

MUGHAL IRON & STEEL INDUSTRIES LIMITED

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

Ref: MISIL/AGMI-2016(1)

October 07, 2015

The General Manager

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

SUBJECT: NOTICE OF ANNUAL GENERAL MEETING

Dear Sir,

We are attaching the **NOTICE OF THE ANNUAL GENERAL MEETING** of our Company to be held on October 31, 2016, for circulation amongst the TRE Certificate Holders of the Exchange, before its publication and dispatch to shareholders. The Notice will be published in newspapers and dispatched to the shareholders as per statutory requirement, in due course.

Yours Sincerely,

For **MUGHAL IRON & STEEL INDUSTRIES LIMITED**


MUHAMMAD FAHAD HAFEEZ
(Company Secretary)



CC: The Director (Enforcement Department),
SECP Islamabad
By Courier & Fax: 051-9100440

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 7th Annual General Meeting of the members of MUGHAL IRON & STEEL INDUSTRIES LIMITED ("the Company") will be held on Monday, October 31, 2016 at 3.00 p.m. at Pearl Continental Hotel, Lahore to transact the following business:

ORDINARY BUSINESS

1. To read and confirm minutes of the 6th Annual General Meeting of the members of the Company held on Saturday, October 31, 2015.
2. To receive, consider and adopt the audited financial statements of the Company together with the Directors' and Auditors' Reports thereon for the year ended June 30, 2016.
3. To approve and declare final cash dividend @ 30% (i.e. Rs. 3 per ordinary share of Rs. 10/- each) for the year ended June 30, 2016, as recommended by the Board of Directors.
4. To appoint Auditors of the Company to hold office from conclusion of the Annual General Meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration. The Board of Directors has recommended, as suggested by the Audit Committee, the appointment of M/s. Fazal Mahmood & Co., Chartered Accountants, the retiring auditors, who being eligible, have offered themselves for re-appointment.
5. To elect nine (9) directors of the Company as fixed by the Board of Directors in accordance with the provisions of the Companies Ordinance, 1984 for a term of three (3) years commencing from October 31, 2016. The names of retiring directors are as follows :
 1. Mirza Javaid Iqbal
 2. Syed Salman Ali shah
 3. Muhammad Mubeen Tariq Mughal
 4. Muhammad Mateen Jamshed
 5. Khurram Javaid
 6. Jamshed Iqbal
 7. Fazeel Bin Tariq

SPECIAL BUSINESS

6. To ratify and approve transactions carried out with associated companies in the normal course of the business by passing the following ordinary resolutions:

"RESOLVED that the transactions carried out in normal course of business with associated companies as disclosed in respective notes to the audited financial statements for the year ended June 30, 2016 be and are hereby ratified and approved."

"FURTHER RESOLVED that the Chief Executive Officer of the Company be and is hereby authorized to approve all the transactions to be carried out in normal course of business with associated companies during the ensuing year ending June 30, 2017 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/indentures as may be required in this regard on behalf of the Company."

7. To obtain consent of the shareholders in terms of S.R.O. 470(1)/2016 dated May 31, 2016 issued by Securities and Exchange Commission of Pakistan, to authorize the Company, to circulate its annual audited financial statements together with the Directors' and Auditors' Reports thereon to the shareholders through CD/DVD/USB at their registered addresses by way of passing the following ordinary resolutions:

"RESOLVED that consent & approval of the members of the Company be and is hereby accorded and the Company is authorized to circulate its annual audited financial statements of the Company together with the Directors' and Auditors' Reports thereon to the shareholders through CD/DVD/USB at their registered addresses, instead of transmitting the said accounts in hard copy."

"FURTHER RESOLVED that the Chief Executive and Company Secretary be and are hereby authorized singly to give effect to this resolution and to do or cause to do all acts, deeds and things that may be necessary, ancillary or incidental to implementing the aforesaid resolution."

A statement as required by Section 160(1)(b) of the Companies Ordinance, 1984 in respect of Election of Directors and Special Businesses to be considered at the meeting is being sent to the Members, along with a copy of this notice.

