

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting of **Ismail Industries Limited** will be held at Hotel Days Inn, Bushra Hall, 164, B.C.H.S. Shakra-e-Faisal, Karachi on Friday, October 26, 2018 at 12:15 p.m. to transact the following businesses.

Ordinary Businesses:

1. To confirm the minutes of the Annual General Meeting of the Company held on October 26, 2017.
2. To receive, consider, approve and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2018 together with the Directors' Report in English and Urdu Version and Auditors' Reports thereon.
3. To approve and declare the cash dividend @ 45% (Rs. 4.50 per share) on the ordinary shares of the Company as recommended by the Directors for the year ended June 30, 2018.
4. To appoint Auditors for the year ending June 30, 2019 and fix their remuneration. The Audit Committee of the Board has recommended the retiring auditors M/s. Grant Thornton Anjum Rahman, Chartered Accountants being eligible have offered themselves for re-appointment.

Special Businesses:

5. To consider and approve the transmission of annual audited financial statements, auditor's report and directors' report etc. ("Annual Audited Accounts") to members through electronic & digital means CD/DVD/USB or other permissible compatible medium at their registered or notified address as allowed by the Securities and Exchange Commission of Pakistan under SRO 470(I) 2016 dated May 31, 2016 and, if thought fit, to pass the following resolution:

RESOLVED THAT the transmission of annual audited financial statements along with the Auditor's and Directors' Reports thereon ("Annual Audited Accounts") to the members at their registered address in soft form by way of email/electronic/digital means or by way of CD/DVD/USB or other permissible compatible medium instead of transmitting the Annual Audited Accounts in hard copies be and is hereby approved.

FURTHER RESOLVED THAT a hard copy of the annual audited financial statements, auditor's report and directors' report etc. ("Annual Audited Accounts") be supplied to the members on their specific demand at the registered address, within seven days of such demand.

6. To increase the remuneration of the Chief Executive Officer and Two Executive Directors of the Company.

In view of rising cost of living, the Board has decided to increase the remuneration of the Chief Executive Officer and Two Executive Directors by Rs.300,000/- per month. Accordingly, the remuneration of the Chief Executive Officer would be increased from Rs.500,000/- to Rs.800,000/- and from Rs.400,000/- to Rs.700,000/- each of the two Executive Directors with effect from October 2018. However, utilities and other terms and conditions would remained unchanged.

7. To consider and, if thought fit, pass the following Special Resolution, with or without modifications, alter the Articles of Association of the Company by inserting new Articles No. 60-A and 60-B to enable the members for e-voting, as required under the Companies (E-Voting) Regulations, 2016 issued by the Securities and Exchange Commission of Pakistan vide SRO 43(1)/2016 dated January 22, 2016.

RESOLVED THAT the Articles of Association of the Company be and is hereby amended by adding the following new Articles 60-A and 60-B, after the existing Article 60:

60-A A Member may opt for e-voting in a general meeting of the Company under the provisions of the Companies (E-Voting) Regulations, 2016 (including any statutory modification thereof), as amended from time to time. In case of e-voting, both Members and Non-members can be appointed as proxy. The instructions to appoint Execution Officer and option to e-vote through intermediary shall be required to be deposited with the Company, at least ten (10) days before holding of the general meeting, at the Company's registered office address or through email. The Company will arrange for e-voting if the Company receives demand for poll from at least five (5) members or by any member having not less than one tenth of the voting power."

60-B. An instrument appointing a proxy relating to E-voting shall be in the following form:

I/ We _____ of _____ being a member of Ismail Industries Limited holding _____ Ordinary Share(s) as per Registered Folio No. _____ hereby opt for e-voting through intermediary and hereby consent the appointment of Execution Officer _____ as proxy and will exercise e-voting as per the Companies (E-voting) Regulations, 2016 and hereby demand for poll for resolutions. My secured e-mail address is _____ please send login details, password and electronic signature through e-mail.

Signature of Member(s)

CNIC No. _____

(Signature should agree with the specimen signature registered with the Company.)

Signed in the presence of:

Signature of Witness

CNIC No. _____

Signature of Witness

CNIC No. _____

8. To consider and, if thought fit, to pass the following resolution, with or without modification(s), as Special Resolution to alter the Articles of Association of the Company by inserting new Articles No. 60-C after the existing Article 60, to enable the members facility of video conferencing as allowed by the Securities and Exchange Commission of Pakistan vide Circular No. 10 of 2014 dated May 21, 2014.

RESOLVED THAT the Articles of Association of the Company be and is hereby amended by adding the following new Article 60-C after the existing Article 60:

60-C The company may provide video conference facility to its Members at places other than the town in which general meeting is taking place after considering the geographical dispersal of its Members, subject to the condition that Members collectively holding ten percent (10%) or more shareholding residing at a geographical location provide their consent to participate in the general meeting through video conference at least ten (10) days prior to the date of the general meeting. The company shall arrange video conference facility subject to availability of such facility in that city and an intimation to the Members shall be given by the Company at least five (5) days before the date of general meeting regarding venue of video conference facility along with complete information. However, the quorum, as required under the Act , as well as the Chairman of the general meeting, shall be present at the place of the general meeting.

