

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 35th Annual General Meeting (“AGM”) of Ismail Industries Limited (the “Company”) will be held at Hotel Galaxy, Bushra Hall, 164, B.C.H.S. Shahrah-e-Faisal, Karachi on Monday, October 23, 2023 at 12:00 noon to transact the following businesses:

Ordinary Businesses:

1. To confirm the minutes of 34th Annual General Meeting of the Company held on October 26, 2022.
2. To receive, consider, approve, and adopt the standalone and consolidated Audited Financial Statements of the Company for the year ended June 30, 2023, together with the Chairman’s Review Report, Directors’ Report, and Auditors’ Reports thereon.
3. To declare and approve, as recommended by the Board of Directors, the payment of final cash dividend on the ordinary shares of the Company @ 20% (Rs. 2 per share) for the year ended June 30, 2023. This is in addition to the interim cash dividend @ 100% (Rs. 10 per share).
4. To appoint Auditors for the year ending June 30, 2024 and fix their remuneration. 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 re-appointment as Auditors of the Company.

Special Businesses:

5. To consider and approve the remuneration of the Chief Executive Officer and Executive Director.
6. To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2023 by passing the following special resolution with or without modification:

“RESOLVED THAT transactions carried out in normal course of business with Related Parties during the year ended June 30, 2023 as disclosed in the note no. 45 of the unconsolidated financial statements be and are hereby ratified and approved.”

7. To authorize the Board of Directors of the Company to approve transactions with Related Parties for the financial year ending June 30, 2024, 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, 2024.”

“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.”

8. To approve the circulation of Annual Report (including the Audited Financial Statements, Auditor’s Report, Directors’ Report and Chairman’s Review Report) to the members of the Company through QR enabled code and weblink, in accordance with section 223 (6) and 223 (7) of the Companies Act, 2017 read with S.R.O. 389(I)/2023 dated March 21, 2023.
9. 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 extend to its subsidiary, M/s. Ismail Resin (Private) Limited, an intercompany loan in the aggregate amount of up to 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.) on an arm's length basis, in the form of a revolving line of credit valid for a period of one year from the date of the special resolution, which may be renewed by the Company for up to five consecutive periods of one year each;

- B. Approval for the Company to extend to its subsidiary, M/s. Hudson Pharma (Private) Limited, an intercompany loan in the aggregate amount of up to Rs. 1,500,000,000 (Rupees: One billion five hundred million), comprising of, inter alia loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.) on an arm's length basis, in the form of a revolving line of credit valid for a period of one year from the date of the special resolution, which may be renewed by the Company for up to five consecutive periods of one year each;
- C. Approval for the Company to extend to its associate, M/s. Innovita Nutrition (Private) Limited, an intercompany loan in the aggregate amount of up to 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.) on an arm's length basis, in the form of a revolving line of credit valid for a period of one year from the date of the special resolution, which may be renewed by the Company for up to five consecutive periods of one year each;

“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:

- 10. 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. "

By order of the Board

Karachi: September 28, 2023

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 17, 2023 to October 23, 2023 (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 16, 2023 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, 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 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 already 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, 2023, 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, 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) 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 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).

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 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 Share Registrar of the Company. However, the Company may provide hard copy of Annual Report and Notice 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 said statements can be provided to members upon request.

8. 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.

9. 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.

10. Postal Ballot

Pursuant to Companies (Postal Ballot) Regulations 2018, and read 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.

11. Availability of Financial Statements and Reports on the Website

In accordance with the Provision of section 223(7) of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2023, are available on the Company's website and can be downloaded from the following link:

<https://www.ismailindustries.com.pk/financial.php>

12. Request for Video Conference Facility

In accordance with section 134(1)(b) 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 the request form reproduce below and submit 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 Monday, October 23, 2023, at 12:00 noon at Hotel Galaxy, Bushra Hall, 164, B.C.H.S. Shahr-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 – Approval for the increase in remunerations of Chief Executive Officer and Executive Director

Approval is being sought for an increase in payment of remunerations to the Chief Executive Officer and Executive Director.

