

MILLAT TRACTORS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 57th Annual General Meeting of Millat Tractors Limited will be held at the Registered Office of the Company at 9 K.M. Sheikhpura Road, Shahdara, Lahore, on Monday October 26, 2020 at 03:30 P.M to transact the following business:

A. Ordinary Business

- To confirm minutes of the 56th Annual General Meeting held on October 25, 2019.
- To receive, consider and adopt the audited accounts of the Company and the Group for the year ended June 30, 2020 together with the Chairman's Review, Directors' and Auditors' Reports thereon.
- To approve final cash dividend of Rs. 30.00 per share i.e., 300% in addition to the interim dividend of Rs. 20.00 per share i.e., 200% already paid making a total cash dividend of Rs. 50.00 per share i.e., 500%.
- To appoint auditors and fix their remuneration for the year ending June 30, 2021.

B. Special Business

- To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2020 by passing the following special resolution with or without modification.
"Resolved that the following transactions conducted with Related Parties for the year ended June 30, 2020 be and are hereby ratified, approved and confirmed."

2020 (AMOUNTS IN RUPEES)					
Particulars	TIPEG INTERTRADE DMCC	MILLAT INDUSTRIAL PRODUCTS LIMITED	BOLAN CASTINGS LIMITED	MILLAT EQUIPMENT LIMITED	Hyundai Nishat Motor (Pvt.) Limited
Purchase of components	304,328,544	177,578,342	1,183,596,800	2,403,831,181	-
Sale of components	650,624,508	39,864	20,958	255,814	-
Services	-	2,204,586	-	4,409,171	1,925,000

- To authorize Chief Executive of the Company to approve transactions with Related Parties for the year ending June 30, 2021 by passing the following special resolution with or without modification.
"Resolved that the Chief Executive of the Company be and is hereby authorized to approve the transactions with Related Parties during the period from July 01, 2020 till the next Annual General Meeting of the Company."
"Resolved further that these transactions shall be placed before the shareholders in the next Annual General Meeting for their ratification/approval."
- To receive, consider, adopt with or without modification the following special resolution for increase in Authorized Capital of the Company.
"RESOLVED that increase in authorized capital of the Company from Rs. 500,000,000/- divided into 50,000,000 ordinary shares of Rs. 10/- each to Rs. 750,000,000/- divided into 75,000,000 ordinary shares of Rs. 10/- each be and is hereby approved.
FURTHER RESOLVED that in Clause V of the Memorandum of Association of the Company, words and figures "Rs.500,000,000/- (Rupees Five Hundred Million) divided into 50,000,000/- (Fifty Million)" be substituted by words and figures "Rs.750,000,000/- (Rupees Seven Hundred Fifty Million) divided into 75,000,000 (Seventy Five Million)" and the words and figures Companies Ordinance, 1984 be substituted by words and figures Companies Act, 2017 .
FURTHER RESOLVED that in Article 5 of the Articles of Association of the Company, words and figures "Rs.500,000,000/- divided into 50,000,000" be substituted by words and figures "Rs.750,000,000/- (Rupees Seven Hundred Fifty Million) divided into 75,000,000 (Seventy Five Million)"
FURTHER RESOLVED that Chief Executive and / or Company Secretary of the Company be and is / are hereby authorized to fulfill all legal, corporate and procedural formalities in this regard and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolutions."

C. ANY OTHER BUSINESS

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

By order of the Board

-SD-
Muhammad Faisal Azeem
Company Secretary

Lahore:
October 03, 2020

NOTES

- The share transfer books of the Company will remain closed from October 20, 2020 to October 26, 2020 (both days inclusive) and no transfer will be accepted during this period. Transfers received, complete in all respect by the Shares Registrar, M/s. Hameed Majeed Associates (Pvt.) Limited, 1st Floor, H.M. House, 7-Bank Square, Lahore by the close of business on October 19, 2020 will be considered in time for the purpose of payment of final cash dividend, and for the purpose of attending and voting at the meeting.
- A member entitled to attend and vote at this meeting may appoint another person as his/her proxy to attend the meeting and vote for him/her. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the meeting.
- Members, who have deposited their shares into Central Depository Company of Pakistan will further have to follow the under mentioned guidelines.
A. Attending of Meeting in Person:
i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration detail are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC)/ 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 be produced at the time of meeting.
B. Appointment of Proxies:
i) In case of individuals, the account holder or sub-account holder and /or the person whose securities are in group account and their registration details are uploaded as per the regulations, 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/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 be submitted along with proxy form to the Company.
- Participation in the Annual General Meeting**
Due to recent outbreak of Covid-19 pandemic, SECP, through its Circular No. 025 of 2020 dated August 31, 2020 read with Circular No. 05 of 2020 dated March 17, 2020, has advised the listed companies to avoid large gathering at one place and consider the provision of video link facility. Accordingly, in the best health interest of our valued shareholders and to ensure maximum participation, the Company has also arranged video link facility for attending this AGM. The shareholders interested in attending AGM through video link are requested to register their following particulars by sending an email at cdcscr@cdcscrsl.com or through Whatsapp# 0321-8200864.

