

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 36th Annual General Meeting of **Ismail Industries Limited** (the "Company") will be held at Hotel One, Bushra Hall, 164, B.C.H.S. Shahrah-e-Faisal, Karachi on Wednesday, October 09, 2024 at 12:00 noon to transact the following businesses:

Ordinary Businesses:

1. To confirm the minutes of 35th Annual General Meeting of the Company held on October 23, 2023.
2. To receive, consider, approve, and adopt the standalone and consolidated Audited Financial Statements of the Company for the year ended June 30, 2024, together with the Chairman's Review Report, Directors' Report, and Auditors' Reports thereon.

In accordance with section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389(1)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the website of the Company which can be accessed through the following weblink and QR enabled code:

Weblink

<https://ismailindustries.com.pk/financial-reports>

QR Enabled Code



3. To declare and approve, as recommended by the Board of Directors, the payment of the final cash dividend on the ordinary shares of the Company @ 100% (Rs. 10 per share) for the year ending June 30, 2024.
4. To appoint Auditors of the Company and fix their remuneration for the year ending June 30, 2025. The Board Audit Committee and the Board of Directors have recommended the name of retiring auditors M/s. Grant Thornton Anjum Rahman, Chartered Accountants, for their re-appointment.

Special Businesses:

5. To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2024 by passing the following special resolutions with or without modification:



"RESOLVED THAT transaction carried out in normal course of business with Related Parties during the year ended June 30, 2024 as disclosed in the note no. 45 of the unconsolidated financial statements be and are hereby ratified and approved."

6. To authorize the Board of Directors of the Company to approve transactions with Related Parties for the financial year ending June 30, 2025, by passing the following special resolutions with or without modification:

"RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to approve transactions to be conducted with Related Parties on case-to-case basis for the financial year ending June 30, 2025."

"FURTHER RESOLVED THAT these transactions as approved by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting of the Company for their formal ratification/approval."

7. To consider and if deemed fit, to pass with or without modification(s), addition(s) or deletion(s), the following Special Resolution(s) under Section 199 of the Companies Act, 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 (as may be amended), as recommended by the Board of Directors of the Company:

"RESOLVED THAT, approval of the members of the Company is hereby accorded by way of special resolution (in accordance with Section 199 of the Companies Act, 2017 read with Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017) for the following acts by the Company:

- A. Approval for the Company to enhance the quantum of long-term equity investment in its subsidiary company M/s Ismail Resin (Private) Limited as approved by the shareholders in Annual General Meeting of the Company held on October 26, 2022 from Rs. 3,000,000,000/- (Rupees: Three billion) to Rs. 3,937,500,000/- (Rupees: Three billion nine hundred thirty-seven million five hundred thousand). The enhancement of Rs. 937,500,000/- (Rupees: Nine hundred thirty-seven million five hundred thousand) is being proposed specifically for setting-up a Recycle Polyester Resin (rPET Resin) manufacturing facility.
- B. Approval for the Company to renew an intercompany loan extended to its subsidiary, M/s Ismail Resin (Private) Limited, as approved by the shareholders in Annual General Meeting of the Company held on October 23, 2023 aggregate amount of Rs. 8,000,000,000 (Rupees: Eight billion), for a period of further one year as per approved terms and conditions.
- C. Approval for the Company to provide further amount of financial assistance and Cross Corporate Guarantee up to Rs.16,500,000,000 (Rupees: Sixteen billion five hundred million) to the lenders of its subsidiary M/s. Ismail Resin (Private) Limited.
- D. Approval for the Company to renew an intercompany loan extended to its subsidiary, M/s. Hudson Pharma (Private) Limited, as approved by the shareholders in Annual General Meeting of the Company held on October 23, 2023 aggregate amount of Rs. 1,500,000,000 (Rupees: One billion five hundred million), for a period of further one year as per approved terms and conditions.



Head Office: 17 Bangalore Town, Main Shahrah-e-Faisal, Karachi - 75350, Pakistan.
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- E. Approval for the Company to renew an intercompany loan extended to its associate, M/s. Innovita Nutrition (Private) Limited, as approved by the shareholders in Annual General Meeting of the Company held on October 23, 2023 aggregate amount of Rs. 1,000,000,000 (Rupees: One billion), for a period of further one year as per approved terms and conditions.
- F. Approval for the long-term equity investment by the Company to establish / set-up a subsidiary of the Company M/s. Bisconni Middle East Manufacturing LLC (the LLC) in Abu Dhabi, UAE, with an aggregate amount up to PKR equivalent to US \$ 10,000,000 (USD: Ten million), with shareholding up to 100% based on approval from competent authorities. The LLC shall be involved in the activities of "Chocolate, Sugar Confectionery & Dry Bakery Products Manufacturing" or similar activities approved by the Abu Dhabi Economic Department. The investment is proposed to expand the business footprints of the Company outside Pakistan.

"FURTHER RESOLVED THAT the Chief Executive Officer / Company Secretary of the Company be and are hereby singly authorized to execute and deliver all necessary deeds, agreements, declarations, undertakings, documents and take any and/or all actions to implement and give effect to above resolutions and to complete any or all required corporate and necessary legal formalities for the purpose of implementation of above resolutions."


