



## Mughal Energy Limited

### INFORMATION MEMORANDUM

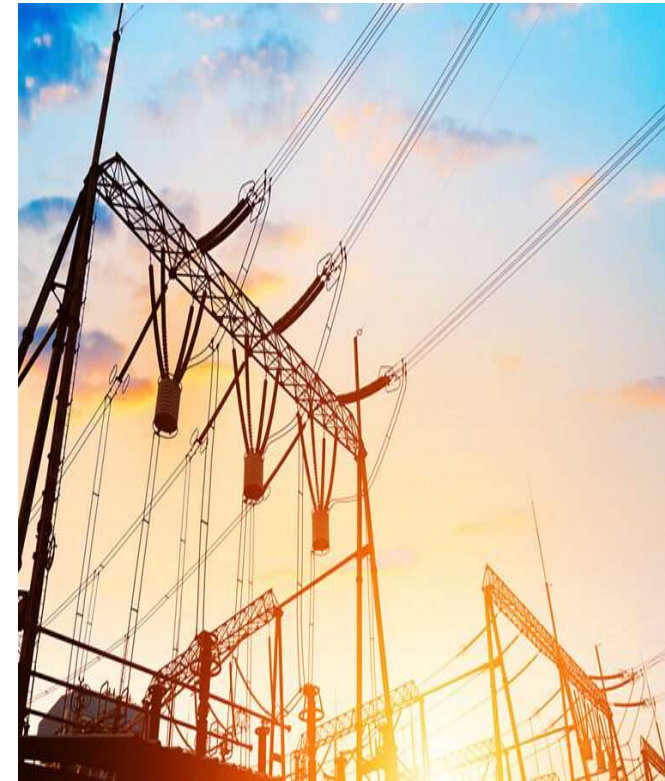
**Initial Offer to the Accredited Investors for Listing on Growth Enterprise Market Board (GEM) of Pakistan Stock Exchange (PSX) under Chapter 5A of PSX Regulations: Regulations governing Listing and Trading of Equity Securities on Growth Enterprise Market.**

**Name of the Issuer** : **Mughal Energy Limited**  
Registered office : 31-A Shadman-1, Lahore  
Web Site : <https://mughalenergy.com.pk>

**Accredited Investors are hereby informed that this Fixed Price issue is fully underwritten.**

**Rating of the Entity : The Pakistan Credit Rating Agency Limited**

Dissemination Date	Long Term rating	Short Term Rating	Outlook	Action
December 01, 2023	A	A2	Stable	Maintain
December 01, 2022	A	A2	Stable	Initial





this is a **green field project** and no business activity is generated yet



## Disclaimer

- This is not a Prospectus for issue of shares to the general public, but a document prepared for the purpose of offering shares only to Accredited Investors. This Information Memorandum ("IM") has not been approved by the Securities & Exchange Commission of Pakistan (the Commission) or the Pakistan Stock Exchange Limited (the Exchange).
- The Growth Enterprise Market (GEM) Board at the Pakistan Stock Exchange (PSX) is designed primarily for Growth Companies. Growth Companies are comparatively exposed to higher investment risk including liquidity risk as compared to the companies listed at the Main Board. The prospective investor should, therefore, be aware of the risk of investing in such companies and should make the decision to invest only after careful diligence of the issue and consideration. It is advisable to consult an independent investment advisor before making investment in equity of the Issuer.
- The Board of Directors of Mughal Energy Limited (MEL or the "Company") accepts responsibility for accuracy of the information contained in this document.
- This Information Memorandum describes and summarizes the key highlights of Mughal Energy Limited and it is being provided to the prospective investors who may be interested in participating in the Initial Offering ("Transaction") by MEL.
- **LSE Capital Limited** (Advisor to the Issue) has been authorized by MEL to provide this IM to Accredited Investors, as stipulated by Chapter 5A of the PSX Rule Book with associated guidance, wishing to participate in this Transaction, and to assist them in assessing the proposed Transaction. Prospective investors should conduct their own independent investigation, due diligence and analysis, including legal and tax advice, if required, before taking any decision with regard to this Transaction.
- All information pertaining to this Transaction and contained in this Information Memorandum has been obtained from MEL and other publicly available sources. The information contained in this IM has been reviewed and agreed upon by the Company. Advisor to the Issue believe that the information stated herein is accurate and complete. However, nothing contained in this IM should be considered a promise, confirmation, or representation by the Advisor to the Issue as to the future, or an indication that there has been no change in the state of affairs of the Company since the date of this IM.
- This IM does not constitute a Prospectus or an offer to the public by the Advisor to the Issue, and is being provided on a strictly and permanently confidential basis, solely for the purpose stated above and for no other purpose. It must not be copied, reproduced, or distributed in any shape or form to others without prior approval of the Advisor to the Issue.



# The Transaction

<b>Issuer</b>	<b>Mughal Energy Limited (“MEL” or the “Company”)</b>
<b>Date of Incorporation</b>	The Company was incorporated as a Public Limited Company in Pakistan on August 29, 2012, as Mughal Star Energy Limited. The name was changed to Mughal Energy Limited on April 24, 2014
<b>Registration Number</b>	0080938
<b>Address of the Issuer</b>	Registered Office - 31-A Shadman-1, Lahore Plant site - 17 KM, Sheikhpura Road, Lahore
<b>Web site</b>	<a href="https://mughalenergy.com.pk">https://mughalenergy.com.pk</a>
<b>Transaction</b>	Initial Offering through issue of ordinary shares on <b>GEM Board</b>
<b>Type of Share &amp; Face Value</b>	Ordinary shares of face value of PKR 10.00 per ordinary share
<b>Transaction Size</b>	Total Issue Size: <b>19,411,000</b> ordinary shares (10% of Post-Issue Paid-Up Capital)
<b>Offering Structure</b>	The entire issue will be offered through <b>Fixed Price Mechanism</b> at a Fixed Price of <b>PKR 16.74 per share</b> (including premium of PKR 6.74 per share)
<b>Total Amount to be Raised</b>	<b>PKR 324,940,140</b>
<b>Advisor to the Issue</b>	<b>LSE Capital Limited</b>
<b>Banker to the Issue</b>	<b>Faysal Bank Limited</b>
<b>Underwriter</b>	This issue is fully underwritten by <b>Dawood Equities Limited</b>
<b>Subscription Dates</b>	June 03, 2024 to June 04, 2024 (both days inclusive) from 09:00 am to 05:00 pm

	<b>Share Capital</b>	<b>Share Premium</b>	<b>Total Proceeds</b>
	<b>PKR</b>	<b>PKR</b>	<b>PKR</b>
<b>Issue Size</b>	<b>194,110,000</b>	<b>130,830,140</b>	<b>324,940,140</b>
<b>Utilization of Proceeds</b>			
Repayment of Directors' Loan		304,940,140	
Working Capital (to meet the running expenses)		20,000,000	
<b>Total</b>		<b>324,940,140</b>	

**The main purpose of the listing is the repayment of sponsors' loan and compliance to the Code of Corporate Governance applicable to listing companies and to prepare the company for listing on the main Trading Board of PSX in the near future.**

	Loan from Directors / Shareholders		
	Outstanding Balance PKR in 000	Repayment of Loan PKR in 000	Remaining Balance PKR in 000
Mr. Khurram Javaid	605		605
Mr. Fahad Javaid	498		498
Mr. Fazeel Bin Tariq	272		272
Mr. Jamshed Iqbal	500,391	304,940	195,450
Muhammad Mubeen Tariq Mughal	28,215		28,215
Mr. Mirza Javaid Iqbal	463		463
Muhammad Mateen Jamshed	1,397		1,397
	531,841	304,940	226,900

### Repayment of Directors' Loan

It is interest free unsecured loan payable by the Company at its discretion (therefore, in the Statement of Financial Position, this loan has been recognized as part of the equity). Loan is provided for capital expenditures/ working capital requirement. **Repayment of the loan (PKR 304.940 million) shall be made soon after release of funds and remaining outstanding loan will be payable by the Company at its discretion.**

