

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 14th Annual General Meeting (the Meeting) of the members of **MUGHAL IRON & STEEL INDUSTRIES LIMITED** (the Company) will be held on Saturday, October 28, 2023 at 11:45 a.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 Chairman's Review Report, the Directors' Report and the Auditors' Reports thereon for the year ended June 30, 2023.
2. To declare final cash dividend @ 32% i.e., Rs. 3.20/- per share of Rs. 10/- each for the year ended June 30, 2023, as recommended by the Board of Directors.
3. To appoint auditors and fix their remuneration for the year ending June 30, 2024.

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 names of M/s. Fazal Mahmood & Company, Chartered Accountants and M/s. Muniif Ziauddin & Company, Chartered Accountants the retiring auditors, for re-appointment as joint external auditors of the Company after obtaining their consent.

SPECIAL BUSINESS

4. To consider and, if deemed fit, to pass with or without modification, the following resolutions as special resolutions with respect to related party transactions in which some or majority of directors are interested:

"**RESOLVED** that the transactions entered into by the Company with related parties during the year ended June 30, 2023 as disclosed in relevant notes to the financial statements in which some or majority of the directors are interested are hereby ratified and confirmed."

"**FURTHER RESOLVED** that the Company be and is hereby authorized to enter into and carry out transactions in its normal course of the business from time to time with related parties during the ensuing year ending June 30, 2024. The members have noted that for the aforesaid transactions some or a majority of the directors may be interested. Notwithstanding the interest of the directors, the members hereby grant an advance authorization to the Board Audit Committee and the Board of Directors of the Company to review and approve all related party transactions based on the recommendation of the Board Audit Committee."

"**FURTHER RESOLVED** that the related party transactions as aforesaid for the period ended June 30, 2024 would subsequently be presented to the members at the next Annual General Meeting for ratification and confirmation."

Statement of material facts as required under section 134(3) of the Companies Act, 2017 is annexed.

Lahore: October 05, 2023

By Order of the Board
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Muhammad Fahad Hafeez
Company Secretary

NOTES:

1. Closure of share transfer books:

The share transfer books of the Company will remain closed from October 19, 2023 to October 28, 2023 (both days inclusive). Physical transfers / Central Depository System (CDS) Transaction IDs received in order by the Company's share registrar, M/s. THK Associates (Private) Limited, 32-C, Jami Commercial Street 2, D.H.A Phase-VII, Karachi, up to the close of business on October 18, 2023, will be considered in time for the entitlement of the members to dividend and to participate and vote at the Meeting.

2. Participation / proxies:

A member of the Company entitled to participate and vote at this Meeting may appoint any other member of the Company as his/her proxy to participate, speak and vote on his/her behalf at the Meeting. A member shall not be entitled to appoint more than one proxy. The instrument appointing a proxy must be properly filled-in/ executed and in order to be valid, must be received at the share registrar office of the Company, not later than forty-eight (48) hours before the time scheduled for the Meeting. Attested copy of Computerized National Identity Card (CNIC)/ Smart National Identity Card (SNIC) of the member appointing the proxy shall be attached with the instrument.

An instrument of proxy applicable for the Meeting is being provided with the notice being sent to members. Further, copies of the instrument of proxy may also be obtained from the registered office of the Company during normal office hours or downloaded from the Company's website: www.mughalsteel.com. A company or a corporation being a member of the Company may appoint a representative through a resolution of its board of directors for attending and voting at the Meeting. Members, who have deposited their shares into Central Depository Company of Pakistan Limited, are further advised to follow the guidelines as laid down by the SECP vide Circular No. 1 of 2000.

Pursuant to section 132(2) of the Companies Act, 2017, if the Company receives a request from members holding an aggregate 10% or more shareholding residing in a city, such members may request a video conferencing facility for the purposes of participating in the Meeting at such a location by sending a request to the Company at least seven (07) days prior to the date of the Meeting, the Company will arrange video conference facility in that city subject to the availability of such facility in that city.

Members are also being provided with the facility to participate in the meeting through electronic means via Zoom video-link. Accordingly, interested members

are requested to get themselves registered by sending their particulars at the designated e-mail address fahadhafeez@mughalsteel.com, giving particulars as per below table latest by the close of business hours (5:00 PM) on October 25, 2023.

Name of Member	CNIC No./ NTN No.	CDC Participant ID/Folio No.	Cell No	Registered email address

Members, who are registered, after the necessary verification, will be provided a Zoom video-link by the Company on the same e-mail address that they e-mail the Company with. The login facility will be provided on the day of the Meeting and will remain open from 11:45AM till the end of the Meeting. Only those members whose names appear in the register of members as of October 18, 2023 will be entitled to participate and vote at the Meeting via Zoom-video link.

3. Dividend:

As per Section 242 of the Companies Act, 2017, it is mandatory for all listed companies to pay cash dividend to its members through electronic mode directly into the bank account designated by the entitled member. Accordingly, members are requested to provide/update their correct International Bank Account Number ("IBAN") details latest by October 18, 2023. In case shares are held in physical form, to the Company's Share Registrar and in case shares are held in CDS then with relevant Participant/CDC account services.

Further, as per SECP directives, the dividend of members, whose valid CNICs are not available with the Share Registrar, shall be withheld.

