



SHARE FOOD, SHARE LOVE®

NFL/KSE/AGM/2017//12/

December 12, 2017

FORM-6

**The General Manager
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
KARACHI.**

Subject: Minutes of Annual General Meeting/Extraordinary General Meeting

Dear Sir,

Enclosed Please find a copy of the Minutes of the 46th Annual General Meeting of National Foods Limited held on October 24, 2017 at 3:00 P.M. at Beach Luxury Hotel, M.T. Khan Road, Karachi-74000.

Thanking you,

**Yours Faithfully,
FOR NATIONAL FOODS LIMITED**


**(FAZAL UR REHMAN HAJANO)
COMPANY SECRETARY**

Encl: As above.

CC'to:

- 1. Head of Operations, Central Depository Company of Pakistan, Karachi.**
- 2. Registrar, Central Depository Company of Pakistan Limited, Karachi.**

MINUTES OF THE 46th ANNUAL GENERAL MEETING OF NATIONAL FOODS LIMITED HELD ON TUESDAY OCTOBER 24th, 2017 AT 03.00 P.M. AT BEACH LUXURY HOTEL KARACHI

The following Directors were present in the meeting:

- | | |
|----------------------|-------------------------|
| 1. Mr. A. Majeed | Chairman |
| 2. Mr. Abrar Hasan | Chief Executive Officer |
| 3. Mrs. Noreen Hasan | Director |
| 4. Mr. Zahid Majeed | Director |

ATTENDANCE:

Directors	4
Members	564
Proxies	5
Company Secretary	1
Chief Financial Officer	1
External Auditors	1

Total Attendance **576**

The Chief Operating Officer and all the head of departments of National Foods Limited (the 'Company') also attended the meeting on special invitation.

Pursuant to Article 45 of the Articles of Association of the Company Mr. A. Majeed, Chairman of the Board, took the chair and the meeting commenced with recitation of verses from Quran-e-Majeed by Mr. Syed Nazeer Hussain.

NOTICE OF THE MEETING

With the permission of the members, the notice convening the meeting was taken as read.

AGENDA NO.1

TO CONFIRM THE MINUTES OF THE 45TH ANNUAL GENERAL MEETING HELD ON OCTOBER 20, 2016.

The Company Secretary informed that the minutes of the last AGM meeting were sent to Pakistan Stock Exchange within the stipulated time and no comments were received.

"RESOLVED THAT the minutes of the 45th Annual General Meeting of shareholders of National Foods Limited held on October 20, 2016 be and are hereby confirmed and the Chairman be and is hereby authorized to sign the minutes as token of confirmation."

Mr. Malik Bhakhtiar Aziz S. No. 513 proposed and Mr. Muhammad Amin Siddiqui S. No. 3277-941 seconded to confirm the minutes and accordingly the same were confirmed.

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For NATIONAL FOODS LIMITED**

Company Secretary

AGENDA NO.2

TO RECEIVE, CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR YEAR ENDED JUNE 30, 2017, TOGETHER WITH DIRECTORS' AND AUDITORS' REPORT THEREON.

The Company Secretary with the permission of the Chairman invited the members to offer any comments on the working and financial performance of the Company during the year under review. Thereafter, certain members had spoken on the overall performance of the Company and following suggestions/queries were made:

- Overview of the Company's performance;
- Sales of A-1 Bags and Supplies since the acquisition;
- Proposed increase in the authorized share capital of the Company;
- New products categories;
- Retention of old employees;
- Financial performance of the Company;
- Debt equity ratio and the taxes paid by the Company;
- Potential difficulties for the shareholders in electronic transfer of dividend.

Mr. Abrar Hasan welcomed shareholders on behalf of the Company and its board members. He informed shareholders that although the Company's Annual Report contained overall Company's performance, however, he said he would still prefer to give an overview in relations to the Company's plans, future prospects and potential returns. At the outset, he referred to the Company's sales of 23 billion rupees for the outgoing financial year registering a growth of 21%. He stated that Mayonnaise launch took place last year, however, the sales were only recorded for three months as it was launched in the last quarter.

Furthermore, he highlighted launch of snacks category by the Company under the name and style of **Scene on**. He elaborated that the Company deliberately entered the category of snacks keeping its potential in view. He clarified that the Company did not get into the segment of potato chips for the time being as it required significant investments and time to gain market share from the present players.