Lahore: October 07, 2016

(By Order of the Board)



Muhammad Fahad Hafeez
Company Secretary

NOTES:

1. Book closure

Share transfer books of the Company will remain closed from October 21, 2016 to October 31, 2016 (both days inclusive). Physical transfers/CDS Transaction IDs received in order by the Company's Share Registrar, M/s. THK Associates (Pvt.) Limited 2nd Floor, State Life Building No. 3, Dr. Ziauddin Road, Karachi, up to the close of business on October 20, 2016 will be treated in time for the above entitlement of cash dividend to the transferees and to determine voting rights of the members for attending the meeting.

2. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her. A Proxy must be a member of the Company. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notary attested copy of the power of attorney must be deposited at the Registered Office of the Company, 31-A, Shadman-I, Lahore at least 48 hours before the time of the meeting. Form of proxy is enclosed.

3. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

a) For attending the meeting

- a. Individual CDC shareholders are requested to bring with them their CNIC / Passport in original along with Participants' ID Numbers and their Account Numbers to prove his/her identity at the time of attending the Meeting.
- b. In case of corporate entity, the Board's resolution/ power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

b) For appointing proxies

- a. In case of individuals, the account holder and/ or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.

- e. In case of corporate entity, the Board's resolution/ power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

4. Election of directors

Every candidate desiring to contest the election of Directors, whether he/she is retiring Director or otherwise, shall file with the Company not later than fourteen (14) days before the date of Annual General Meeting, a notice of his/her intention to offer himself/ herself for election, in terms of section 178(3) of the companies Ordinance, 1984 along with his/her consent to act as Director, in terms of section 184(1) of the Companies Ordinance, 1984.

The candidate shall further comply with the relevant provisions of listing regulations of Pakistan Stock Exchange Limited and file with the Company a detailed profile along with his/her relevant declarations as required under the Code of Corporate Governance, 2012. He/She should also confirm that:

- a. He/She is not ineligible to become Director of the Company under any applicable laws and regulations (including listing regulation of the Stock Exchange).
- b. He/She is not serving as Director in more than seven listed Companies.
- c. Neither he/she nor his/her spouse engaged in the business of brokerage or is a sponsor directors or officer of the corporate brokerage house.

5. Electronic Transmission of Financial Statements.

SECP through its Notification No. SRO. 787(1)/2014, dated September 08, 2014 has allowed companies to circulate Annual Audited Financial Statements along with Notice of Annual General Meeting through email instead of sending the same through post, to those members who desire to avail this facility. The members who desire to opt to receive aforesaid statements and notice of Annual General Meeting through e-mail are requested to provide their written consent on the Standard Request Form enclosed herewith and also available on the Company's website: www.mughalsteel.com.

6. Video conferencing facility

Pursuant to provisions of SECP Circular No. 10 of 2014 dated May 21, 2014, if the Company receives consent from members holding aggregate 10% or more shareholding, residing in geographical location to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

In this regard, please fill the following and submit to registered address of the company, 31-A, Shadman-I, Lahore at least 10 days prior to the date of Annual General Meeting.

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

7. General notes

Shareholders are requested to notify / submit the following, in case of book entry securities in CDS to respective CDS participants and in case of physical shares to the Company's Share Registrar, if not earlier provided / notified:-

- Change in their addresses;
- Valid copies of National Tax Number (NTN), both for individuals & corporate entities. Pursuant to the provisions of Finance Act, 2016 effective 1 July 2016, 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	12.5%
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 @12.5%. 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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- In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged where members can get amount of dividend credited into their respective bank accounts electronically without any delay. In this way, dividends may be instantly credited to respective bank accounts and there are no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc.

The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated April 05, 2013 have advised all Listed Companies to adopt e-dividend mechanism due to the benefits it entails for shareholders. In view of the above, you are hereby encouraged to provide a dividend mandate in favor of e-dividend by providing dividend mandate form duly filled in and signed.