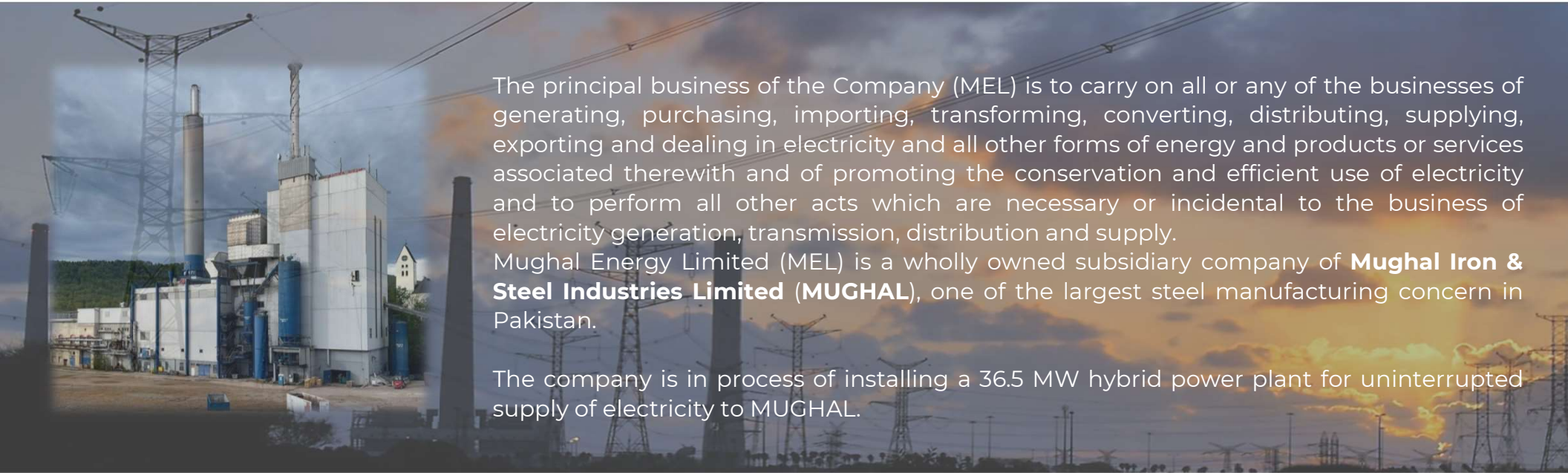


## The Issue

<b>Authorized Share Capital</b>	Nos.	<b>250,000,000</b>
<b>Shares Outstanding before Initial Offer</b>	Nos.	<b>174,692,187</b>
<b>Initial Offer to the Accredited Investors</b>	Nos.	<b>19,411,000</b>
<b>Post Issued Capital</b>	Nos.	<b>194,103,187</b>
<b>Issue Price</b>	PKR/Share	<b>16.74</b>
<b>Share Premium</b>	PKR/Share	<b>6.74</b>
<b>Face / Par Value</b>	PKR/Share	<b>10.00</b>
<b>Issue Size</b>	PKR	<b>324,940,140</b>
<b>Amount of the Issue underwritten</b>	PKR	<b>324,940,140</b>



## Company Overview



The principal business of the Company (MEL) is to carry on all or any of the businesses of generating, purchasing, importing, transforming, converting, distributing, supplying, exporting and dealing in electricity and all other forms of energy and products or services associated therewith and of promoting the conservation and efficient use of electricity and to perform all other acts which are necessary or incidental to the business of electricity generation, transmission, distribution and supply.

Mughal Energy Limited (MEL) is a wholly owned subsidiary company of **Mughal Iron & Steel Industries Limited (MUGHAL)**, one of the largest steel manufacturing concern in Pakistan.

The company is in process of installing a 36.5 MW hybrid power plant for uninterrupted supply of electricity to MUGHAL.

The geographical locations and addresses of the Company's business units including plant are as follows:

**Business unit:**

- Registered office
- Plant site

**Geographical Location / Address:**

31-A Shadman-1, Lahore.  
17 KM, Sheikhpura Road, Lahore.

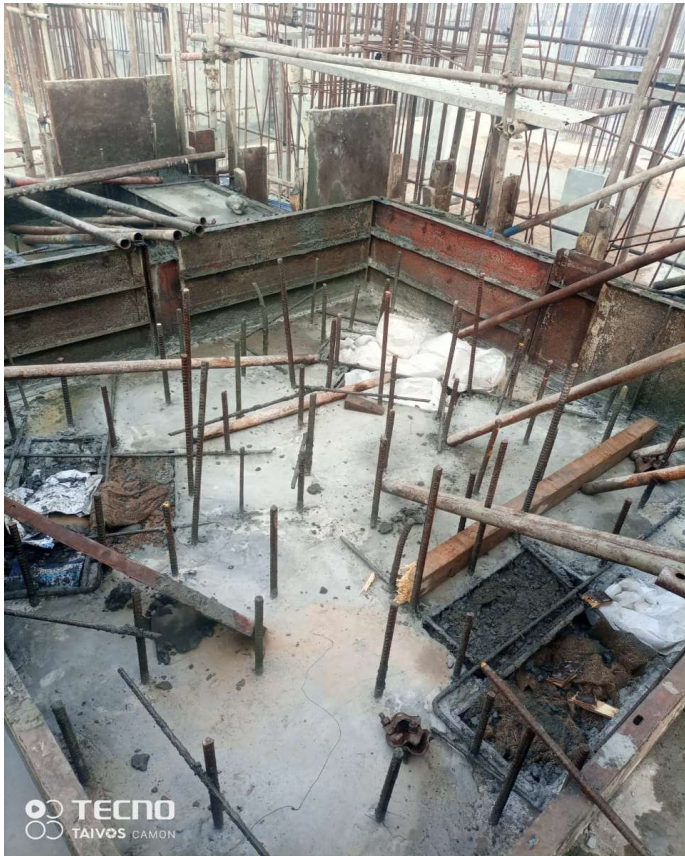
## The Project

**MUGHAL** is one of the largest steel manufacturing concern in Pakistan. MUGHAL has an estimated electricity load requirement of at least 100 MW at its peak load capacity, for which it is dependent on Lahore Electric Power Supply Company (LESCO) as a main power source. **MEL** is in a process of installing a hybrid power plant with a gross capacity of 36.50 MW. Electricity would be priced at cost-plus pricing model; it is expected to be at a discounted rate than what is being charged by WAPDA to **MUGHAL**.

Gross Capacity in Megawatt (MW)	Net Capacity in Megawatt (MW)	Fuel Type
36.50	32.85	Mix of indigenous and imported Coal, and Bark
Turbine Manufacturer	Boiler Manufacturer	Useful Life
Siemens, TGM Kanis	Sulzur/Stern Muller	20 years

- The electricity produced will be sold to **MUGHAL**. The site of the project is located next to the existing manufacturing facility of **MUGHAL**, therefore no wheeling arrangements will be needed. Since this is captive power project where electricity produced will be used indigenously thus information pertaining to the industry, key market players etc. is not relevant/ applicable.
- MEL** had signed equipment purchase agreement with RWV GmbH, Deggendorf, Germany, also referred as 'Karl Group' on April 14, 2021. The contract entailed sale and purchase of inoperative hybrid power plant located in Germany which was subsequently dismantled from the property, referred to as H-Power plant. The plant had initially been installed in 1983 and has been inoperative since 2011 post refurbishment. MEL was responsible for dismantling, loading, freight and transport of the power plant equipment to the loading port. Currently the plant is at site.
- All relevant regulations such as Technical Rules for Hazardous Substances (TRHS) and technical rules applicable to the dismantling work was compiled by the company and its agent.
- The company appointed shipping company namely 7 Worldwide Logistics GmbH, Bermen for transportation of the equipment.
- Regarding EPC, since procurement has already been done, therefore, only civil, construction, erection (Mechanical & Electric) and detailed engineering work is pending.