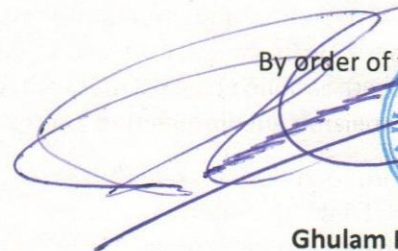
Any other Businesses:

8. To transact any other business with the 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 to be an integral part hereof."

Karachi: September 16, 2024

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 02, 2024, to October 09, 2024 (both days inclusive). Transfers received in order at the office of Share Registrar M/s. THK Associates (Pvt.) Ltd, Plot # 32-C, Jami Commercial Street 2, D.H.A. Phase VII, Karachi, Phone # 021-111-000-322 (the Share Registrar) at the close of business on October 01, 2024, 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, and a proxy so appointed shall have all such rights

as are available to a member. Proxy, 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 dated: January 26, 2000, issued by the Securities and Exchange Commission of Pakistan.

3. Submission of the CNIC (Mandatory)

As per SECP directives, the dividend of shareholders, who's valid CNICs are not available with the Share Registrar, may be withheld. All shareholders having a physical shareholding are therefore advised to submit a photocopy of their valid CNICs immediately, if not provided, to the Share Registrar, without any further delay.

4. Withholding Tax on Dividend

Pursuant to the provisions of section 150 read with Division I of Part III of the First Schedule of the Income Tax Ordinance, 2001 as amended by the Finance Act, 2024, prescribes rates for deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:

- a. Rate of tax deduction for filer of income tax return 15%
 - b. 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, even though 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) A valid Tax Exemption Certificate under Section 159 of the Income Tax Ordinance, 2001 is mandatory to claim exemption of withholding tax under Clause 47-B of Part-IV of Second Schedule to the Income Tax 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.
 - III) According to clarification received from FBR, withholding tax in case of joint accounts will be determined separately on 'Filer/Non-Filer' status of Principal Shareholder as well as Joint holder(s) based on their shareholding proportions. 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 the Company's 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).

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 following information to the Company's Share Registrar at the address given herein above. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company.

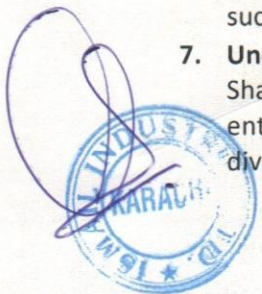
(i) Shareholder's details:	
Name of the Shareholder	
CDC Participant ID & Sub-Account No. /CDC IAS	
CNIC/NICOP/Passport/NTN No. (please attach copy)	
Contact Number (Landline & Cell Nos.)	
Shareholder's Address	
(ii) Shareholder's Bank account details:	
Title of Bank Account	
IBAN	
Bank's Name	
Branch Name & Code No.	
Branch Address	

6. Transmission of Annual Report through Email

Pursuant to the SRO No. 787(I)/2014 dated: September 08, 2014, issued by the Securities and Exchange Commission of Pakistan, permitted the Company to circulate its Annual Balance Sheet, Profit and Loss Account, Auditor's Report and Directors' 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 Report and Notice by email, are requested to provide complete Electronic Communication details to the Share Registrar of the Company. However, the Company may provide a hard copy of the Annual Report and Notice to such members on their request, free of cost, within seven days of receipt of such request.

7. Unclaimed / Unpaid Entitlements

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



8. Deposit of Physical Shares into 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 Securities & Exchange Commission of Pakistan. The shareholders having physical shares are encouraged to open CDC sub-account with any of the broker 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. The shareholders of the Company may contact the Share Registrar of the Company for the conversion of physical shares into book-entry form.

9. Postal Ballot

Pursuant to the Companies (Postal Ballot) Regulations 2018 and with Sections 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. Ballot paper is annexed to the report.

10. Access and Transmission of Annual Report

In accordance with the provision of section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389(1)/2023 dated March 21, 2023, the Company has circulated the notice of AGM along with QR enabled code and weblink to view and download the audited financial statements of the Company for the year ended June 30, 2024.

11. Request for Video Conference Facility

In accordance with section 134 of the Companies Act, 2017, if the Company receives consent from members holding in aggregate of 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 the availability of such facility in that city. To avail this facility, shareholders are requested to fill in the request form reproduced below and submit it to the 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 OF MATERIAL FACTS 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 Wednesday, October 09, 2024, at 12:00 noon at Hotel One, Bushra Hall, 164, B.C.H.S. Shahrah-e-Faisal, Karachi, Pakistan, and set out the material facts concerning the Special Businesses to be transacted at the Meeting.

1. Item number 5 of the notice – Ratification and approval of the related party transactions carried out during the year ended June 30, 2024

The Company carries out transactions with its related parties during the year ended June 30, 2024, on an arm's length basis as per the approved policy in the normal course of business. All transactions entered with related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on a quarterly basis pursuant to Clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019.

