



ITTEHAD CHEMICALS LIMITED

**NOTICE
OF EXTRAORDINARY
GENERAL MEETING
TO BE HELD
ON MONDAY
NOVEMBER 20, 2023**



ITTEHAD CHEMICALS LIMITED

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Ittehad Chemicals Limited (the "Company") will be held on Monday, November 20, 2023 at 11:00 a.m. at 39 – Empress Road, Lahore, to transact the following business:

Special Business:

To consider and approve the long term investment of up to Rs. 3,000,000,000 (Rupees three Billion) in the proposed wholly owned subsidiary to be incorporated with the name, Ittehad Power (Private) Limited or any other name approved by the Registrar, Securities and Exchange Commission of Pakistan and, if thought fit, to pass the following resolution as special resolution, with or without modification, addition or deletion:

"Resolved that approval of the members of Ittehad Chemicals Limited (the "Company") be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 for long term investment of up to Rs. 3,000,000,000 (Rupees Three (03) Billion) in the proposed wholly owned subsidiary company to be incorporated with the name, Ittehad Power (Private) Limited or any other name approved by the Registrar, Securities and Exchange Commission of Pakistan, as per terms and conditions as mentioned in the annexed statement under section 134(3) of the Companies Act, 2017 and disclosed to the members.

Further Resolved that the aforesaid special resolution shall be valid for a period of five (05) years from the date of its passing by the members of the Company.

Further resolved that Chief Executive or/and Executive Director(s) or/and Chief Financial Officer of the Company ("Authorized Officers") be and are hereby singly empowered and authorized to undertake the decisions of investment and to take and do and/or cause to be taken or done any / all necessary acts, deeds and things, take any or all necessary actions which are or may be necessary, incidental and/or consequential to give effect to the aforesaid resolution including signing and execution of documents and agreements and complete all necessary legal formalities and file all necessary documents as may be necessary or incidental for the purposes of implementing the aforesaid resolution."

A statement under Section 134(3) of the Companies Act, 2017 pertaining to the Special Business referred to above is annexed to this notice of Meeting.

By Order of the Board

Company Secretary

Lahore
October 25, 2023



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NOTES:

1. We invite our shareholders to participate in the upcoming Extra Ordinary General Meeting via Zoom video link facility. The interested participants are required to email their credentials including their names, the institution they represent with subject matter "EOGM" at: mansoor.khan@ittehadchemicals.com & fahad.hussain@ittehadchemicals.com not later than seven (07) days before EOGM.
2. The Share Transfer Books of the Company will remain closed from November 13, 2023 to November 20, 2023 (both days inclusive). Transfers received in order by our Shares Registrar, M/s. Hameed Majeed Associates (Private) Limited, 1st Floor, H.M. House, 7-Bank Square, Lahore by the close of business on November 12, 2023 will be considered in time for the purpose of entitlement to attend and vote in the Extraordinary General Meeting.
3. A member of the Company entitled to attend and vote at the Extraordinary General Meeting may appoint another member as his/her proxy to attend and vote in place of him/her at the meeting. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the time of meeting. A proxy must be a member of the Company.
4. Shareholders, who have deposited their shares into Central Depository Company of Pakistan, must bring their participant's ID numbers and account/sub account numbers along with original Computerized National Identity Cards or original Passports at the time of attending the meeting in order to facilitate identification of respective shareholders.
5. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of meeting.
6. Shareholders who have not provided copies of their valid CNICs are requested to send the same to the Company's Independent Share Registrar, M/s. Hameed Majeed Associates (Pvt.) Limited, 1st Floor, H.M. House, 7-Bank Square, Lahore. Dividend warrants of members who have not provided copies of their valid CNICs shall be withheld in terms of S.R.O 831(1)/2012 dated 05 July 2012.
7. Members are advised to immediately notify the change in their addresses, if any to our Shares Registrar.

STATEMENT UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017 CONCERNING THE SPECIAL BUSINESS:

This statement sets out the material facts concerning the Special Business to be transacted at the Extraordinary General Meeting of the Company to be held on November 20, 2023.



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- a) The Board of Directors of the Company has resolved to incorporate a wholly owned subsidiary company by the name of Ittehad Power (Private) Limited or any other name approved by the Registrar, Securities and Exchange Commission of Pakistan.
- b) The main object of the proposed wholly owned subsidiary will be to carry out all or any of the businesses of generating, purchasing, importing, transforming, converting, distributing, supplying, exporting and dealing in electricity, in Pakistan or elsewhere in the world, subject to requirements of applicable laws.
- c) Approval of the members of the Company is sought for making long term investment of up to Rs. 3,000,000,000 (Rupees three Billion) in the proposed wholly owned subsidiary.
- d) The information required to be disclosed to the members under S.R.O No. 1240 (I)/2017 dated December 06, 2017 Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017, is as follows:

Ref. No.	Requirement	Information
A)	Disclosure for all types of investments	
B)	Disclosure regarding Associated Company:-	
i	Name of the associated company	Ittehad Power (Private) Limited (proposed) or any other name approved by the Registrar, Securities and Exchange Commission of Pakistan.
ii	Basis of relationship	The proposed company will be wholly owned subsidiary of Ittehad Chemicals Limited.
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; and	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,-	



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a)	description of the project and its history since conceptualization;	The Board of Directors in their Meeting held on October 25, 2023 has resolved to incorporate a wholly owned subsidiary Company to deal in power generation.
b)	starting date and expected date of completion of work;	The proposed Company is expected to be incorporated in November / December 2023
c)	time by which such project shall become commercially operational;	Around FY 2025 / 2026
d)	expected time by which the project shall start paying return on investment; and	Expected FY 2025 - 26
e)	funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	ICL will invest up to 3 Billion in the proposed Company by way of Equity / Loan
Cj) General disclosures:-		
	Maximum amount of investment to be made;	Rupees 3,000,000,000 (Rupees Three Billion)
ii.	purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	The proposed investment will make further contribution towards the Company's profitability and will enhance the shareholders' worth.
iii.	sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- i. justification for investment through borrowings; ii. detail of collateral, guarantees provided and assets pledged for obtaining such funds; and iii. cost benefit analysis;	The investment may be made from Company's own available liquidity and / or Loan. Further, it may be either through equity investment and / or seeking loan from Financial Institutions in the name of proposed wholly owned subsidiary. i) Higher rate of return ii) Pledge / mortgage / charge etc., over assets of the Company, if and where needed. iii) Company's expects to earn return over and above the borrowing cost.



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iv.	salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	Company will be wholly owned subsidiary, however no agreement till to date
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;	The Directors, Chief Executive, Sponsors, majority shareholders and their relatives of the Company have no interest, directly or indirectly, in the subsidiary, except their positions.
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; and	Not Applicable
vii.	any other important details necessary for the members to understand the transaction;	None
In case of equity investment, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made,-		
i	maximum price at which securities will be acquired;	Par Value i.e. @ Rs. 10 per share
ii	in case the purchase price is higher than 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;	The proposed Company will be wholly owned subsidiary of ICL
iv	number of securities and percentage thereof held before and after the proposed investment;	Not Applicable as the proposed Company will be wholly owned subsidiary of ICL
v	current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	Not Applicable
vi	fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	Not Applicable



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In case of investments in the form of loans, advances and guarantees, following disclosures in addition to those provided under clause (a) of sub regulation (1) of regulation 3 shall be made,-		
i	category-wise amount of investment;	The proposed Company will be a wholly owned subsidiary and ICL will hold its 100 % equity. However, in order to finance project, ICL may seek financing (if so required) but it may vary as per prevailing circumstances. The Company will prefer to use its own generated funds for the project from time to time
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;	Not Applicable as the Company yet to be incorporated.
iii	rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	Not Applicable, Company will be wholly owned subsidiary
iv	particulars of collateral or security to be obtained in relation to the proposed investment;	Not Applicable, Company will be wholly owned subsidiary. However, the loan will be sought from time to time (if so required)
v	if the investment carries conversion feature 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; and	Not Applicable
vi	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	Not Applicable, Company will be wholly owned subsidiary



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Statement under Rule 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.

Inspection:

All the documents related to the special business are being kept at the registered office of the Company for inspection during usual business hours till the date of the Extraordinary General Meeting.



ITTEHAD CHEMICALS LIMITED

FORM OF PROXY

I/We _____ of _____ being member of **ITTEHAD CHEMICALS LIMITED** and holder of _____ Ordinary Shares as per Registered Folio / CDC Participant I.D. No. _____ hereby appoint Mr./Mrs./Miss. _____ of _____ or failing him/her Mr./Mrs./Miss. _____ of _____ who is also a member of the **ITTEHAD CHEMICALS LIMITED** vide Registered Folio / CDC Participant I.D. No. _____ as my proxy to vote for me and on my behalf at the Extraordinary General Meeting of the Shareholders of Ittehad Chemicals Limited to be held on **Monday, November 20, 2023 at 11:00 a.m.** at the Registered Office of the Company situated at 39-Empress Road, Lahore and any adjournment thereof or any ballot to be taken in consequence thereof.

Signed this _____ day of _____ 2023.

Revenue Stamp(s) of Rupees Fifty
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Signature
(As registered with the company)

WITNESS: 1

Signature _____

Name _____

Address _____

CNIC or _____

Passport # _____

WITNESS: 2

Signature _____

Name _____

Address _____

CNIC or _____

Passport # _____

NOTES: -

- This proxy form, duly completed and signed, must be received at the Registered Office of the company not less than 48 hours before the time of holding the Meeting.
- No person shall act as Proxy unless he/she himself / herself is a Shareholder of the Company except that a company may appoint a person as its representative who is not a shareholder.