

Ref: IIL/14-15/-----

December 1, 2014

The General Manager,
Karachi Stock Exchange Ltd,
Stock Exchange Building,
Stock Exchange Road,
Karachi

The General Manager
Lahore Stock Exchange Limited,
Stock Exchange Building,
19, Khayaban-e-Aiwan-e-Iqbal,
Lahore

Sub: **Notice of Extra Ordinary General Meeting.**

Dear Sir,

This is to inform you that Board of Directors in their meeting held on Friday November 28, 2014 at 6:00pm at the Company's registered office have decided to convene an Extra Ordinary General Meeting of the Company on December 23, 2014 at 12:00 noon for obtaining shareholders' approval for amendment in the Articles of Association of the Company and making further equity investment in an associated company.

In this regard, we are pleased to inform you that Notice of the meeting has been published in today's newspaper Business Recorder and Nawai-e-Waqt and copies has been attached herewith for your ready reference.

You may please inform the members accordingly.

Regards,

For ISMAIL INDUSTRIES LIMITED



Ghulam Farooq
Company Secretary

Encl: As above

C.C. The Director(Enforcement)
Securities & Exchange Commission of Pakistan,
NIC Building, Jinnah Avenue,
Islamabad

NOTICE OF EXTRA ORDINARY GENERAL MEETING

Notice is hereby given to all shareholders of **Ismail Industries Limited** that the Extra Ordinary General Meeting of the Company will be held at Hotel Days Inn, Bushra Hall, 164, B.C.H.S. Shahra-e-Faisal, Karachi on Tuesday, December 23, 2014 at 12:00 noon to transact the following business.

Ordinary Business

1. To confirm the minutes of the 26th Annual General Meeting of the Company held on October 22, 2014.

Special Business

2. To consider and if thought fit, to amend Article 104 of the Articles of Association of the Company by passing the following resolution as a special resolution:

"RESOLVED that, Article 104 of the Articles of Association of the Company be and is hereby substituted with new article as: "The quorum for the meeting of the Board of Directors shall not be less than one-third of their number or four, whichever is greater."

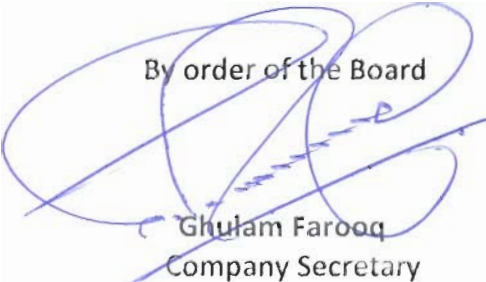
3. **"RESOLVED** that pursuant to the requirements of Section 208 of the Companies Ordinance, 1984, Ismail Industries Limited be and is hereby authorized to make further long term equity investment upto Rs. 2.50 billion (Rupees: Two billion and five hundred million only) by way of an additional acquisition of The Bank of Khyber shares, an associated company subject to approval of Regulatory Authorities."

"FURTHER RESOLVED that the above said resolution shall be valid for three years and the Chief Executive Officer and / or the Company Secretary of the Company be and are hereby singly empowered and authorized to undertake the decision of the said investment of shares as and when deemed appropriate and necessary in the best interest of the Company and its shareholders and to take all steps and actions necessary incidental and ancillary for the further acquisition of The Bank of Khyber shares including execution of any and all documents and agreements as may be required in this regard and to do all acts, matters, deeds and things as may be necessary or expedient for the purposes of giving effect to the spirit and intent of the special resolution for making investment from time to time."



"FURTHER RESOLVED that subsequent to the above said further equity investment, the Chief Executive Officer and/or the Company Secretary of the Company be and are hereby authorized singly to dispose off, through any mode, a part or all of equity investment made by the Company in The Bank of Khyber from time to time as and when deemed appropriate and necessary in the best interest of the Company."

4. To consider any other business with permission of the Chairman.

By order of the Board

Ghulam Farooq
Company Secretary

Karachi: December 01, 2014

Notes

1. The shares transfer book of the Company shall remain closed with effect from December 17, 2014 to December 24, 2014 (both days inclusive). Transfers received at the office of Share Registrar M/s. THK Associates (Pvt.) Ltd, Ground Floor, State Life Building No.3, Dr. Ziauddin Ahmed Road, Karachi, Phone # 021-111-000-322 at the close of business on Tuesday, December 16, 2014 will be considered in time to attend and vote at the meeting.
2. 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. Proxy, in order to be effective must reach the Company Registrar Office not less than 48 hours before the time of the meeting during working hours.
3. In case of CDC Beneficiary Owners, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original CNIC or original Passport at the time of attending the meeting.

4. Pursuant to the Securities and Exchange Commission of Pakistan (SECP) Notifications dated: January 10, 2014, July 05, 2012 and August 18, 2011, made it mandatory that dividend warrants should bear Computerized National Identity Card (CNIC) number of the registered member or the authorized person except in case of minor(s) and corporate members. With reference to our various advertisements in daily newspapers and letters sent to individual members/ shareholders at their registered addresses, it is hereby informed that the individual members who have not yet submitted photocopy of their valid CNIC to the Company are once again advised to send the same at their earliest directly to The Company Secretary, Ismail Industries Limited, 17-Bangalore Town, Shakra-e-Faisal, Karachi. The Corporate entities are requested to provide their National Tax Number (NTN).
5. Shareholders are requested to immediately notify the Registrar of any change in their addresses.
6. Statement under Section 160(1) (b) of the Companies Ordinance, 1984, and information under clause (a) of sub-regulation (1) of regulation 3 of (Investment in Associated Companies or Associated Undertakings) Companies Regulations, 2012 is annexed with the Notice of the meeting send to the shareholders.

