  
**Mustafa Saleemi**  
Company Secretary

Encl: as above

Copy to:

**The Director/HOD**  
Surveillance, Supervision and Enforcement Department  
The Securities and Exchange Commission of Pakistan  
NIC Building, 63-Jinnah Avenue, Blue Area  
Islamabad

**Share Registrar**  
FAMCO Associates (Private) Limited  
8-F, next to Hotel Faran, Nursery Block-6  
P.E.C.H.S. Shakra-e-Faisal  
Karachi



Annexure "A"

**Statement pertaining to quantum of issue, issue size, issue price, purpose, benefits and underlying risks, justification for issue of shares at par and financial plan under Regulation 3 of the Companies (Further Issue of Shares) Regulations, 2018**

**a. Quantum of issue i.e. as percentage of existing paid up capital**

100% i.e. 1 share for every 1 share held by the shareholders of the Company.

**b. Issue size**

315,000,000 ordinary shares with face value of Rs. 10 each.

**c. Issue price per share**

Rs. 10 per share (at par).

**d. Purpose of Right Issue**

The proceeds of the Right Issue shall be utilised to undertake short and medium term projects to revamp certain units improving yields of Motor Gasoline and HSD and to meet working capital requirements of the Company.

**e. Benefits to the Company and shareholders and underlying risks**

The proceeds of the Right Issue will be utilised to undertake short and medium term projects to revamp certain units improving yields of Motor Gasoline and HSD to enable the Company to improve its performance in terms of profitability. The proceeds will also assist the Company in meeting some of its working capital requirements.

The Right Issue of the Company is being made at a price which is less than the current market price and hence there is no major investment risk associated with the Right issue.

Normal risks associated with the business will remain, however, the Company is well equipped to mitigate such risks.

**f. Justification for issue of shares at par**

Considering the financial projections and current market price of the Company's shares, the directors have decided to issue right shares at par. This price is expected to attract public and shareholders to further invest in the Company.

**g. Financial plan**

The funds raised will be used for undertaking short and medium term projects to revamp certain units improving yields of Motor Gasoline and HSD and to meet certain working capital requirements.

*Anvise*

*[Signature]*



Annexure "B"

Financial projections for five years

*Rupees in million*

	2019-20	2020-21	2021-22	2022-23	2023-24
Sales	111,540	126,170	150,540	150,840	179,220
Operating (loss) / profit	(770)	3,350	4,690	4,010	5,540
(Loss) / profit after taxation	(3,460)	290	1,150	660	2,270

The financial projections reflect Board's judgment on present circumstances. It is usually the case that some events and circumstances do not occur as expected. Therefore, actual results may differ from the projections and such differences may be material. The Company and / or its directors shall accept no liability for any investment decisions or conclusion drawn by any person on the basis of the foregoing financial projections.



Annexure "C"

**Extracts from the minutes of the meeting of the Board of Directors of Pakistan Refinery Limited held on February 10, 2020 at PSO House, Karachi**

A meeting of Board of Directors of the Company was held on February 10, 2020 at 11:30 am at PSO House, Karachi.

During the meeting, the Board of Directors of the Company discussed and approved the proposed issuance of further ordinary shares of the Company by way of Right Issue. The Board of Directors of the Company confirmed that all requirements of the Act and the Companies (Further Issue of Shares) Regulations, 2018 have been considered and shall be duly complied with.

Accordingly, the following resolutions were passed by the Board of Directors:

**RESOLVED THAT** the ordinary paid up share capital of the Company be increased by issue of further 315,000,000 ordinary shares of the Company with face value of Rs. 10 each, to be offered to the shareholders of the Company in proportion to the number of shares held by each shareholder (i.e. as right shares) in accordance with the provisions of Section 83 of the Companies Act, 2017 (the "Act"), at a price of Rs. 10 per share, in the ratio of 1 right share for every 1 existing ordinary share of Rs. 10 each held (i.e. 100%) which shares shall rank pari passu in all respects with existing ordinary shares of the Company (the "Right Issue").

