

Millat Tractors Limited

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 53rd Annual General Meeting of Millat Tractors Limited will be held at the Registered Office of the Company at 9 K.M. Sheikhpura Road, Shahdara, Lahore, on Friday October 28, 2016 at 4:00 P.M to transact the following business:

A. ORDINARY BUSINESS

- 1) To confirm minutes of the Extra Ordinary General Meeting held on November 26, 2015.
- 2) To receive, consider and adopt the audited accounts of the Company and the Group for the year ended June 30, 2016 together with the Directors' and Auditors' Reports thereon.
- 3) To approve final cash dividend of Rs. 30.00 per share i.e., 300% in addition to the interim dividend of Rs. 20.00 per share i.e., 200% already paid making a total cash dividend of Rs. 50.00 per share i.e., 500%.
- 4) To appoint auditors and fix their remuneration for the year ending June 30, 2017.

B. SPECIAL BUSINESS

- 1) To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2016.

“Resolved that the following transactions conducted with Related Parties for the year ended June 30, 2016 be and are hereby ratified, approved and confirmed.”

2016 (AMOUNTS IN RUPEES)		
NAME(S)	PURCHASES	SALES
MILLAT EQUIPMENT LIMITED	1,903,667,363	3,745,883
BOLAN CASTINGS LIMITED	1,224,524,583	141,615
MILLAT INDUSTRIAL PRODUCTS LIMITED	132,308,305	78,299
TIPEG INTERTRADE DMCC	208,134,235	105,999,562
TOTAL	3,468,634,486	109,965,359

- 2) To authorize Chief Executive of the Company to approve transactions with Related Parties for the year ending June 30, 2017 by passing the following 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, 2017.

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

- 3) To consider, adopt with or without modification the following special resolution to substitute Article 64 (1) (c) of the Articles of Association of the Company.

“Resolved that Article 64 (1) (c) of the Articles of Association of the Company be and is hereby substituted to read as under.”

“In case of e-voting a member and a non member can be appointed as proxy.”

- 4) To consider, adopt with or without modification the following resolution for approval of circulation of annual audited accounts containing annual balance sheet, profit and loss account, auditors’ report and directors’ report etc to members of the Company through CD/DVD/USB.

“Resolved that providing of Company’s annual audited accounts containing annual balance sheet, profit and loss account, auditors’ report and directors’ report etc to its members(on demand) through CD/DVD/USB be and is hereby approved.”

C. ANY OTHER BUSINESS

To transact any other business with the permission of the Chair.

By order of the Board

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Mian Muhammad Saleem
Company Secretary

Lahore:
October 05, 2016

NOTES

1. The share transfer books of the Company will remain closed from October 22, 2016 to October 28, 2016 (both days inclusive) and no transfer will be accepted during this period. Transfers received, complete in all respect by the Shares Registrar, M/s. Hameed Majeed Associates (Pvt.) Limited, 1st Floor, H.M. House, 7-Bank Square, Lahore by the close of business on October 21, 2016 will be considered in time for the purpose of payment of final cash dividend and for the purpose of attending and voting at the meeting.
2. A member entitled to attend and vote at this meeting may appoint another person as his/her proxy to attend the meeting and vote for him/her. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the meeting.

3. Shareholders, who have deposited their shares into Central Depository Company of Pakistan will further have to follow the under mentioned guidelines.

A. Attending of Meeting in Person:

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration detail are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC)/ original passport at the time of attending the meeting.
- ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced at the time of meeting.

B. Appointment of Proxies:

- i) In case of individuals, the account holder or sub-account holder and /or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirement.
 - ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
 - iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv) The proxy shall produce his/her original CNIC/original passport at the time of the meeting.
 - v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted along with proxy form to the Company.
4. Non CDC 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 Registrar of the Company M/s. Hameed Majeed Associates (Pvt.) Limited, 1st Floor, H.M. House, 7-Bank Square, Lahore. All the shareholders holding shares through CDC are requested to update their addresses and Zakat status with their participants. This will assist in prompt receipt of Dividend.
 5. 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 Shares Registrar.

6. SECP through Circular no. 18 of 2012 dated June 5, 2012 have advised all listed companies to adopt e-dividend mechanism for the benefit of their members. In e-dividend mechanism, shareholders can get amount of the dividend credited into their respective bank accounts electronically. Please note that this e-dividend mandate is optional and not compulsory, in case the shareholders do not wish his/her dividend to be directly credited into bank account, the same shall be paid directly. The shareholders are encouraged to provide dividend mandate in favour of e-dividend by providing Dividend Mandate Form duly filled in and signed.
7. The Government of Pakistan through Finance Act, 2016 has made certain amendments in 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 12.5%
- (b) For non-filers of income tax returns 20.00%

To enable the Company to make tax deduction from cash dividend @12.5% 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 cash dividend, otherwise tax on their dividend will be deducted @ 20.00% instead of 12.5%.

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 Share registrar as follows.

Company Name	Folio/CDS Account#	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 Share Registrar, 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 Share Registrar: M/s. Hameed Majeed Associates (Pvt.) Limited, 1st Floor, H.M. House, 7-Bank

Square, Lahore, Phone: 042-37235081-82, e-mail address shares@hmaconsultants.com
Fax: 042-7358817.

The corporate shareholders 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 the Shares Registrar. The shareholders while sending NTN certificates, must quote company name and their respective folio numbers.