FURTHER RESOLVED THAT the Chief Executive Officer and/or Company Secretary be and is hereby authorized to do all acts, deed and things, take all steps and actions necessary, ancillary and incidental for altering the Articles of Association of the Company including filing of all requisite documents/statutory forms as may be required to be filed with the Registrar of Companies and complying with all other regulatory requirements so as to effectuate the alterations made in the Articles of Association and implementing all the aforesaid Special Resolutions.

9. To consider and if thought fit, to convert Sponsors' outstanding loan into equity of the Company by way of further issue of shares, without offering shares to the existing shareholders under the first proviso to section 83(1) of the Companies Act, 2017.
10. To consider and if thought fit, to make further long-term equity investment upto Rs.1,000,000,000/- (Rupees One billion only) by way of an additional acquisition of shares of The Bank of Khyber, an associated company, under Section 199 of the Companies Act, 2017.

RESOLVED THAT pursuant to the requirements of Section 199 of the Companies Act, 2017, further long-term equity investment upto Rs.1,000,000,000/- (Rupees One billion only) by way of an additional acquisition of shares of The Bank of Khyber, an associated company, be and is hereby made by Ismail Industries Limited, subject to approval of shareholders and the Regulatory Authorities.

FURTHER RESOLVED THAT the above said resolution shall be valid for three years and the Chief Executive Officer and / or the Company Secretary of the Company be and are hereby singly empowered and authorized to undertake the decision of the said investment of shares as and when deemed appropriate and necessary in the best interest of the Company and its shareholders and to take all steps and actions necessary incidental and ancillary to the further acquisition of The Bank of Khyber shares including execution of any and all documents and agreements as may be required in this regard and to do all acts, matters, deeds and things as may be necessary or expedient for the purposes of giving effect to the spirit and intent of the special resolution for making investment from time to time.

FURTHER RESOLVED THAT subsequent to the above said further equity investment, the Chief Executive Officer and/or the Company Secretary of the Company be and are hereby authorized singly to dispose off, through any mode, a part or all of equity investment made by the Company in The Bank of Khyber from time to time, as and when deemed appropriate and necessary, in the best interest of the Company.

11. To consider and, if thought fit, pass, with or without modification, the following special resolution, under Section 199 of the Companies Act, 2017 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for the purpose of approving the investment to be made by the Company in Hudson Pharma (Private) Limited (HPL), an associated/a subsidiary company, by inducting of Rs.500,000,000/- (Rupees: Five hundred million only) to meet its operational expenses/working capital requirements:

RESOLVED THAT pursuant to the requirements of section 199 of the Companies Act, 2017, an investment of Rs.500,000,000/- (Rupees: Five hundred million only) be and is hereby made in Hudson Pharma (Private) Limited, an associated/a subsidiary company to meet its operational expenses/working capital requirements.

FURTHER RESOLVED THAT the Chief Executive Officer / Company Secretary be and is hereby authorized to do all acts to affect the Special Resolution for completion of all legal and necessary formalities with respect to the investment made under section 199 of the Companies Act, 2017 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

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

"Statement under Section 134(3) of the Companies Act, 2017, concerning the Special Resolutions, is attached along with the Notice circulated to the members of the Company, and is deemed an integral part hereof."

By order of the Board



Ghulam Farooq
Company Secretary

Karachi: September 24, 2018

Notes

1. Closure of Shares Transfer Book

The shares transfer book of the Company shall remain closed with effect from October 25, 2018 to October 31, 2018 (both days inclusive). Transfers received in order at the office of Share Registrar M/s. THK Associates (Pvt.) Ltd, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi, Phone # 021-111-000-322 (the Share Registrar) at the close of

business on Wednesday, October 24, 2018 will be considered in time to attend and vote at the meeting and payment of cash dividend, if approved by the Shareholders.

2. Change of Address

The shareholders are requested to notify change in their address, if any, to our Share Registrar.

3. Participation in Annual General Meeting

A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxy, in order to be effective must reach the Company Share Registrar Office not less than 48 hours before the time of the meeting during working hours.

An individual beneficial owner of shares must bring his/her original CNIC or Passport, Account and Participant I.D. numbers to prove his/her identity. A representative of Corporate members, must bring the Board of Directors' Resolution and/or Power of Attorney and the specimen signature of nominee. CDC account holders will further have to follow the guidelines as laid down in Circular No. 1 on dated: January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

4. Submission of the CNIC/NTN Details (Mandatory)

As has already been notified from time to time, the Members who have not yet submitted photocopy of their valid CNIC to the Company / Share Registrar, are once again reminded to send the same at the earliest directly to Company's Share Registrar. Corporate entities are requested to provide their National Tax Number (NTN). Reference is also made to the Securities and Exchange Commission of Pakistan (SECP) Notifications SRO 779 (I) dated August 18, 2011, and SRO 831 (I) 2012 dated July 05, 2012, which mandates that the dividend warrants should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members. In case of non-receipt of the copy of a valid CNIC, the Company will withhold dividend warrants of such Shareholders to comply with the said SROs of SECP.

5. Withholding Tax on Dividend

Pursuant to the provisions of Finance Act, 2018 the deduction of income tax from dividend payment shall be made on the basis of following criteria:

- (i) Rate of tax deduction for filer of income tax return 15%
- (ii) Rate of tax deduction for non-filer of income tax return 20%

