



# Bolan Castings Limited

Main RCD Highway, Hub Chowki, District Lasbela, Balochistan

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 34<sup>th</sup> Annual General Meeting of Bolan Castings Limited will be held at Registered Office of the Company Main RCD Highway, Hub Chowki, District Lasbela, Balochistan, Pakistan, on Tuesday October 25, 2016 at 1130 hours to transact the following business:

### A. Ordinary Business

1. To confirm the minutes of the 33rd Annual General Meeting.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2016 together with the Directors' and Auditors' reports thereon.
3. To approve payment of dividend at the rate of Rs. 1.00 per share i.e. 10% for the year ended June 30, 2016, as recommended by the Board of Directors.
4. To appoint auditors for the year ending June 30, 2017 and to fix their remuneration. Present Auditors M/s. A. F. Ferguson & Co., Chartered Accountants retire and being eligible offer themselves for re-appointment.

### B. Special Business

5. To ratify and approve the transactions carried out in normal course of business with Group companies for the year ended June 30, 2016 by passing the following resolution as an ordinary resolution:

**RESOLVED** that the transactions carried out in normal course of business with Group companies as disclosed in note 35 to the financial statements for the year ended June 30, 2016 be and are hereby ratified and approved.

6. To authorize Chief Executive of the Company to approve transactions carried out and to be carried out in normal course of business with Group companies during the year ending June 30, 2017 by passing the following resolution, with or without modification, as an ordinary resolution:

**RESOLVED** that the Chief Executive of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with Group companies during the year ending June 30, 2017.

**FURTHER RESOLVED** that the Chief Executive of the Company be and is hereby authorized to take any and all actions and sign any and all such documents as may be required in this regard.

7. To consider, and if thought fit, pass following resolution, with or without modification, as a special resolution for amendments in the Articles of Association of the Company:

**RESOLVED** that the Articles of Association of the Company be and is hereby amended by adding a new Article 8.19A as follows:

**E-Voting 8.19A** In case of e-voting, members and non members can be appointed as proxy and the Company shall comply with the provisions and requirements for e-voting as prescribed by the SECP from time to time.

8. To consider and approve the transmission of the annual audited accounts of the Company through CD/DVD/USB instead of transmitting the said accounts in hard copies, by passing the following resolution, with or without modification, as an ordinary resolution:

**RESOLVED** and hereby agreed that in compliance with the provisions of SRO 470(I)/2016 dated May 31, 2016 issued by Securities and Exchange Commission of Pakistan (SECP) the transmission of the annual audited accounts containing annual balance sheet, profit and loss account, auditors' report and directors' report etc. to its members through CD/DVD/USB instead of transmitting the said accounts in hard copies, be and is hereby approved.

### C. Other Business

9. To transact any other business with the permission of the Chair.

5. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

#### A For Attending The Meeting:

- i) In case of individual, the account holder or sub-account holder shall authenticate his identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall have to be produced (unless it has been provided earlier) at the time of the meeting.

#### B For Appointing Proxies:

- i) In case of individual, the account holder or sub account holder shall submit the proxy form as per the above requirement.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall have to be submitted along with proxy form to the Company.

#### 6. Mandatory submission of CNIC

As per directive of Securities and Exchange Commission of Pakistan (SECP) contained in SRO No. 831(I) / 2012 dated July 05, 2012 read with SRO No. 19 (I) / 2014 dated January 10, 2014 the dividend warrants should bear the Computerized National Identity Card (CNIC) Numbers of the registered members or the authorized person except in the case of minor(s) and corporate members. CNIC numbers of the members are, therefore, mandatory for the issuance of future dividend warrants and in the absence of such information, payment of dividend may be withheld. Therefore, the members who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs to the Shares Registrar.

#### 7. Payment of Cash Dividend Electronically/Dividend Mandate (Optional)

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan (SECP) vide Circular No. 18 of 2012 dated June 5, 2012, a shareholder may, if so desire, direct the Company to pay dividend through his/her/its bank account under Section 250 of the Companies Ordinance, 1984.

Further transferee of shares may exercise option for dividend mandate by using the revised 'Form of Transfer Deed'. The revised form of transfer deed will enable the transferees to receive cash dividend directly in their bank accounts, if such transferee provides particular of its bank account which he/she/it desires to be used for credit of cash.

In accordance with SECP's letter No. 8(4) SM/CDC/2008 dated April 05, 2013, we would like to apprise the shareholders that SECP has devised a strategy for implementation and promotion of e-dividend mechanism whereby the cash dividend amount would be directly credited into their respective bank accounts electronically. The benefits associated with this mechanism include instant credit of cash dividends, no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address etc. The shareholders can avail benefits of the e-dividend mechanism by providing detail of their dividend mandate, specifying (i) Title of Bank account, (ii) Bank Account Number, (iii) Bank Name, (iv) Branch Name, Code & Address, (v) Cell Number, and (vi) Landline Number, if any, to their participant or our share registrar.