**FURTHER RESOLVED THAT** the quantum of the issue, issue size, issue price, purpose, benefits and underlying risks, justification for issue of shares at par and financial plan as per the following details are hereby approved.

**Quantum of issue i.e. as percentage of existing paid up capital**

100% i.e. 1 share for every 1 share held by the shareholders of the Company.

**Issue size**

315,000,000 ordinary shares with a face value of Rs. 10 each.

**Issue price per share**

Rs. 10 per share (at par).

**Purpose of right issue**

The proceeds of the Right Issue shall be utilised to undertake short and medium term projects to revamp certain units improving yields of Motor Gasoline and HSD and to meet working capital requirements of the Company.



**Benefits to the Company and shareholders and underlying risks**

The proceeds of the Right Issue will be utilised to undertake short and medium term projects to revamp certain units improving yields of Motor Gasoline and HSD to enable the Company to improve its performance in terms of profitability. The proceeds will also assist the Company in meeting some of its working capital requirements.

The Right Issue of the Company is being made at a price which is less than the current market price and hence there is no major investment risk associated with the Right Issue.

Normal risks associated with the business will remain, however, the Company is well equipped to mitigate such risks.

**Justification for issue of shares at par**

Considering the financial projections and current market price of the Company's shares, the directors have decided to issue right shares at par. This price is expected to attract public and shareholders to further invest in the Company.

**Financial plan**

The funds raised will be used for undertaking short and medium term projects to revamp certain units improving yields of Motor Gasoline and HSD and to meet certain working capital requirements.

**FURTHER RESOLVED THAT** the Chief Executive Officer, the Chief Financial Officer and the Company Secretary be and are hereby authorised singly or any two jointly to take all necessary actions (including execution and delivery of all necessary instruments, notices and letters) (i) to ensure compliance of the requirements of the Act, Companies (Further Issue of Shares) Regulations 2018, Central Depository Company of Pakistan Limited Regulations and Pakistan Stock Exchange Regulations; (ii) for issuance of letters of offer under Section 83 of the Act; and (iii) to file requisite returns / notices with Securities and Exchange Commission of Pakistan ("SECP") and Pakistan Stock Exchange ("PSX").

**FURTHER RESOLVED THAT** financial projections for five years as presented to the Board be and are hereby approved and the Chief Executive Officer, the Chief Financial Officer and the Company Secretary of the Company be and are hereby severally authorised to submit the same to the relevant authorities.

**FURTHER RESOLVED THAT** the Company be and is hereby authorised to close its Share Transfer Books from March 5, 2020 to March 11, 2020 (both days inclusive) to determine entitlements of the shareholders of the Company with respect to the Right Issue and the Company Secretary is hereby authorised to announce the book closure dates along with publication of notices in the newspapers.

**FURTHER RESOLVED THAT** the Chief Executive Officer and the Chief Financial Officer or the Company Secretary be and are hereby jointly authorised to take any and all necessary steps for issuance of letters of offer under Section 83 of the Act and related circulars along with terms and conditions therein, obtain signatures under the Act in the Company's Registration Office and file the requisite returns / notices to SECP and PSX, as the case may be.

**FURTHER RESOLVED THAT** Syed Asad Ali Shah and Zahid Mir, Directors be and are hereby jointly authorised to sign the letters of offer for right shares in accordance with Section 83(2) of the Act.

*Amir*

*Zahid Mir*



**FURTHER RESOLVED THAT** the Chief Executive Officer and the Chief Financial Officer be and are hereby jointly authorised to approach banks for appointment as Bankers to the Right Issue in order to collect the right subscription money against right shares and to open an account with banks so appointed and give instruction for transfer or proceeds from right subscription account to the Company's account.

**FURTHER RESOLVED THAT** the Chief Executive Officer and the Chief Financial Officer be and are hereby jointly authorised to appoint consultant(s) / advisor(s) to the Right Issue and underwriters, and to negotiate and finalize the terms and conditions as they deem fit and appropriate and enter into respective agreements.

