

## **NOTICE OF 16<sup>th</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that 16<sup>th</sup> Annual General Meeting of Millat Industrial Products Limited will be held at the Registered Office of the Company at 8.8 K.M. Sheikhpura Road, Shahdara, Lahore, on Monday, October 30, 2017 at 4:00 P.M to transact the following business:

### **A. ORDINARY BUSINESS**

- 1) To confirm minutes of 15<sup>th</sup> Annual General Meeting held on October 27, 2016.
- 2) To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2017 together with the Directors' and Auditors' Reports thereon.
- 3) To approve final cash dividend of Rs. 10.00 per share i.e., 100 %.
- 4) To appoint auditors and fix their remuneration for the year ending June 30, 2018.
- 5) To elect six directors of the company for a period of three years. The retiring directors are M/s. Sikandar Mustafa Khan, Latif Khalid Hashmi, Sohail Bashir Rana, Laeeq Uddin Ansari, Mian Muhammad Saleem and Ahsan Imran Shaikh.

As resolved by the Board in its meeting held on September 08, 2017, the number of directors to be elected shall be six.

### **B. SPECIAL BUSINESS**

- 1) To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2017 by passing the following special resolution with or without modification.

“Resolved that the following transactions conducted with Related Parties for the year ended June 30, 2017 be and are hereby ratified, approved and confirmed.”

2017 (AMOUNTS IN RUPEES)		
NAME(S)	PURCHASES	SALES
MILLAT TRACTORS LIMITED	-	212,240,875
MILLAT EQUIPMENT LIMITED	-	13,924
<b>TOTAL</b>	-	<b>212,254,799</b>

- 2) To authorize Chief Executive of the Company to approve transactions with Related Parties for the year ending June 30, 2018 by passing the following special resolution with or without modification.

“Resolved that the Chief Executive of the Company be and is hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis during the year ending June 30, 2018.

Resolved further that these transactions shall be placed before the shareholders in the next general meeting for their ratification/approval.”

- 3) To sanction the holding of office of profit under the company by Director Mian Muhammad Saleem.

### **C. ANY OTHER BUSINESS**

- 1) To transact any other business with the permission of the Chair.

By order of the Board



Mian Muhammad Saleem  
Company Secretary

Lahore:  
October 06, 2017

### **NOTES**

1. The share transfer books of the Company will remain closed from October 24, 2017 to October 30, 2017 (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 23, 2017 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. 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 Company at 49 K.M Off Multan Road Bahi Pheru District Kasur. This will assist in prompt receipt of Dividend.
4. 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.
5. As required u/s 159(3), any member who seeks to contest an election to the office of a director, shall whether he/she is retiring director or otherwise, file with the Company, not later than fourteen days before the date of the meeting at which elections are to be held, a

notice of his/her intention to offer himself/herself for election as a director along with consent to act as a director u/s 161 (1) of the Companies Act, 2017.

6. As per directive of Securities and Exchange Commission of Pakistan (SECP) contained in SRO No. 831(I) / 2012 dated July 05, 2012 read with SRO No. 19 (I) / 2014 dated January 10, 2014 the dividend warrants should bear the Computerized National Identity Card (CNIC) Numbers of the registered members or the authorized person except in the case of minor(s) and corporate members. CNIC numbers of the members are, therefore, mandatory for the issuance of future dividend warrants and in the absence of such information, payment of dividend may be withheld. Therefore, the members who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs (if not already provided) to the Company.
  
7. The Government of Pakistan through Finance Act, 2017 has made certain amendments in Section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These rates are as follows:
  - (a) For filers of income tax returns 15.00%
  - (b) For non-filers of income tax returns 20.00%

To enable the Company to make tax deduction from cash dividend @15.00% instead of 20.00% all the shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date of payment of the cash dividend, otherwise tax on their cash dividend will be deducted @20.00% instead of 15.00%.