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

“RESOLVED THAT the Company be and is hereby approves and authorizes the payment as remunerations to the Chief Executive Officer a sum of Rs. 21,600,000/- per annum and Executive Director a sum of Rs. 18,000,000/- per annum.

“FURTHER RESOLVED THAT in addition to remunerations, all utility bills, perks & benefits will be paid by the Company. The approximate value of the utility bill, perks & benefits to be borne by the Company would be Rs. 1,800,000 per annum for the Chief Executive Officer and Rs. 1,500,000 per annum for the Executive Director.

2. Item number 6 of the notice – Ratification and approval of the related party transactions carried out during the year ended June 30, 2023

The Company carries out transactions with its related parties during the year ended June 30, 2023, on an arm's length basis as per the approved policy in the normal course of business. All transactions entered into 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 34th 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, 2023 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, 2023, are being placed before the shareholders for their consideration and approval/ratification.

3. Item number 7 of the notice – Authorization for the Board of Directors to approve the related party transactions during the year ending June 30, 2024

The Company shall be conducting transactions with its related parties during the year ending June 30, 2024, 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, 2024, 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.

4. Item number 8 of the notice – Circulation of Annual Audited Financial Statements through QR enabled code and weblink.

The Securities and Exchange Commission of Pakistan (SECP) through its Notification No. S.R.O. 389(I)/2023 dated March 21, 2023 has allowed the companies to circulate the Annual Audited Financial Statements to its Members/Shareholders through Quick Response (QR) enabled code and weblink instead of through CD/DVD/USB. The notice of meeting shall be dispatched to members as per requirements of the Companies Act, 2017 on their registered address, containing the QR code and the weblink address to view and download the Annual Audited Financial Statements together with the reports and documents required to be annexed thereto under the Companies Act, 2017.

Considering the efficient innovations in technology, members approval is sought for the circulation of the Annual Report (including Annual Audited Financial Statements and other reports contained therein) to the members of the Company through QR enabled code and weblink in accordance with S.R.O 389(I)/2023 dated March 21, 2023.

5. Item number 9 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 2023-2023 Rs. 0/04 Financial Year 2021-2022 Rs. 0/20 Financial Year 2020-2021: Rs. 31/87																
(iv)	Break-up value per share, based on latest audited financial statements.	Rs. 9/91 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><tr><td colspan="2">Financial Position and Profit / Loss for the</td></tr><tr><td>Year ended June 30, 2023</td><td>Rs.</td></tr><tr><td>Non-Current Assets</td><td>8,059,247,168</td></tr><tr><td>Total Assets</td><td>9,992,990,794</td></tr><tr><td>Equity – net</td><td>3,965,921,156</td></tr><tr><td>Non-Current Liabilities</td><td>4,227,223,649</td></tr><tr><td>Total Liabilities</td><td>6,027,069,638</td></tr><tr><td>Loss for the Year</td><td>9,573,570</td></tr></table>	Financial Position and Profit / Loss for the		Year ended June 30, 2023	Rs.	Non-Current Assets	8,059,247,168	Total Assets	9,992,990,794	Equity – net	3,965,921,156	Non-Current Liabilities	4,227,223,649	Total Liabilities	6,027,069,638	Loss for the Year	9,573,570
Financial Position and Profit / Loss for the																		
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Total Liabilities	6,027,069,638																	
Loss for the Year	9,573,570																	
(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; (i) Description of the project and its history since conceptualization; (ii) Starting date and expected date of completion of work;	Not Applicable																

	<p>(iii) Time by which such project shall become commercially operational;</p> <p>(iv) Expected time by which the project shall start paying return on investment; and</p> <p>(v) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;</p>	
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(B) General disclosures:

