

BOLAN CASTINGS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 35th 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 Saturday October 28, 2017 at 1130 hours to transact the following business:

A. ORDINARY BUSINESS

1. To confirm the minutes of the Extraordinary General Meeting held on May 24, 2017.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2017 together with the Directors' and Auditors' reports thereon.
3. To approve payment of dividend at the rate of Rs. 5.00 per share i.e. 50% for the year ended June 30, 2017, as recommended by the Board of Directors.
4. To appoint auditors for the year ending June 30, 2018 and to fix their remuneration. Present Auditors M/s. A. F. Ferguson & Co., Chartered Accountants retire and being eligible offer themselves for re-appointment.
5. To elect seven Directors as fixed by the Board of Directors for term of three years. The retiring Directors are Mr. Sikandar Mustafa Khan, Mr. Latif Khalid Hashmi, Mr. Sohail Bashir Rana, Mr. Laeeq Uddin Ansari, Mr. Mian Muhammad Saleem, S. M. Irfan Aqueel, Syed Javaid Ashraf, Mr. Muhammad Imran Rafiq and Mr. Saifuddin.

B. SPECIAL BUSINESS

6. To ratify and approve the transactions carried out in normal course of business with Group companies for the year ended June 30, 2017 by passing the following resolution as a special 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, 2017 be and are hereby ratified and approved.

7. 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, 2018 by passing the following resolution, with or without modification, as a special 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, 2018.

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.

8. To consider, and if thought fit, pass following resolutions, with or without modification as a special resolution for amendment Article 9.11 of the Articles of Association of the Company:

“RESOLVED that in Article 9.11 the figure ‘Rs. 10,000’ be and is hereby substituted with the figure ‘Rs.25,000’.”

FURTHER RERSOLVED that Chief Executive and / or Company Secretary of the Company be and is / are hereby authorized to fulfill all legal, corporate and procedural formalities and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolution.

9. To consider and adopt the following resolution, with or without modification, as an ordinary resolution for sanctioning the holding of office of profit under the company by the Director Mr. Laeeq Uddin Ansari.

“**RESOLVED** that sanction be and is hereby granted for further continuation of holding of office of profit by Mr. Laeeq Uddin Ansari, on the basis of and upon re-election as director of the company for another term, with the terms and conditions determined by the Board and that he be paid by way of remuneration comprising salary, allowances, perquisites, profit share / bonus and benefits etc., such sums as the directors may determine and approve in accordance with Articles of the Company.”

C. OTHER BUSINESS

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

By Order of the Board of Directors

Hub
October 06, 2017

Arafat Mushir
Company Secretary

Notes :

1. The Share Transfer Books of the Company shall remain closed from October 17, 2017 to October 28, 2017 (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 16, 2017 shall be treated in time to determine the above mentioned entitlement and to attend and vote at the meeting.
2. 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.
3. 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.
4. Members are requested to promptly notify any change in their addresses to our Share Registrar M/s. Central Depository Company of Pakistan Limited.
5. Any person who seeks to contest election to the office of Director shall, whether he is retiring Director or otherwise, file with the Company, not later than fourteen days before the date of meeting a notice of his intention to offer himself for election as a director alongwith the following:
 - i.) Form 28 – Consent to act as director prescribed under section 167 of Companies Act, 2017.
 - ii.) A detailed profile as required under SECP’s SRO 25(I) 2012 dated January 16, 2012.
 - iii.) Declaration confirming that:

- a) He / she is a member of the Company. (Number of shares held alongwith the Folio number or CDC participant id / account number, be mentioned).
 - b) He / she is not ineligible to become a Director of the Company under any applicable laws and regulations.
 - c) He / she is not serving as a director in more than seven (7) listed companies including Bolan Castings Limited excluding the directorships in the listed subsidiaries of a listed holding company.
 - d) His / her name is borne on the register of national tax payers except if he / she is a non-resident. (National Tax Number (NTN) be mentioned, in the case of resident).
 - e) He / she has not defaulted in payment of any loan to a banking company, a Development Financial Institution or Non Banking Financial Institution or being a member of a Stock Exchange has not been declared as a defaulter by that stock exchange.
 - f) He / she or his / her spouse is not engaged in the business of Stock brokerage and he / she is not a sponsor, director or officer of any corporate brokerage house.
- iv.) Representation of independent non-executive directors including those representing minority interests on the Board of Directors of the Company is encouraged.

