

MISIL/RIPR/DEC-17

January 15, 2018

The General Manager

Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.
By PUCARS and Courier

SUBJECT: PROJECT PROGRESS REPORT FOR THE QUARTER ENDED DECEMBER 31, 2017

Dear Sir,

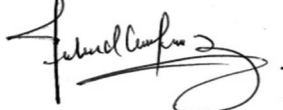
In compliance with PSX letter no. PSX/C-1150-2006, clause 21 of Annexure- I "Documents/Information required for issue of right shares", and sub-clause (ix) of Rule 5 of the Companies (Issue of Capital) Rules, 1996, we are pleased to present the project progress report as of and for the quarter ended December 31, 2017. The report is attached herewith as "**ANNEXURE-A**".

A disclosure form as required under SRO 143(1)/2012 dated December 05, 2012 read with Sections 96 and 131 of Securities Act, 2015 in relation to above inside information is also attached herewith as "**ANNEXURE -B**".

Yours Sincerely,

for & on behalf of the Board of

MUGHAL IRON & STEEL INDUSTRIES LIMITED



MUHAMMAD FAHAD HAFEEZ
(Company Secretary)



CC: **The Director / HOD**

(Surveillance, Supervision and Enforcement Department),
Securities & Exchange Commission of Pakistan,
Islamabad.

“ANNEXURE – A”

PROJECT PROGRESS REPORT (Quarter ended December 31, 2017)

Dated: January 15, 2018

OVERVIEW

The report presents an overview of the status of projects under implementation at the close of the quarter ended December 2017.

BACKGROUND

In line with its growth strategy, the BOD in its meeting held on February 27, 2017 had approved the following:

1. Increase in current power generation capacity of existing 9.3 MW gas captive power plant by adding six (6) additional engines of 3.1 MW each. As a result, the total gross installed power generation capacity of the captive power plant was approved to be enhanced to 27.9 MW.
2. To conduct BMR of existing bar re-rolling mill. The BMR involved addition of new re-rolling stands, finishing lines and other improvements to the existing mill in order to enable it to adhere to higher and faster re-rolling process with state of art PLC control system. This would result in increase of installed capacity from 150,000 M/T to 430,000 M/T along with improvement in efficiency as well.

The above expansion projects will not only play an important role in increasing the turnover of the Company but also help the Company to increase production of self-manufactured billet to support its re-rolling activities and improve efficiency as well which will strategically place the Company in a more competitive position than before.

Estimated cost of the projects and completion time period duly approved by the BOD was as follows:

	Project 1: Power plant	Project 2: BMR of Bar re-rolling mill
Detail of each Project	Procurement and installation of six (6) engines (gas fired electric generators) of 3.1 MW gross capacity each.	Balancing, Modernization and replacement of existing bar re-rolling mill.
Total funds required for each project	Rs. 500.000 million	Rs. 1,250.000 million
% finance through right issue	100%	60.64%
% finance from internal sources	Nil	39.36%
Time of completion of each project	Expected in 2 nd QTR of calendar year 2018	Expected in 2 nd QTR of calendar year 2018

Above was duly communicated and circulated to SECP, Exchange and members through Circular-86 under repealed Companies Ordinance, 1984.

IMPLEMENTATION STATUS

Quarterly projects implementation status as on December 31, 2017 is as follows:

Reporting Period	Status For The Quarters Ended	
	Procurement & Installation of 6 additional engines for existing gas-fired Power Plant	BMR of existing Bar Re-Rolling Mill
June 30, 2017 (already reported)	<ul style="list-style-type: none"> ▪ Engine No. 1 has been procured and is in process of installation. 	<ul style="list-style-type: none"> ▪ Contract has been signed with NCO, Italy. ▪ LC has been opened.
September 30, 2017 (already reported)	<ul style="list-style-type: none"> ▪ Engine No. 1 has been commissioned. ▪ Engine No. 2 has been procured and is in process of installation. It is expected that it will be commissioned in 2nd quarter of FY 2018. ▪ Contract for remaining 4 engines has been signed. Currently the engines are under inspection by foreign expert. 	<ul style="list-style-type: none"> ▪ Civil work has been started.

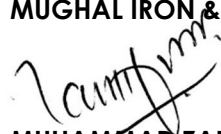
MUGHAL IRON & STEEL INDUSTRIES LIMITED

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

December 31, 2017	<ul style="list-style-type: none">▪ Engine No. 1 and 2 have been commissioned.▪ Remaining 4 engines have been procured and partial shipment has arrived.	<ul style="list-style-type: none">▪ Civil works are in process.▪ First shipment has also been effected.
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Yours Sincerely,

MUGHAL IRON & STEEL INDUSTRIES LIMITED



MUHAMMAD ZAFAR IQBAL
(Chief Financial Officer)



“ANNEXURE – B”

**DISCLOSURE FORM
IN TERMS OF SECTIONS 96 AND 131 OF THE SECURITIES ACT, 2015**

Name of Company:	Mughal Iron & Steel Industries Limited
Date of Report:	January 15, 2018
Contact information:	Muhammad Fahad Hafeez Company secretary 31-A Shadman 1, Lahore Contact No. 042-35960841 (133) Fax No. 042-35960846 Email: fahadhafiez@mughalsteel.com

Disclosure of inside information by listed company

Public disclosure of inside information, which directly concerns the listed securities:

1. In compliance with PSX letter no. PSX/C-1150-2006, clause 21 of Annexure- 1 "Documents/Information required for issue of right shares", and sub-clause (ix) of Rule 5 of the Companies (Issue of Capital) Rules, 1996, we are pleased to present the project progress report as of and for the quarter ended December 31, 2017. The report is attached herewith as **“ANNEXURE-A”**.

SIGNATURES

In case of company pursuant to the requirements of the securities Exchange Ordinance 1969 (XVII), the Company has duly caused this form / statement to be signed / on its behalf by the undersigned hereunto duly authorized.



Muhammad Fahad Hafeez
(Company Secretary)



Dated: January 15, 2018