Many of the Company's Directors were interested in certain transactions with related parties due to their common directorships in associated/subsidiary companies. During the 35th Annual General Meeting of the Company, shareholders had authorized the Board of Directors to approve the transactions with related parties from time-to time on case-to-case basis for the year ended June 30, 2024 and such transactions were deemed to be placed before the shareholders in upcoming Annual General Meeting for their formal approval/ratification.

In view of the above, transactions conducted with related parties as shown in note no. 45 of the unconsolidated financial statements for the year ended June 30, 2024, are being placed before the shareholders for their consideration and approval/ratification.

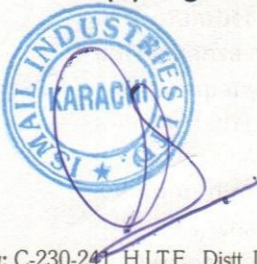
2. Item number 6 of the notice – Authorization for the Board of Directors to approve the related party transactions during the year ending June 30, 2025

The Company shall be conducting transactions with its related parties during the year ending June 30, 2025, on an arm's length basis as per the approved policy in the normal course of business. Many of the Company's Directors will be interested in these transactions due to their common directorship in the subsidiary/associated companies. To promote transparent business practices, shareholders desire to authorize the Board of Directors to approve transactions with related parties from time-to-time on case-to-case basis for the year ending June 30, 2025, which shall be deemed to be approved by the Shareholders. These transactions shall be placed before the shareholders in the next Annual General Meeting of the Company for their formal ratification/approval.

3. Item number 7 of the notice – Investment in subsidiary and associated company u/s. 199 of the Companies Act, 2017

a. M/s. Ismail Resin (Private) Limited

(A) Regarding associated company or associated undertaking:



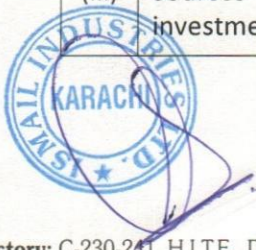
(i)	Name of the associated company or associated undertaking	M/s. Ismail Resin (Private) Limited																
(ii)	Basis of relationship	Subsidiary company with 75% shareholding and common directorship of following directors: 1) Mr. Muhammad M. Ismail 2) Mr. Maqsood Ismail Ahmed 3) Mr. Munsarim Saifullah 4) Mr. Ahmed Muhammad 5) Mr. Hamid Maqsood Ismail																
(iii)	Earnings per share for the last three years;	Loss per share: Financial Year 2023-2024 Rs. 1/81 Financial Year 2022-2023 Rs. 0/04 Financial Year 2021-2022 Rs. 0/20																
(iv)	Break-up value per share, based on latest audited financial statements.	Rs. 8/10 per share																
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements.	<table border="1"> <thead> <tr> <th colspan="2">Financial Position and Profit / Loss for the</th> </tr> <tr> <th>Year ended June 30, 2024</th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>Non-Current Assets</td> <td>11,355,624,710</td> </tr> <tr> <td>Total Assets</td> <td>26,861,171,749</td> </tr> <tr> <td>Equity – net</td> <td>3,241,698,245</td> </tr> <tr> <td>Non-Current Liabilities</td> <td>4,067,809,634</td> </tr> <tr> <td>Total Liabilities</td> <td>23,619,473,504</td> </tr> <tr> <td>Loss for the Year</td> <td>723,080,251</td> </tr> </tbody> </table>	Financial Position and Profit / Loss for the		Year ended June 30, 2024	Rs.	Non-Current Assets	11,355,624,710	Total Assets	26,861,171,749	Equity – net	3,241,698,245	Non-Current Liabilities	4,067,809,634	Total Liabilities	23,619,473,504	Loss for the Year	723,080,251
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Total Liabilities	23,619,473,504																	
Loss for the Year	723,080,251																	
(vi)	<p>In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely;</p> <p>(i) Description of the project and its history since conceptualization; (ii) Starting date and expected date of completion of work; (iii) Time by which such project shall become commercially operational; (iv) Expected time by which the project shall start paying return on investment; and (v) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between</p>	<p>Recycled Polyester Resin (rPET Resin) manufacturing plant with capacity of 24,000 tons per annum.</p> <p>Almost all plant & machineries and equipment's of the project have been finalized and prices of them have been negotiated with suppliers, now letter of credits are to be established. The factory building is under construction phase which is expected to be completed by September 2025.</p> <p>Tentatively, by September/October 2026 work will be completed.</p> <p>From the financial year 2026-27 the project will be commercially operational.</p> <p>Funds to be invested by the sponsors are in the form of cash.</p>																



cash and non-cash amounts;	
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(B) General disclosures:

(i)	Maximum amount of investment to be made	<p>To enhance the quantum of long-term equity investment as approved by the shareholders in Annual General Meeting of the Company held on October 26, 2022 from Rs. 3,000,000,000 (Rupees: Three billion) to Rs. 3,937,500,000 (Rupees: Three billion nine hundred thirty-seven million five hundred thousand).</p> <p>To renew an intercompany loan, as approved by the shareholders in the Annual General Meeting of the Company held on October 23, 2023, the aggregate amount of Rs. 8,000,000,000 (Rupees: Eight billion) comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.), for a period of further one year as per approved terms and conditions.</p> <p>To provide a further amount of financial assistance and Cross Corporate Guarantee up to Rs. 16,500,000,000 (Rupees: Sixteen billion five hundred million) to facilitate the subsidiary company to securitize its lenders against banking facilities extended to them for setting-up the rPET Resin project.</p>
(ii)	Purpose, benefits likely accrue to the investing company and its members from such investment and period of investment.	<p>Purpose:</p> <p>To make the equity investment with the intention of setting up a Recycle Polyester Resin (rPET Resin) manufacturing facility. The purpose of issuance of Cross Corporate Guarantee and financial assistance is to facilitate the subsidiary company to securitize their lenders against project financing facilities they are going to obtain.</p> <p>Benefits:</p> <ol style="list-style-type: none"> 1. To earn higher returns on the equity investments in the longer run. 2. To earn interest income which ultimately maximizes the shareholder value of the investing company. 3. Period of Investment: Effective from the date of members' approval, long term equity investment would be made in piecemeal as and when needed till the completion of the project. The period of intercompany loan is renewed for one (1) year, its further renewable for four (4) consecutive periods of one (1) year each.
(iii)	Sources of fund to be utilized for investment and where the investment	Equity investment is to be made from the surplus funds of the Company.



	<p>is intended to be made using borrowed funds:</p> <p>(i) Justification for investment through borrowings:</p> <p>(ii) Detail of collateral, guarantees provided and assets pledged for obtaining such funds: and</p> <p>(iii) Cost benefit analysis:</p>	<p>The Company will lend to its subsidiary company when/if it has access to excess funds/banking lines/security, and the subsidiary company requires the same. Each facility will be provided on an arm's length basis and will be done in a way which benefits the Company's shareholders.</p> <p>The Company secures financing from banks by providing a charge over the assets.</p> <p>The subsidiary company will pay a mark-up at a rate as per the agreement which is not lower than the average borrowing cost of the Company, which will improve the profitability of the Company.</p>
(iv)	<p>Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;</p>	<p>The agreement has already been signed as approved by the Members in the Annual General Meeting of the Company held on October 23, 2023. Other significant terms and conditions are as under:</p> <ol style="list-style-type: none"> 1. Intercompany loan comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.,) will be renewed to the extent of Rs. 8,000,000,000 (Rupees: Eight billion). 2. The subsidiary company will pay a mark-up at a rate as per the agreement which is not lower than the average borrowing cost of the Company, which will improve the profitability of the Company. 3. The period of intercompany loan is renewed for one (1) year, its further renewable for four (4) consecutive periods of one (1) year each.
(v)	<p>Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.</p>	<p>Mr. Muhammad M. Ismail, Mr. Maqsood Ismail Ahmed, Mr. Munsarim Saifullah, Mr. Hamid Maqsood Ismail and Mr. Ahmed Muhammad, are Directors of Ismail Industries Limited (the investing company), they are also Directors of Ismail Resin (Private) Limited (the investee company). However, they have no direct or indirect interest except to the extent of their shareholding in the investee company. Whereas the investing company is the major shareholder of the investee company.</p>
(vi)	<p>In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs:</p>	<p>Ismail Industries Limited has made an equity investment of Rs. 3,000,000,000 (Rupees: Three billion) for acquisition of land and construction of building and ancillary work. The Company has also issued a Cross Corporate Guarantee & financial assistance amounting to Rs. 10,505,000,000 (Rupees: Ten billion five hundred and five million) to facilitate the subsidiary company to securitize its lenders against banking facilities extended to them.</p>



Head Office: 17 Bangalore Town, Main Shahrah-e-Faisal, Karachi - 75350, Pakistan.
Tel: +92 21 34311170-77, 34370056-68 Fax: +92 21 34541094

		Furthermore, the Company also extended intercompany loan amounting to Rs. 7,962,000,000 (Rupees: Seven billion nine hundred sixty-two million) to meet the working capital requirements. Subsidiary company has started its commercial operation from April 2024. There are no impairment and write off relating to the investment made so far.
(vii)	Any other important details necessary for the members to understand the transaction	Not significant

(C) Additional information for equity investment:

(i)	Maximum price at which securities will be acquired.	At the face value of Rs. 10/- per share
(ii)	In case the purchase price is higher than its market value in case of listed securities and fair value in case of unlisted securities, justification thereof;	Not Applicable
(iii)	Maximum number of securities to be acquired.	93,750,000 Ordinary shares of Rs. 10/- each.
(iv)	Number of securities and percentage thereof held before and after the proposed investment	Currently, the Company holds 300,000,000 ordinary shares of Rs. 10/- constituting 75.00% equity shareholding in the subsidiary company. The Company's shareholding after the proposed equity investment would be 393,750,000 ordinary shares of Rs. 10/- amounting to Rs. 3,937,500,000, constituting the same proportion as before.
(v)	Current and preceding twelve weeks weighted average market price where investment is proposed to be made in listed securities;	Not Applicable
(vi)	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	The fair value of equity has been worked out at Rs. 14/- per share, as determined by M/s. Munaf Yusuf & Co., Chartered Accountants. The valuation has been carried out using the discounted cash flow method. The underlying five (5) years projections were prepared by the management.

