

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 13th Annual General Meeting (the Meeting) of the members of **MUGHAL IRON & STEEL INDUSTRIES LIMITED** (the Company) will be held on Monday, October 31, 2022 at 11:45 a.m. at Faletti's Hotel, 24 Egerton Road, 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 Auditor's Report thereon for the year ended June 30, 2022.
2. To appoint auditors and fix their remuneration for the year ending June 30, 2023.

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.

3. To elect directors of the Company for a period of three years commencing from October 31, 2022. The Board of Directors in accordance with section 159 of the Companies Act, 2017, in its meeting held on September 20, 2022 has fixed the number of directors to be elected as nine (09) including independent and female directors. The names of retiring directors of the Company are as follows:

1. Mr. Mirza Javed Iqbal
2. Mr. Abdul Rehman Qureshi
3. Mr. Shoaib Ahmad Khan
4. Ms. Mariam Khawar
5. Mr. Jamshed Iqbal
6. Mr. Khurram Javaid
7. Mr. Muhammad Mubeen Tariq Mughal
8. Mr. Fazeel Bin Tariq
9. Mr. Muhammad Mateen Jamshed

The retiring directors are eligible for re-election. Statement required under section 166(3) of the Companies Act, 2017 is annexed.

SPECIAL BUSINESS

4. To sanction the holding of office of profit under the Company by Mr. Jamshed Iqbal and Mr. Muhammad Mubeen Tariq Mughal as executive directors of the Company.
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 in order to adopt Memorandum of Association as per section 41(a) and Table (B) of the Companies Act, 2017, existing clause III comprising of sub-clauses (1) to (26) of Memorandum of Association of the Company shall in its entirety be replaced by new clause III, which shall read as follows:

- III. (i) 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.
- (ii) Except for the businesses mentioned in sub-clause (iii) hereunder, the company may engage in all the lawful businesses and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto.
- (iii) 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, real estate business, 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.

(iv) It is hereby undertaken that the company shall not:

- (a) engage in any of the business mentioned in sub-clause (iii) 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."

"FURTHER RESOLVED that in order to correct the numbering of clauses, the existing clause 2 and clause 3 of Memorandum of Association of the Company shall be renumbered to clause IV and clause V, respectively."

"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 SECP in accordance with the requirements of Companies Act, 2017."

"FURTHER RESOLVED that any amendments/suggestions recommended by Securities and Exchange Commission of Pakistan (SECP), if any, to be incorporated in the Memorandum of Association are and shall hereby be considered deemed approved."

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, 2022 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, 2023. 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, 2023 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.

(By Order of the Board)

-sd-

Muhammad Fahad Hafeez
Company Secretary

Lahore: October 7, 2022

NOTES:

1. The share transfer books of the Company will remain closed from October 22, 2022 to October 31, 2022 (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 21, 2022, will be considered in time for the entitlement of the members to participate and vote at the Meeting.
2. 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: 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.

In addition, in order to comply with the requirements of Circular No. 4 of 2021 dated February 15, 2021 of the Securities and Exchange Commission of Pakistan ("SECP"), 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 26, 2022.

| 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 11:45 AM till the end of the Meeting. Only those members whose names appear in the register of members as of October 21, 2022 will be entitled to participate and vote at the Meeting via Zoom-video link.

3. 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.
4. Any member who seeks to contest the election to the office of director shall, whether he/she is a retiring director or otherwise, file with the Company at its Registered Office, 31-A, Shadman-I, Lahore, not later than fourteen days (14) before the date of the Meeting, a notice of his/her intention to offer himself/herself for election as a director in accordance with section 159(3) of the Companies Act, 2017 (the Act) along with the following documents and information:
 - a. Consent to act as a director as required under section 167(1) of the Companies Act, 2017, on duly signed and completed Form-28;
 - b. Detailed profile along with his/her office address for placement on the Company's website;
 - c. Attested copy of valid CNIC/SNIC/Passport;
 - d. Copy of National Tax Number (NTN) certificate;
 - e. His/her Folio No./CDC Investors Account No./CDC Participant ID No./Sub-Account No. A person must have qualifying shares worth of Rs. 1,000/- of the Company at the time of filing of his / her consent to act as director. The aforesaid qualification shall not be applicable to persons mentioned in proviso to section 153(i) of the Act;
 - f. Detail of other directorship and offices held;

- g. Signed declaration to the effect that he/she is aware of the duties and powers of directors under the Companies Act, 2017, Memorandum and Articles of Association of the Company, Rule Book of Pakistan Stock Exchange Limited and the Listed Companies (Code of Corporate Governance) Regulations, 2019 and other relevant laws and regulations and that he/she is compliant with requirements and eligibility criteria as set out in the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019 to be appointed as a director;
- h. In case of independent directors, a signed declaration on non-judicial stamp paper to the effect that he / she is compliant with requirements and eligibility criteria for independence in terms of section 166(2) of the Act, Rule 4(7) of The Companies (Manner and selection of Independent Directors) Regulations, 2018 and Listed Companies (Code of Corporate Governance) Regulations 2019.