**Statement under section 160 (1) (b) of the Companies Ordinance,
1984 read with SRO 27(I)/2012 dated January 16,2012**

Agenda Item No. 2 – Amendment to Articles of Association

In view of the recommendations of the audit committee of the Company, the Board has proposed that the quorum mentioned in the Articles of Association of the Company should be in line with the requirements of section 193 of the Companies Ordinance, 1984. Hence, the Board has approved and recommend for the shareholders consideration and approval through a special resolution in this meeting.

Comparison of existing and proposed alteration in the clause 104 of the Articles of Association of the Company is appended below:

Existing Clause 104	Proposed/ New clause 104
Three Directors shall be the quorum for the meeting of the Board of Directors, provided that if within half an hour from the time appointed for a meeting quorum is not present, the meeting shall stand, adjourned to the same day next week at the same time, place and if at such adjourned meeting two Directors are present, they shall be a quorum and may transact the business for which the meeting was called. The Directors may meet together the dispatch of business adjourn or otherwise regulate their meetings and proceedings as they think fit.	The quorum for the meeting of the Board of Directors shall not be less than one-third of their number or four, whichever is greater.

Agenda item No. 3- Investment U/s 208

1.	Name of Associated Company	The Bank of Khyber (BOK)																																								
2.	Nature of Associated Relationship	Ismail Industries Limited holds 8.61% voting and equity interest and also has representation on the Board of Directors in the BOK																																								
3.	Purpose of Investment	To participate in growing banking industry of the country through equity investment.																																								
4.	Benefits likely to accrue to the Company and the shareholders from the proposed investment.	<p>BOK is a professionally managed bank with a successful track record of 20 years of operations. The Bank is listed on the Karachi Stock Exchange. The Long term credit ratings of the Bank assigned by PACRA and JCR-VIS are 'A' and 'A' respectively and the short term credit ratings assigned are 'A1' and 'A1' respectively. The Financial highlights for the last three year of the bank are as follows.</p> <table border="1"> <thead> <tr> <th>Year ended</th> <th colspan="3"></th> </tr> <tr> <th>31 December</th> <th>2013</th> <th>2012</th> <th>2011</th> </tr> </thead> <tbody> <tr> <td>Deposit</td> <td>77,218</td> <td>60,043</td> <td>45,548</td> </tr> <tr> <td>Advances (Net)</td> <td>35,450</td> <td>26,722</td> <td>22,288</td> </tr> <tr> <td>Investments</td> <td>53,363</td> <td>45,672</td> <td>36,685</td> </tr> <tr> <td>Total Assets</td> <td>108,170</td> <td>82,178</td> <td>68,424</td> </tr> <tr> <td>Capital and Reserves</td> <td>11,913</td> <td>10,776</td> <td>9,700</td> </tr> <tr> <td>Profit/ (Loss) Before Tax</td> <td>1,669</td> <td>1,572</td> <td>1,285</td> </tr> <tr> <td>Profit/ (Loss) After Tax</td> <td>1,154</td> <td>1,078</td> <td>872</td> </tr> <tr> <td>Return on Equity</td> <td>10%</td> <td>10%</td> <td>9%</td> </tr> </tbody> </table> <p>The bank has shown remarkable increase in profitability over the past three years and is expected to increase in the forth coming years thereby increasing the profitability of Ismail Industries Limited which will resultantly enhance its capability to pay better return to its shareholders.</p>	Year ended				31 December	2013	2012	2011	Deposit	77,218	60,043	45,548	Advances (Net)	35,450	26,722	22,288	Investments	53,363	45,672	36,685	Total Assets	108,170	82,178	68,424	Capital and Reserves	11,913	10,776	9,700	Profit/ (Loss) Before Tax	1,669	1,572	1,285	Profit/ (Loss) After Tax	1,154	1,078	872	Return on Equity	10%	10%	9%
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5.	Period of Investment	Strategic Long term equity investment.																																								
6.	Maximum price at which securities will be acquired.	Market value																																								
7.	Maximum number of securities to be acquired.	Equivalent to Rs. 2.50 billion.																																								

8.	Number of securities and percentage thereof held before and after the proposed investment	Currently the Company holds 86,149,803 ordinary shares constituting 8.61% and will acquire around 15.89% to hold the total shareholding upto 24.50% of the paid-up capital of the Bank of Khyber.
9.	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired;	Rs. 8.82
10.	In case of Investment in unlisted securities, fair market value of such securities determined in terms of regulation 6 (1).	Not applicable
11.	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements;	Rs. 11.91 per share
12.	Earnings per share of the associated company or associated undertaking for the last three years;	2013 – Rs. 1.15 per share 2012 – Rs. 1.08 per share 2011 – Rs. 1.29 per share
13.	Sources of funds from which securities will be acquired;	Surplus funds of the Company.
14.	Where the securities are intended to be acquired using borrowed funds; a. Justification for Investment through borrowings; b. Detail of guarantees and assets pledged for obtaining such funds;	Not Applicable Not Applicable
15.	Salient features of the agreement(s), if any, entered into with its associated undertaking with regards to the proposed investment;	None
16.	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, the Director & Chief Executive Officer of the Ismail Industries Limited (the investing company) is also the Director of the Bank of Khyber (associated company).

17.	Any other important details necessary for the members to understand the transaction;	None
18	<p>In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information, is required namely;</p> <ul style="list-style-type: none"> a. Description of the project and its history since conceptualization; b. Starting and expected date of completion of work; c. Time by which such project shall become commercially operational; and d. Expected time by which the project shall start paying return on investment; 	Not Applicable