

MUGHAL IRON & STEEL INDUSTRIES LIMITED

Registered Office: 31-A, Shadman-1, Lahore. Office Phone: 042-35960841-3 Fax: 042-35960846
Web: www.mughalsteel.com, E-mail: accounts@mughalsteel.com, NTN # 3533975-6, STR # 03-06-7326-012-82

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Fax No. 042-35960846

October 09, 2015

The General Manager

Karachi Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.
By Courier & Fax: 021-111-573-329

The General Manager

Lahore Stock Exchange Limited
Stock Exchange Building
19-Khayabane Aiwan-e-Iqbal
Kashmir Road, Lahore.
By Courier & Fax: 042-36368485

SUBJECT: NOTICE OF ANNUAL GENERAL MEETING

Dear Sir(s)

We are enclosing the Notice of the **ANNUAL GENERAL MEETING** of our Company to be held on October 31, 2015, before its publication, for circulation amongst the TRE Certificate Holders of the Exchange. The Notice will be published in newspapers as per statutory requirement, in due course.

Yours Sincerely,

for **MUGHAL IRON & STEEL INDUSTRIES LIMITED**

(**PERVEZ IQBAL**)

Company Secretary

Encl: a.a

CC: The Director (Enforcement Department), SECP Islamabad

By Courier & Fax: 051-9100440

MUGHAL IRON & STEEL INDUSTRIES LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF THE SIXTH (6TH) ANNUAL GENERAL MEETING OF MUGHAL IRON & STEEL INDUSTRIES LIMITED

Notice is hereby given that the 6th Annual General Meeting of Mughal Iron & Steel Industries Limited ("the Company") will be held on Saturday, October 31, 2015 at 3:00 p.m. at Pearl Continental Hotel, Lahore to transact the following business:

Ordinary Business

1. To confirm the minutes of the Annual General Meeting of the Company held on October 31, 2014.
2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2015 together with the Directors' and Auditors' Reports thereon.
3. To consider and approve the payment of final cash dividend of 5% (i.e. Rs. 0.5 per ordinary share of Rs. 10/- each) as recommended by the Board of Directors for the year ended June 30, 2015. No interim dividend was declared during the year.
4. To appoint external auditors for the financial year 2015-16 and to fix their remuneration. The Board of Directors has recommended, as suggested by the Audit Committee, the appointment of M/s. Fazal Mahmood & Co., Chartered Accountants, the retiring auditors, being eligible, as auditors of the Company for the year ending June 30, 2016.

Special Business

5. To approve the issue of bonus shares in proportion of 1.5 shares for every 10 shares held i.e. 15% as recommended by the Board of Directors, and if deemed appropriate pass the following ordinary resolution:

RESOLVED that a sum of Rs. 164,086,729/- out of the Company's reserves be capitalized and applied towards the issue of 16,408,672 ordinary shares of Rs. 10/- each and allotted as fully paid bonus shares to the members who are registered in the books of the Company as at the close of the business on October 23, 2015, in proportion of 1.5 shares for every 10 shares held and that such new shares shall rank pari passu with the existing ordinary shares.

FURTHER RESOLVED that fractional entitlement of the members shall be consolidated in to whole shares and sold in the stock market and the sale proceeds shall be donated to any registered charitable institution.

FURTHER RESOLVED that the Company Secretary be and is hereby authorized to give effect to this resolution and to do or cause to do all acts, deeds

and things that may be necessary or required for the issue, allotment and distribution of bonus shares.

6. To authorize the Company, to vary the terms of contract mentioned in the prospectus and utilize surplus funds received from Initial Public Offering of ordinary shares for the purpose of capital expenditure instead of utilization in working capital by way of passing the following ordinary resolution:

RESOLVED that consent and approval of Mughal Iron & Steel Industries Limited (the "Company") be and is hereby accorded under Section 58 of the Companies Ordinance, 1984 (the "Ordinance") for variation in the terms of contract mentioned in the prospectus.

FURTHER RESOLVED that the Company is hereby authorized to invest the funds amounting to Rs. 529.9 million comprising of Rs. 147.0 million in respect of funds reserved for working capital at lower limit and Rs. 382.9 million being the surplus funds received at upper limit raised from Initial Public Offering of ordinary shares, for capital expenditure purpose instead of utilization in working capital.

FURTHER RESOLVED that the Chief Executive and Company Secretary of the Company be and hereby authorized singly to do all the necessary acts, deeds and things in connection therewith and ancillary thereto as may be required or expedient to give effect to the spirit and intent of the foregoing resolution.

7. To authorize the Company, subject to the approval of the Securities and Exchange commission of Pakistan, to transmit its quarterly accounts by placing the same on the Company's website instead of circulating by post to the shareholders, as and by way of passing the following ordinary resolution:

RESOLVED that subject to the approval of the Securities and Exchange Commission of Pakistan, the Company be and hereby authorized to transmit its quarterly accounts by placing the same on the Company's website, instead of circulating them by post to the shareholders.

FURTHER RESOLVED that the Company Secretary be and is hereby authorized to do all the necessary and required acts, deeds and things in connection therewith and ancillary thereto as may be required or expedient to give effect to the spirit and intent of the foregoing resolution.

Lahore: October 09, 2015

(By Order of the Board)

Pervez Iqbal
Company Secretary

STATEMENT UNDER SECTION 160(1)(b) OF THE ORDINANCE:

This statement sets out the material facts concerning the Special Business listed at agenda items 5,6 and 7, to be transacted at the 6th Annual General Meeting of the Company to be held on October 31, 2015.

Agenda Item No. 4.