(Copy of such declarations may be obtained from Company's registered office during office hours.)

5. Pursuant to Companies (Postal Ballot) Regulations, 2018, for the purpose of election of directors and for any other agenda item subject to the requirements of section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.
6. 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.
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 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.

9. 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 2022 to its shareholders in the form of DVD. Any member requiring printed copy of Annual Report 2022 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 e-mail. 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: 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 Company's share registrar, M/s. THK Associates (Private) Limited of any changes in their registered e-mail addresses.

10. The Company has placed the Audited Annual Financial Statements for the year ended June 30, 2022 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.
11. 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 M/s. 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 ORDINARY/SPECIAL BUSINESSES TO BE TRANSACTED AT THE FORTHCOMING ANNUAL GENERAL MEETING IS APPENDED BELOW:

This statement sets out the material facts concerning the ordinary/special businesses listed at agenda item 3 to 6, to be transacted at the forthcoming Annual General Meeting of the Company to be held on Monday, October 31, 2022 at 11:45 a.m. at Faletti's Hotel, 24 Egerton Road, Lahore.

Agenda Item No. 3.

The Company is required to have three (03) independent directors on its Board in accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019. Accordingly, the following persons, having shown their willingness and being eligible, have been chosen in accordance with Section 166 of Companies Act, 2017 and The Companies (Manner and Selection of Independent Directors) Regulations, 2018 for proposed appointment as independent directors:

1. Mr. Abdul Rehman Qureshi
2. Mr. Shoaib Ahmad Khan
3. Ms. Mariam Khawar

The above persons will be elected in the same manner as other directors are elected in terms of section 159. The above persons have been chosen after exercising due diligence by applying the following criteria:

- a) Respective competencies, diversity, skill, knowledge and experience; and
- b) Name appearing in the data bank maintained by Pakistan Institute of Corporate Governance (PICG), duly authorized by the SECP and in accordance with The Companies (Manner and Selection of Independent Directors) Regulations, 2018.

Except for the independent directors (being interested to the extent of their selection), none of the directors of the Company are interested in this matter.

Agenda Item No. 4.

Subject to being elected as directors, the sanction of the members is being sought for holding of office of profit by Mr. Jamshed Iqbal and Mr. Muhammad Mubeen Tariq Mughal as executive director (Operations) and executive director (Finance), respectively. Both shall hold office for a term of three (03) years commencing from October 31, 2022 at a net remuneration of Rs. 1,500,000/- per month each to be approved by the Board of Directors along with any future increments, if any. Mr. Jamshed will be involved in managing the local raw material procurement, girder, billet and waste sales and developing the clientele network across Pakistan, whereas, Mr. Mubeen will be responsible for entire financial management of the Company including treasury, investments, accounting, internal control systems and budgetary controls. The said directors have been serving the Company in such capacities during their previous tenures, and have worked with full passion and interest for the growth and profitability of the Company and will continue to work in the same manner resulting in similar benefits for the Company and its members.

Except for Mr. Jamshed Iqbal, Mr. Muhammad Mubeen Tariq Mughal and Mr. Muhammad Mubeen Tariq Mughal none of the directors of the Company are interested in this matter.

Agenda Item No. 5.

In order to align the Memorandum of Association with section 41(a) and Table (B) of the Companies Act, 2017, approval of the members is sought to allow the Company to amend the Memorandum of Association of the Company by passing special resolutions as mentioned in the Notice of Annual General Meeting with or without modifications.

Resultantly, existing clause III comprising of sub-clauses (1) to (26) of Memorandum of Association of the Company shall in its entirety be replaced by new clause III comprising of sub-clauses (i) to (iv), and such revised clause III shall be read as so mentioned in the special resolution to the Notice of the Annual General Meeting. In addition, in order to correct the numbering of clauses, the existing clause 2 and clause 3 of Memorandum of Association of the Company shall be renumbered to clause IV and clause V, respectively.

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: Comparative analysis of 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 of the members if 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, 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. 31 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, 2023, 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, 2023 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.