8. The financial statements of the Company for the year ended June 30, 2016 along with reports have been placed at the website of the Company www.millat.com.pk.
9. 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 can give their consent on the Standard Request Form available on Company's website.

STATEMENT U/S 160(1) (b) OF THE COMPANIES ORDINANCE, 1984

1) Related Party Transactions(RPTs)

The Related Party Transactions conducted with subsidiary companies had to be approved by the Board duly recommended by the Audit Committee on quarterly basis pursuant to clause (x) of the Code of Corporate Governance, 2012.

However, the majority of Company Directors were interested in these transactions due to their common directorship and holding of shares in the subsidiary companies, the quorum of directors could not be formed for approval of these transactions pursuant to section 216 of the Companies Ordinance, 1984 and therefore, these transactions have to be approved by the shareholders in the General Meeting.

It may be noted that Bolan Castings Limited (BCL) and Millat Equipment Limited (MEL) manufacture intricate tractor components i.e., major tractor castings and gears & shafts etc respectively for which limited sources are available in the country. Millat Industrial Products Limited (MIPL) manufactures tractor batteries while tractors and components are exported through TIPEG INTERTRADE DMCC (TIPEG). In addition, components are imported through TIPEG for in house use by the Company.

During the year sale of scrap and swarf etc was also made to BCL for in house consumption.

The commercial reasons for entering into RPTs are the following.

- a. Availability of state of the art production facilities.
- b. Advanced Technical Know How.
- c. Dedicated production facilities.
- d. Elaborated testing facilities for MTL.
- e. Smooth supply chain

The transactions with all related parties are entered into on arm's length basis as per policy approved by the Board.

The Company has the following equity in the Subsidiary Companies.

Bolan Castings Limited	46.26%
Millat Equipment Limited	45.00%
Millat Industrial Products Limited	64.09%
TIPEG Inter Trade DMCC	75.00%

The common directors have the following shareholding in the subsidiary companies.

Sr. No.	Name of Director(s)	BCL	MEL	MIPL	TIPEG
		No. of Shares	No. of Shares	No. of Shares	No. of Shares
1	Mr. Sikandar Mustafa Khan	166,369	1,625,001	543,750	100
2	Mr. Latif Khalid Hashmi	32,270	1,625,001	362,500	100
3	Mr. Sohail Bashir Rana	144,359	1,708,951	362,500	100
4	Mr. Laeeq Uddin Ansari	733,120	1,904,001	362,500	100
5	Mian Muhammad Saleem	2,993	600,001	200,000	100
6	Syed Muhammad Irfan Aqueel	-	100,000	-	-
	TOTAL	1,079,111	7,562,955	1,831,250	500
	PERCENTAGE OF SHAREHOLDING	9.40%	29.088 %	20 %	25 %

In the last Annual General Meeting, the share holders had authorized the Chief Executive of the Company to approve these transactions in the normal course of business subject to final approval/ratification by the shareholders. Therefore these transactions are being placed before the shareholders for final approval/ratification.

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

2) Authorization to CEO For Related Party Transactions(RPTs)

The Company shall be conducting Related Party Transactions (RPTs) with subsidiary companies during the year ending June 30, 2017 in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship and shareholding in the subsidiary companies. Therefore these transactions with subsidiary 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 subsidiary companies on case to case basis for the year ending June 30, 2017. The summary of commercial reasons, nature and scope of RPTs is explained under no. 1 above. 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 subsidiary companies.

3) Amendment in Articles of Association

Securities and Exchange Commission of Pakistan (Commission) through SRO 43(I)/2016 dated 22-01-2016 has issued (E-Voting) Regulations, 2016 for voting through electronic means. These Regulations are applicable to general meetings of listed companies for providing voting right to members through electronic means managed by authorized intermediaries. Electronic voting (e-voting) is a term which is used for both electronic means of casting a vote and electronic means of counting votes.

The company is required to make necessary changes in the Articles of the Association of the Company in order to cover e voting mechanism and related matters such as members and non-members can also be appointed as proxy.

In view of the above the substitution of Article 64 (1) (c) of the Articles of Association of the Company is placed before the members of the Company for their approval. A copy of the amended Articles of Association of the Company is available with the Company Secretary for inspection of the members

4) Circulation of Annual Audited Accounts of the Company to the Shareholders through CD/DVD/USB

Securities & Exchange Commission of Pakistan (SECP) through its SRO 787(I)/2014 dated September 08, 2014 had allowed the companies to circulate annual balance sheet, profit and loss account, auditors' report and directors' report along with notice of annual general meeting to its members through email who opt for the same.

Now in continuation of the above, SECP through its SRO 470(I)/2016 dated May 31, 2016 have allowed companies to circulate the annual balance sheet, profit and loss account, auditors' report and directors' report etc (effective from the financial years ending after June 30, 2016) to its members through CD/DVD/USB at their registered addresses as per aforesaid provision, subject to compliance with the following conditions:

1. Consent of shareholders has to be obtained in general meeting for transmission of the annual audited accounts through CD/DVD/USB instead of transmitting the said accounts in hard copies;
2. The company shall supply hard copies of the annual audited accounts to such shareholders, on demand, at their registered address, free of cost, within one week of such demand;
3. The Company shall place on its website a standard request form for the members, to communicate their need of hard copies of annual audited accounts instead of sending the same through CD/DVD/USB

In view of the above the resolution is being placed before the members of the Company for their approval.