(D) Additional information for Loans, Advances and Guarantees:

(i)	Category-wise amount of investment	Intercompany loan comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.) will be renewed to the extent of Rs. 8,000,000,000/- (Rupees: Eight billion) to meet the operational and working capital requirements.
(ii)	Average borrowing cost of the	Average borrowing cost of the investing company comprises



	investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period.	the Karachi Interbank Offered Rate (KIBOR) for the relevant period plus average spread of the Bank, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period. Average markup rates charged by holding company during the year ranges from 22.17% to 23%.
(iii)	Rate of interest, markup, profit, fees or commission etc. to be charged by investing company	The subsidiary company will pay a mark-up at a rate as per the agreement which is not lower than the average borrowing cost of the Company.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment.	No security obtained from the subsidiary company as collateral.
(v)	If the investment carries conversion features i.e., it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not Applicable
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	The period of intercompany loan is renewed for one (1) year, its further renewable for four (4) consecutive periods of one (1) year each, other terms and conditions are applicable as per the agreement.

b. M/s. Hudson Pharma (Private) Limited

(A) Regarding associated company or associated undertaking:

(i)	Name of the associated company or associated undertaking	M/s. Hudson Pharma (Private) Limited
(ii)	Basis of relationship	Subsidiary Company with 78.53% shareholding and common directorship of following directors: 1) Mr. Munsarim Saifullah 2) Mr. Ahmed Muhammad 3) Mr. Hamid Maqsood Ismail
(iii)	Earnings per share for the last three years;	Loss per share: Financial Year 2023-2024, Rs. 1/56 Financial Year 2022-2023, Rs. 1/75 Financial Year 2021-2022, Rs. 1/11
(iv)	Break-up value per share, based on latest audited financial statements	Rs. 2/25 per share



(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements.	Financial Position and Profit / Loss for the	
		Year ended June 30, 2024	Rs.
		Non-Current Assets	1,421,434,468
		Total Assets	2,126,225,728
		Equity – net	724,649,083
		Non-Current Liabilities	353,098,843
		Total Liabilities	1,401,576,645
		Loss for the Year	501,767,194
(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely;	Not Applicable	
(i)	Description of the project and its history since conceptualization;		
(ii)	Starting date and expected date of completion of work;		
(iii)	Time by which such project shall become commercially operational;		
(iv)	Expected time by which the project shall start paying return on investment; and		
(v)	Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;		

(B) General disclosures:

(i)	Maximum amount of investment to be made	To renew an intercompany loan, as approved by shareholders in Annual General Meeting of the Company held on October 23, 2023 the aggregate amount of Rs. 1,500,000,000 (Rupees: One billion five hundred million) to, comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.), for a period of further one year as per approved terms and conditions.
(ii)	Purpose, benefits likely accrue to the investing company and its members from such investment and period of investment	<p>Purpose: An intercompany loan provided to meet the operational and working capital requirements.</p> <p>Benefits: To earn interest income which ultimately maximizes the</p>



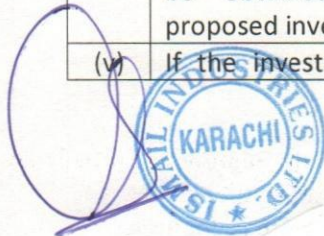
		<p>shareholder value of the investing company.</p> <p>Period of Investment: The period of intercompany loan is renewed for one (1) year, its further renewable for four (4) consecutive periods of one (1) year each.</p>
(iii)	<p>Sources of fund to be utilized for investment and where the investment is intended to be made using borrowed funds:</p> <p>(i) Justification for investment through borrowings: (ii) Detail of collateral, guarantees provided and assets pledged for obtaining such funds: and (iii) Cost benefit analysis:</p>	<p>The Company will lend to its subsidiary company when/if it has access to excess funds/banking lines/security, and the subsidiary company requires the same. Each facility will be provided on an arm's length basis and will be done in a way which benefits the Company's shareholders.</p> <p>The Company secures financing from banks by providing a charge over the assets.</p> <p>The subsidiary company will pay a mark-up at a rate as per the agreement which is not lower than the average borrowing cost of the Company, which will improve the profitability of the Company.</p>
(iv)	<p>Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;</p>	<p>The agreement has already been signed as approved by the Members in the Annual General Meeting of the Company held on October 23, 2023. Other significant terms and conditions are as under:</p> <ol style="list-style-type: none"> 1. Intercompany loan comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.,) will be renewed to the extent of Rs. 1,500,000,000 (Rupees: One billion five hundred million). 2. The subsidiary company will pay a mark-up at a rate as per the agreement which is not lower than the average borrowing cost of the Company, which will improve the profitability of the Company. 3. The period of intercompany loan is renewed for one (1) year, its further renewable for four (4) consecutive periods of one (1) year each.
(v)	<p>Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.</p>	<p>Mr. Munsarim Saifullah, Mr. Hamid Maqsood Ismail, and Mr. Ahmed Muhammad are Directors of Ismail Industries Limited (the investing company), they are also Directors of Hudson Pharma (Private) Limited (the investee company). However, they have no direct or indirect interest except to the extent of their shareholding in the investee company. Whereas the investing company is a major shareholder of the investee company.</p>
(vi)	<p>In case any investment in associated company or associated undertaking has already been made, the</p>	<p>Ismail Industries Limited has made an equity investment of Rs. 2,525,984,000/- (Rupees: Two billion five hundred twenty-five million nine hundred eighty-four thousand).</p>