Folio / CDC Account No.	No. of shares held	Name	CNIC	Cell No.	Email Address

The video link and login credentials will be shared with the shareholders whose emails, containing all the requested particulars, are received at the above email address by or before the close of business hours (5:00 P.M.) on October 20, 2020.

5. Video Conference Facility

Without prejudice to the requirements and the arrangements as described in "Note 4" above, keeping in view of the requirements of Section 132 of the Companies Act, 2017 read with 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 Annual General Meeting (AGM) through video conference at least seven days prior to the date of AGM, 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 at least 07 days before AGM.
I / We, _____ of _____ being a member of Millat Tractors Limited, holder of _____ Ordinary Share(s) as per Register Folio No / CDC Account No. _____ hereby opt for video conference facility at _____.

6. E-voting

Pursuant to Companies (Postal Ballot) Regulations, 2018 members may also exercise their right to vote through e-voting. Further in view of SECP's Circular No. 025 of 2020 dated August 31, 2020 read with Circular No. 05 of 2020 dated March 17, 2020 for the purpose of special business proposed in the agenda, members will be able to opt to vote through e-voting. The requirements and procedure continued in aforesaid regulations with respect to e-voting shall also be applicable to the e-voting for the special business.

- Non CDC Shareholders are requested to notify the change of address, if any, immediately and submit, if applicable, the CZ-50 Form (for non deduction of Zakat) to the Registrar of the Company M/s. Hameed Majeed Associates (Pvt.) Limited, 1st Floor, H.M. House, 7-Bank Square, Lahore. All the shareholders holding shares through CDC are requested to update their addresses and Zakat status with their participants. This will assist in prompt receipt of Dividend.

8. Mandatory Submission of CNIC

As per clause 6 of the Companies (Distribution of Dividends) Regulations, 2017 read with Section 242 of the Companies Act, 2017, the company has withheld and in future will also withhold cash dividend payment to shareholders who have not yet provided their valid CNIC number. In case your cash dividend is withheld due to aforesaid reason, you are requested to kindly provide legible copy of your valid CNIC to Company's Share Registrar if you hold shares in physical form or to the respective Participant/Investor Account Services if shares are held in book entry form.

9. 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. Notices of the foregoing seeking information from shareholders for payment of dividend through electronic mode were sent earlier. The shareholders who have not submitted their details are now once again requested to provide their folio number, name and details of bank account consisting of bank name, branch name, branch code, Account number, Title of Account and IBAN in which they desire their dividend to be credited, failing which the Company will be unable to pay the dividend through any other mode. Standard request form has also been placed on website of the Company. The members are requested to send the information on the same at the earliest possible.
In case shares are held in CDC then the form must be submitted directly to shareholder's Participant/CDC Investor Account Services.

10. Deduction of Tax from Dividend Income

As per Income Tax Ordinance, 2001, 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 15.00%
(b) For non-filers of income tax returns 30.00%
To enable the Company to make tax deduction from cash dividend @15.00% instead of 30.00% all the members 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 @ 30.00% instead of 15.00%.
For members holding their shares jointly, as per the 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:

			Principal shareholder		Joint shareholder	
Company Name	Folio/CDS Account#	Total Shares	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. Hameed Majeed Associates (Pvt.) Limited, 1st Floor, H.M. House, 7-Bank Square, Lahore, Phone: 042-37235081-82, e-mail address: shares@hmaconsultants.com Fax: 042-37358817. 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 Company or the Shares Registrar. The shareholders while sending NTN certificates must quote company name and their respective folio numbers.
Valid Tax Exemption Certificate for Exemption from Withholding Tax
A valid tax exemption certificate is necessary for exemption from the deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001. Members who qualify under Income Tax Ordinance, 2001 and wish to seek an exemption must provide a copy of their valid tax exemption certificate to the Shares Registrar prior to the date of book closure otherwise tax will be deducted according to applicable law.

