

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 12th Annual General Meeting (the Meeting) of the members of **MUGHAL IRON & STEEL INDUSTRIES LIMITED** (the Company) will be held on October 28, 2021 at 11:45 AM virtually through Zoom-video link 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, 2021.
2. To declare final dividend by way of issue of fully paid-up bonus shares @ 15% in the proportion of 15 shares for every 100 shares of Rs. 10/- each held by the members as recommended by the Board of Directors. This is in addition to interim cash dividend @ 30% i.e., Rs. 3/- per share already paid.
3. To appoint Auditors and fix their remuneration for the year ending June 30, 2022.

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 M/s 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 consider, subject to declaration of the final dividend as above, that a sum of Rs. 437,783,390 shall be appropriated from the share premium account for the issuance of 43,778,339 fully paid-up bonus shares of Rs. 10/- each and, if deemed fit, to pass with or without modification, an Ordinary Resolution in the matter.
5. To consider and, if deemed fit, to pass with or without modification, the following resolutions as Special Resolutions to alter the Memorandum of Association of the Company:

"RESOLVED that the alterations in Memorandum of Association of the Company as detailed in the annexed Statement of Material Facts are hereby approved."

"FURTHER RESOLVED that the Company Secretary and/or any of the Directors of the Company be and is hereby authorized singly to take such steps and actions deemed necessary to give effect to the aforesaid resolution including but not limited to filing of Memorandum of Association so altered, with the Securities and Exchange Commission of Pakistan in accordance with the requirements of Companies Act, 2017."

6. 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, 2021 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, 2022. 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, 2022 would subsequently be presented to the members at the next Annual General Meeting for ratification and confirmation."

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)

-sd-

Muhammad Fahad Hafeez
Company Secretary

Lahore: October 05, 2021

NOTES:

1. The share transfer books of the Company will remain closed from October 21, 2021 to October 28, 2021 (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 20, 2021, will be considered in time for the entitlement of the members to bonus shares and attend and vote at the Meeting.
2. In view of the prevailing pandemic COVID-19 situation, practical difficulties associated with managing large group of people, keeping in view the Securities and Exchange Commission of Pakistan's (SECP) Circular No.6 of 2021 dated March 03, 2021 and to adopt a cautious approach for all the respected participants, it has been decided that the Meeting will be held through Zoom-video link only. Accordingly, members are requested to get themselves registered by sending their particulars at the designated email address fahadhafeez@mughalsteel.com, giving particulars as per below table latest by the close of business hours (5:00 PM) on October 25, 2021.

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 email address that they email the Company with. The login facility will remain open from 11:45 AM till the end of the meeting. Members who wish to send in comments/suggestions on the agenda of the meeting can email the Company at fahadhafeez@mughalsteel.com. Only those members whose names appear in the register of members as of October 20, 2021 will be entitled to attend and vote at the meeting via Zoom-video link.

3. 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, M/s. THK Associates (Private) Limited, 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: <http://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.

4. 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 addresses. Members maintaining their shares in CDS should have their address updated with their relevant Participant/CDC account services.
5. Pursuant to Section 132(2) of the Companies Act, 2017, if the Company receives a request from member(s) holding an aggregate ten percent (10%) or more shareholding residing at another city, such member(s) 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 7 (seven) days prior to the date of meeting. The Company will arrange video conference facility in that city subject to the availability of such facility in that city.
6. SECP through its SRO 470(1)/2016, dated May 31, 2016, has allowed companies to circulate their annual accounts to their members through CD / DVD / USB at their registered addresses. In view of the above, the Company has sent its Annual Report 2021 to its shareholders in the form of DVD. Any member requiring printed copy of Annual Report 2021 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. Further, under Section 223(6) and 55 of the Companies Act 2017, circulation of Audited Financial Statements and Notice of Annual General Meeting has been allowed in electronic format through email. Members who desire to receive annual financial statements and notices of general meetings through e-mail in future are hereby requested to convey their consent for the same on a standard request form which is available on the Company's website: <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, M/s. THK Associate (Private) Limited of any changes in their registered e-mail addresses.
7. 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.
8. Section 72 of the Companies Act, 2017 requires every company to replace its physical shares with bookentry 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.
9. The Company has placed the Audited Annual Financial Statements for the year ended June 30, 2021 along with the Reports thereon on its website: <http://www.mughalsteel.com> or scan QR Code.
10. For any query/problem/information, the investors may contact Mr. Usman Faiz at +92-42-35960841 and email address fahadhafeez@mughalsteel.com and/or THK Associates (Private) Limited at +92-21-35310191-6 and email address sfc@thk.com.pk.

STATEMENT OF MATERIAL FACTS AS REQUIRED UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 IN RESPECT OF SPECIAL BUSINESSES TO BE TRANSACTED AT THE FORTHCOMING ANNUAL GENERAL MEETING IS APPENDED BELOW:

This statement sets out the material facts concerning the Special Businesses listed at agenda item 4 to 6, to be transacted at the forthcoming Annual General Meeting of the Company to be held on October 28, 2021.

