

# ITTEHAD CHEMICALS LIMITED

## NOTICE OF ANNUAL GENERAL MEETING

**Notice** is hereby given that the 32<sup>nd</sup> Annual General Meeting of the Shareholders of **Ittehad Chemicals Limited** will be held on **Thursday, October 26, 2023 at 11:00 a.m.** at the Registered Office of the Company situated at 39-Empress Road, Lahore to transact the following business:

### **ORDINARY BUSINESS:**

1. To confirm the minutes of Extraordinary General Meeting held on March 28, 2023.
2. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the Financial Year ended June 30, 2023 together with the Directors' and Auditors' Reports thereon and Chairman's Review Report.
3. To declare and approve, as recommended by the Directors, the payment of final cash dividend at the rate of PKR 1.25 (12.50 %) for the year ended June 30, 2023. This is in addition to interim cash dividends of PKR 3/- (30%) per share.
4. To appoint Auditors for the Financial Year 2023-24 and to fix their remuneration. M/s BDO Ebrahim & Co., Chartered Accountants retire and being eligible, have offered themselves for re-appointment.

### **SPECIAL BUSINESS:**

5. To approve the circulation of the Annual Audited Financial Statements to the members through QR enabled code and web link by passing an ordinary resolution proposed in the statement of material fact.

**"Resolved that** approval of the shareholders of Ittehad Chemicals Limited (the "Company") be and is hereby accorded and the Company be and is hereby authorized to circulate the Annual Audited Financial Statements of the Company together with the reports and documents required to be annexed thereto under the Companies Act, 2017 through QR enabled code and web link instead of circulation through CD/DVD/USB.

**Further resolved that** the Chief Executive Officer and / or Chief Financial Officer and / or Company Secretary of the Company be and is hereby singly empowered and authorized to do all acts, deeds and things, take or cause to be taken all necessary action for the purposes of implementing this resolution."

6. To ratify and approve transactions carried out by the Company with Related Parties as specified in statement under Section 134(3) of the Companies Act, 2017 by passing the following Special Resolution with or without modification:

**"Resolved that** the transactions carried out in the normal course of business with related parties and associated companies as disclosed in Note # 48 of the Financial Statements for the year ended June 30, 2023, be and are hereby ratified and approved."

**"Further resolved that** the Board of Directors be and is hereby authorized to approve transactions to be carried out in the normal course of business with related parties and associated companies during the financial year ending on June 30, 2024.

The statement of material facts providing the information as required under Section 134(3) of the Companies Act, 2017 is being sent to shareholders along with the Notice of AGM.

### **ANY OTHER BUSINESS**

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

By Order of the Board

Lahore  
September 20, 2023

Abdul Mansoor Khan  
Company Secretary

### **Notes:-**

- i. The Share Transfer Books of the Company will remain closed from October 19, 2023 to October 26, 2023 (both days inclusive). Transfers received in order by our Share Registrars, M/s Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, The Mall, Lahore by the close of business on October 18, 2023 will be considered in time for attending and vote in Annual General Meeting and for the purpose of entitlement of dividend.
- 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 Company's 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 mandate form (specimen available on Company's website). In case of CDC shareholders, please update the record with CDC Participant.
- vii. 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 filer of income tax returns and (b) 30% for non-filers of income tax returns. The members are advised to update their status accordingly in order to avoid any inconvenience for any dividend.

- viii. 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 in accordance with the requirements and procedures contained in the aforesaid regulations.
- ix. Under Section # 72 of the Companies Act, 2017, the shareholders who hold shares in physical form are required to replace their physical shares with book-entry form within the period to be notified by the SECP. Hence, the shareholders who hold shares in physical form are advised to convert their physical shares in electronic form at their earliest.
- x. The Annual Report for the Financial Year ended June 30, 2023 will be placed on Company’s website [www.ittehadchemicals.com](http://www.ittehadchemicals.com) in due course of time.

**STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 CONCERNING THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING:**

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, 2023.

**Item No. 5 of the Agenda - To approve the circulation of the annual audited financial statements to the members through QR enabled code and weblink by passing an ordinary resolution proposed in the statement of material facts.**

The Securities and Exchange Commission of Pakistan (“SECP”) vide SRO 389(I)/2023 dated March 21, 2023 has allowed the listed companies to circulate the Annual Audited Financial Statements including Annual Balance Sheet and Profit and Loss Account, Auditor’s Report and Directors Report, etc. (“annual audited financial statements”) to its members through QR enabled code and weblink. This will enable the company to use of technological advancements and cost saving.

The company shall circulate the annual audited financial statements through email in case email address has been provided by the member to the company and the consent of member to receive the copies through email is not required.

The company shall send the complete financial statements with relevant documents in hard copy to the shareholders, at their registered addresses, free of cost, within one week, if a request has been made by the member on the standard request form available on the website of the company.

The following resolution is proposed to be passed as ordinary resolution, with or without any modification.

**“Resolved that** approval of the shareholders of Ittehad Chemicals Limited (the “Company”) be and is hereby accorded and the Company be and is hereby authorized to circulate the Annual Audited Financial Statements of the Company together with the reports and documents required to be annexed thereto under the Companies Act, 2017 through QR enabled code and weblink instead of circulation through CD/DVD/USB.

**Further resolved that** the Chief Executive Officer and / or Chief Financial Officer, and / or Company Secretary be and is hereby singly empowered and authorized to do all acts, deeds and things, take or cause to be taken all necessary action for the purposes of implementing this resolution.”

None of the Directors have any interest, directly or indirectly, in the aforesaid special business.

**Item No. 6 of the Agenda - To ratify and approve transactions carried out by the Company with Related Parties as specified in statement under Section 134(3) of the Companies Act, 2017 by passing the following Special Resolution with or without modification.**

Transactions carried out with related parties have to be approved by the Board of Directors as recommended by the Audit Committee under the prevailing corporate laws and Company's Related Party Transaction Policy. Ittehad Chemicals Limited (the "ICL") is enjoying marketing advisory services from Chemi Multifabrics Limited (the "CML") which is a Public Limited Company. However, relative(s) of director(s) of ICL holds few shares in CML (which the relevant ICL Directors have disclosed to the ICL Board); nevertheless the marketing advisory services agreement executed between the ICL and CML has been approved by shareholders in the General Meeting as a "Special resolution". However, in order to ensure that the related party transactions are more transparent, the management has decided to place the related party transactions as provided in Note # 48 of the unconsolidated Financial Statements for the year ended June 30, 2023 in the Annual General Meeting of the shareholders to be held on 26<sup>th</sup> October, 2023" to get the transactions approved from shareholders as a "Special Resolution". The Company's Financial Statements are available on its website [www.ittehadchemicals.com](http://www.ittehadchemicals.com).

**STATEMENT UNDER REGULATION 4(2) OF THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS 2017:-**

Name of the investee Company	Ittehad Salt Processing (Pvt.) Limited
(a) total investment approved;	Rupees 300,000,000
b) amount of investment made to date	Rupees 2,500,000
(c) reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time;	No deviation. The Company is a wholly owned subsidiary of Ittehad Chemicals Limited. The investment will be made as per requirements of the subsidiary.
(d) material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment.	No Change.