#### 8. Deduction of Tax from Dividend Income

The Government of Pakistan through Finance Act, 2016

By Order of the Board of Directors

**Arafat Mushir**

Company Secretary

Hub:

September 30, 2016

**Notes:**

- The Share Transfer Books of the Company shall remain closed from October 15, 2016 to October 25, 2016 (both days inclusive). Transfers received in order at the office of our Share Registrar M/s. Central Depository Company of Pakistan Limited., CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 by close of working hours on October 14, 2016 shall be treated in time to determine the above mentioned entitlement and to attend and vote at the meeting.
- A member entitled to attend and vote at the meeting may appoint another member as his / her proxy to attend the meeting and vote on his/her behalf. Vote may be given either personally or by proxy or in case of a company/corporation by a representative duly authorized.
- Duly executed proxies in order to be effective must be received at the office of our Share Registrar M/s. Central Depository Company of Pakistan Limited at least 48 hours before the meeting.
- Members are requested to promptly notify any change in their addresses to our Share Registrar M/s. Central Depository Company of Pakistan Limited.

has made certain amendments to the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These rates are as follows:

- For filers of income tax returns 12.5%
- For non-filers of income tax returns 20%

To enable the Company to make tax deduction on the amount of cash dividend @ 12.5% instead of 20% all the shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date of payment of cash dividend, otherwise tax on their dividend will be deducted @ 20% instead of 12.5%.

As per clarification issued by the Federal Board of Revenue, withholding tax will be determined separately on 'Filer/Non-Filer' status of principal shareholder as well as joint holder(s) based on their shareholding proportions, in case of joint accounts. Therefore all shareholders who hold shares jointly are requested to provide shareholding proportions of principal shareholder and joint holder(s) in respect of shares held by them to the Share registrar as follows:

Company Name	Folio/CDS Account No.	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC No.	Share-holding Proportion (No. of Shares)	Name and CNIC No.	Share-holding Proportion (No. of Shares)

The above required information must be provided to Share Registrar, otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).

For any further query/problem/information, the investors may contact the Company Share Registrar: M/s. Central Depository Company of Pakistan Limited., CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400, Phone: 0092-800-23275.

The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Shares Registrar. The shareholders while sending NTN certificates must quote company name and their respective folio numbers.

#### 9. Transmission of Annual Financial Statements through email

The Securities and Exchange Commission of Pakistan vide its SRO 787(1)/2014 dated September 08, 2014 has permitted companies to circulate annual balance sheet, profit & loss account, auditors' report and directors' report along with notice of annual general meeting to its members through e-mail. Members who wish to avail this facility can give their consent on the Standard Request Form available on Company's website.

Further, the annual financial statements of the Company for the year ended June 30, 2016 along with related reports have been placed at the website of the Company [www.bolancastings.com](http://www.bolancastings.com).

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

This statement set out the material facts concerning the Special Business, given in agenda item No. 5 to 8 of the Notice.

##### 1) Agenda Item No. 5 of the Notice

During the financial year ended June 30, 2016, the Company conducted transactions with Group companies in the normal course of business at arm's length price on commercial terms and conditions based on comparable uncontrolled price method. As per provision of clause 5.19.6 (b) of the Code of Corporate Governance, the transactions carried out in normal course of business with Group companies (Related Parties) were required to be approved by the Board as per recommendation of the Audit Committee on quarterly basis. As the majority of Company's Directors were interested in these transactions due to their common directorship and holding of shares in the Group companies, the quorum of directors could not be formed for approval of these transactions, therefore, in the last Annual General Meeting, the share holders had authorized the Chief Executive of the Company to approve these transactions in the normal course of business subject to final approval/ratification by the shareholders. Therefore, these transactions have to be approved by the shareholders in the General Meeting.

In view of the above, the transactions conducted during the financial year ended June 30, 2016 with Group companies are being placed before the shareholders for their approval / ratification.

The Directors are interested in the resolution to the

extent of their common directorships and shareholding in the Group companies.

##### 2) Agenda Item No. 6 of the Notice

The Company shall be conducting transactions with Group companies in the normal course of business during the financial year ending June 30, 2017. As the majority of Directors are interested in these transactions due to their common directorship and shareholding in the Group companies, the quorum of directors could not be formed for approval of these transactions, therefore, these transactions could not be approved by the Board on quarterly basis, as required under clause 5.19.6 (b) of the Code of Corporate Governance. Therefore, such transactions with Group companies shall be approved by the shareholders in the next AGM.

In order to ensure routine approval of these transactions throughout the year, the shareholders may authorize the Chief Executive to approve transactions carried out and to be carried out in normal course of business with Group companies during the financial year ending June 30, 2017.

The Directors are interested in the resolution to the extent of their common directorships and shareholding in the Group companies.

##### 3) Agenda Item No. 7 of the Notice

The Securities and Exchange Commission of Pakistan has issued the Companies (E-Voting) Regulations 2016 on January 22, 2016 vide S.R.O 43(1)/2016. These regulations are providing voting right to members through electronic means managed by the authorized intermediaries. In order to comply with the mandatory requirements of the said regulations, the Articles of Association of the Company have to be amended by adding a new Article 8.19A.

The nature and extent of interest of every Director of the Company, directly or indirectly, is only to the extent that compliance of provisions of Companies (E-Voting) Regulations 2016 is done, by amending existing Articles of Association of the Company.

The document highlighting the proposed amendments is available at Registered office of the Company for inspection during office hours excluding Saturdays and Sundays (being closed holidays) and Gazetted holidays.

##### 4) Agenda Item No. 8 of the Notice

Securities & Exchange Commission of Pakistan (SECP) through its SRO 470(I)/2016 dated May 31, 2016 have allowed companies to circulate the annual balance sheet, profit and loss account, auditors' report and directors' report etc to its members through CD/DVD/USB instead of transmitting the said accounts in hard copies. The Board of Directors of the Company vide its meeting dated September 05, 2016 have recommended to shareholders to accord approval for transmission of Company's annual audited accounts through CD/DVD/USB.

The nature and extent of interest of every Director of the Company, directly or indirectly, is only to the extent that compliance of provisions of SECP's SRO 470(I)/2016 dated May 31, 2016 is done.