



## DOST STEELS LIMITED

### NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Shareholders of Dost Steels Limited will be held on June 8, 2016 at 9:00a.m. at Ramada Plaza Karachi Airport Hotel located at, Star Avenue Terminal 1, Karachi. to transact the following business:

#### **Ordinary Business:**

1. To confirm the minutes of last Annual General Meeting held on Tuesday, October 27, 2015.

#### **Special Business:**

2. Issuance of ordinary shares and redeemable capital (Zero Coupon Convertible Term Finance Certificates)
  - i. To pass a special resolution pursuant to the first proviso of Section 86(1) of the Companies Ordinance, 1984, for issuance of ordinary shares of the Company. In this regard it is proposed to pass the following 'Special Resolution' with or without modifications.

*“RESOLVED THAT, On the successful acceptance and signing of the Restructuring Agreements by majority of the lenders of the Company i.e. both syndicate lenders and morabaha financiers, in accordance with the Rehabilitation and Restructuring proposals submitted to them and subject to the all legal and regulatory approvals including but not limiting to that of the shareholders, Securities and Exchange Commission of Pakistan, issue 248,269,360 shares at Rs 4.50/- per share (i.e., at a discount of Rs 5.50/- per share) by way of a rights issue under section 86 of the Companies Ordinance, 1984 be and is hereby approved.”*

- ii. To pass a special resolution pursuant to Section 120 of the Companies Ordinance, 1984, for issuance of Zero Coupon Convertible Term Finance Certificates. In this regard it is proposed to pass the following 'Special Resolution' with or without modifications.



**“RESOLVED THAT, SUBJECT TO** the successful acceptance and signing of the Restructuring Agreements by majority of the lenders of the Company i.e. both syndicate lenders and morabaha financiers, in accordance with the Rehabilitation and Restructuring proposals submitted to them and subject to the all legal and regulatory approvals including but limiting to that of the shareholders, Securities and Exchange Commission of Pakistan, issue Zero Coupon Convertible Term Finance Certificates in accordance with the Restructuring Agreement.

**RESOLVED FURTHER THAT** the Chief Executive singly or any two Directors of the Company jointly be and are hereby authorized to complete all the necessary corporate and legal formalities in respect of the above including but not limited to calling of a meeting of the shareholders for the purposes of passing a special resolution for implementing the above in accordance with the requirements of the proviso provided under s. 86(1) of the Companies Ordinance, 1984, filing of application(s) with SECP, making necessary alterations and amendments in the application or any other matter in respect of the above. The Chief Executive is also authorized to delegate the authority granted hereby to any other person who he may deem fit.”

3. To consider, and if thought fit, to approve the remuneration of Executive Directors of the Company, from the start of commercial production.

Pursuant to propose for the approval from the Board of Directors in their last meeting, and further under section 191 of the Companies Ordinance 1984, the remuneration of a director for performing extra services, including the holding of the office of chairman, shall be determined by the directors or the Company in general meeting. For this purpose it's indeed necessary to propose the following resolution.

**“RESOLVED THAT** the Company hereby authorizes the holding of the offices of profit and payment as remuneration to the Executive full time working Directors of the Company not exceeding in aggregate a sum of Rs. 6,000,000/- per annum, to each, from the start of commercial production.”

**Other Business:**

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

**Karachi**

Dated: May 17, 2016

By Order of the Board

  
Zia ur Rahim Khan

Company Secretary



**Notes:**

- 1) The Share Transfer Books of the Company shall remain closed from 02-06-2016 to 08-06-2016 (both days inclusive). Transfers received at our registrar office THK Associates (Pvt.) Limited, 2<sup>nd</sup> Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi, by the close of business on 01-06-2016 will be treated in time.
- 2) A member of the Company entitled to attend and vote at the Extraordinary General Meeting may appoint a proxy to attend and vote instead of him/her. A proxy must be deposited at the Company's registered office not less than 48 hours before the time of holding the meeting. A proxy need, not be a member of the Company. The proxy shall produce his/her original CNIC or Passport to prove his/her identity.
- 3) Any individual Beneficial Owner of Central Depository Company, entitled to vote at this Meeting must bring his/her Computerized National Identity Card ("CNIC") with him/her to provide his/her identity and in case of proxy must enclose an attested copy of his/her CNIC. The representatives of corporate bodies should bring attested copy of Board of Directors Resolution/power of Attorney and/or all such documents as are required under Circular No. 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan for this purpose.
- 4) Change of address, if any, should be notified immediately to the Company's Share Registrar afore stated.
- 5) Members who have not yet submitted photocopy of their Computerized National Identity Cards to the Registrar of our Company are requested to send the same at the earliest.
- 6) The CDC account/sub account holders are requested to bring with them their Computerized National ID Cards along with the Participants(s) ID number and their account numbers at the time of attending the Extraordinary General Meeting in order to facilitate identification of the respective shareholders. In case of corporate entity, the Board of Directors Resolution/Power of Attorney with specimen signatures be produced at the time of meeting.
- 7) Members are requested to promptly communicate to the Registrar of the Company any change in their address.



