

Ref: IIL/19-20/___

April 10, 2020

The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Sub: **Release of Right Shares Subscription Amount**

Dear Sir,

In compliance with your letter no. PSX/C-622-271 dated: January 23, 2020 under clause 7 of Annexure – II "Procedure to be complied with for Issue of Right Shares", we are pleased to inform you that 2,552,190 Right Shares offered by Ismail Industries Limited (the "Company") have been fully subscribed as under;

Description	No. of Shares subscribed	Amount
Directors & Sponsors	2,521,810	907,851,600
General Public & others	2,262	814,320
Allotment of Un-subscribed shares	28,118	10,122,480
Total	2,552,190	918,788,400

The Directors and Sponsor of the Company have already inducted funds into the Company from financial year 2010-2011 to 2014-2015 amounting to Rs. 902,151,770/- (Rupees: Nine hundred two million one hundred fifty-one thousand seven hundred seventy only) and remaining proceed of Right Issue of share Rs. 16,636,630/- (Rupees: Sixteen million six hundred thirty-six thousand six hundred thirty only) have been received in specific bank account open for this purpose. Auditors' certificate confirming receipt of full amount of right shares is attached herewith.

In view of above, you are requested to please issue No Objection Certificate in the name of **JS Bank Limited** for transfer of right shares subscription amount from Banker to the Right Issue of Company.

Regards,

For Ismail Industries Limited



Ghulam Farooq
Company Secretary

Encl: As above



Grant Thornton

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BAS/C138/20/0904

April 09, 2020

Mr. Ghulam Farooq
Company Secretary
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Dear Sir

**PRACTISING MEMBERS' CERTIFICATE ON RECEIPT OF AMOUNT OF
SUBSCRIPTION MONEY AGAINST ISSUE OF RIGHT SHARE**

We have been requested to provide you with a certificate to confirm the receipt of subscription money against issue of right shares of Ismail Industries Limited (the Company) as required by Pakistan Stock Exchange (PSX) vide its letter PSX/C-662-271 ('the letter'), dated January 23, 2020.

Scope of certificate

The requirement of clause 7 of Annexure-II of the letter is produced below;

“In case of under subscription, the Company shall arrange payment of un-subscribed right shares within 15 days from the last date of payment and shall confirm the same to the Exchange. The Company will also furnish Auditors' Certificate confirming receipt of full amount of Right Issue in cash enabling the Exchange to issue NOC in the name of the banker to the issue of the company for release of subscription amount received by them. The company will also submit Form-3, i.e. Return of Allotment duly certified by the Companies Registration Office within 45 days of the last date of payment/ renunciation”

We as statutory auditors of the Company are required to issue a certificate to confirming receipt of full amount of Right Issue in cash of the Company under clause 7 of Annexure-II of the letter’.

Management Responsibility

It is the management’s responsibility to fulfil the requirement of Companies (issue of further shares) Regulations, 2018 and ensure compliance with the requirement of PSX as required under the letter.



Auditor's Responsibility

Our responsibility is to certify the compliance with the requirement of PSX as required under clause 7 of Annexure-II of the letter and issue certificate in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to the procedures as mentioned below:

1. Reviewing the resolution of BOD to check the approval of issuance of right shares to existing shareholders of the Company.
2. Traced an aggregate amount of Rs. 6,514,150 as mentioned in the bank statement open for this purpose.
3. Traced an aggregate amount of Rs. 10,122,480 against unsubscribed portion from the Company through supporting documents.
4. Traced Sponsors' subordinated loan amounting to Rs. 902,151,770 from latest audited financial statements.

Certificate

Based on the procedures mentioned above, we certify that the Company has received amounting to Rs. 902,151,770 in company's bank accounts in financial years from 2010-11 to 2014-15. Further the Company has also received amounting to Rs. 16,636,630 in specific account open for this purpose against subscription of 2,552,190 ordinary shares of Rs. 360 each.

Restriction on use and distribution

This certificate is being issued in capacity of statutory auditor of the Company on specific request of the management for onward submission with the PSX as required under clause 7 of Annexure-II of the letter and is not to be used or distributed for any other purpose. This certificate is restricted to the fact stated herein.

Yours truly

Grant Thornton Anjum Rahman

Grant Thornton Anjum Rahman

Chartered Accountants

Karachi

Extract of Resolution passed by the Board of Directors of Ismail Industries Limited (the "Company") in their meeting held on April 7, 2020 at the registered office of the Company.

At the meeting of the Board of Directors of the Company, the Directors were informed that pursuant to the resolution passed by the Board of Directors on January 22, 2020 for Right Issue of Shares of the Company in aggregate of Rs. 918,788,400/- (Rupees: Nine hundred eighteen million seven hundred eighty-eight thousand four hundred only) divided into 2,552,190 ordinary shares of Rs. 360/- each, comprising face value of Rs. 10/- each with a premium of Rs. 350/- each, was carried out. The Directors were further informed that the Sponsor and Directors of the Company have already inducted funds into the Company from financial year 2010-11 to 2014-15 amounting Rs. 902,151,770 (Rupees: Nine hundred two million one hundred fifty-one thousand seven hundred seventy only) and on last date of payment of the subscription i.e. March 27, 2020, an amount of Rs. 6,514,150/- (Rupees: Six million five hundred fourteen thousand one hundred fifty only) has also been received which comes to total of Rs. 908,665,920/- (Rupees: Nine hundred eight million six hundred sixty-five thousand nine hundred and twenty only) had been subscribed as per the subscription results presented to the Board, whilst the balance amount of Rs. 10,122,480/- (Rupees: Ten million one hundred twenty-two thousand four hundred eighty only) remains unsubscribed i.e. 28,118 un-subscribed shares.

Consequently, the following resolutions passed by the Board:

RESOLVED THAT pursuant to the provisions of Companies Act, 2017 the consent of the Board of Directors of the Company be and is hereby accorded for allotment of 2,524,072 ordinary shares at a face value of Rs. 10/- each and at a premium of Rs. 350/- each to all those members who have accepted the offer by depositing of right subscription amount aggregating to Rs. 908,665,920/- (Rupees: Nine hundred eight million six hundred sixty-five thousand nine hundred and twenty only).

FURTHER RESOLVED THAT the 28,118 un-subscribed shares at a face value of Rs. 10/- each and at a premium of Rs. 350/- each amounting to Rs. 10,122,480/- (Rupees: Ten million one hundred twenty-two thousand four hundred and eighty only), be and is hereby allotted to Mr. Muhammad M. Ismail, the Director of the Company.

FURTHER RESOLVED THAT all necessary steps and actions be taken in accordance with the applicable laws for completion of the Right Issue process.

FURTHER RESOLVED THAT the Chief Executive Officer and Company Secretary be and are hereby singly authorized to take all necessary steps, and do all other acts, deeds and things, including any ancillary or incidental actions to give effect to the above resolutions including but not limited offering the unsubscribed shares in the manner directed by the Board, carrying out discussions and negotiations for subscription of the un-subscribed shares, confirming allotment of the said shares and completing the right issue process.

Certified True Copy


Ghulam Farooq
Company Secretary