Task	Contractor	Status
Civil Design	M/s Civil & Urban Engineering (Private) Limited.	Completed
Mechanical / Engineering Design	M/s Proactive Engineering Solutions (Private) Limited	Completed
Civil construction	M/s Izhar Construction (Private) Limited	Agreement is signed and work under progress
Engineering	M/s Izhar Engineering (Private) Limited.	Agreement is under finalization stage (but work in under progress)



- **Environmental Protection Authority (EPA)** under the Government of the Punjab has reviewed the Initial Environmental Examination (IEE) Report and has accorded the requisite Environmental Approval under Section 12 of Punjab Environmental Protection Act, 1997 for construction / installation of the Project (vide their letter no. DD(EIA)/EPA/F-834(IEE)/1601/2018/326 dated May 10, 2019.
- **Basic Raw Material to be used**
  - As mentioned earlier, mix of indigenous and imported Coal, and Bark shall be used to generate steam required to produce the electricity. Coal can be imported from South Africa, Indonesia or Afghanistan. Local coal is also available particularly from Baluchistan. Requisite treatment shall be made to treat Sulphur element. The site for the power plant construction is nearby the Mughal Steel Industry site. The existing infrastructure available for the MUGHAL operation is available for the new power plant — roads, electricity grid. The capacity of the basic existing infrastructure will be sufficient for the new 36.50 MW power plant operation. It is estimated that Annual Feedstock Requirement (i.e. Consumption of Coal per year) will be approximately 100,000 MT. It is expected that production will be started in December 2024, thus, letter of credit will be established (expected date) in September 2024 and accordingly raw material sourcing (vendor selection) will be finalized by end of August 2024.
- **Ancillary Equipment**
  - The plant comprising of boiler, turbine and structure has already been imported and is available at site. However, certain further ancillary equipment related to electrification and treatment / condensation of water is required to be imported which is under process of import.

# The Project

## Timelines

Total duration of civil work, MIP, testing and CoD is fourteen (14) months. There are three phases;

<b>Phase - I Civil work</b>	Twelve (12) months
<b>Phase - II Mechanical, Installation, Piping</b>	Nine (9) months
<b>Phase - III Testing, Cold commissioning, Trial</b>	Three (3) months

- Phase - I commenced in November 2023.
- Phase - II commenced in 4<sup>th</sup> month of Phase - I, whereas, Phase - III is overlapping period with Phase - II.
- Therefore, it will take total **fourteen (14)** months in total starting from November 2023 and ending in December 2024 to achieve CoD (Commercial Operation Date).

1	2	3	4	5	6	7	8	9	10	11	12	13	14

	Phase I
	Phase II
	Phase III

## Land and Title

**57.210 acres of free-hold land has been acquired by MEL.**

Date of Purchase	Land Area in acres
24-02-14	18.19
14-10-14	7.50
01-01-15	9.85
13-04-16	2.00
20-11-19	10.00
20-11-19	3.67
04-06-21	6.00
	<b>57.21</b>

## Detail of Contracts

Contractor	Task	Phase	Status
M/s Civil & Urban Engineering (Private) Limited.	<b>Civil Design</b>	Pre-Phase-1	Completed
M/s Proactive Engineering Solutions (Private) Limited	<b>Mechanical / Engineering Design</b>	Pre-Phase-1	Completed
M/s Izhar Construction (Private) Limited	<b>Civil construction</b>	Phase-1	Under Process
M/s Izhar Engineering (Private) Limited.	<b>Engineering</b>	Phase-2	Under Process
Internal Team with M/s Izhar Engineering (Private) Limited.	<b>Testing / Trial</b>	Phase-3	Yet to be Started



## Land & Building



Freehold land (operating) and freehold land (given on operating lease), have been measured using the revaluation model. Revaluation was conducted on June 30, 2023 and performed by an independent valuer - M/s Tristar International Consultant (Private) Limited, having appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. Revaluation was carried out on the basis of information from various real estate agents of present market values of similar property in the vicinity. If the cost model had been used, the carrying amount of the freehold land (operating) and freehold land (given on operating lease) would have been **Rs. 467.915** million and **Rs. 41.185** million respectively. The revalued amounts include a total revaluation surplus of 1,064.174 million, which is not available for distribution to the shareholders. The forced sale value of revalued land (both operating and given on operating lease) was **Rs. 1,337.283** million as per Revaluation report.

Nature of Land/ Building	Area in Acres	Building Area in Sqft
<b>Freehold land situated at 17 KM, Sheikhpura Road, Lahore</b>	51.21	416,000 (APPROX)
<b>Freehold land given on short term lease*</b>	6.00	Not applicable

**\* given under short-term operating lease to Indus Steel Mills Corporation (Private) Limited. The said land is not in the possession and control of the Company.**

Financial Arrangements	Rs. in million
PAIR Investment Company Limited	<b>300</b> Availed
MCB Islamic Bank Limited	<b>400</b> Firm Commitment Received
The Bank of Punjab	<b>500</b> Under Process
Pak Libya Holding Company (Private) Limited	<b>700</b> Firm Commitment Received
Sukuk	<b>2,000</b> Under Process

### Project Cost and Financing

		PKR in million
<b>Total Project Cost</b>		<b>6,500</b>
Equity	37.00%	2,400
Debt	63.00%	4,100
<b>Utilization and Funding as on December 31, 2023</b>		
		<b>December 31, 2023</b>
		<b>PKR in million</b>
Free-hold Land		468
Assets subject to operating lease - freehold land		44
Capital work-in-progress		1,827
Working Capital		360
		<b>2,700</b>
<b>Financed Through</b>		
Equity		1,868
Sponsors' Loan		532
Debt		300
		<b>2,700</b>
		<b>PKR in million</b>
<b>Further Capital Expenditures/ Working Capital</b>		<b>3,800</b>
Total Project Cost		6,500
Financed Through		
Equity		2,173
Sponsors' Loan		227
Debt		4,100
		<b>6,500</b>
<b>Incremental Debt that is being arranged</b>		<b>3,800</b>

## Cost incurred and remaining cost to be incurred

	Total Project Cost	Till December 31, 2023	Remaining	
	PKR in million	PKR in million	PKR in million	%
Land (excluding revaluation surplus)	513	513	-	0%
Building and related Civil work	2,300	227	2,073	31.89%
Plant and Machinery and others	2,987	1,600	1,387	21.34%
Others	700	360	340	05.23%
	<b>6,500</b>	<b>2,700</b>	<b>3,800</b>	<b>58.46%</b>

•Currently O&M contract has not been awarded and will be finalized at a later stage. However, evaluations of the contractors are underway.

### Capital Structure

	Nominal Value	June 30, 2021	June 30, 2022	June 30, 2023	December 31, 2023
	PKR/share	Nos.	Nos.	Nos.	Nos.
Authorized Share Capital	10.00	100,000,000	100,000,000	250,000,000	250,000,000
- Ordinary shares	10.00	100,000,000	100,000,000	200,000,000	200,000,000
- Series-A Preference Shares	10.00	-	-	27,429,945	27,429,945
- Class-B Shares	10.00	-	-	22,570,055	22,570,055

### Dividend and Bonus Paid in the preceding years

		June 30, 2021	June 30, 2022	June 30, 2023	December 31, 2023
Dividend	PKR/share	Nil	Nil	Nil	Nil
Bonus Share	%	Nil	Nil	Nil	Nil

# Shares

## Shares Issued in the Previous Years

	Issued Price	June 30, 2021	June 30, 2022	June 30, 2023	December 31, 2023
	PKR/share	Nos.	Nos.	Nos.	Nos.
<b>Issued, subscribed and paid-up capital issued against Cash Consideration</b>					
- Ordinary shares	10.00	45,140,100	-	129,552,087	-
- Series-A Preference Shares	10.00	-	-	-	-
- Class-B Shares	10.00	-	-	22,570,055	-

### Ordinary share

• Ordinary Shares carry one vote per share and are entitled to dividend declared by the Board of Directors of the Company from time to time.

### Class-B Share

• Class-B Ordinary Shares carry 100 votes per share, however, they are not entitled to any dividend declared by the Board of Directors of the Company from time to time, nor are they convertible into ordinary shares.