**FURTHER RESOLVED THAT** the Chief Executive Officer, the Chief Financial Officer and the Company Secretary be and are hereby authorised singly or any two jointly to take all necessary actions as required by the Central Depository Company of Pakistan Limited (the "CDC") including but not limited to induction of the offer for right shares in Central Depository System of the CDC and in this connection to sign all requisite applications, forms, documents, undertakings and other papers on behalf of the Company.

**FURTHER RESOLVED THAT** the Chief Executive Officer, the Chief Financial Officer and the Company Secretary be and are hereby singly authorised to allot / credit right shares and file returns as required by SECP / PSX / CDC or any other authority along with Auditors' Certificate and to take all other necessary steps and do all other acts, deeds and things, including any ancillary or incidental actions to give effect to the above resolutions.

**FURTHER RESOLVED THAT** fractional entitlements, if any, will be consolidated and unpaid letters of right in respect thereof shall be sold on the PSX, the net proceeds from which, once realised, will be paid as donation.

**FURTHER RESOLVED THAT** unsubscribed portion of Right Issue, if any, may be offered and allotted to underwriters under respective underwriting agreement.

**FURTHER RESOLVED THAT** the Chief Executive Officer, the Chief Financial Officer and the Company Secretary be and are hereby authorised singly or any two jointly to take all necessary steps for and in connection with the Right Issue as may be required under the applicable laws or as deemed necessary for the Right Issue.



Annexure "D"

**Notice of Right Issue and Book Closure**

Members are hereby notified that the Board of Directors of Pakistan Refinery Limited (the "Company") in its meeting held on February 10, 2020 has decided to issue further shares by offering 315,000,000 ordinary right shares with a face value of Rs. 10 each in proportion of 1 ordinary right shares for every 1 ordinary shares held (i.e. 100%).


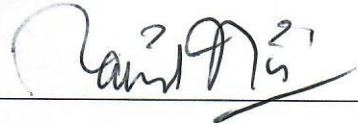
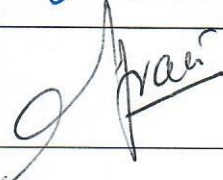
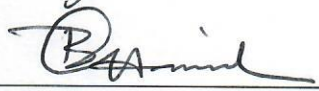

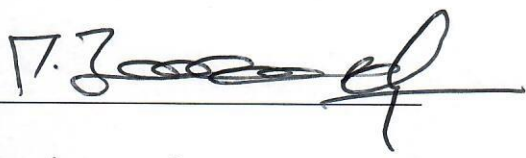
The Share Transfer Books of the Company will remain closed from March 5, 2020 to March 11, 2020 (both days inclusive) to determine the entitlements of the shareholders of the Company. Physical transfers / CDS Transaction IDs received at the office of Company's share registrar, Messrs. FAMCO Associates (Private) Limited, 8-F, next to Hotel Faran, Nursery Block-6, P.E.C.H.S. Shakra-e-Faisal, Karachi by the close of business on March 4, 2020 will be considered in time for entitlement of right shares.

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Mustafa Saleemi  
Company Secretary

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Annexure "E"

We, the Board of Directors of Pakistan Refinery Limited have approved the announcement relating to the Right Issue including financial projections and all other details pertaining to the Right Issue during the meeting held on February 10, 2020. The Board of Directors of the Company confirmed that all requirements of the Act and the Companies (Further Issue of Shares) Regulations, 2018 have been considered and shall be duly complied with.

S. No	Name of Directors	Signature
1.	Syed Asad Ali Shah	
2.	Zahid Mir	
3.	Abdul Jabbar Memon	( Through Videocon )
4.	Aftab Husain	
5.	Babar Hamid Chaudhary	
6.	Imtiaz Jaleel	
7.	Mirza Mahmood Ahmad	( Through Videocon )
8.	Mohammad Zubair	
9.	Syed Jehangir Ali Shah	Jehangir Ali Shah
10.	Syed Mohammad Ali	( On Leave )
11.	Tara Uzra Dawood	