(i)	Maximum amount of investment to be made	To provide an intercompany loan in the aggregate amount of up to 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.).
(ii)	Purpose, benefits likely accrue to the investing company and its members from such investment and period of investment.	<p>Purpose: 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.) to meet the operational and working capital requirements.</p> <p>Benefits: 1. To earn interest income which ultimately maximizes the shareholder value of the investing company. 2. PET Resin will be available locally for investing company which it presently procures locally as well as from abroad through import.</p> <p>Period of Investment: The period of investment is one (1) year, renewable for five (5) 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:</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)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	The agreement will be signed after approval by the Members. Other significant terms and conditions are as under: 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 provided 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. Intercompany loan granted for a period of one (1) year, renewable for five (5) further periods of one (1) year each.
(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. 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.
(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:	Ismail Industries Limited have 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 Cross Corporate Guarantee of Rs. 4,175,000,000 (Rupees: Four billion one hundred seventy-five million) to facilitate the subsidiary company to securitize its lenders against banking facilities extended to them for setting-up the project. 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 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 provided 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 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. The one-month KIBOR 22.54%, three-month KIBOR 22.91%, average spread of the Bank 0.32% and unfunded facilities bank rates were in the range of 0.05% to 1.0% per annum as at June 30, 2023; the Company did not

		invest in any Shariah complaint instruments in 2023.
(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	Intercompany loan granted for a period of one (1) year, renewable for five (5) further 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 2022-2023, Rs. 1/75 Financial Year 2021-2022, Rs. 1/11 Financial Year 2020-2021, Rs. 1/75																
(iv)	Break-up value per share, based on latest audited financial statements	Rs. 3/79 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><tr><th colspan="2">Financial Position and Profit / Loss for the</th></tr><tr><th>Year ended June 30, 2023</th><th>Rs.</th></tr><tr><td>Non-Current Assets</td><td>1,525,850,599</td></tr><tr><td>Total Assets</td><td>2,181,868,769</td></tr><tr><td>Equity – net</td><td>1,219,621,134</td></tr><tr><td>Non-Current Liabilities</td><td>460,846,886</td></tr><tr><td>Total Liabilities</td><td>962,247,635</td></tr><tr><td>Loss for the Year</td><td>478,847,715</td></tr></table>	Financial Position and Profit / Loss for the		Year ended June 30, 2023	Rs.	Non-Current Assets	1,525,850,599	Total Assets	2,181,868,769	Equity – net	1,219,621,134	Non-Current Liabilities	460,846,886	Total Liabilities	962,247,635	Loss for the Year	478,847,715
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(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; (i) Description of the project and its history since conceptualization;																	

	<p>(ii) Starting date and expected date of completion of work;</p> <p>(iii) Time by which such project shall become commercially operational;</p> <p>(iv) Expected time by which the project shall start paying return on investment; and</p> <p>(v) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;</p>	Not Applicable
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(B) General disclosures:

(i)	Maximum amount of investment to be made	To provide an intercompany loan in the aggregate amount of up to Rs. 1,500,000,000 (Rupees: One billion five hundred million), comprising of, inter alia loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.).
(ii)	Purpose, benefits likely accrue to the investing company and its members from such investment and period of investment	<p>Purpose: Intercompany loan will be 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 investment is one (1) year, renewable for five (5) 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:</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)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards	The agreement will be signed after approval by the Members. Other significant terms and conditions are as under:

	to the proposed investment;	<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 provided 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. Intercompany loan granted for a period of one (1) year, renewable for five (5) further periods of one (1) year each.
(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. 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.
(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:	<p>Ismail Industries Limited have made an equity investment of Rs. 2,525,984,000 (Rupees: Two billion five hundred twenty-five million nine hundred eighty-four thousand) and issued Cross Corporate Guarantee of Rs. 663,811,644 (Rupees: Six hundred sixty-three million eight hundred eleven thousand six hundred forty-four) in favor of the lenders of Hudson Pharma for securitizing them against banking facilities extended.</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 form 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 provided 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	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

