

Ref: MISIL/AGM-2018(1)

October 04, 2018

**The General Manager**

Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi.  
By PUCARS & Courier

**SUBJECT: NOTICE OF ANNUAL GENERAL MEETING**

Dear Sir,

Enclosed please find a copy of the Notice of the Annual General Meeting to be held on October 27, 2018 for circulation amongst the TRE Certificate Holders of the Exchange, before its dispatch to the shareholders.

Further, we are also enclosing herewith copies of the said notice to be published in English and Urdu language as on October 05, 2018 in Business Recorder and Nawa-e-Waqt respectively.

Yours Sincerely,

For **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.

# NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 9th Annual General Meeting of the members of **MUGHAL IRON & STEEL INDUSTRIES LIMITED** will be held on Saturday, October 27, 2018 at 3.00 p.m. at Pearl Continental Hotel, Shahrah-e-Quaid-e-Azam, Lahore to transact the following business:

## Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements of the Company together with the Directors' and Auditor's Reports thereon for the year ended June 30, 2018.
2. To declare final cash dividend @ 22% i.e. Rs. 2.20 per share of Rs. 10/- each for the year ended June 30, 2018, as recommended by the Board of Directors.
3. To appoint Auditors and fix their remuneration.

A notice referred to in sub-section (2) of section 246 of the Companies Act, 2017 is hereby given to the members that, the Board of Directors upon recommendation of the Audit Committee has recommended the name of Fazal Mahmood & Co., Chartered Accountants, the retiring auditors, for re-appointment as external auditors of the Company after obtaining their consent.

## Special Business

4. To ratify and approve transactions entered into by the Company with related parties in its ordinary course of business by passing the following special resolutions:

"RESOLVED that the transactions entered into by the Company in its ordinary course of business with related parties during the year ended June 30, 2018 are hereby ratified and approved."

"FURTHER RESOLVED that the Chief Executive Officer of the Company be and is hereby authorized to execute / approve all the transactions to be carried out in its ordinary course of business with related parties during the ensuing year ending June 30, 2019 and in this connection the Chief Executive Officer be and is hereby also authorized to take any and all necessary actions and sign/execute any and all such documents/indebtedures as may be required in this regard on behalf of the Company."

Statement required under Section 134(3) of the Companies Act, 2017 in respect of Special Business to be transacted at the forthcoming Annual General Meeting is annexed.

(By Order of the Board)

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Muhammad Fahad Hafeez  
Company Secretary

Lahore: October 05, 2018

## NOTES:

### 1. Book Closure

Share transfer books of the Company will remain closed from October 20, 2018 to October 27, 2018 (both days inclusive). Physical transfers / CDS Transaction IDs received in order by the Company's Share Registrar, M/s. THK Associates (Pvt.) Limited, 1st floor, 40-C, Block-6, P.E.C.H.S. Karachi, up to the close of business on October 19, 2018 will be treated in time for the entitlement of payment of final cash dividend and determination of entitlement of the members to attend and vote at the Meeting.

### 2. Participation In General Meeting

Members are requested to bring with them their CNIC / Passport in original. Individual CDC accountholders are further requested to bring with them their Participants' ID Numbers and their Account Numbers to prove their identity at the time of attending the Meeting. In case of corporate entity, the board's resolution/power of attorney with specimen signature of the nominee shall be produced at the time of the Meeting.

A member entitled to attend and vote at this Meeting may appoint any other member as his / her proxy to attend, speak and vote instead of him / her. A member shall not be entitled to appoint more than one proxy. The instrument appointing a proxy must be duly stamped, signed and witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form. Attested copies of the CNIC or the Passport of beneficial owners and the proxy shall be furnished with the proxy form. In case of corporate entity, the board's resolution/power of attorney with specimen signature shall be furnished with the proxy form. Proxies in order to be effective, must be received at the Share Registrar office of the Company, M/s. THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block 6, P.E.C.H.S, Karachi not later than forty eight (48) hours before the time scheduled for the Meeting. The proxy shall produce his/her original CNIC or original Passport at the time of the Meeting. Form of proxy is enclosed.

### 3. Payment Of Dividend Through Electronic Mode

Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders ONLY through electronic mode directly into bank account designated by the entitled shareholders.

Keeping in view the same, members are requested to promptly provide/update their International Bank Account Number ("IBAN") details on the "Electronic Credit Mandate Form" available on the Company's website: [www.mughalsteel.com](http://www.mughalsteel.com) and send it duly signed along with a copy of CNIC to the Company at 31-A, Shadman I, Lahore, in case of physical shareholders.

In case shares are held in book entry form then "Electronic Credit Mandate Form" must be submitted directly to shareholder's broker / participant / CDC account services.

Please note that in case of failure to provide valid IBAN details by the members, the Company will be entitled to withhold payment of dividend in accordance with the relevant provisions of the Companies Act, 2017 and related regulations.

#### 4. General Notes

##### a) Change In Address

Members holding shares in physical form are requested to promptly notify Share Registrar of the Company of any change in their addresses. Shareholders maintaining their shares in electronic form should have their address updated with their participant or CDC Investor Accounts Service.

##### b) CNIC Number

CNIC numbers of members are mandatorily required for dividend distribution. Members are therefore requested to submit a copy of their CNIC (if not already provided) to the Share Registrar. In case of non-receipt of the copy of a valid CNIC, the company would be unable to comply with SRO 831(1)/2012 dated July 05, 2012 of SECP and therefore will be constrained under SECP order dated July 13, 2015 to withhold the payment of dividend of such members. The members while sending CNIC must quote their respective folio number and name of the Company.