All members having physical shareholding are therefore advised to submit a photocopy of their valid CNICs immediately, if already not provided, to the Share Registrar, without any further delay and latest by October 18, 2023.

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

Dividend income on shares is liable to deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001. Withholding of tax on dividend is based on 'Active' and 'Non-Active' status of members,

whereby, rate of withholding tax is 15% and 30% respectively. 'Active' means a person whose name appears on the Active Taxpayers List available at e-portal of FBR (<http://www.fbr.gov.pk/>) and 'Non-Active' means a person whose name is not appearing on the Active Taxpayers List. The Company will ascertain the tax status of members as at the first day of book closure and will deduct tax accordingly. 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 latest by October 18, 2023, otherwise tax on their cash dividend will be deducted @30% instead @15%. 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 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 October 18, 2023.

CDC Account Number / Folio	Name of shareholders (Principal / Joint Holders)	Number or percentage of Shares held (Proportion)	CNIC Number	Signature
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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 latest by October 18, 2023.

Please note that the information regarding gross dividend, tax/zakat deduction and net amount of dividend will be provided through the Centralized Cash Dividend Register, therefore, members should register themselves to CDC's eService Portal.

4. Postal ballot facility:

In accordance with the Companies (Postal Ballot) Regulations, 2018, the right to vote through electronic voting facility and voting by post shall be provided to members of the Company for all businesses classified as special business under the Companies Act, 2017 in the manner and subject to conditions contained in the Regulations.

5. General

Members holding shares in physical form are requested to promptly notify Company's share registrar, M/s. THK Associates (Private) Limited of any change in their postal/ email addresses. Members maintaining their shares in CDS should have their address/ email addresses updated with their relevant Participant/CDC account services.

Members who by any reason, could not claim their dividend/shares are advised to contact our shares registrar M/s. THK Associates (Private) Limited to collect / enquire about their unclaimed dividends/shares, if any.

Section 72 of the Companies Act, 2017 requires every company to replace its physical shares with book-entry form within the period to be notified by the SECP. The members having physical shareholding are accordingly encouraged to open their account with investors account services of CDC or sub account with any of the brokers and convert their physical shares in script less form. This will facilitate the shareholders in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

The Company has placed the Audited Annual Financial Statements for the year ended June 30, 2023 along with the Reports thereon on its website: www.mughalsteel.com and the same are also electronically available on PUCARS system of the Pakistan Stock Exchange Limited. and can also be downloaded/viewed from the following QR code and weblink:



<https://www.mughalsteel.com/annual-reports-for-the-last-three-financial-years/?v=steel>.

Any member requiring printed copy of Annual Report 2023 may send a request using a Standard Request Form placed on Company's website which shall be provided free of cost within seven (07) days.

For any query/problem/information, the investors may contact Mr. Zeeshan Ejaz at +92-42-35960841 and e-mail address fahadhafeez@mughalsteel.com and/or THK Associates (Private) Limited at +92-21-35310191-6 and e-mail address sfc@thk.com.pk.

STATEMENT OF MATERIAL FACTS AS 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 APPENDED BELOW:

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 Saturday, October 28, 2023 at 11:45 a.m. at Pearl Continental Hotel, Shahrah-e-Quaid-e-Azam, Lahore.

Agenda Item No. 4.

During the year, there were transactions entered into by the Company with related parties. However, since some or 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. Accordingly, these transactions, as disclosed in the relevant notes to the financial statements along with names, description and amounts, are being placed before the members for their approval/ratification by passing special resolutions as mentioned in the Notice of Annual General Meeting with or without modifications. All related party transactions are carried out at arm's length in accordance with the Company policies and comply with legal requirements and are reviewed periodically by the Board Audit Committee which is chaired by an independent director. Rent expense is in respect of land taken on lease for administrative purposes with agreement for one year, whereas, commission income is in respect of corporate guarantee issued by the Company to banks on behalf of Mughal Energy Limited details of which are given in note. 32 to the financial statements. Following, review by the Board Audit Committee, the said transactions are placed before the Board of Directors for approval.

Further, it is expected that the Company may be conducting related party transactions in the normal course of business in the upcoming financial year as well, wherein, some or majority of directors are expected to be interested in due to their relationships, common directorship and shareholding in these related parties. The members are informed that it is not possible to make estimate of the quantum of related party transactions to be undertaken in the period ending June 30, 2024, which depends on case-to-case basis, however, the Company will present the actual figures for subsequent ratification and confirmation by the members, at the next annual general meeting. Based on the above, approval of the members is also sought to authorize the Company to enter into such transactions with related parties during the ensuing year ending June 30, 2024 and further grant power to the Board to periodically review and approve such transactions based on the recommendation of the Board Audit Committee by passing Special Resolutions as mentioned in the Notice of Annual General Meeting with or without modifications.

The directors who are/may be interested in this subject matter are as follows:

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| 1. Mr. Mirza Javed Iqbal | 2. Mr. Khurram Javaid |
| 3. Mr. Muhammad Mubeen Tariq Mughal | 4. Mr. Fazeel Bin Tariq |
| 5. Mr. Muhammad Mateen Jamshed | 6. Mr. Jamshed Iqbal |

The directors are interested in this business to the extent of their relationships, common directorships and their respective shareholding in the related parties.