### Series-A Preference Shares

• Voting rights and preferences are not yet decided by the shareholders of the Company

### Voting Rights and No. of Shares

No. of shares

No. of voting rights

### Ordinary shares

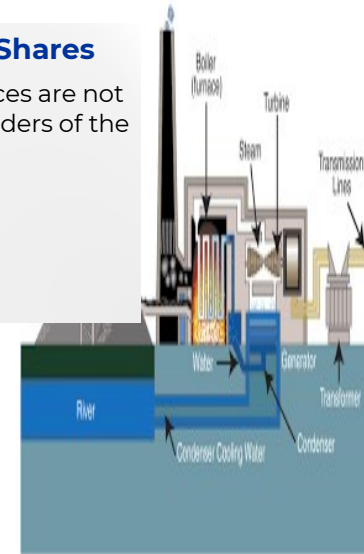
174,692,187

174,692,187

### Class-B Shares

22,570,055

2,257,005,500



## Pattern of Shareholding

	June 30, 2021	June 30, 2022	June 30, 2023	December 31, 2023
<b>- Ordinary shares</b>				
Mr. Khurram Javaid	7,538,033	7,538,033	67,538,033	1
Mr. Mirza Javed Iqbal	10,000	10,000	10,000	-
Mr. Fahad Javaid	7,498,000	7,498,000	68,521,418	-
Mr. Jamshed Iqbal	15,048,033	15,047,033	15,047,033	1
Mr. Muhammad Mateen Jamshed	-	1,000	1,000	-
Mr. Muhammad Mubeen Tariq Mughal	16,700	16,700	8,545,369	-
Mr. Fazeel Bin Tariq	7,531,334	7,531,334	7,531,334	1
Mr. Muhammad Waleed Bin Tariq	7,498,000	7,498,000	7,498,000	-
Mughal Iron & Steel Industries Limited	-	-	-	174,692,184
	<b>45,140,100</b>	<b>45,140,100</b>	<b>174,692,187</b>	<b>174,692,187</b>
<b>- Class-B Shares</b>				
Mr. Khurram Javaid	-	-	3,769,017	-
Mr. Mirza Javed Iqbal	-	-	5,000	-
Mr. Fahad Javaid	-	-	3,749,001	-
Mr. Jamshed Iqbal	-	-	7,523,518	-
Mr. Muhammad Mateen Jamshed	-	-	500	-
Mr. Muhammad Mubeen Tariq Mughal	-	-	8,350	-
Mr. Fazeel Bin Tariq	-	-	3,765,668	-
Mr. Muhammad Waleed Bin Tariq	-	-	3,749,001	-
Mughal Iron & Steel Industries Limited	-	-	-	22,570,055
	-	-	<b>22,570,055</b>	<b>22,570,055</b>

## Miscellaneous

### Profit Distribution Policy

- The Company intends to follow a consistent profit distribution policy for its members, subject to profitability, availability of adequate cash flows, the Board's recommendation and shareholders' approval, where required.
- The rights in respect of capital and dividends attached to each ordinary share on offer are and will rank pari-passu with sponsor shareholders. The Company in its general meeting may declare dividends but no dividend shall exceed the amount recommended by the Board of Directors. Dividend, if declared in the general meeting, shall be paid according to the provisions of the Companies Act 2017.
- The Board of Directors may from time to time declare interim dividends as appear to it to be justified by the profits of the Company. No dividend shall be paid otherwise than out of the profits of the Company for the year or any other undistributed profits.
- No unpaid dividend shall bear interest or mark-up against the Company. The dividends shall be paid within the period laid down in the Companies Act.
- Furthermore, it is stated that there is no restriction on **the Company** by any regulatory authority, creditor, stakeholder etc. on the distribution and capitalization of its profits.

### Rights of Shareholders

- The new ordinary shareholders will have the same rights as the existing ordinary shareholders including the right to vote, dividend etc.
- None of the holders of the Issued shares of the Company have any special or other interest in the property or profits of the Company other than their capacity as holder of Ordinary shares except from the shareholders who are also the Director of the Company or have extended loans to the Company.
- Directors of the Company have interest to the extent of receiving remuneration for their role as Directors, mark-up on loans extended over the period, covered stipulated under predetermined Long Term Loan agreements
- The ordinary shares issued shall rank pari-passu with the existing ordinary shares in all matters of the Company, including the right to such bonus or right issues, and dividend as may be declared by the Company subsequent to the date of issue of such shares.

### **Detail of Charges created in favor of Banks/ Financial Institutions as on March 25, 2024**

<b>Name of Bank / Financial Institution</b>	<b>Amount of Charge PKR</b>	<b>Particulars of Property Charged</b>	<b>Creation of Charge</b>
Pair Investment Company Limited <b>17th Floor Ocean Tower, G-3 Block-9, Main Clifton Road, Karachi</b>	448,591,500	Water Treatment Plant. Condensation Steam, Cooling River Water and Cooling System.	January 30, 2023
<b>Loan amount is PKR 300.00 million and Loan tenor is 7 years (inclusive of 1.5 year grace period) in 22 quarterly unequal installments commencing from 27<sup>th</sup> November 2024 and ending on 27<sup>th</sup> February 2030 and pricing of the loan is 03 month KIBOR +1.5%.</b>			

## Steel Sector Outlook

Since this is captive power project where electricity produced will be used indigenously thus information pertaining to the industry, key market players etc. is not relevant/ applicable. Brief analysis of steel industry (related to Mughal Iron & Steel Industries Limited) is described as under:

Overall steel industry is expected to remain in depressed condition due to tight conditions of foreign exchange, high energy costs, and high cost of financing as this industry is exposed to extensive requirement of working capital.

The **Mughal Steel & Iron Industries Limited (MUGHAL)** is positioned well to tackle the prevailing challenges due to its highly diversified products, market, logistics and capital mix. **MUGHAL** is involved in multidimensional activities from making billets of Mild Steel, Spring Steel, Deformed bar, Re-bar, Cold Twisted Rebar and a huge range of Sections such as I. Beams, L. Sections, C. Section, H. Beam, T. Bar etc. in the downstream industry. The company caters rural, urban, residential, industrial markets both nationwide and internationally. The Company not only supplies locally but has also naturally hedged its import risk by having exports of over 70 billion \$ in the shape of copper products. With a history of over 50 years of excellence to its credit, **MUGHAL** is one of the leading companies of Pakistan in the iron and steel sector.

The company (**MUGHAL**) is the only company in the steel sector which operates its own train network and has two dedicated stations at Karachi and near factory. Further the strategic initiative to install captive power plant to ensure availability of cheap energy will strategically place the company up and above its competitors which will have significant positive impact on its top and bottom line.

Over the years **Mughal** has emerged as a thriving progressive steel enterprise due to its ability to transform itself rapidly to meet the challenges of a highly competitive global economy.

Over the years **Mughal** has emerged as a thriving progressive steel enterprise due to its ability to transform itself rapidly to meet the challenges of a highly competitive global economy. Constant modernization, introduction of state-of-the-art technology and being manned by the highly efficient and dynamic team of employees, has enabled the Company to stay ahead in the industry and successfully meet the expectations of all customers.



## Pricing, Approvals and Miscellaneous

### Transfer Pricing

Power purchase agreement has been signed with Mughal Iron & Steel Industries Limited that gives exclusive right to **MUGHAL** for supply of electricity for 30years (from COD), according to which tariff determination will be on cost plus basis. Special Resolution was passed by the shareholders in their extra-ordinary general meeting held on September 19, 2023. Under the aforementioned agreement, **MUGHAL** has agreed to purchase all of the dispatched and delivered Net Electrical Output of the MEL, against the price (as per price mechanism ) provided for in the Agreement. According to current prices of coal, price of unit of electricity will be around PKR 30~33 per unit (as given in the power purchase agreement and approved by NEPRA).

### Approval from National Electric Power Regulatory Authority (NEPRA)

Generation License No. SGC/1 52/2021 granted by National Electric Power Regulatory Authority (NEPRA) on February 09, 2021 to Mughal Energy Limited (MEL) for its 55.00 MW Coal based Generation Facility pursuant to Section 14(B) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997/Amendment Act, 2018. Expiry date of the license is June 30, 2053. Modification was made in the license on May 25, 2022 to reduce from Gross 55.00 MW to Gross 36.50 MW (Coal based Generation Facility).