- Members who desire to stop deduction of zakat from their dividend may submit a declaration as per Form (CZ-50) on non-judicial stamp paper duly signed and witnessed as required under the law.
- SECP has directed vide SRO No. 779(1)2011 dated August 18, 2011 to issue dividend warrant only crossed as "A/c Payee only" and should bear the Valid CNIC Number of the registered member. Members, who have not yet submitted photocopy of their valid CNIC are requested to send the same at the earliest directly to the Company's Share Registrar. In case of non-availability of a valid copy of CNIC in the records of the Company, the Company will be constrained to withhold the Dividend Warrant in terms of section 251(2)(a) of the Companies Ordinance 1984, which will be released by the Share Registrar only upon compliance with the aforesaid notifications.

8. Placement of financial statements

The Company has placed the Audited Annual Financial Statements for the year ended June 30, 2016 along

with Auditors' and Directors' Reports thereon on its website: 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(31) and email address fahadhafeez@mughalsteel.com and/or THK Associates (Private) Limited at +92-021-111-000-322.

STATEMENT AS REQUIRED BY SECTION 160(1)(B) OF THE COMPANIES ORDINANCE, 1984 IN RESPECT OF THE ELECTION OF DIRECTORS AND SPECIAL BUSINESSES TO BE CONSIDERED AT THE ANNUAL GENERAL MEETING IS APPENDED BELOW:

This statement sets out the material facts concerning the Election of Directors and Special Businesses listed at agenda items 5 to 7, to be transacted at the forthcoming 7th Annual General Meeting of the Company to be held on October 31, 2016.

Agenda Item No. 5.

Pursuant to the expiry of their current term, nine (9) directors of the Company as fixed by the Board of Directors are required to be elected in accordance with the provisions of the Companies Ordinance, 1984 for a term of three (3) years commencing from October 31, 2016. The names of retiring directors are as follows:

1. Mirza Javaid Iqbal
2. Syed Salman Ali Shah
3. Muhammad Mubeen Tariq Mughal
4. Muhammad Mateen Jamshed
5. Khurram Javaid
6. Jamshed Iqbal
7. Fazeel Bin Tariq

The Directors are interested in the election to the extent of their respective shareholding.

Agenda Item No. 6.

The transactions carried out in normal course of business with associated companies (related parties) were being approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to clause 5.19.6 (b) of the Code of Corporate Governance, 2012. However, during the year, it was pointed out by the Directors that as the 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.

In view of the above, the normal business transactions conducted during the financial year ended June 30, 2016 with associated companies as shown in relevant notes of the Audited Financial Statements are being placed before the shareholders for their consideration and approval/ratification.

It is expected that the Company would be conducting such transactions with associated companies in the normal course of business in the upcoming financial year. The majority of directors are expected to be interested in these transactions due to their common directorship and shareholding in the associated companies. Therefore such transaction with associated companies would require to be approved by the shareholders.

In view of the above and in order to comply with the provisions of clause 5.19.6(b) of the Code of Corporate Governance, 2012, the shareholders are required to authorize the Chief Executive Officer to approve transactions to be carried out in normal course of business with associated companies during the ensuing year ending June 30, 2017.

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

Agenda Item No. 7.

Securities and Exchange Commission of Pakistan has vide S.R.O 470(I)/2016 dated May 31, 2016 allowed the companies to circulate the annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company to its members through CD/DVD/USB subject to consent of the shareholders in the general meeting. This will save time and expenses incurred on printing of the annual report.

The Company shall supply the hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. After approval of the shareholders, the Company will place a "Standard Request" Form on its website to enable the members to communicate their need of hard copies of the documents along with postal and email address of the Company Secretary/Share Registrar to whom such requests shall be made.

Accordingly, the directors have placed the matter before the shareholders for their approval and to pass the ordinary resolution as proposed in the notice of meeting. The Directors are interested in the resolution to the extent of their common directorships and their respective shareholding.