

ITTEHAD CHEMICALS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 27th Annual General Meeting of the shareholders of **Ittehad Chemicals Limited** will be held on Friday, October 26, 2018, at 11:00 a.m. at the Registered Office at 39 - Empress Road, Lahore to transact the following business:

Ordinary Business

1. To confirm the Minutes of Annual General Meeting held on October 26, 2017.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended June 30, 2018 together with the Directors' and Auditors' Reports thereon.
3. To appoint Auditors for the year 2018-19 and to fix their remuneration.
M/s BDO Ebrahim & Co., Chartered Accountants retire and being eligible, have offered themselves for re-appointment.
4. To approve Final Cash Dividend of Rs. 1.10 per share i.e. 11% as recommended by the Board of Directors.

Special Business:

5. To approve the issuance of bonus shares in the proportion of 1 share for every 10 shares held i.e., 10% and if considered appropriate, to pass with or without amendment/modification, the following resolution as an ordinary resolution:

"RESOLVED THAT

- a) a sum of Rupees 77,000,000 out of the free reserves of the Company be capitalized and applied towards the issue of 7,700,000 ordinary shares of Rs. 10/- each and allotted as fully paid bonus shares to the Members in the proportion of 1 (one) bonus share for every 10 (ten) existing ordinary shares held by the Members whose names appear on the Members Register on the close of business on October 17, 2018;
- b) these bonus shares shall rank *pari passu* in all respects with the existing shares of the Company but shall not be eligible for the dividend declared for the year ended June 30, 2018;
- c) In case of fraction shares, the Chief Financial Officer and / or Company Secretary be and is hereby authorized to consolidate such fractional entitlement and sell in the stock market and the proceeds of sale (less expenses) when realized, be donated to any Charitable Institution.
- d) For the purpose of giving effect to the foregoing, the CEO and / or the Chief Financial Officer and / or the Company Secretary be and are hereby singly or jointly authorized

to do all acts, deeds and things and take any OR all necessary steps to fulfill the legal, corporate procedural formalities and to file all documents/returns as deemed necessary, ancillary and appropriate to give effect to aforesaid resolutions."

6. Any other business with the permission of the Chair.

By Order of the Board

Abdul Mansoor Khan
Company Secretary

Lahore
September 25, 2018

Notes:-

- i. The Share Transfer Books of the Company will remain closed from October 18, 2018 to October 26, 2018 (both days inclusive). Transfers received in order by our Share Registrars, M/s Corplink (Pvt.) Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore by the close of business on October 17, 2018 will be considered in time for the purpose of entitlement of cash dividend and the Bonus shares to the transferees.
- ii. A member of the Company entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. The proxy, in order to be effective, must be received at the registered office of the Company duly signed and stamped not less than 48 hours before the time of meeting.
- iii. The CDC Account holders/sub-account holders are requested to bring with them their original CNICs or Passports along with the Participant(s) ID Number and CDC account numbers at the time of attending the Annual General Meeting for identification purpose.
- iv. In case of Corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting. The nominee shall produce his original CNIC at the time of attending the meeting for identification purpose.
- v. Members are requested to notify the change of address immediately, if any, to our Shares Registrar.
- vi. Under the provisions of section 242 of the Companies Act 2017, any dividend payable in cash shall only be paid through electronic mode directly into the Bank Account designated by the entitled shareholders. The shareholders are hereby advised to provide a dividend mandate in favour of e-dividend by providing dividend mandate form (specimen available on Company's website). In case of CDC shareholders, please update the record with your CDC Participant. In the absence of bank account details or in case of incomplete details, the Company will withhold the payment of cash dividend of those shareholders who have not provided the same in the light of relevant provisions of prevailing laws.
- vii. As per the provisions of section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company which have remained unclaimed/unpaid for a period of

three years from the date on which it was due and payable are required to be deposited with SECP for the credit of Federal Government. The details of the shares issued and dividend declared by the Company which have remained due for more than three years are available on the Company's website www.ittehadchemicals.com.pk. In case, no claim is lodged, the Company shall proceed in accordance with provisions of the Act.

- viii. The Government of Pakistan 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 tax rates are (a) 15% for filers of income tax returns and (b) 20% for non-filers of income tax returns.

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 20%, all Members 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% instead of 15%. Withholding of tax exemption on dividend income shall be allowed if copy of valid exemption certificate is made available at office of our Share Registrar by the close of business day as on October 17, 2018.

- ix. In pursuant to the clarification of FBR, in case of joint account each joint holder is to be treated individually as either a filer or non – filer and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the members (CDC & Physical), in writing duly signed by each joint holder along with copies of CNICs as follows to the Shares Registrar of the Company. If the response to the notification is not received within stipulated time, each joint holder shall be assumed to have equal number of shares.

Folio/CDC A/c. No. :		Name of Company:		
Total Shares Held	Principal Share Holder (Name & CNIC)	Shares Held	Joint Share Holder (Name & CNIC)	Shares Held

- x. Members seeking exemption from deduction of income tax or 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. Members desiring non-deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat to our Shares Registrar in case of physical shares or to CDC in case of CDC Shareholders.
- xi. The Annual Report is being transmitted to shareholders through CDC or DVD or USB instead of sending in Book form / hard copy in terms of SRO No. 470(I)/2016 dated May 31, 2016 and its subsequent approval in the Annual General Meeting held on October 26, 2017.
- xii. Members can also avail video conference facility in (name of the cities where facility can be provided keeping in view the geographical dispersal of members). In this regard fill the application as per following format and submit to the registered address of the company 10 days before the date of Annual General Meeting. The video conference facility will be

provided only If the company receives consent from members holding in aggregate 10% or more shareholding residing at geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, The company will intimate members regarding venue of video conference facility at least 5 days before the date of Annual General Meeting along with complete information necessary to enable them to access such facility.

I / We _____ of _____ being member of Ittehad Chemicals Limited, holder of _____ Ordinary shares as per Register Folio # / CDC Account # / Participant Id # hereby opt for Video conference facility at _____.

Signature of shareholder

- xiii. Pursuant to "Companies (Postal Ballot) Regulations, 2018" issued vide SECP SRO.254 (I)/2018 dated February 22, 2018 members may exercise their right to vote through e-voting.
- xiv. The Annual Report for the Financial Year ended June 30, 2018 will be placed on Company's website www.ittihadchemicals.com in due course of time.

STATEMENT UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the special business to be transacted at the Annual General Meeting of the Company to be held on October 26, 2018.

ISSUE OF BONUS SHARES:

The Directors recommends that with the existing profitability, the Company's financial position justifies capitalization of Rupees 77 Million out of profits available for appropriation as at June 30, 2018, by issuing fully paid Bonus Shares in the proportion of one (1) Bonus share for every ten (10) ordinary shares held. The Directors of the Company, directly or indirectly, are not personally interested in this issue, except to the extent of their shareholding in the Company