For shareholders holding their shares jointly, as per the clarification issued by the Federal Board of Revenue, withholding tax will be determined separately on 'Filer/Non-Filer' status of principal shareholder as well as joint holder(s) based on their shareholding proportions, in case of joint accounts. Therefore all shareholders who hold shares jointly are requested to provide shareholding proportions of principal shareholder and joint holder(s) in respect of shares held by them to the Company as follows.

Company Name	Folio #	Total Shares	Principal shareholder		Joint shareholder	
			Name and CNIC#	Shareholding Proportion(no. of Shares	Name and CNIC#	Shareholding Proportion(no. of Shares

The above/required information must be provided to the Company Secretary, otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s)

For any further query/problem/information, the investors may contact the Company representative at 49 K.M Off Multan Road Bahi Pheru District Kasur. Phone: +92-49-4540528, e-mail address: [mipl@millatbatteries.com](mailto:mipl@millatbatteries.com) Fax: +92-49-4540328.

8. The Securities and Exchange Commission of Pakistan vide SRO 787(1)/2014 dated September 08, 2014 has allowed companies to circulate annual balance sheet, profit & loss account, auditors' report and directors report along with notice of annual general meeting to its members through e-mail. Members who wish to avail this facility may give their consent to the Company Secretary.

#### **STATEMENT U/S 134(3) OF THE COMPANIES ACT, 2017**

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on October 30, 2017.

##### **1. Approval/Ratification of Related Party Transactions(RPTs) conducted during Financial year ended on June 30, 2017**

Pursuant to newly promulgated Companies Act, the transactions conducted with group companies are to be approved/ratified by the shareholders in general meeting as the majority of Company Directors were interested in these transactions due to their common directorship and holding of shares in the group companies, the quorum of directors could not be formed for approval of these transactions pursuant to section 207 of the Companies Act, 2017. Now the transactions with group companies for the year ended June 30, 2017 are being placed before the shareholders for their consideration and approval/ratification.

It may be noted that principal activity of the company is manufacture of batteries for tractors and other automobiles. The commercial reasons for entering into RPTs are the following.

- i) Availability of state of the art production facilities.
- ii) Advanced Technical Know How.
- iii) Dedicated production facilities.
- iv) Elaborated testing facilities for MTL.
- v) Smooth supply chain

The common directors are namely M/s. Sikandar Mustafa Khan, Latif Khalid Hashmi, Sohail Bashir Rana, Laeeq Uddin Ansari and Mian Muhammad Saleem.

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

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

The Company shall be conducting Related Party Transactions (RPTs) with group companies during the year ending June 30, 2018 in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship and shareholding in the group companies. Therefore these transactions with group companies have to be approved by the shareholders.

In order to ensure smooth supply during the year, the shareholders may authorize the Chief Executive to approve transactions with group on case to case basis for the year ending June 30, 2018. However, these transactions shall be placed before the shareholders in the next AGM for their approval/ratification.

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

## **3. Approval of Holding of office of Profit**

Section 171 (1) (c) (i) of the Companies Act, 2017 requires sanction/approval of shareholders in the general meeting for the holding of office of profit by the directors.

The Board has recommended to the members with a view to seek approval of general meeting for holding of office of profit by Mian Muhammad Saleem as Executive Director of the Company for performing extra services in pursuance of requirement contained in section 171(1) (c) (i) of the Companies Act, 2017 on the basis of his reappointment. Mian Muhammad Saleem is interested in the resolution to the extent of remuneration and benefits etc. associated with this position while other directors are not interested in the resolution. Therefore the following resolution is proposed to be passed as an ordinary resolution, with or without modification, addition or deletion.

“Resolved that sanction be and is hereby granted for holding of office of profit under the Company by Director Mian Muhammad Saleem, on the terms and conditions determined by the Board and that he be paid by way of remuneration comprising salary, allowances, perquisites, profit share/ bonus and benefits etc., such sums as the directors may determine and approve in accordance with Articles of the Company.”