6. 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.

7. 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.

8. Payment of Cash Dividend Electronically

As per provision of Section 242 of Companies Act, 2017 any dividend payable in cash shall only be paid through electronic mode directly in to the bank account designated by the entitled shareholders. In view of foregoing the shareholders are requested to provide the details containing (i) Title of Bank account, (ii) Bank Account Number, (iii) IBAN (iv) Bank Name, (v) Branch Name, Code & Address, (vi) Cell Number, and (vii) Landline Number, if any, to their participant or our share registrar.

However, SECP vide its Circular No. 18 of 2017 dated August 01, 2017 has relaxed the above requirement till October 31, 2017.

9. Deduction of Tax from Dividend Income

The Government of Pakistan through Finance Act, 2017 has made certain amendments in 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:

- (a) For filers of income tax returns 15%
- (b) For non-filers of income tax returns 20%

To enable the Company to make tax deduction on the amount of cash dividend @15% 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 15%.

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#	Total Shares	Principal shareholder		Joint shareholder	
			Name and CNIC#	Shareholding Proportion (No. of Shares)	Name and CNIC#	Shareholding 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.

10. Transmission of Annual Financial Statements through CD/DVD/USB

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 at their registered addresses and the same has subsequently been approved by the Company's shareholders in the last AGM. In view of the above the Company has sent its Annual Report-2017 containing the Financial Statements to the shareholders in the form of CD. Any shareholder can send request for printed copy of the Annual Report-2017 to the Company.

Further, the annual financial statements of the Company for the year ended June 30, 2017 along with related reports have been placed at the website of the Company www.bolancastings.com.

11. 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.

12. Video Conference Facility

In pursuance of SECP Circular 10 of 2014, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of meeting, the Company will arrange a video conference facility in that city subject to availability of such facility in that city.

The Company will intimate members regarding the video conference facility venue at least 5 days before the date of the AGM along with the complete information needed to access the facility.

If you would like to avail video conferencing facility, as per above, please fill the following and submit to registered office of the Company atleast 10 days before AGM.

I / We, _____ of _____ being a member of Bolan Castings Limited, holder of _____ Ordinary Share(s) as per Register Folio No / CDC Account No. _____ hereby opt for video conference facility at _____.

Registered Office Address of the Company:

Bolan Castings Limited
Main RCD Highway
Hub Chowki,
District Lasbela,
Balochistan

STATEMENT UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017.

This statement set out the material facts concerning the Special Business, given in agenda item No. 6, 7, 8 & 9 of the Notice.

1) Agenda Item No. 6 of the Notice

During the financial year ended June 30, 2017, 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, 2017 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. 7 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, 2018. 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, 2018.

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

3) Agenda Item No. 8 of the Notice

The remuneration being paid to directors for attending meetings of the Board or Committees of the Board needs revision in view of overall inflation. The aforesaid amendment has been approved by the Board of Directors in its meeting held on September 06, 2017. A copy of the amended Articles of Association is available at registered office of the Company for inspection during office hours excluding Saturdays and Sundays (being closed holidays) and Gazetted holidays.

The Directors are interested in the resolution to the extent of fee to which they are entitled.

4) Agenda Item No. 9 of the Notice

The Board has recommended to the members with a view to seek the approval in general meeting in order to allow further continuation of holding of office of profit by Director Mr. Laeeq Uddin Ansari, in pursuance of requirement contained in section 171 (1) (c) (i) of the Companies Act, 2017, on the basis if he is re-elected as director of the Company.

Approval of the members is required for holding of office of profit by Mr. Laeeq Uddin Ansari as Executive Director of the Company for performing extra services. Mr. Laeeq Uddin Ansari is interested in the resolution to the extent of remuneration and benefits etc. associated with this position while other directors are not interested in the resolution. Therefore the resolution is proposed to be passed as an ordinary resolution, with or without modification, addition or deletion in the AGM.