Agenda Item No. 4.

The Board of Directors in its meeting held on September 17, 2021 has recommended to declare final dividend by way of issue of fully paid-up bonus shares @ 15% for the year ended June 30, 2021 and, in this regard, further recommended that a sum of Rs. 437,783,390 shall be appropriated from the share premium account for the issuance of the said bonus shares. After the issuance of 43,778,339 bonus shares, the paid-up-capital of the Company will increase to Rs. 3,356,339,330/-. Subject to approval by the members of the Board of Directors' recommendation to declare final dividend by way of issue of fully paid-up bonus shares, the resolution as under will be considered to be passed by the members as an Ordinary Resolution:

“RESOLVED that:

- i. a sum of Rs. 437,783,390 shall be appropriated from the share premium account and applied in making payment in full of 43,778,339 ordinary shares of Rs. 10/- each and that the said shares be allotted as fully paid-up bonus shares to those members of the Company whose names appear in the register of members on October 20, 2021 @ 15% i.e., in the proportion of 15 shares for every 100 existing shares held by the members and that such new shares shall rank pari passu in all respects with the existing ordinary shares of the Company.
- ii. all fractions of bonus shares shall be consolidated and sold and proceeds therefrom shall be paid to charity;
- iii. for the purpose of giving effect to the above, the Company Secretary and/or any of the Directors be and is hereby authorized singly to give effect to these resolutions and to do or cause to be done all acts, deeds and things that may be necessary or required for the issue, allotment and distribution of the said bonus shares, sale fractions and payment of sale proceeds of the fractional shares.”

The Directors are interested in this business only to the extent of their entitlement of bonus shares as ordinary shareholders.

Agenda Item No. 5.

To update object clauses and incorporate principal line of business of the Company in Memorandum of Association of the Company to align it with the Companies Act, 2017, the Board of Directors in its meeting held on September 17, 2021 has recommended to the members of the Company to approve the below mentioned alterations to the Memorandum of Association of the Company by passing Special Resolutions as mentioned in the Notice of Annual General Meeting with or without modifications:

1. Existing sub-clause (1) of clause III shall be re-numbered as sub-clause (1B).
2. New sub-clause (1A) to be inserted in clause III, which will read as follows:

The principal line of business of the Company shall be to carry on and undertake the business as manufacturers, toll manufacturers, exporters, traders, distributors, dealers, wholesalers, retailers, importers, e-commerce market place of all kinds of iron & steel items and products including but not limited to iron and steel scrap, billets, ingots, rebars, girders, tee iron, channels, angles etc.

3. New sub-clause (24A) to be inserted in clause III, which will read as follows:

Except for the businesses mentioned in sub-clause (25) hereunder, the Company may engage in any and all lawful businesses and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto.

4. Existing sub-clause (25) of clause III shall be amended to read as follows:

Notwithstanding anything contained in the foregoing sub-clauses of this clause nothing contained herein shall be construed as empowering the Company to undertake or indulge, directly or indirectly in the business of a Banking Company, Non-banking Finance Company (Mutual Fund, Leasing, Investment Company, Investment Advisor, Real Estate Investment Trust Management Company, Housing Finance Company, Venture Capital Company, Discounting Services, Microfinance or Microcredit Business), Insurance Business, Modaraba Management Company, Stock Brokerage Business, Forex, Managing Agency, business of providing the services of security guards or any other

business restricted under any law for the time being in force or as may be specified by the Commission.

The existing sub-clause (25) of clause III before amendment read as follows:

It is declared that notwithstanding anything contained in the foregoing object clause of this Memorandum of Association nothing shall be construed to empower the company to indulge in or undertake the business of a banking company, investment insurance, leasing, managing agency, or banking business directly indirectly as restricted under law or any other lawful operation.

5. New sub-clause (26) to be inserted in clause III, which will read as follows:

It is hereby undertaken that the company shall not:

- (a) engage in any of the business mentioned in sub-clause (25) above or any unlawful operation;
- (b) launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/businesses or any lottery business;
- (c) engage in any of the permissible business unless the requisite approval, permission, consent or license is obtained from competent authority as may be required under any law for the time being in force.

The Directors declare that the proposed alterations in the Memorandum of Association of the Company are in line with the applicable provisions of the law and regulatory framework and that the proposed changes will not be detrimental to the interest of the Company or its members as a whole. The Directors are interested in this business to the extent of their respective shareholding in the Company.

Note: Existing Memorandum of Association of the Company and the proposed altered Memorandum of Association is available on the Company's website (www.mughalsteel.com) for ease of comparison for members if it is so desired.

Agenda Item No. 6.

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 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 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. 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, 2022, 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, 2022 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:

- | | |
|-------------------------------------|-------------------------|
| 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.