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 Friday, May 21, 2021 at 11:00 a.m. via zoom video link facility to transact the following business:

Ordinary Business:

1. To confirm the minutes of 29th Annual General Meeting held on October 26, 2020.

Special Business:

2. To consider and approve the acquisition of entire equity of newly incorporated Group Company M/s Ittehad Salt Processing (Pvt.) Limited (the "ISPPL") thus making it wholly owned subsidiary and, if thought fit, to pass the following 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 the acquisition of entire equity of Group Company M/s Ittehad Salt Processing (Pvt.) Limited (the "ISPPL") thus making it wholly owned subsidiary as per terms and conditions disclosed to the members.

   Further resolved that Mr. Abdul Sattar Khatri, Chief Executive or Mr. Aamir Shehzad, Chief Financial Officer or Mr. Abdul Mansoor Khan, Company Secretary 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."

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

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

Lahore
April 26, 2021

Abdul Mansoor Khan
Company Secretary

NOTES:

1. Due to current COVID-19 situation, the Government has suspended large public gatherings at one place. Additionally, the Securities and Exchange Commission of Pakistan (SECP) in terms of its Circular No.5 of 2020 issued on March 17, 2020 and latest Circular No.6 of 2021 dated March 03, 2021 and Pakistan Stock Exchange Limited (PSX) through its notice Ref: PSX/N-372 dated March 19, 2020

has advised companies to modify their usual planning for general meetings for the safety and wellbeing of shareholders and the public at large.

Considering the above, the Company intends to convene this EOGM with minimal physical interaction of shareholders while ensuring compliance with the quorum requirements and requests the members to consolidate their attendance and voting at the EOGM through proxies.

The Company, furthermore, has made arrangements to ensure that all participants, including shareholders, can now participate in the EOGM proceedings via video link. For this, members are required to email their Name, Folio Number, Cell No., and Number of Shares held in their name with subject "Registration for Ittehad Chemicals Limited EOGM" along with valid copy of CNIC (both sides) / Passport at 'zeeshan.ejaz@ittehadchemicals.com' Video link and login credentials will be shared with only those members whose emails, containing all the required particulars, are received at least 24 hours before the time of EOGM. Shareholders can also provide their comments and questions for the agenda items of the EOGM at the email address 'zeeshan.ejaz@ittehadchemicals.com'

Members are therefore, encouraged to attend the EOGM through video link or by consolidating their attendance through proxies.

2. The Share Transfer Books of the Company will remain closed from May14, 2021 to May 21, 2021 (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 May 13, 2021 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. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced.

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 May 21, 2021.

a) M/s Ittehad Salt Processing (Pvt.) Limited was incorporated on 3rd December 2019 with the Authorized Capital Rupees 100,000 (Rupees One Hundred Only) and Paid-up Capital Rupees 100,000 (Rupees One Hundred Only). Ittehad Chemicals Limited holds 1,900 shares of Rupees 10 each i..e 19% of ISPPL. The Board of Directors of the Company has resolved to acquire remaining 8,100 shares of Rupees 10 each (entire equity) of the Group Company M/s Ittehad Salt Processing (Pvt.) Limited; hence establishing ISSPL wholly owned subsidiary. The ISPPL didn't commence its operations yet.

b) The main object of the acquisition of proposed wholly owned subsidiary is to explore opportunities in the Rock Salt Mining subject to requirements of applicable laws.

c) Presently, Ittehad Salt Processing (Pvt.) Limited is not an associated Company of Ittehad Chemicals Limited. The information as 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) Regarding Associated Company or Associated Undertaking:-		
i	Name of the associated company	Ittehad Salt Processing (Private) Limited (the "ISPPL")
ii	Basis of relationship	ISPPL will become wholly owned subsidiary of Ittehad Chemicals Limited after the proposed acquisition of entire equity
iii	earnings per share for the last three years;	Not Applicable
iv	break-up value per share, based on latest audited financial statements;	Approximately Rs. 10 each (The paid up capital of ISPPL is only Rupees 100,000 divided into 10,000 shares of Rs. 10 each. Less nominal preliminary expenses incurred on incorporation as it is a newly incorporated; company and yet to commence its operations)
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	Company yet to commence its operations
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,-	
a)	description of the project and its history since conceptualization;	Not Applicable
b)	starting date and expected date of completion of work;	Not Applicable
c)	time by which such project shall become commercially operational;	Not Applicable
d)	expected time by which the project shall start paying return on investment; and	Not Applicable
e)	funds invested or to be invested by the	Not Applicable

	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;	Rupees 300,000,000 (Rupees Three Hundred Million) At present the Company intend to acquire only =8,100= shares of Rs. 10 each; however, the maximum amount of investment will be decided from time to time.
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;	Own Funds of the Company
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;	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	Not Applicable

	impairment or write offs; and	
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;	=8,100/- shares of Rupees 10 each
iv	number of securities and percentage thereof held before and after the proposed investment;	Before Investment =1,900/- shares of Rs. 10 each i.e. 19% & after investment =10,000/- shares of Rs. 10 each i.e. 100%
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
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;	Not Applicable
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
iii	rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	Not Applicable
iv	particulars of collateral or security to be obtained in relation to the proposed investment;	Not Applicable

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

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.