	performance review of such investment including complete information/justification for any impairment or write offs:	<p>The Company has also issued a Cross Corporate Guarantee of Rs. 830,907,534/- (Rupees: Eight hundred thirty million nine hundred seven thousand five hundred thirty-four) in favor of the lenders of Hudson Pharma for securitizing them against banking facilities extended.</p> <p>Furthermore, the Company also extended intercompany loan amounting to Rs. 691,900,000/- (Rupees: Six hundred ninety-one million nine hundred thousand) to meet the working capital requirements.</p> <p>Hudson Pharma having the state of art and most modern manufacturing facility anywhere in Pakistan. It has a well-established track record of executing their vision based on repeatable and reliable processes that they have developed and refined over many years. It has an aim to provide health institutions with more sterile injectable materials which are easier to administer as compared to other forms of dosage.</p> <p>There are no impairment and write off relating to the investment made so far.</p>
(vii)	Any other important details necessary for the members to understand the transaction	Not significant

(C) Additional information for Loans, Advances and Guarantees:

(i)	Category-wise amount of investment	Intercompany loan comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.,) will be renewed to the extent of Rs. 1,500,000,000 (Rupees: One billion five hundred million) to meet the operational and working capital requirements.
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period.	Average borrowing cost of the investing company comprises the Karachi Interbank Offered Rate (KIBOR) for the relevant period plus average spread of the Bank, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be for the relevant period. Average markup rates charged by holding company during the year ranges from 22.55% to 23%.
(iii)	Rate of interest, markup, fees or commission etc. to be charged by investing company	The subsidiary company will pay a mark-up at a rate as per the agreement which is not lower than the average borrowing cost of the Company.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment	No security obtained from the subsidiary company as collateral.
(v)	If the investment carries conversion	Not Applicable



	features i.e., it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable.	
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	The period of intercompany loan is renewed for one (1) year, its further renewable for four (4) consecutive periods of one (1) year each, other terms and conditions are applicable as per the agreement.

c. M/s. Innovita Nutrition (Private) Limited

(A) Regarding associated company or associated undertaking:

(i)	Name of the associated company or associated undertaking	M/s. Innovita Nutrition (Private) Limited																
(ii)	Basis of relationship	Associated Company based on common directorship of following directors: 1) Mr. Munsarim Saifullah 2) Mr. Ahmed Muhammad 3) Mr. Hamid Maqsood Ismail																
(iii)	Earnings per share for the last three years;	Earnings / (Loss) per share: Financial Year 2023-2024, Rs. 21/38 Financial Year 2022-2023, Rs. (0/06) Financial Year 2021-2022, Rs. (0/40)																
(iv)	Break-up value per share, based on latest audited financial statements	Rs. 30/92 per share																
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements.	<table border="1"> <thead> <tr> <th colspan="2">Financial Position and Profit / Loss for the</th> </tr> <tr> <th>Year ended June 30, 2024</th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>Non-Current Assets</td> <td>9,107,428</td> </tr> <tr> <td>Total Assets</td> <td>527,853,266</td> </tr> <tr> <td>Equity – net</td> <td>216,450,248</td> </tr> <tr> <td>Non-Current Liabilities</td> <td>11,087,497</td> </tr> <tr> <td>Total Liabilities</td> <td>311,403,018</td> </tr> <tr> <td>Profit for the Year</td> <td>149,628,549</td> </tr> </tbody> </table>	Financial Position and Profit / Loss for the		Year ended June 30, 2024	Rs.	Non-Current Assets	9,107,428	Total Assets	527,853,266	Equity – net	216,450,248	Non-Current Liabilities	11,087,497	Total Liabilities	311,403,018	Profit for the Year	149,628,549
Financial Position and Profit / Loss for the																		
Year ended June 30, 2024	Rs.																	
Non-Current Assets	9,107,428																	
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Equity – net	216,450,248																	
Non-Current Liabilities	11,087,497																	
Total Liabilities	311,403,018																	
Profit for the Year	149,628,549																	



<p>(vi) In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely;</p> <p>(vi) Description of the project and its history since conceptualization;</p> <p>(vii) Starting date and expected date of completion of work;</p> <p>(viii) Time by which such project shall become commercially operational;</p> <p>(ix) Expected time by which the project shall start paying return on investment; and</p> <p>(x) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts</p>	<p>Not Applicable</p>
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(B) General disclosures:

<p>(i) Maximum amount of investment to be made</p>	<p>To renew an intercompany loan, as approved by shareholders in Annual General Meeting of the Company held on October 23, 2023 the aggregate amount of Rs. 1,000,000,000 (Rupees: One billion), comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.), for a period of further one year as per approved terms and conditions.</p>
<p>(ii) Purpose, benefits likely accrue to the investing company and its members from such investment and period of investment</p>	<p>Purpose: An intercompany loan provided to meet the operational and working capital requirements.</p> <p>Benefits: To earn interest income which ultimately maximizes the shareholder value of the investing company.</p> <p>Period of Investment: The period of intercompany loan is renewed for one (1) year, its further renewable for four (4) consecutive periods of one (1) year each.</p>
<p>(iii) Sources of fund to be utilized for investment and where the investment is intended to be made using borrowed</p>	



	<p>funds:</p> <p>(i) Justification for investment through borrowings:</p> <p>(ii) Detail of collateral, guarantees provided and assets pledged for obtaining such funds: and</p> <p>(iii) Cost benefit analysis:</p>	<p>The Company will lend to its associated company when/if it has access to excess funds/banking lines/security, and the associated company requires the same. Each facility will be provided on an arm's length basis and will be done in a way which benefits the Company's shareholders.</p> <p>The Company secures financing from banks by providing a charge over the assets.</p> <p>The associated company will pay a mark-up at a rate as per the agreement which is not lower than the average borrowing cost of the Company, which will improve the profitability of the Company.</p>
(iv)	<p>Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;</p>	<p>The agreement has already been signed as approved by the Members in the Annual General Meeting of the Company held on October 23, 2023. Other significant terms and conditions are as under:</p> <p>Intercompany loan comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.) will be renewed to the extent of Rs. 1,000,000,000 (Rupees: One billion).</p> <p>The associate company will pay a mark-up at a rate as per the agreement which is not lower than the average borrowing cost of the Company, which will improve the profitability of the Company.</p> <p>The period of intercompany loan is renewed for one (1) year, its further renewable for four (4) consecutive periods of one (1) year each.</p>
(v)	<p>Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.</p>	<p>Mr. Munsarim Saifullah, Mr. Hamid Maqsood Ismail, and Mr. Ahmed Muhammad are Directors of Ismail Industries Limited (the investing company), they are also Directors of Innovita Nutrition (Private) Limited (the investee company). However, they have no direct or indirect interest except to the extent of their shareholding in the investee company.</p>
(vi)	<p>In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs:</p>	<p>The Company extended intercompany loan amounting to Rs. 217,900,000 (Rupees: Two hundred and seventeen million nine hundred thousand only) to meet the operational and working capital requirements.</p>



(vii)	Any other important details necessary for the members to understand the transaction	Not significant
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(C) Additional information for Loans, Advances and Guarantees:

(i)	Category-wise amount of investment	Intercompany loan comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.,) will be renewed to the extent of Rs. 1,000,000,000 (Rupees: One billion) to meet the operational and working capital requirements.
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period.	Average borrowing cost of the investing company comprises the Karachi Interbank Offered Rate (KIBOR) for the relevant period plus average spread of the Bank, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be for the relevant period. Average markup rates charged by holding company during the year ranges from 22.55% to 23%.
(iii)	Rate of interest, markup, fees or commission etc. to be charged by investing company	The associated company will pay a mark-up at a rate as per the agreement which is not lower than the average borrowing cost of the Company.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment	No security obtained from the associated company as collateral.
(v)	If the investment carries conversion features i.e., it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not Applicable
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	The period of intercompany loan is renewed for one (1) year, its further renewable for four (4) consecutive periods of one (1) year each, other terms and conditions are applicable as per the agreement.

d. M/s. Bisconni Middle East Manufacturing LLC

(A) Regarding associated company or associated undertaking:

(i)	Name of the associated company or associated undertaking	M/s. Bisconni Middle East Manufacturing LLC
(ii)	Basis of relationship	Subsidiary Company with shareholding up to 100% based on



		approval from competent authorities and common directorship of following directors: 1. Mr. Maqsood Ismail Ahmed 2. Mr. Ahmed Muhammad
(iii)	Earnings per share for the last three years;	Not Applicable
(iv)	Break-up value per share, based on latest audited financial statements.	Not Applicable
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements.	Not Applicable
(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely; (vi) Description of the project and its history since conceptualization; (vii) Starting date and expected date of completion of work; (viii) Time by which such project shall become commercially operational; (ix) Expected time by which the project shall start paying return on investment; and (x) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	Chocolate, Sugar Confectionery & Dry Bakery Products manufacturing plant with capacity of 29,127 tons per annum. Almost all plant & machineries and equipment's of the project have been finalized and prices of them have been negotiated with suppliers, now letter of credits will be established once financials will close. Factory building construction contract is under final negotiation phase. By July 2026 the project will be commercially operational. From financial year 2026-27 Funds to be invested by the sponsors are in the form of cash.