### Pending Litigations and Contingent Liabilities

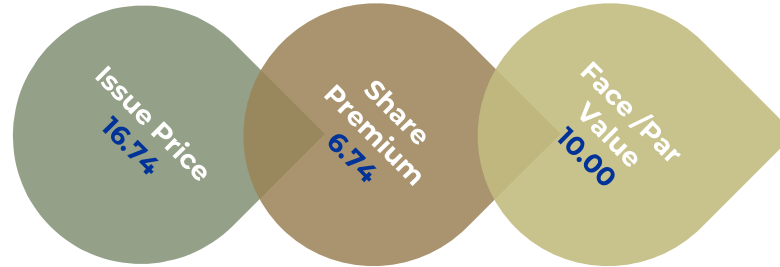
There were no contingencies or pending litigations as at December 31, 2023 other than those disclosed in the financial statements.

### Commitments

Currently, the Company has not established any letter of credits. Only commitments pending are relating to local civil and engineering contract with M/s. Izhar Construction (Pvt.) Limited and M/s. Izhar Engineering (Private) Limited.



## Salient Features of the Issue and Justification for Share Premium



On November 30, 2023, sponsors of the Company (MEL) sold their entire shareholdings to **Mughal Iron & Steel Industries Limited** as per following detail:

	No. of shares	Disposal Price	Disposal Proceeds
		PKR	PKR
<b>Ordinary shares</b>	174,692,187	16.74	2,924,347,210
<b>Class-B Shares</b>	22,570,055	10.00	225,652,790
			<b>3,150,000,000</b>

	No. of shares	Proceeds
Total Size of the Transaction	194,103,187	3,249,287,350
Shares sold by Sponsors to Mughal Iron & Steel Industries Limited	(174,692,187)	(2,924,347,210)
Offer of shares as an additional capital to the Accredited Investors	(19,411,000)	(324,940,140)

- Detail of this disposal shall be furnished by the sponsors of MEL to the National Clearing Company of Pakistan Limited (NCCPL) for computation of capital gains and tax thereon under Section 37A of the Income Tax Ordinance, 2001.
- Disposal Price (by the sponsors) of the above transaction is **PKR 16.74** per ordinary share. Additional shares are being offered at the same price to the accredited investors i.e. PKR 16.74 per ordinary shares (including premium of PKR 6.74 per ordinary share).
- The Company (MEL) is in the process of installing a **36.5MW hybrid captive power plant** that will supply electricity majorly to the Mughal Iron & Steel Industries Limited. The company (MEL) has been granted a generation license by NEPRA of 30 years starting from the Commercial Operation Date (COD). Based on the projected cash-flows, share premium is justifiable. Moreover, Book value of the share is PKR 14.86 per share.
- P/E multiple of energy sector is 3.40 (3 years average)\*. Based on projected EPS (average of next three years) is PKR 8.18 per share , thus projected price of Mughal Energy Limited is PKR 27.81 per share (based on P/E multiple). Thus, offer price (PKR 16.74) is having P/E multiple of 2.05.

\*Source : <https://simplywall.st/markets/pk/energy>

## Salient Features of the Issue

- During the period, it was decided to strategically reposition the company as a publicly GEM listed company on Pakistan Stock Exchange (PSX).
- It was envisioned that the initial GEM listing would create a public profile for the company, which would subsequently help the company to tap larger pool of funds through the main board listing at PSX or the issuance of Sukuk at a later stage.
- Towards the furtherance of the above objective, the company will be offering/listing 10% of the post-issue capital of the company on the GEM Board, under the overall process of listing on the GEM board.
- Both would constitute as parts of the GEM listing process. Accordingly, the financial statements for the half year ending on Dec 31st, 2023, have been audited, for the purpose of enabling the listing of the company's entire issue on the GEM board of PSX.

Ordinary shares of the Company	No. of shares	Disposal Price (PKR/Share)	Proceeds
<b>Initial Offer</b>	19,411,000	16.74	324,940,140
<b>Disposal of shares by Sponsors to Mughal Iron &amp; Steel Industries Limited</b>	174,692,187	16.74	2,924,299,450
	<b>194,103,187</b>		<b>3,249,239,590</b>

### Future Outlook

The plant is expected to be commissioned by December 2024. Local EPC insulates against risk of foreign EPC's travel risk. Further, the off-take risk is mitigated as the long-term power purchase agreement has already been signed with MUGHAL. **MUGHAL** has approved issuance of corporate guarantee of PKR 6bln in favor of banks on behalf of MEL for the purpose of availing financing for a period of 5 years. The Company has assigned local contractors for the civil work, installation, fabrication and testing of the plant at the site which will take approximately 14 months.

The Company initiated the purchase and installation of solar project of 2 MW solar project is also underway which will generate electricity which will be used in-house by MEL.

**MUGHAL** is one of the largest steel manufacturing concerns in Pakistan; therefore, it has extensive power requirements for which it is currently dependent on WAPDA. The Company requires an estimated power requirement of 100 MW at its peak load production capacity. Capacity (of Captive Power Plant) shall be increased gradually by MEL to meet the power requirement of MUGHAL. **Requisite approvals from NEPRA will be taken accordingly for increased power generation.**

## Historical Financial Data

### Statement of Financial Position

	June 30, 2021 PKR	June 30, 2022 PKR	June 30, 2023 PKR	December 31, 2023 PKR
<b>Assets</b>				
Non-current assets				
Property, plant and equipment	799,261,558	1,672,238,889	3,051,497,833	3,403,489,907
Long-term security deposit	-	-	87,500	87,500
<b>Total non-current assets</b>	<b>799,261,558</b>	<b>1,672,238,889</b>	<b>3,051,585,333</b>	<b>3,403,577,407</b>
<b>Current assets</b>				
Advances and other receivables	11,872,440	-	33,258,971	60,966,917
Due from the government	1,510,594	133,524,683	244,621,855	292,429,424
Cash and bank balances	149,003,962	20,617,557	60,941,033	116,377,001
<b>Total current assets</b>	<b>162,386,996</b>	<b>154,142,240</b>	<b>338,821,859</b>	<b>469,773,342</b>
<b>Total assets</b>	<b>961,648,554</b>	<b>1,826,381,129</b>	<b>3,390,407,192</b>	<b>3,873,350,749</b>
<b>Equity and Liabilities</b>				
<b>Share capital and reserves</b>				
<b>Authorized share capital</b>	1,000,000,000	1,000,000,000	2,500,000,000	2,500,000,000
Issued, subscribed and paid-up capital	451,401,000	451,401,000	1,972,622,420	1,972,622,420
Revaluation surplus on land	-	-	1,064,174,125	1,064,174,125
Accumulated loss	(38,859,476)	(48,216,340)	(86,282,493)	(105,040,217)
Equity contribution from Directors / Shareholders	535,281,007	1,412,787,203	130,860,574	531,840,549
<b>Total equity</b>	<b>947,822,531</b>	<b>1,815,971,863</b>	<b>3,081,374,626</b>	<b>3,463,596,877</b>

## Historical Financial Data

### Non-current liabilities

Long-term financing - secured	-	-	300,000,000	292,494,821
<b>Total non-current liabilities</b>	-	-	300,000,000	292,494,821

### Current liabilities

Trade and other payables	13,826,023	10,409,266	2,494,033	103,160,470
Current portion of long term financing	-	-	-	7,505,179
Accrued markup	-	-	6,538,533	6,593,402
<b>Total current liabilities</b>	13,826,023	10,409,266	9,032,566	117,259,051
<b>Total Liabilities</b>	13,826,023	10,409,266	309,032,566	409,753,872

### Total equity and liabilities

	<b>961,648,554</b>	<b>1,826,381,129</b>	<b>3,390,407,192</b>	<b>3,873,350,749</b>
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	June 30, 2021	June 30, 2022	June 30, 2023	December 31, 2023
	PKR	PKR	PKR	PKR
Statement of Profit or Loss Account				(for Six Months)
Revenue	-	-	-	-
Cost of revenue	-	-	-	-
Gross profit / (loss)	-	-	-	-
Administrative expenses	(2,161,453)	(14,966,006)	(33,077,305)	(20,438,404)
Other charges	(75,000)	(75,000)	(105,000)	(75,000)
Other income	-	5,717,853	5,623,232	1,757,484
Finance cost	(14,061)	(33,711)	(6,045)	(1,804)
	(2,250,514)	(9,356,864)	(27,565,118)	(18,757,724)
<b>Loss before taxation</b>	<b>(2,250,514)</b>	<b>(9,356,864)</b>	<b>(27,565,118)</b>	<b>(18,757,724)</b>
Taxation	-	-	-	-
<b>Loss for the year</b>	<b>(2,250,514)</b>	<b>(9,356,864)</b>	<b>(27,565,118)</b>	<b>(18,757,724)</b>