	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.	return for Shariah compliant products and rate of return for unfunded facilities, as the case may be for the relevant period. The one-month KIBOR 22.54%, three-month KIBOR 22.91%, average spread of the Bank 0.32% and unfunded facilities bank rates were in the range of 0.05% to 1.0% per annum as at June 30, 2023; the Company did not invest in any Shariah compliant instruments in 2023.
(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 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	Intercompany loan granted for a period of one (1) year, renewable for five (5) further 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 on the basis of 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 2022-2023, Rs. 0/35 Financial Year 2021-2022, Rs. 0/40																
(iv)	Break-up value per share, based on latest audited financial statements	Rs. 9/25 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.	<table><tr><th colspan="2">Financial Position and Profit / Loss for the</th></tr><tr><th>Year ended June 30, 2023</th><th>Rs.</th></tr><tr><td>Non-Current Assets</td><td>7,828,230</td></tr><tr><td>Total Assets</td><td>505,945,883</td></tr><tr><td>Equity – net</td><td>64,763,547</td></tr><tr><td>Non-Current Liabilities</td><td>89,942</td></tr><tr><td>Total Liabilities</td><td>441,182,336</td></tr><tr><td>Loss for the Year</td><td>2,454,486</td></tr></table>	Financial Position and Profit / Loss for the		Year ended June 30, 2023	Rs.	Non-Current Assets	7,828,230	Total Assets	505,945,883	Equity – net	64,763,547	Non-Current Liabilities	89,942	Total Liabilities	441,182,336	Loss for the Year	2,454,486
Financial Position and Profit / Loss for the																		
Year ended June 30, 2023	Rs.																	
Non-Current Assets	7,828,230																	
Total Assets	505,945,883																	
Equity – net	64,763,547																	
Non-Current Liabilities	89,942																	
Total Liabilities	441,182,336																	
Loss for the Year	2,454,486																	
(vi)	In case of investment in relation to a																	

	<p>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>	Not Applicable
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(B) General disclosures:

(i)	Maximum amount of investment to be made	To provide an intercompany loan in the aggregate amount of up to 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.).
(ii)	Purpose, benefits likely accrue to the investing company and its members from such investment and period of investment	<p>Purpose: Intercompany loan will be 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 investment is one (1) year, renewable for five (5) 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:</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</p>

		borrowing cost of the Company, which will improve the profitability of the Company.
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	<p>The agreement will be signed after approval by the Members. 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 provided 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>Intercompany loan granted for a period of one (1) year, renewable for five (5) further periods of one (1) year each.</p>
(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. 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.
(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
(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 provided 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. The one-month KIBOR 22.54%, three-month KIBOR 22.91%, average spread of the Bank 0.32% and unfunded facilities bank rates were in the range of 0.05% to 1.0% per annum as at June 30, 2023; the Company did not invest in any Shariah complaint instruments in 2023.
(iii)	Rate of interest, markup, fees or	The associated company will pay a mark-up at a rate as per

	commission etc. to be charged by investing company	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	Intercompany loan granted for a period of one (1) year, renewable for five (5) further periods of one (1) year each, other terms and conditions are applicable as per the agreement.

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	Innovita Nutrition (Private) Limited
Mr. Munsarim Saifullah	Mr. Munsarim Saifullah	Mr. Munsarim Saifullah
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	-----	-----

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
Total Amount approved		
a. Equity	Rs. 3,000,000,000	Rs. 1,200,000,000
b. Corporate Cross Guarantee	Rs. 4,700,000,000	Rs. 1,000,000,000
c. Financial Assistance	Rs. 7,000,000,000	-----
Amount of investment made to date		
a. Equity	Rs. 3,000,000,000	Rs. 920,000,000
b. Cross Corporate Guarantee	Rs. 4,175,000,000	Rs. 663,811,644
c. Financial Assistance	Rs. 2,380,000,000	-----
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.	