

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 32nd Annual General Meeting of **Ismail Industries Limited** will be held at Hotel Galaxy, Bushra Hall, 164, B.C.H.S. Shahra-e-Faisal, Karachi on Monday, October 26, 2020 at 12:00 noon to transact the following businesses.

Ordinary Businesses:

1. To confirm the minutes of the Annual General Meeting of the Company held on October 25, 2019.
2. To receive, consider, approve and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2020 together with the Directors' and Auditors' Reports thereon and Chairman's Review Report.
3. To approve and declare the final cash dividend @ 30% (Rs. 3.00 per share) on the ordinary shares of the Company as recommended by the Directors for the year ended June 30, 2020. This is in addition to interim cash dividend @5% i.e. Re. 0.50 per share already paid.
4. To appoint Auditors for the year ending June 30, 2021 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 remuneration of the Chief Executive Officer and Executive Director.
6. 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."

Karachi: October 2, 2020

By order of the Board

Ghulam Farooq
Company Secretary

Notes

1. Closure of Shares Transfer Book

The shares transfer book of the Company shall remain closed with effect from October 20, 2020 to October 26, 2020 (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 Monday, October 19, 2020 will be considered in time to attend and vote at the meeting.

2. 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.

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

In accordance with the notification of 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 counters should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate entities, are requested to submit the same to the Company's Share Registrar. In case of non-compliance, the Company shall withhold credit of dividend as per law.

4. Withholding Tax on Dividend

Pursuant to the provisions of Finance Act, 2020 effective July 1, 2020, the rates of 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 30%

- I) 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 start of book closure date otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.
- II) According to clarification received from 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. In this regard, all Members/Shareholders of the Company either holding shares in physical form or in CDC, who hold shares jointly are requested to provide shareholding proportions of Principal Shareholder and joint-holder(s) in respect of shares held by them (only if not already provided) to our Share Registrar, in writing and in the following manner:

Folio/ CDS Account No.	Total Shares	Principal Shareholder		Joint Shareholder(s)	
		Name & CNIC No.	Shareholding proportion (No. of Shares)	Name & CNIC No.	Shareholding proportion (No. of Shares)

The required information must reach our Share Registrar within 10 days of this notice, otherwise it will be assumed that the shares are equally held by Principal Shareholder and Joint Holder(s).

- III) A valid Exemption Certificate under Section 159 of the Ordinance, 2001 is mandatory to claim exemption of withholding tax under Clause 47B of Part-IV of Second Schedule to the Ordinance, 2001. Those who wish to seek an exemption must provide a copy of their valid tax exemption certificate to the Share Registrar prior to the date of commencement of Book Closure otherwise tax will be deducted according to the applicable Law.

5. Payment of Cash Dividend Electronically (Mandatory Requirement)

The provisions of section 242 of the Companies Act, 2017, and Companies (Distribution of Dividends), Regulation 2017, a listed company, is required to pay cash dividend to the Shareholders ONLY through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend Form provided in the annual report. In case

of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company.

6. Transmission of Annual Report through e-mail.

We are pleased to inform shareholders that the Securities and Exchange Commission of Pakistan pursuant to SRO No. 787(I)/2014 dated September 08, 2014 permitted Companies to circulate their Annual Balance Sheet and Profit and Loss Accounts, Auditor's Report and Director Report etc. ("Annual Report") along with the notice of annual general meeting ("Notice"), to its shareholders by email. Shareholders of the Company, who wish to receive the Company's Annual Audited Accounts and notices of annual general meeting by email, are requested to provide the complete Electronic Communication detail. However, the Company may provide hard copy of Annual Report to such members on their request, free of cost, within seven days of receipt of such request.

7. Transmission of Annual Report through CD:

The Company has circulated annual audited financial statements to its members through CD at their registered address. Printed copy of above referred statements can be provided to members upon request.

8. Unclaimed / Unpaid Entitlements

Shareholders who by any reason could not collect their dividends/bonus shares/others are advised to contact our Share Registrar to collect / enquire about their unclaimed dividends/bonus shares/others, if any.

9. Deposit of Physical Shares in to CDC Account

As per Section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of this Act, i.e. May 30 2017.

The shareholders having physical shareholding are encouraged to open CDC sub-account with any of the brokers or Investor account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including save custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

10. E-Voting

Pursuant to the Companies (E-voting) Regulations, 2016, shareholders will be able to exercise their right to vote through e-voting by giving their consent in writing, at least 10 days before the date of the meeting to the Company on the appointment of Execution Officer by the intermediary as Proxy.

11. Postal Ballot

Pursuant to Companies (Postal Ballot) Regulations 2018, for the purpose of election of Director and for any other agenda item subject to the requirement of section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.

12. Request for Video Conference Facility

In accordance with section 132(2) of the Companies Act, 2017 if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city, subject to availability of such facility in that city. To avail this facility, fill the request form reproduce below and submitted to registered address of the Company.

REQUEST FOR VIDEO CONFERENCE FACILITY

I/We/Messrs. _____ of _____, being Member(s) of Ismail Industries Limited, holder of _____ ordinary share(s) as per Folio # _____ and/or CDC Participant ID & Sub-Account No. _____, hereby opt for video conference facility at _____ city.

Signature of Member(s)

(Please affix Company stamp in case of Corporate entity)

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

This statement is annexed as an integral part of the Notice of the Annual General Meeting of Ismail Industries Limited to be held on Monday, October 26, 2020 at 12:00 noon, at Hotel Galaxy, Bushra Hall, 164, B.C.H.S. Shahra-e-Faisal, Karachi, Pakistan, and set out the material facts concerning the Special Business to be transacted at the Meeting.

Agenda # 5. Chief Executive Officer and Executive Director Remuneration

Approval is being sought for the payment of remuneration to the Chief Executive Officer and Executive Director.

For this purpose, the following Resolution will be moved at the meeting.

“RESOLVED THAT the Company be and is hereby approves and authorizes the payment as remuneration to the Chief Executive Officer a sum of Rs. 14,400,000/- per annum and Executive Director a sum of Rs. 12,000,000/-per annum.

“FURTHER RESOLVED THAT in addition to remuneration, all utilities bills, perks & benefits will be paid by the Company. The approximate value of the utilities bill, perks & benefits to be borne by the Company would be Rs. 1,250,000/- per annum for the Chief Executive Officer and Rs. 1,000,000/- per annum for the Executive Director.

Statement Under Rule 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Name of the Investee Company	The Bank of Khyber
Total Amount approved	Rs. 1,000,000,000 (Rupees: One billion only) was approved by members in Annual General Meeting on October 26, 2018.
Amount of investment made to date	Rs. 16,284,035/-
Reason for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time	Investment in the Bank of Khyber shall be valid for three years effective from members approval.
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment	There is no material change in financial statements of the Bank of Khyber.



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Signature of Member(s)

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