## Financial Data

### Ratio Analysis

	June 30, 2021	June 30, 2022	June 30, 2023	December 31, 2023
<b>Current ratio</b>	11.75	14.81	37.51	4.01
<b>Debt-equity ratio</b>	0.01	0.01	0.10	0.12
<b>Loss per share</b>	(0.05)	(0.21)	(0.57)	(0.39)
<b>Book Value (PKR) per share</b>	9.14	8.93	14.96	14.86*

\*Book value immediately after the Issue will be PKR 15.03

### Projected Financial Statements

**Disclaimer:** The success of any investment depends on many factors some of which may be under the control of the management, but many of which rely on the markets and general business environment. The management of the Company has made these projections on the best estimate basis. However, actual results and outcome may be different due to changed market and business environment and factors beyond the control and anticipation of the management.

\*exempt income under clause 132 of Part 1 of the Second Schedule of the Income Tax Ordinance, 2001.

### Projected Profit or Loss Account

	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027
	PKR	PKR	PKR	PKR
Revenue	-	4,101,711,753	9,310,267,560	9,108,540,420
Cost of sales	-	2,437,683,748	4,918,691,289	4,955,551,203
Gross profit	-	<b>1,664,028,004</b>	<b>4,391,576,271</b>	<b>4,152,989,217</b>
Depreciation	-	93,191,937	186,588,116	183,990,473
Operating Expenses	41,226,059	122,250,000	264,155,000	287,479,650
Insurance Expenses	-	7,649,505	15,082,539	14,872,563
Operating Profit	<b>(41,226,059)</b>	<b>1,440,936,562</b>	<b>3,925,750,615</b>	<b>3,666,646,531</b>
Finance cost	-	(477,850,291)	(821,978,990)	(514,395,678)
Profit after financial charges	<b>(41,226,059)</b>	<b>963,086,272</b>	<b>3,103,771,625</b>	<b>3,152,250,853</b>
Tax*	-	-	-	-
Profit after taxation	(41,226,059)	963,086,272	3,103,771,625	3,152,250,853



## Projected Statement of Financial Position

	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027
	PKR	PKR	PKR	PKR
<b>NON CURRENT ASSETS</b>				
Property plant and equipment	4,128,754,021	7,183,777,993	7,097,189,877	7,013,199,404
	<b>4,128,754,021</b>	<b>7,183,777,993</b>	<b>7,097,189,877</b>	<b>7,013,199,404</b>
<b>CURRENT ASSETS:</b>				
Raw Material Inventory	-	1,055,617,789	1,055,617,789	1,055,617,789
Trade debtors	-	527,808,895	527,808,895	527,808,895
Advances and other receivables	82,170,566	51,271,397	116,378,344	113,856,755
Dues from the government	296,655,295	-	-	-
Cash and Bank Balances	292,027,438	339,258,798	1,154,271,028	1,780,493,999
	<b>670,853,299</b>	<b>1,973,956,878</b>	<b>2,854,076,056</b>	<b>3,477,777,438</b>
<b>Total Assets</b>	<b>4,799,607,320</b>	<b>9,157,734,871</b>	<b>9,951,265,933</b>	<b>10,490,976,842</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY:</b>				
Share capital	2,166,732,420	2,166,732,420	2,166,732,420	2,166,732,420
Revaluation surplus on land	1,064,174,125	1,064,174,125	1,064,174,125	1,064,174,125
Retained earnings	(127,508,551)	835,577,721	2,855,983,136	4,708,194,536
Share premium	130,830,140	130,830,140	130,830,140	130,830,140
Equity contribution from Directors / Shareholders	581,416,595	581,416,595	581,416,595	581,416,595
	<b>3,815,644,729</b>	<b>4,778,731,001</b>	<b>6,799,136,416</b>	<b>8,651,347,816</b>
<b>NON-CURRENT LIABILITIES:</b>				
Security Deposit	-	600,000,000	600,000,000	600,000,000
Long term loan	785,454,545	2,055,468,381	748,011,068	540,553,756
	<b>785,454,545</b>	<b>2,655,468,381</b>	<b>1,348,011,068</b>	<b>1,140,553,756</b>
<b>CURRENT LIABILITIES:</b>				
Others	41,101,071	205,085,588	232,756,689	227,713,511
Current Maturity of Long term Debt	154,545,455	1,254,545,455	1,307,457,313	207,457,313

## Projected Statement of Financial Position - 2

Trade Creditors and Payables	2,861,520	263,904,447	263,904,447	263,904,447
	<b>198,508,046</b>	<b>1,723,535,490</b>	<b>1,804,118,449</b>	<b>699,075,270</b>
<b>Total Equity and Liabilities</b>	<b>4,799,607,320</b>	<b>9,157,734,871</b>	<b>9,951,265,933</b>	<b>10,490,976,842</b>

### Ratio Analysis

		June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027
Current ratio	times	3.38	1.15	1.58	4.97
Debt-equity ratio	times	0.26	0.92	0.46	0.21
EPS	Rs./Share	(0.19)	4.44	14.32	14.55
Book value	Rs./Share	17.61	22.06	31.38	39.93

P/E multiple of energy sector is **3.40** (3 years average)\*. Based on projected EPS (average of next three years) is PKRn8.18, thus projected price of Mughal Energy Limited is PKR 27.81 per share (based on P/E multiple). Thus, offer price (PKR 16.74) is having P/E multiple of 2.05.

\*Source : <https://simplywall.st/markets/pk/energy>

**Provided by MEL management. Actual financial performance of the Company may vary as a result of changing macro-economic conditions, and variations during business activities undertaken.**



## Board of Directors

**MR. MIRZA JAVED IQBAL**  
*Chairman &  
Non – Executive Director*



Mr. Iqbal is a pioneer of the Pakistani steel industry. He challenged and changed the personal and industry mindset, both within and beyond the business framework. He has not only developed new pathways to achieve energy efficiency and economies of scale, but also made remarkable contributions towards technological advancement and effective documentation of the industry. With his visionary leadership and unparalleled expertise, Mr. Iqbal has been the driving force behind the company's success – making the Company reach new heights of growth and expansion.

**MR. KHURRAM JAVAID**  
*Chief Executive Officer*



Mr. Khurram Javaid holds an MBA from the Coventry University, UK and a BSc. from the Lahore School of Economics in Pakistan. He has made substantial contributions to the Company's production capabilities and sales network within the country, ensuring that each is at par with the international standards of the steel industry. He has extensive experience with highly engineered systems, which require deep understanding of critical business drivers in multiple markets and industries; highly successful in building relationships with upper-level decision makers, seizing control of critical problem areas, and delivering on customer commitments. Mr. Javaid is a strong advocate of human resource development, he is the man behind incorporating effective HR planning, policymaking and training which is the corner stone behind the company's success today.

**MR. JAMSHED IQBAL**  
*Non-Executive Director*



Mr. Jamshed Iqbal has over the years played a pivotal role in developing the company's distributional network across Pakistan to ensure that all kinds of geographical requirements are met by the Company's distributional network, a feat that has resulted in expanded growth of the company. Today his vast experience and in-depth knowledge of the steel sector is highly beneficial at the Board Level.

**MR. FAHAD JAVAID**  
*Executive Director*



Mr. Fahad Javaid holds a Bachelor's degree in International Business from Australian National University, Australia.

**MUHAMMAD MATEEN  
JAMSHED**  
*Executive Director*



Mr. Mateen holds a Bachelor's holds Degree in Business Administration from the Lahore School of Economics, Pakistan.