##### c) Filer / Non-Filer Status

Pursuant to the provisions of Finance Act 2018, effective 1 July 2018, 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	15%
2	Non - filer of income tax return	20%

Income Tax will be deducted on the basis of Active Tax Payers List posted on the Federal Board of Revenue website. All the members whose names are not entered into the Active Taxpayer List, despite the fact that they are filers, are advised to make sure that their names are entered into the list before the date for payment of the cash dividend otherwise tax on their cash dividend will be deducted @20% instead @15%. The corporate members 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 Company or our Share Registrar. The shareholders while sending NTN or NTN certificates, as the case may be, must quote Company name and their respective folio numbers.

Members seeking exemption from deduction of income tax or those members who 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.

Members who have joint shareholdings held by Filers and Non-filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-filer and tax will be deducted according to his/her shareholding. If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company latest by the Annual General Meeting date.

Folio/CDC A/c No	Name of Shareholder	CNIC	Shareholding	Total Shares	Principal/ Joint Shareholder
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#### 5. Electronic Transmission Of Financial Statements

Section 55 and section 223 of the Companies Act, 2017 provide that audited financial statements and notices of the general meetings may be sent to the members either by post or electronically (through e-mail). We are pleased to offer this facility to our members who desire to receive annual financial statements and notices of general meetings through e-mail in future. In this respect members are hereby requested to convey their consent for the same on a standard request form which is available on the Company's website i.e. [www.mughalsteel.com](http://www.mughalsteel.com). Please ensure that your e-mail has sufficient rights and space available to receive such e-mail which may be larger than 1 MB file in size. Further, it is the responsibility of the members to timely update the Share Registrar of any changes in their registered e-mail addresses. Members who desire to receive a copy of any annual financial statements and notice of general meeting in hard form, may demand a copy, which shall be provided free of cost within seven (07) days.

#### 6. Video-Link Facility

Members can also avail video link facility. In this regard, the members residing in a city and collectively holding at least 10% of the total paid up capital may demand the Company to provide the facility of video-link for participating in the Meeting. The demand for video-link facility shall be received by the Company at the address 31-A, Shadman I, Lahore at least seven (07) days prior to the date of the general meeting on the below mentioned form.

"I/We, \_\_\_\_\_ resident of \_\_\_\_\_, being a member of Mughal Iron & Steel Industries Limited, holder of \_\_\_\_\_ ordinary share(s) as per Registered Folio / CDC No. \_\_\_\_\_ hereby opt for video-link facility at \_\_\_\_\_."

#### 7. Unclaimed Shares / Dividend

Pursuant to Section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company, which remain unclaimed or unpaid for a period of three years from the date it became due and payable shall vest with the Federal Government after compliance of procedures prescribed under the Companies Act, 2017 and related regulations. Accordingly, members are requested to promptly deposit their dividend warrants after re-validation, if already available with them. In case dividend warrants or share certificates have not been received, please contact us at our registered office address.

#### 8. Placement Of Financial Statements

The Company has placed the Audited Annual Financial Statements for the year ended June 30, 2018 along with Directors' and Auditor's Reports thereon on its website: [www.mughalsteel.com](http://www.mughalsteel.com) or scan QR Code.

#### 9. Contact Us

For any query/problem/information, the investors may contact the Company Secretary at +92-42-35960841 and email address [fahadhafiez@mughalsteel.com](mailto:fahadhafiez@mughalsteel.com) and / or THK Associates (Private) Limited at +92-021-111-000-322 and email address [secretariat@thk.com.pk](mailto:secretariat@thk.com.pk).

## STATEMENT OF MATERIAL FACTS AS REQUIRED UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the Special Business listed at agenda item 4, to be transacted at the forthcoming Annual General Meeting of the Company to be held on October 27, 2018.

### Agenda Item No. 4. (a)

During the year, there were transactions entered into by the Company in its ordinary course of business with related parties. Since majority of Company's Directors were directly or indirectly interested in these transactions due to their common directorship and/or holding of shares in the related parties, the quorum of Directors could not be formed for approval of these transactions. In view of the above, these transactions, as detailed below, are being placed before the members for their approval.

Name of related party	Detail of transactions	Rs. in Millions
Mughal Steel Metallurgies Corporation Limited	Raw material purchases	536.307
	Re-rolling sales	32.285
	Rental income	2.400
	Rent paid	0.600
Al-Bashir (Private) Limited	Rent paid	1.440
Indus Engineering (AoP)	Rent paid	0.300
Major shareholders, Directors and their relatives	Transfer from Equity contribution from Directors & their relatives to short-term loans from Directors & their relatives and regard it as repayable at discretion of the lenders.	300.000
	Repayment of short-term loan from Directors and their relatives.	37.082

### Agenda Item No. 4. (b)

It is expected that the Company would be conducting related party transactions in the ordinary course of business in the upcoming financial year as well. The majority of Directors are expected to be interested in these transactions due to their relationships, common directorship and shareholding in these related parties. Therefore, such transactions with related parties would require to be approved by the members. In view of the above and in order to comply with the provisions of clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2017, the members may authorize the Chief Executive Officer to execute / approve transactions to be carried out in ordinary course of business with related parties during the ensuing year ending June 30, 2019.

The Directors are interested in the resolution to the extent of their relationships, common directorships and their respective shareholding in the related parties.