The Directors of the Company are of the view that the Company's financial position and its reserves justify the issue of bonus shares in the proportion of 1.5 shares for every 10 shares held; i.e. @ 15%. The Directors of the Company have no interest in this issue except to the extent of their respective shareholdings in the Company. Pursuant to rule 6 (iii) of the Companies (Issue of Capital) Rules 1996, a certificate of free reserves has been issued by the Auditors.

Agenda Item No. 5.

During the year, the Company issued 27.350 million ordinary shares at a price of Rs. 34/- per share. The principal purpose of the issue was to raise capital for procurement of new induction furnace and balancing modernization and replacement of re-rolling mills, with any excess fund raised to be utilized for meeting working capital requirements. In this regard, the Company raised additional funds of Rs. 529.9 million from its Initial Public Offering of ordinary shares, which as per prospectus were to be utilized in working capital.

However, the Board of Directors in pursuance of its business and growth strategy and considering its future plans for expansion has resolved that it would be more viable to utilize these funds for capital expansion rather than working capital subject to the approval of the shareholders.

The Directors of the Company have no interest in this matter except to the extent of their respective shareholdings in the Company.

Agenda Item No. 6.

The Securities and Exchange Commission of Pakistan (SECP) vide its Circular No. 19 of 2004 has allowed listed companies to place their quarterly accounts on their website instead of sending the same by post subject to approval of the shareholders and permission of SECP.

In this regard approval of shareholders is sought for transmitting the quarterly accounts through Company's website following which the Company will apply for permission for the same from SECP. This would ensure prompt disclosure of information to the shareholders, as well as saving of costs associated with printing and

dispatch of accounts by post. The Company, however, will supply the printed copies of accounts to the shareholders on demand at their registered address free of cost.

NOTES:

1. Share transfer books of the Company will remain closed from October 24, 2014 to October 31, 2015 (both days inclusive). Physical transfers/CDS Transaction IDs received in order at the Company's Share Registrar, M/s. THK Associates (Pvt.) Limited 2nd Floor, State Life Building No.3, Dr. Ziauddin Road, Karachi, up to the close of business on October 23, 2014 will be treated in time for the above entitlements to the transferees and to determine voting rights of the shareholders for attending the meeting.
2. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her. A Proxy must be a member of the Company. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting. Form of proxy is enclosed.
3. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For attending the meeting

- a. Individual CDC shareholders are requested to bring with them their CNIC / Passport in original along with Participants' ID Numbers and their Account Numbers to prove his/her identity at the time of attending the Meeting.
- b. In case of corporate entity, the Board's resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For appointing proxies

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.

NOTICE OF THE SIXTH (6TH) ANNUAL GENERAL MEETING OF MUGHAL IRON & STEEL INDUSTRIES LIMITED

- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
 - c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
 - d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
 - e. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.
4. Pursuant to SRO No. 787(1)/2014 dated 8th September 2014, the SECP has allowed circulation of Audited Financial Statements along with notice of Annual General Meeting to the members through email. Therefore, all members who wish to receive soft copy of the Annual Report shall fill the consent form for electronic transmission and send it to registered office of the Company, 31-Shadman 1, Lahore. Form of Consent is enclosed herewith and also available online at the Company's website.
5. Shareholders are requested to notify / submit the following, in case of book entry securities in CDS to respective CDS participants and in case of physical shares to the Company's Share Registrar M/s. THK Associates (Pvt.) Limited 2nd Floor, State Life Building No.3, Dr. Ziauddin Road, Karachi, if not earlier provided / notified:-
- a) Change in their addresses;
 - b) Valid and legible photocopies of National Tax Number (NTN), both for individuals & corporate entities; and

Pursuant to the provisions of Finance Act, 2015 effective 1 July 2015, deduction of income tax from dividend payments shall be made on the basis of filers and non-filers as follows:

S.No.	Nature of shareholder	Rate of deduction
1	Filers of income tax Return	12.5%
2	Non -Filer of income tax Return	17.5%

Income Tax will be deducted on the basis of Active Tax Payers List posted on the Federal Board of Revenue website. Members seeking

exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax certificate or necessary documentary evidence, as the case may be.

- c) Dividend mandate information i.e. Title of Bank Account, Bank Account Number, Bank's Name, Branch Address, CNIC, NTN and Cell / Landline Number(s) of Transferee(s) towards direct credit of cash dividend through e-dividend mechanism, if announced by the Company at later stage.

The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated 5 April 2013 has advised all Listed Companies to adopt e-dividend mechanism due to the benefits it entails for shareholders. In this way, dividends may be instantly credited to respective bank accounts and there are no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc.

- 6. Members who desire to stop deduction of zakat from their dividend may submit a declaration on non-judicial stamp paper duly signed as required under the law.
- 7. SECP has also directed vide SRO No. 779(1)2011 dated August 18, 2011 to issue dividend warrant only crossed as "A/c Payee only" and should bear the Valid CNIC Number of the registered member. Members, who have not yet submitted photocopy of their valid CNIC are requested to send the same at the earliest directly to the Company's Share Registrar M/s. THK Associates (Pvt.) Limited 2nd Floor, State Life Building No.3, Dr. Ziauddin Road, Karachi. In case of non-availability of a valid copy of CNIC in the records of the Company, the Company will be constrained to withhold the Dividend Warrant in terms of section 251(2)(a) of the Companies Ordinance 1984, which will be released by the Share Registrar only upon compliance with the aforesaid notifications.
- 8. The Company has placed the Audited Annual Financial Statements for the year ended June 30, 2015 along with Auditors and Directors Reports thereon on its website: www.mughalsteel.com