**MUHAMMAD WALEED  
BIN TARIQ MUGHAL**  
*Non-Executive  
Director*



Muhammad Waleed Bin Tariq Mughal is BSc. In Mechanical Engineering from RMIT University Melbourne, Australia and Master in Business Administration (MBA) . He has more than 07 years of experience within the Mughal Group at various positions.

**MUHAMMAD SAYYAM**  
*Non-Executive Director*



Muhammad Sayyam holds bachelor degree Scarsdale International School Lahore.

Compliance to the Listed Companies (Code of Corporate Governance) Regulations, 2019 regarding composition of Board of Directors, committees and other matters shall be made post listing of **MEL at GEM-PSX.**

# Business Risks & Mitigants

- Price Risk** - MEL is in a process of installing a coal fired power plant with a gross capacity of 36.50 MW and coal price remained very vibrant historically particularly from year 2022-2023 and it has been jumped to more than US\$400 per MT in the year 2022. However, this risk is pass through to the MUGHAL but producing electricity from coal (if price surges to US\$ 350~US\$400 per MT) might not be viable for MUGHAL if alternate sources are cheaper as compared to the Coal.



In 2022, a convergence of soaring global coal demand and supply shortages led to exceptionally tight coal markets and unprecedented price levels. There was an overall rise in energy prices after Russia's invasion of Ukraine, while high gas prices in particular drove many countries to switch to coal-fired generation.

Source: <https://www.iea.org/reports/coal-market-update-july-2023/prices>

However, currently, international coal prices ranges from US\$90~US\$110 and producing electricity from coal is relatively much cheaper as compared to other sources of energy (e.g. diesel, HFO/LFO, RLNG, LPG, renewable energy sources etc.)

- Exchange Risk** - Payment of imported coal is based on US Dollar (\$) which remained vibrant since 2018-2023. However, dollar is relatively stabilized since September 2023. However, risk of depreciation of Rupee (PKR) remains there (in light of current inflation, position of foreign exchange reserves, political uncertainty).
- Performance Risk** - Power plant is under construction/installation stage. There can be a risk of delay in commercial operations/production. There is also risk that plant may not perform according to the planned efficiencies.
- Undersubscription Risk** - This issue is fully underwritten by Dawood Equities Limited and if the whole or any part of the shares offered under this section is declined or is not subscribed, the directors may allot such shares in such manner as they may deem fit including allotment of shares to the underwriter.

## Business Risks & Mitigants

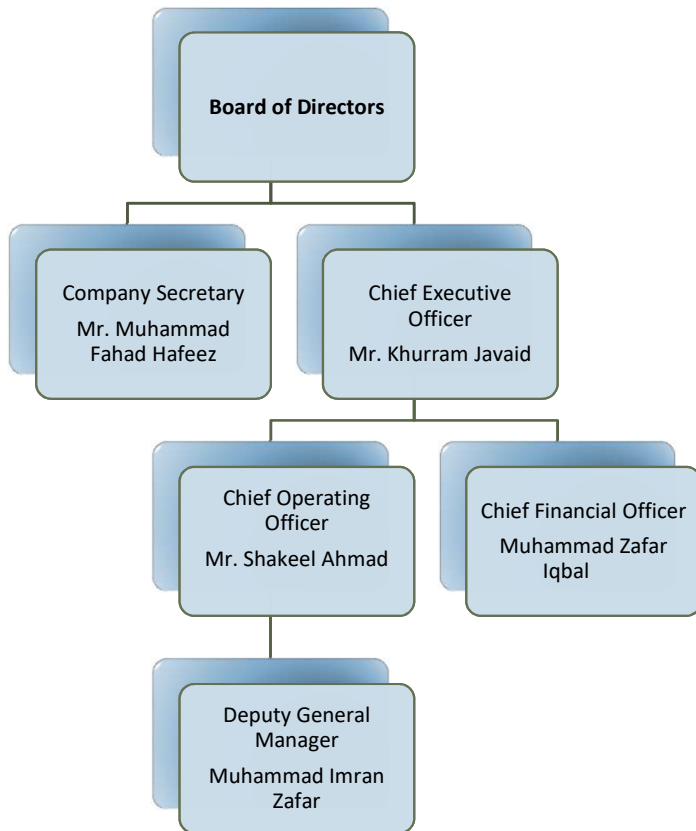
5. **Regulatory Risk** - MEL is going to operate capital power project which comes under ambit of National Electric Power Regulatory Authority (NEPRA) which has granted Generation License. There may be a risk NEPRA may not grant license for its future expansion or regulations are changed that may effect adversely to the Company (MEL).
6. **Project Risk** - Power plant is under construction/installation stage. There can be a risk of delay in commercial operations/production due to many reasons beyond the control of the management of the Company or project costs may be escalated due to inflationary pressure or due to the factors not envisaged or beyond the control of the management of the Company. However, plant and machinery is already imported and construction and other contracts are either awarded or in the finalization stage.
7. **Liquidity Risk** - 63:37 debt equity ratio is assumed for the project. Equity portion is already injected by the sponsors and debt is being arranged based on the KIBOR. KIBOR may be increased further or there might be delay in securing requisite finance when needed. However, most of the commitments from the financial institutions are in place. **However leverage ratio (Debt-Equity Ratio) will not be increased from ONE.**
8. **Customer Risk** - MEL is going to operate captive power plant and its sole sale will be to **MUGHAL**. Under Power Purchase Agreement has been signed with the **MUGHAL** for 30 years. MUGHAL is holding company of MEL and this holding/subsidiary relationship is important for both parties.
9. **Economic Slowdown Risk** - Demand of electricity (output of MEL) is derived demand stemming from the performance of **MUGHAL** and sales/output may be affected due to economic slowdown and political uncertainties.

### Overdue Payments appearing in CIB

Some minor balance are appearing in the CIB of three directors which related to the credit card payments. However, these balances are either paid or in the process of traceability and accordingly will be paid once these are traced. It is further stated that the aforementioned directors have submitted the requisite undertaking and requested for the relaxation for the over dues which is unintentional and without any intention to damage the Law.

	Type of Credit	Overdue Amount in PKR
Mr. Fahad Javed	Credit Card	13,737
Mr. Jamshed Iqbal	Credit Card	22,372
Mr. Mirza Javed Iqbal	Credit Card	10,291

# Organization Structure and Senior Management



**MR. KHURRAM JAVAID**  
*Chief Executive Officer*



Mr. Khurram Javaid holds an MBA from the Coventry University, UK and a BSc. from the Lahore School of Economics in Pakistan. He has made substantial contributions to the Company's production capabilities and sales network within the country, ensuring that each is at par with the international standards of the steel industry. He has extensive experience with highly engineered systems, which require deep understanding of critical business drivers in multiple markets and industries; highly successful in building relationships with upper-level decision makers, seizing control of critical problem areas, and delivering on customer commitments. Mr. Javaid is a strong advocate of human resource development, he is the man behind incorporating effective HR planning, policymaking and training which is the corner stone behind the company's success today.

**MR. M. FAHAD HAFEEZ**  
*Company Secretary & Manager Investor Relations*



Mr. Hafeez brings with him over 15 years of multidimensional experience within the financial and corporate sector. During this period, he has held senior positions in corporate, audit and financial management. Mr. Hafeez is an associate member of the Institute of Chartered Accountants in England & Wales (ICAEW).

**MR. MUHAMMAD ZAFAR IQBAL**  
*Chief Financial Officer*



Mr. Muhammad Zafar Iqbal has been working as the CFO of the Company since its incorporation. He is a Fellow Member of the Institute of Chartered Accountants of Pakistan. He has a vast experience of dealing in accounts, finance, taxation and company law related matters. With over 30 years of experience in leadership positions, he plays an active role in the financial and strategic planning of the Company. Mr. Iqbal is a fellow member of the Institute of Chartered Accountants of Pakistan (ICAP).

**MR. SHAKEEL AHMAD MUGHAL**  
*Chief Operating Officer*



Mr. Shakeel Ahmad has years of practical experience behind him and has been with the Company for more than a decade. He has an M. Phil in Management Sciences and an MBA in Marketing. He is the key element in maintaining the strategic and competitive positioning of the Company in the market through relationship building, in-depth market research and analysis, creating and implementing strategic sales growth initiatives, networking and brand building. He has highly developed leadership skills and is a forerunner who leads with integrity, passion and compassion to attain revenue and profit objectives within the organization.