(B) General disclosures:

(i)	Maximum amount of investment to be made	Long-term equity investment in the aggregate amount up to PKR equivalent to US \$ 10,000,000 (USD: Ten million).
(ii)	Purpose, benefits likely accrue to the investing company and its members from such investment and period of investment.	Purpose: Long-term equity investment is to be made to establish / set-up a subsidiary of the Company in Abu Dhabi, UAE. Benefits: 1. To expand the business operations outside Pakistan, to ultimately maximize the wealth of shareholders.



		<p>2. To access foreign markets directly, to reach new customers and expand our business footprints globally.</p> <p>3. To mitigate the risks associated with unpredictable economic condition of the country.</p> <p>Period of Investment: Effective from the date of members' approval, long term equity investment would be made in piecemeal as and when needed till the completion of the project.</p>
(iii)	<p>Sources of fund to be utilized for investment and where the investment is intended to be made using borrowed funds:</p> <p>(iv) Justification for investment through borrowings:</p> <p>(v) Detail of collateral, guarantees provided and assets pledged for obtaining such funds: and</p> <p>(vi) Cost benefit analysis:</p>	<p>From surplus funds of the Company</p> <p>Not Applicable</p> <p>Not Applicable</p>
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	Not Applicable
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.	Mr. Maqsood Ismail Ahmed, and Mr. Ahmed Muhammad, are the Directors of Ismail Industries Limited (the investing company), they are also the proposed Directors of Bisconni Middle East Manufacturing LLC (the investee company). However, they have no direct or indirect interest except to the extent of their shareholding in the investing company.
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs:	Not Applicable (the investee company is in the process of incorporation)
(vii)	Any other important details necessary for the members to understand the transaction	Not significant

(C) Additional information for equity investment:

(i)	Maximum price at which securities will be acquired.	At face value of AED 100/- per share
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(ii)	In case the purchase price is higher than its market value in case of listed securities and fair value in case of unlisted securities, justification thereof;	Not Applicable
(iii)	Maximum number of securities to be acquired.	367,500 Ordinary shares of AED 100/- each.
(iv)	Number of securities and percentage thereof held before and after the proposed investment	At present, the Company does not hold any share of Bisconni Middle East Manufacturing LLC. However, the Company proposing to acquire up to 100% of the paid-up share capital of Bisconni Middle East Manufacturing LLC subject to approval from competent authorities.
(v)	Current and preceding twelve weeks weighted average market price where investment is proposed to be made in listed securities;	Not Applicable
(vi)	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	Pursuant to Regulation 5(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 that in case of investment in unlisted equity securities of an associated company or associated undertaking, the fair value of such securities shall be determined based on the generally accepted valuation techniques and latest audited financial statements of the associated company. Bisconni Middle East Manufacturing LLC is in the process of incorporation. The fair value per share has been determined at AED 832/92 by M/s. Munaf Yusuf & Chartered Accountant, on dated: August 23, 2024, based on projected financial statements.

Information under Rule 4(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

As mentioned above and as per the disclosure requirement of Regulation 4(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, it is informed that following Directors of the Company are also the Directors of Investee companies.



Subsidiary Companies			Associated Company
Ismail Resin (Private) Limited	Hudson Pharma (Private) Limited	Bisconni Middle East Manufacturing LLC	Innovita Nutrition (Private) Limited
Mr. Munsarim Saifullah	Mr. Munsarim Saifullah	-----	Mr. Munsarim Saifullah
Mr. Ahmed Muhammad	Mr. Ahmed Muhammad	Mr. Ahmed Muhammad	Mr. Ahmed Muhammad
Mr. Hamid Maqsood Ismail	Mr. Hamid Maqsood Ismail	-----	Mr. Hamid Maqsood Ismail
Mr. Muhammad M. Ismail	-----	-----	-----
Mr. Maqsood Ismail Ahmed	-----	Mr. Maqsood Ismail Ahmed	-----

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

Name of the Investee Company	Ismail Resin (Private) Limited	Hudson Pharma (Private) Limited	Innovita Nutrition (Private) Limited
Total Amount approved			
a. Equity	Rs. 3,000,000,000	Rs. 2,805,000,000	-----
b. Corporate Cross Guarantee	Rs. 4,700,000,000	Rs. 1,000,000,000	Rs. 300,000,000
c. Financial Assistance	Rs. 7,000,000,000	-----	-----
d. Intercompany Loan	Rs. 8,000,000,000	Rs. 1,500,000,000	Rs. 700,000,000
Amount of investment made to date			
a. Equity	Rs. 3,000,000,000	Rs. 2,525,984,000	-----
b. Cross Corporate Guarantee	Rs. 4,700,000,000	Rs. 830,907,534	Rs. 240,000,000
c. Financial Assistance	Rs. 5,805,000,000	-----	-----
d. Intercompany Loan	Rs. 7,962,000,000	Rs. 691,900,000	Rs. 217,900,000
Reason for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time	There is no deviation in timeline of Investment.		
Material changes 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 associated company or associated undertaking since date of the resolution passed for approval of investment.		

