

MISIL/SRS-/2017(5)

June 14, 2017

Mr. Muhammad Ghufraan
Deputy General Manager

Company Affairs
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.
By Courier & PUCAR

SUBJECT: RIGHT SHARES SUBSCRIPTION STATUS

Dear Sir,

In compliance with your Letter No. PSX/C-1150-2006, **Clause 7 & 8 of Annexure- II "Procedure to be complied with for issue of right shares"**, we are pleased to inform that;

- The Right Issue of Mughal Iron & Steel Industries Limited amounting to Rs. 1,257,998,250/- has been subscribed by 99.61 % as of the last date for payment / renunciation that was June 01, 2017. As per the details received from MCB Bank Limited & Summit Bank Limited ("bankers to the issue"), the total amount of subscription received as of the last payment date amounted to Rs. 1,253,062,077/-.

The detail of subscription is as follows:

Particular	No. of Shares	Amount of Shares
Total Issue Size	125,799,825	Rs.1,257,998,250
Subscribed Amount	125,306,208	Rs.1,253,062,077
Un-subscribed Amount	493,617	Rs.4,936,173

- The Chief Executive has allocated the above unsubscribed right shares amounting to Rs. 4,936,173 to Mr. Mirza Javed Iqbal, Mr. Muhammad Mubeen Tariq Mughal and Mr. Jamshed Iqbal, Directors of the Company in proportion of 33.33% , 33.33% and 33.33% respectively and subscription amount has been deposited with bank.

We enclose herewith the Certificate (in original) issued by our external auditors Fazal Mahmood & Company, Chartered Accountants confirming the receipt of complete amount of Rs. 1,257,998,250/- by MCB Bank Limited & Summit Bank Limited.

In view of the above, you are requested to issue us **No Objection Certificate** ("NOC") in the name of MCB Bank Limited & Summit Bank Limited for the transfer of amount from the Bankers to the Issue to the Company.

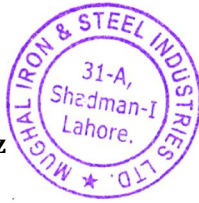
Thanking you.

Yours sincerely,

For Mughal Iron & Steel Industries Limited



Muhammad Fahad Hafeez
(Company Secretary)



Encl: As above

CC: **The Executive Director (Enforcement)**
Securities & Exchange Commission of Pakistan
Islamabad.

FAZAL MAHMOOD & COMPANY

CHARTERED ACCOUNTANTS

A Member Firm of *jhi* & Task International



The Company Secretary,
Mughal Iron & Steel Industries Limited,
31-A, Shadman I,
Lahore.

June 14, 2017

Dear Sir,

AUDITORS' CERTIFICATE FOR RECEIPT OF SUBSCRIPTION MONEY AGAINST ISSUE OF RIGHT SHARES

Scope of Certificate

Pakistan Stock Exchange Limited vide its letter no PSX/C/1150/2006 dated March 16, 2017 under clause 8 of Annexure-2 "Procedure to be complied with issue of Right Shares" imposed a condition that the Company will furnish Auditors' Certificate confirming receipt of full amount of Right Issue in cash enabling the Exchange to issue NOC in the name of bankers to the issue of the Company for release of subscription amount received by them.

Accordingly, we have been requested to certify the compliance of Mughal Iron & Steel Industries Limited ("the Company") with the above conditions/regulations in capacity as statutory auditors of the Company. Our verification is limited to the procedures as mentioned below:

- a) Confirmation of receipt of subscription money in "Mughal Iron & Steel Industries Limited-Right Shares Subscription Account" numbers 0518369191003284 and 13920311714167858 maintained with MCB Bank Limited and Summit Bank Limited respectively from bank statements provided to us by the management.

Management Responsibility

It is the management's responsibility to compliance with requirements of PSX regulation.

Auditors' Responsibility

Our responsibility is to issue a "Certificate" to confirm receipt of subscription of right shares, in accordance with our agreed scope of work and "Guidelines for Issue of Certificate for Special Purposes" issued by the Institute of Chartered Accountants of Pakistan.

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OTHER OFFICES:
KARACHI, ISLAMABAD & USA

TASK INTERNATIONAL
(MEMBER OF THE FORUM OF FIRMS)

FAZAL MAHMOOD & COMPANY

CHARTERED ACCOUNTANTS

A Member Firm of *jhi* & Task International



Certificate

Based upon our procedures performed, we certify that total amount of subscription i.e. Rs. 1,257,998,250/- from issue of Right Shares including the unsubscribed portion has been received by the Company, in its accounts 0518369191003284 and 13920311714167858 (Mughal Iron & Steel Industries Limited – Right Shares Subscription Account) maintained with MCB Bank Limited and Summit Bank Limited as provided by management respectively. This amount has been received against the subscription of 125,799,825 right shares offered by the Company.

Restriction on use and distribution

This certificate is issued in relation to issuance of right shares as Statutory Auditors' of the Company on specific request of the Management of the Company for onward submission to Pakistan Stock Exchange Limited and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein.

Yours truly

Fazal Mahmood & Company



FAZAL MAHMOOD & COMPANY
CHARTERED ACCOUNTANTS

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(MEMBER OF THE FORUM OF FIRMS)