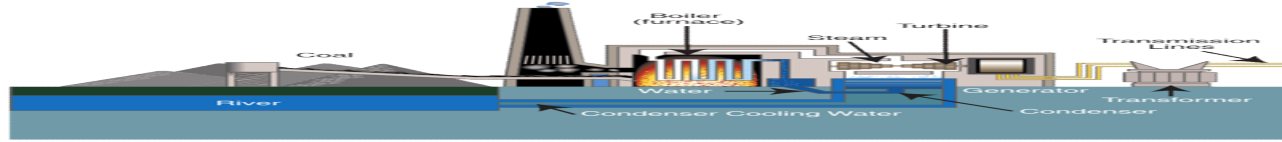
## Associated Companies/Undertakings and Related Party Transactions

Name of Associated Company/Undertaking	Association due to
• <b>Al-Bashir (Private) Limited</b>	Common Directorship
• <b>Mughal Holding (Private) Limited</b>	Common Directorship
• <b>Mughal International Impex (Private) Limited</b>	Common Directorship
• <b>Mughal Iron &amp; Steel Industries Limited</b>	Holding Company
• <b>Mughal Logistics (Private) Limited</b>	Common Directorship
• <b>Mughal Mining &amp; Steel Industries (Private) Limited</b>	Common Directorship
• <b>Mughal Properties (Private) Limited</b>	Common Directorship
• <b>TM Enterprises (Private) Limited</b>	Common Directorship
• <b>Indus Engineering (SMC Private) Limited</b>	Common Directorship
• <b>Indus Steel Mills Corporation (Private) Limited</b>	Common Directorship

The Company ("the reporting entity") in the normal course of business carries out transactions with various related parties ("the entities"). Related parties comprise of entities regarded as related due to common directorship or common management, major shareholders, key management personnel and their close family members ("the relatives"). Major shareholders are those persons having control of or significant influence over the reporting entity. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity, directly or indirectly including Directors (whether executive or otherwise) of the reporting entity.

Name of Associates	Relationship	Type of Transaction	Reporting Date	Amount (PKR)
<b>Mughal Iron &amp; Steel Industries Limited</b>	Holding Company	Commission on Corporate Guarantee	31-12-23	30,000,000
<b>Mughal Iron &amp; Steel Industries Limited</b>	Common Directorship	Commission on Corporate Guarantee	30-06-23	60,000,000
<b>Major shareholders, key management personnel and their relatives</b>	Common Directorship/Sponsors	Equity contribution from Directors disbursement/repayment	31-12-23	400,979,975
<b>Major shareholders, key management personnel and their relatives</b>	Common Directorship/Sponsors	Equity contribution from Directors disbursement/repayment	30-06-23	1,281,926,629
<b>Major shareholders, key management personnel and their relatives</b>	Common Directorship/Sponsors	Rent paid	30-06-23	300,000

The members of the Mughal Iron & Steel Industries Limited have approved issuance of corporate guarantee of Rs. 6,000 million in the favor of the banks on behalf of the Company in the extraordinary general meeting held on April 19, 2021 for the purpose of availing financing for a period of 5 years. The charges related to corporate guarantee have been capitalized.



Sr. #	Suppliers	Detail of Contract	Address	As on June 30,2023	As on Dec 31,2023
01	Corplink (Private) Limited (Mr. Akbar Mughal)	Share Registrar*	Mr. Akbar Wings Arcade, 1-k, Commercial, Model Town, Lahore. (+92 42 35916714)	0.00	16,936.00
02	MELTEK (Mr. Haris Shakeel)	Supplier for Solar Structure	Ground Rohi Nala Tibba Pind Nishter Town, Lahore. (0322 4383878)	0.00	424,800.00
03	Muniff Ziauddin & Co. (Mr. Argam Naveed)	Auditor of the Company	Office# 43 & 44, Third Floor, Sadiq Plaza, Shahrah-e-Quaid-e-Azam, Lahore. (+92 42 36280360)	105,000.00	150,000.00
<b>Total</b>				<b>105,000.00</b>	<b>591,736.00</b>

\*subsequently share registrar is changed to Digital Custodian Company Limited



	Suppliers	Detail of Contract	Address	Contract Value PKR (Million)
01	Izhar Construction (Private) Limited	Civil Construction	Izhar house, 35-Tipu Block, New Garden Town, Lahore.	1,400.00
02	Izhar Engineering (Private) Limited*	Engineering	Izhar house, 35-Tipu Block, New Garden Town, Lahore	600.00
03	Pair Investment Company Limited	Financial Facilities	17 <sup>th</sup> Floor, Ocean Tower, G-3, Block 9, Main Clifton Road, Karachi	448.59
04	MCB Islamic Bank Limited	Financial Facilities	15 Jail Road, Main Gulberg, Lahore	400.00
05	Pak Libya Holdings Company (Private) Limited	Financial Facilities	5 <sup>th</sup> Floor, Block C, Finance & Trade Center, Shahrah-e-Faisal, Karachi	700.00
<b>Total</b>	<b>*Contract under finalization</b>			<b>3,548.59</b>

• **Contracts that are Completed**

	Suppliers	Detail of Contract	Address	Contract Value PKR (Million)
01	Civil & Urban Engineering (Private) Limited	Civil Design	249-A, Auyubia Market, New Muslim Town, Lahore	12.00
02	Proactive Engineering Solutions (Private) Limited	Mechanical / Engineering Design	3 Tulip Street no. 2, Park View, Lahore	100.00

## Fixed Price Mechanism

### Accredited Investors Include:

1. Institutional Investors; and
2. Accredited individual investors registered with NCCPL having assets of at least PKR 5 million

### Subscription Mechanism:

1. A standardized Subscription Form has been prescribed by the Issuer and is available on websites of the issuer and Advisor to the Issue
2. Those Accredited Investors who are interested to participate can submit their forms in person or through their representatives at the designated Bank(s)
3. The Subscription Form can be submitted only during the Subscription Period prescribed by the Issuer. The subscription of shares shall remain open for two (02) working days on **June 03, 2024 and June 04, 2024** between 9:00 AM to 5:00 PM

### Minimum Application Size and Payment Instructions:

1. The amount of a single application shall not be less than 500 Shares
2. Application for shares must be made for 500 shares or in multiple of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
3. Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Application Form.
4. The Company will credit shares in the CDS Accounts of the successful applicants.
5. The pay order/cheque shall be made in favor of Mughal Energy Limited –Subscription Account.

### Close of Subscription Period and Allocation of Shares

1. Upon close of the Subscription Period and in case of oversubscription, the allocation of shares will be made on pro-rata basis.
2. The Issuer will be required to finalize the allocation within three (03) working day of the close of Subscription Period and communicate the same to the Accredited Investors.
3. Any refund (if required) will be made to the Accredited Investors within five (05) working days of the close of Subscription Period.



## Signatures of the Information Memorandum

**Mr. Mirza Javed Iqbal**

Chairman & Non-Executive Director

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**Mr. Khurram Javaid**

Chief Executive & Director

\_\_\_\_\_

**Mr. Jamshed Iqbal**

Executive Director

\_\_\_\_\_

**Mr. Muhammad Waleed Bin Tariq Mughal**

Non-Executive Director

\_\_\_\_\_

**Mr. Muhammad Mateen Jamshed**

Non-Executive Director

\_\_\_\_\_

**Mr. Muhammad Sayyam**

Non-Executive Director

\_\_\_\_\_

**Mr. Fahad Javaid**

Non-Executive Director

\_\_\_\_\_



## Contact Detail



(Advisor/Consultant) to the Issue and Underwriter to the Issue

### LSE Capital Limited

Room No. 508, 19-LSE Plaza,  
Khayaban-e-Aiwan-Iqbal, Lahore

#### Mr. Amir Zia

Head of Corporate  
Advisory

#### Mr. Inamullah

Head of  
Legal Affair

#### Contact:

+92 42 36368000-2

+92 301 7301482

#### - Underwriter to the Issue

#### Dawood Equities Limited

Saima Trade Tower, 17th floor A, I.I Chundrigar Rd, Karachi

