

## **Millat Tractors Limited**

### **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that 51<sup>st</sup> 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 Wednesday October 29, 2014 at 4:30 P.M to transact the following business:

#### **A. ORDINARY BUSINESS**

- 1) To confirm minutes of the 50<sup>th</sup> Annual General Meeting held on September 30, 2013.
- 2) To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2014 together with the Directors' and Auditors' Reports thereon.
- 3) To approve final cash dividend of Rs. 20.00 per share i.e., 200% in addition to the interim dividend of Rs. 20.00 per share i.e., 200% already paid making a total cash dividend of Rs. 40.00 per share i.e., 400%.
- 4) To appoint auditors and fix their remuneration for the year ending June 30, 2015.

#### **B. SPECIAL BUSINESS**

- 1) To ratify and approve Related Party Transactions of sale and purchase of goods to/ from associated companies for the years ended June 30, 2013 and 2014 by passing the following resolution:

“Resolved that the following Related Party Transactions of sale and purchase of goods to/ from associated companies for the years ended June 30, 2013 and June 30, 2014 be and are hereby ratified, approved and confirmed.”

NAME(S)	2013		2014	
	PURCHASES	SALES	PURCHASES	SALES
MILLAT EQUIPMENT LIMITED	2,488,433,688	69,488,422	1,804,019,785	27,726,733
BOLAN CASTINGS LIMITED	1,610,137,609	16,929,578	1,001,138,810	28,797,513
MILLAT INDUSTRIAL PRODUCTS LIMITED	179,103,996	15,590	131,463,257	28,221
TIPEG INTERTRADE JLT	-	-	1,804,629	25,312,419
<b>TOTAL</b>	<b>4,277,675,293</b>	<b>86,433,590</b>	<b>2,938,426,481</b>	<b>81,864,886</b>

- 2) To authorize Chief Executive of the Company to approve Related Party Transactions for sale and purchase of goods to/from associated companies for the year ending June 30, 2015 by passing the following resolution with or without modification.

“Resolved that the Chief Executive of the Company be and is hereby authorized to approve the following Related Party Transactions for sale and purchase of goods to/from associated companies from time to time for the year ending June 30, 2015 to the extent mentioned against each company and take any and all actions and sign any and all such documents as may be required in this regard.”

2015

NAME(S)	PURCHASES	SALES
MILLAT EQUIPMENT LIMITED	3,020,771,143	31,885,743
BOLAN CASTINGS LIMITED	2,249,317,372	33,117,140
MILLAT INDUSTRIAL PRODUCTS LIMITED	212,503,500	32,454
TIPEG INTERTRADE JLT	100,000,000	741,867,000
<b>TOTAL</b>	<b>5,582,592,015</b>	<b>806,902,337</b>

### C. ANY OTHER BUSINESS

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

By order of the Board

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Mian Muhammad Saleem  
Company Secretary

Lahore:  
October 01, 2014

### NOTES

1. The share transfer books of the Company will remain closed from October 23, 2014 to October 29, 2014 (both days inclusive) and no transfer will be accepted during this period. The members whose names appear in the Register of Members as at the close of business on October 22, 2014 will qualify for the payment of cash dividend.
2. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend the meeting and vote for him/her. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
3. 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, 1<sup>st</sup> 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.
4. As per Securities and Exchange Commission of Pakistan (SECP) Notification no. 779(I) 2011 dated August 18, 2011 dividend warrants should bear CNIC numbers. All those shareholders holding physical shares who have not submitted their valid CNICs are requested to send a photocopy of their valid CNIC/ National Tax Numbers (NTN) along with the folio numbers to the Company's share registrar. No dividend will be payable unless the CNIC Number is printed on dividend warrants, therefore, please provide the CNIC numbers, failing which the Company will not be responsible if it is not able to pay the dividend.

5. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

**A. 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.
6. Members who have not yet submitted photocopy of their computerized National identity Card (CNIC) to the company are requested to send the same at the earliest.

**STATEMENT U/S 160(1) (b) OF THE COMPANIES ORDINANCE, 1984**

**1) Related Party Transactions(RPTs)**

The transactions with associated Companies for the sale and purchase of goods were being approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to clause (x) of the Code of Corporate Governance, 2012.

The SECP Enforcement Department vide its Order no.EMD/233/450/2002-1668 dated April 29, 2014 held that majority of Company Directors were interested in these transactions due to their common directorship and holding of shares in the Associated Companies, the quorum of

directors could not be formed for approval of these transactions and therefore, these transactions had to be approved by the shareholders in the General Meeting.

It may be noted that 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 JLT (TIPEG). In addition components are imported through TIPEG for in house use by the Company. Sale of components is also made to MEL for onward export to global customers.

During the years 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.

- a. Availability of state of the art production facilities.
- b. Advanced Technical Know How.
- c. Dedicated production facilities.
- d. Elaborated testing facilities for MTL.
- e. To ensure smooth supply chain

The transactions with all related parties are entered into on arm's length basis as per policy approved by the Board.

The Company has the following equity in the associated Companies.

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

The common directors have the following shareholding in the associated companies.

Sr. No.	Name of Director(s)	BCL	MEL	MIPL	TIPEG
		No. of Shares	No. of Shares	No. of Shares	No. of Shares
1	Mr. Sikandar Mustafa Khan	166,369	1,625,001	543,750	100
2	Mr. Latif Khalid Hashmi	332,270	1,625,001	362,500	100
3	Mr. Sohail Bashir Rana	144,359	1,708,951	362,500	100
4	Mr. Laeeq Uddin Ansari	733,120	1,904,001	362,500	100
5	Mian Muhammad Saleem	68,157	600,001	200,000	100
6	Syed Muhammad Irfan Aqueel	-	100,000	-	-
	<b>TOTAL</b>	1,444,275	7,562,955	1,831,250	500
	<b>PERCENTAGE OF SHAREHOLDING</b>	<b>14%</b>	<b>29.088 %</b>	<b>20 %</b>	<b>25 %</b>

Rana Muhammad Siddique was common director during 2012-2013 and held 1,550 shares of Millat Industrial Products Limited.

In compliance of the SECP's advice, the transactions conducted with Associated Companies are being placed before the shareholders for their consideration and approval/ratification.

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

**2) Authorization to CEO For Related Party Transactions(RPTs)**

The Company shall be conducting transactions of sale and purchase of goods with associated companies during the year ending June 30, 2015 in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship and shareholding in the associated companies as held by the SECP. Therefore the future transactions with associated companies have to be approved by the shareholders.

In the light of the SECP order for compliance of clause(x) of the Code of Corporate Governance, 2012, the shareholders may authorize the Chief Executive to approve transactions of sale/purchase of goods with associated companies for the year ending June 30, 2015. The summary of commercial reasons, nature and scope of RPTs is explained under no. 1 above.

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