11. E-Dividend Registration

Central Depository Company (CDC) has developed a Centralized Cash Dividend Register (CCDR), an eServices web portal which would incorporate details pertaining to cash dividends paid, unpaid or withheld by company. counter foil of cash dividend showing details of dividend, tax withheld and Zakat deducted etc shall be available electronically via CCDR Web Portal. Shareholders can get the counterfoil and complete information of all cash dividends paid by the company by registering and accessing CCDR Web Portal at following link <https://eservices.cdcaccess.com.pk/public/index.xhtmll>

12. Placement of Accounts on website

The financial statements of the Company for the year ended June 30, 2020 along with reports have been placed at the website of the Company www.millat.com.pk.

13. Transmission of Annual Financial Statements through email

The Securities and Exchange Commission of Pakistan has allowed companies to circulate annual balance sheet, profit & loss account, auditors' and directors' reports along with notice of annual general meeting to its members through e-mail. Members who wish to avail this facility can give their consent.

14. 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. In view of the above the Company has sent its Annual Report-2020 to the shareholders in the form of CD. Any Member can send request for printed copy of the Annual Report-2020 to the Company on standard request form placed on its website.

STATEMENT U/S 134(3) OF THE COMPANIES ACT, 2017

AGENDA ITEM NO.5

Related Party Transactions (RPTS)
(As Per Regulation 5(1) of The Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018

The Related Party Transactions conducted with group companies had to be approved by the Board duly recommended by the Audit Committee periodically pursuant to regulation 15 of the Code of Corporate Governance. However, the majority of Company 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, these transactions have to be approved by the shareholders in General Meeting. It may be noted that principal activity of the company is assembly/manufacture of Agri tractors for which components are procured from approximately 150 vending industries including group companies in the normal course of business. Bolan Castings Limited (BCL) and Millat Equipment Limited (MEL) manufacture intricate tractor components i.e., major tractor castings and gears & shafts etc respectively for which limited sources are available in the country. Millat Industrial Products Limited (MIPL) manufactures tractor batteries while tractors and components are exported through TIPEG INTERTRADE DMCC (TIPEG). In addition, components are imported through TIPEG for in house use by the Company. During the year sale of scrap and swarf etc was also made to BCL for in house consumption.

The commercial reasons for entering into RPTs are the following.

- Availability of state of the art production facilities.
- Advanced Technical Know How.
- Dedicated production facilities.
- Elaborated testing facilities for MTL.
- Smooth supply chain.

The Company has the following equity in the Subsidiary Companies.

TIPEG Inter Trade DMCC	75.00%
Millat Industrial Products Limited	64.09%
Bolan Castings Limited	46.26%
Millat Equipment Limited	45.00%

The common directors and their relatives have the following shareholding in the associated companies.

		TIPEG	MIPL	BCL	MEL
Sr. No.	Name of Director(s)	No. of Shares	No. of Shares	No. of Shares	No. of Shares
1	Mr. Sikandar Mustafa Khan	100	543,750	166,369	1,625,001
2	Mr. Latif Khalid Hashmi	100	362,500	32,270	1,625,001
3	Mr. Sohail Bashir Rana	100	362,500	144,359	1,708,951
4	Mr. Laeeq Uddin Ansari	100	362,500	3,120	2,004,001
5	Mian Muhammad Saleem (Not a Director of BCL)	100	200,000	2,993	600,001
6	Syed Muhammad Irfan Aqueel	-	-	2,500	100,000
7	Mrs. Qurat-ul-Ain (Spouse of Mr. Latif Khalid Hashmi)	-	-	-	3,700
TOTAL		500	1,831,250	351,611	7,666,655
Percentage Of Shareholding		25 %	20 %	3.064%	29.48 %

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 are being placed before the shareholders for final approval/ratification. The information of the Related party transactions as required under Regulation 5(1) of the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 is as under:

Name of related party		TIPEG	MIPL	BCL	MEL	Hyundai Nishat Motor Private Limited
Names of interested or concerned persons or directors		Mr. Sikandar Mustafa Khan Mr. Sohail Bashir Rana Mr. Laeeq Uddin Ansari Mr. Latif Khalid Hashmi Mian Muhammad Saleem(Not a Director of BCL) Syed Muhammad Irfan Aqueel (Director of MEL & BCL only)				Millat Tractors Limited
Nature of relationship, interest or concern along with complete information of financial or other interest or concern of directors, managers or key managerial personnel in related party		Common Directorship: Mr. Sikandar Mustafa Khan Mr. Sohail Bashir Rana Mr. Laeeq Uddin Ansari Mr. Latif Khalid Hashmi Mian Muhammad Saleem (Not a Director of BCL) Syed Muhammad Irfan Aqueel (Director of MEL & BCL only)				Common Directorship: (Mr. Sohail Bashir Rana)
Detail, description, terms and conditions of transactions		1. Purchase of components against Confirmed orders 2. Sale of components against Confirmed orders	1. Purchase of components against Confirmed orders 2. Sale of components against Confirmed orders 3. Services	1. Purchase of components against Confirmed orders 2. Sale of components against Confirmed orders 3. Services	1. Purchase of components against Confirmed orders 2. Sale of components against Confirmed orders 3. Services	1. Services as per agreement
Amount of Transactions	Purchase of components	304,328,544	177,578,342	1,183,596,800	2,403,831,181	-
	Sale of components	650,624,508	39,864	20,958	255,814	-
	Services	-	2,204,586	-	4,409,171	1,925,000
Time frame or duration of the transactions or contracts or arrangements.		01-07-2019 to 30-06-2020	01-07-2019 to 30-06-2020	01-07-2019 to 30-06-2020	01-07-2019 to 30-06-2020	2. As per timeline set in Service Level Agreement
Pricing Policy	Purchase of components	At Mutually Agreed price				N/A
	Sale of components	At Mutually Agreed price				N/A
	Services	As per Agreement				

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

Agenda Item No.6

Authorization to CEO for Related Party Transactions (RPTS)

The Company shall be conducting Related Party Transactions (RPTS) with subsidiary companies during the year ending June 30, 2021 in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship and shareholding in the subsidiary companies. Therefore these transactions with subsidiary companies have to be approved by the shareholders.

In order to ensure smooth supply during the year, the shareholders may authorize the Chief Executive to approve transactions with subsidiary companies on case to case basis for the period from July 01, 2020 to Next AGM. The summary of commercial reasons, nature and scope of RPTs is explained above. However, these transactions shall be placed before the shareholders in the next AGM for their approval/ratification.

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

Agenda Item No.7

Increase in Authorized Capital

Comparative Analysis	
Existing Clause V of Memorandum of Association The Capital of the Company is Rs. 500,000,000/- (Rupees Five Hundred Million) divided into 50,000,000/- (Fifty Million) ordinary shares of Rs. 10/- each. The Company shall have the powers to increase, reduce or reorganise the Capital of the Company and divide shares in the Capital for the time being into several classes in accordance with the provisions of the Companies Ordinance, 1984	Substituted Clause V of Memorandum of Association The Capital of the Company is Rs. 750,000,000/- (Rupees Seven Hundred Fifty Million) divided into 75,000,000/- (Seventy Five Million) ordinary shares of Rs. 10/- each. The Company shall have the powers to increase, reduce or reorganise the Capital of the Company and divide shares in the Capital for the time being into several classes in accordance with the provisions of the Companies Act, 2017.
Existing Article 5 of Articles of Association The Share Capital of the Company is Rs. 500,000,000/- divided into 50,000,000 Ordinary shares of Rs. 10/- each.	Substituted Article 5 of Articles of Association The Share Capital of the Company is Rs.750,000,000/- (Rupees Seven Hundred Fifty Million) divided into 75,000,000/- (Seventy Five Million) Ordinary shares of Rs. 10/- each.

Reasons for change

The Current authorized capital of the company is 50 million and paid up capital is 49.82 million paid up capital. The same is being enhanced in order to have a provision in authorized capital for any future increase in paid up capital of the Company.

Statement by the Board

The aforesaid substitution has been approved by the Board of Directors in their meeting held on September 16, 2020 and is in line with the applicable provisions of the law and regulatory framework.
A copy of the amended Articles of Association is available with the Company Secretary for inspection by the members.



MILLAT TRACTORS LIMITED
9-k.m. Sheikhpura Road, Shahdara, Lahore

اطلاع عام برائے سالانہ اجلاس عام

(*) 2000

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بورڈ آف ڈائریکٹرز کی مورخہ 16 مئی، 2020 کو منعقد ہونے والے اجلاس میں مذکورہ تبدیلی کی

9- کلومیٹر شیخوپورہ روڈ، شاہدرہ، لاہور