**EXPLANATORY STATEMENT ACCOMPANYING NOTICE TO THE MEMBERS  
UNDER SECTION 160(1) (b) OF THE COMPANIES ORDINANCE, 1984**

The accompanying copy of the notice is for the purpose of convening the meeting of the members for passing of the Special Resolutions specified in the notice. The material facts relating to the Special Resolutions are as follows:

**(1) SUBJECT TO APPROVAL OF SECP ISSUANCE OF ORDINARY SHARES AT RS 4.50/- PER SHARE (AT A DISCOUNT OF RS 5.50/- PER SHARE) UNDER PROVISIONS OF SECTION 86(1) OF THE COMPANIES ORDINANCE, 1984**

- a) The Company currently in process of completing its plant to start commercial operations. The authorized capital is an amount of Rs. 3,200,000,000/- (Pak Rupees Three Billion Two Hundred Million) divided into 320,000,000/- (Three hundred Twenty Million) shares having a face value of Pak Rupee 10/- per share.
- b) The total paid up and issued share capital of the Company is an amount of Rs. 674,645,000/- (Pak Rupees Six Hundred Seventy Four Million Six Hundred Forty Five Thousand) divided into 67,464,500 (Sixty Seven Million Four Hundred Sixty Four Thousand Five Hundred) ordinary shares of Rs. 10/- each.
- c) The Company requires capital injection for completion and hot commissioning of the plant under a restructuring and rehabilitation plan approved by the board of directors and the syndicate lenders of the Company. The issuance of capital has been a Condition Precedent set by the syndicate lenders under the restructuring agreement for the total principle outstanding of Rs. 931,308,237/- (Pak Rupees Nine Hundred Thirty One Million Three Hundred Eight Thousand Two Hundred Thirty Seven).
- d) The Directors of the Company have no interest in the Issuance of Right Shares of the Company whether directly or indirectly except to the extent of their shareholding held by them in the Company. The shares and percentage of personal shareholdings by the Directors of Dost Steels Limited in proportion to the paid up capital of DSL are as under:

Director	Share	Percentage
Mr. Jamal Iftakhar	1,414,500	2.097%
Mr. Zahid Iftakhar	1,413,500	2.095%
Mr. Faisal Zahid	100	0.000%
Mr. Bilal Jamal	100	0.000%
Mr. Saad Zahid	1,100	0.002%
Mr. Mustafa Jamal	2,890,500	4.284%
Mr. Afzal Shehzad	100	0.000%



(2) **SUBJECT TO APPROVAL OF SECP ISSUANCE OF ZERO COUPON TERM FINANCE CERTIFICATE WITH CONVERSION OPTION UNDER PROVISIONS OF SECTION 120(1) OF THE COMPANIES ORDINANCE, 1984**

a) Under the terms of restructuring agreement signed with the syndicate lenders, the Company is required to issue Zero Coupon Term Finance Certificate with the option of Conversion into ordinary shares by the end of years 2024, 2025, 2026 and 2027, against the total accrued mark-up amounting to Rs. 614,940,263/- (Pak Rupees Six Hundred Fourteen Million Nine Hundred Forty Thousand Two Hundred Sixty Three).

(3) **To consider, and if thought fit, to approve the remuneration of Executive Directors of the Company.**

Since inception of the Company, the Executive full time working Directors of the Company are honorary performing their duties without any remunerations. So, by persuading this act, the Board of Directors in their last board meeting has decided to propose for further approval from the shareholders Rs. 500,000/- monthly remuneration for each Executive full time working Directors, inclusive all the other benefits to which they are entitled under the terms of their employment, from the start of commercial production. The Executive Directors of the Company are interested in this matter to the extent of the remuneration payable to them. The break-up of remuneration would be as follow.

Particulars	Amount
Basic Salary	300,000
Medical Allowance	50,000
House-rent and other Allowances	150,000
<b>Total</b>	<b>500,000</b>

