Gatron (Industries) Limited

Liaison Office : 11th Floor, G&T Tower, # 18 Beaumont Road, Civil Lines-10, Karachi-75530, Pakistan.
Phone: 021-35659500-09, Fax: 021-35659516, E-mail: headoffice@gatron.com

By Hand / PUCARS

February 13, 2024

Ref: HK/FH/339/2/2024

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

Dear Sir,

Subject: Subscription Money Received (81.15 % of Total Right Issue)

We would like to inform you that an amount of PKR 4,544,400,000 (instead of actual due amount of Rs. 4,544,163,575), representing the entitlement of 25,966,649 right shares at an exercise price of PKR 175 per share (81.15% of the total right issue) has been subscribed by M/s. Nova Frontiers Limited on behalf of Directors, Substantial Shareholder and other Shareholders of Gatron (Industries) Limited on February 9, 2024 as permitted under the Companies (Further Issue of Shares) Regulations, 2020.

An Auditor's Certificate dated February 12, 2024, from the statutory Auditors, M/s. Kreston Hyder Bhimji & Co., Chartered Accountants is attached, confirming the receipt of subscription money for the issuance of right shares.

Thanking you,

Yours faithfully,
For **Gatron (Industries) Limited**

Muhammad Yasin Bilwani
Company Secretary

Encl: as above

Factory : Plot No. 441/49-M2, Sector 'M', H.I.T.E., Main R.C.D. Highway, Hub Chowki, Distt. Lasbela, Balochistan, Pakistan.
Tel: 0853-364324-25, Fax: 0853-363241, E-mail: gatfac@gatron.com, Website: www.gatron.com

KRESTON
HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

February 12, 2024

The Chief Executive Officer
Gatron (Industries) Limited
11th Floor, G&T Tower,
#18 Beaumont Road, Civil Lines-10,
Karachi -75530, Pakistan.

AUDITORS' CERTIFCATE ON RECEIPT OF SUBSCRIPTION AMOUNT AGANST RIGHT SHARES OFFERED BY GATRON (INDUSTRIES) LIMITED TO ITS DIRECTORS, SUBSTANTIAL AND CERTAIN OTHER SHAREHOLDERS MEMBERS

Dear Sir,

We have been requested by the management of Gatron (Industries) Limited (GIL) to certify subscription amount received against subscription of right shares offered by GIL to its directors, substantial and certain other shareholders, as required by the Pakistan Stock Exchange Limited (PSX) through its letter Ref. No.PSX/C-792-2023 dated December 15, 2023.

Under an agreement dated February 09, 2024 (the agreement) entered into between Nova Frontiers Limited (Nova Frontiers) and certain other shareholders of GIL which includes all directors and majority shareholders as specified in the agreement (hereinafter referred to as GIL Shareholders) whereby GIL shareholders have renounced their entire right entitlement in favor of Nova Frontiers and Nova Frontiers has agreed to subscribe against those entitlements by the GIL Shareholders in accordance with Section 83 of the Companies Act 2017 and regulation 3 (vi) of the Companies (Further Issue of Shares) Regulations, 2020.

MANAGEMENT RESPONSIBILITY

Management is responsible for ensuring the receipt of subscription amount in accordance with the applicable regulatory requirements and the agreement.

Management is also responsible to ensure that the right issue of share capital is made in accordance with the requirements of Companies Act 2017, relevant rules and regulations issued thereunder, CDC Regulations as well as requirements of PSX including those mentioned in the referred letter of PSX, and that all requirements in this respect are fulfilled.

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Review of compliance to the requirements of the above Act, Rules and Regulations made thereunder, requirements of PSX, terms of any agreement and verification of credit of shares in CDS accounts is beyond the scope of this engagement and therefore, we do not report thereon.

AUDITORS RESPONSIBILITY

Our responsibility is to certify the receipt of the subscription amount against the rights shares based on the procedures mentioned below, and report as per the guidelines for the issue of certificates for the special purpose by practicing Chartered Accountant Firms issued by the institute of Chartered Accountants of Pakistan.

Our procedures were limited to the procedures as mentioned below:

1. Obtaining of certified true copy of the board resolution approving the issue of 32,0000,0000 right ordinary shares of Rs. 10 each GIL at a price of Rs. 175 each.

2. Reviewing of the agreement between Nova Frontiers and GIL Shareholders to confirm the number of shares entitlement by GIL Shareholders in favor of Nova Frontiers.

3. Checking of receipt of subscription amount of Rs 4,544,400,000 deposited by Nova Frontiers with the copy of the cheque with the related bank deposit slip and tracing credit in the bank statement of the specified bank account, i.e. Habib Metropolitan Bank Limited (A/C 6-99-64-29313-714-447720) and also checking of its outstanding balance as of February 9, 2024 indicating the total receipt from Nova Frontiers. We have been informed that these bank accounts have been opened for the purpose of collecting receipts against the right shares of the company.

CERTIFACTE

Based on the procedures mentioned above, we certify that subscription amount, as tabulated below, has been received from Nova Frontiers in the designated bank account:

Details	Right shares entitlement	Amount
Right shares entitlement of GIL shareholders	25,966,649	4,544,163,575
Total amount received		4,544,400,000
Excess amount received		236,425

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RESTRICTION OF USE AND DISTRIBUTION

The Certificate is being issued by us as statuary auditors of the Company, on the specific request of the management of the Company for onwards submission to the PSX for the purpose of issuance of Right Shares and is not to be used and/or distributed to any other party for any other purpose. This certificate is restricted to the facts stated here in and the annexed statement.

Yours truly,

Kreston Hyder Bhimji & Co.
Chartered Accountants