Mr. Abrar Hasan said that the Company has bought a Canadian company namely A-1 Bags & Supplies through its subsidiary. A-1 Bags & Supplies being B-to-B business model mainly caters to restaurants, food chains and institutions. At the time of acquisition, its turn-over was around Canadian 40 million dollars and that its projection in the coming three years would touch Canadian 120 to 150 million dollars. He mentioned that the Company had spent 50 billion rupees on this, which gave it a shortfall of 10 billion, however, it can be foreseen that in the coming three years the Company would be able to recover the shortfall as well as the investment and it might take the Company beyond 50 billion rupees. With this pace, the Company would hopefully surpass Rs.100 billion in year 2025-26. Commenting on future acquisition aspirations, Mr. Abrar Hasan said that the Company was exploring other local companies, especially in food sector.

From the management perspective, he said that the Company has brought in significant changes and appointed competent team members. He informed the shareholders that the Company has inducted three senior directors namely Mr. Abrar Khan - Marketing Director,

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Company Secretary

Mr. Hasan Sarwat - Sales Director and Mr. Syed Farhan Ali Rizvi as Director Finance. Mr. Abrar Hasan underscored their induction and foresaw the vision of making this Company a 100 billion in 2025-26.

Mr. Abrar Hasan apprised members about health, safety and environmental (HSE) management and said that the Company has worked on HSE compliance in the last two years. He explained that the Company makes standard operating procedures to avoid incidents such as breakdown of machines as well as accidents involving injury to any person. He added that the number of accidents reported in the Company were very less as compared to other industries and were of minor nature. Nonetheless, he asserted that those accidents were considered and the mechanisms designed to prevent such hazards.

Referring to the Company's founders' philosophy and code of ethics, Mr. Abrar Hasan said that the Company had conducted a survey, after which it was found that certain employees of the Company had fake degrees accordingly their employments were terminated. During degree verification drive, the Company's Chairman Mr. A Majeed's educational documents were also sent for the verification purposes. He mentioned that the Company believed in absolute transparency. He asserted that the Company could have exonerated such employees, however, it was considered that if such persons could join the Company based on lies, the chances of potential harms to be caused to the Company by such employees could not be discounted.

With reference to Corporate Social Responsibility (CSR), he informed the audience that the Company's CSR project on adult literacy received an award which would be globally recognized. He stated that the Company has collaborated with Reckitt Benckiser for health and sanitation drive in targeted small cottages, villages and rural areas where women go and supply sanitary products and train unlettered women on use of such products properly in the house. He said that this partnership was progressing well for both the companies with commendable growth.

Speaking about lack of harmonization of food standards in Pakistan, he said that Punjab Food Authority has made new rules and regulations which were in contrast with PSQCA's federal standards. Ever since the provincial devolution happened each province has made its own food standards. Consequently, the difficulties of food companies have multiplied. Furthermore, he added that the Company has to make different types of a product to ensure compliance with respective provincial standards. He stated that efforts were being made by the Company to address lack of harmonization of food standards. He hoped that the authorities would resolve the issue of overlapping food standards as had been done in pharmaceutical industry.

Responding to the question of bonus shares, Mr. Abrar Hasan said that the taxes on the bonus issue were being calculated on market rate and as such way too much. Hence, the Company for the benefit of shareholders did not declare bonus shares. He assured the shareholders that the Company would consider giving bonus shares, and thus, the increase in the authorized share capital was solicited. He was optimistic that the government would consider lowering taxes on bonus shares encouraging the Company to declare bonus shares going forward.

In response to the question regarding growth in sales, he reiterated that the consolidated figure of growth including A1 Bags & Supplies was 24%. He stated that since its acquisition happened in February 2017, the Company could only include sales of last five months. He

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Company Secretary

explained that if the sales could rise so much in just five months, it is anticipated to rise substantially in coming years.

On financial performance and profits of the Company Mr. Abrar Hasan clarified that the profits did not decline, however, A-1 Bags & Supplies' GP margin was less according to the nature of its business. It worked on 18% of GP margin, according to which its sales volume was massive.

On debt equity ratio, Mr. Abrar Hasan stated that the financials reflect the debt which occurred during the acquisition of A-1 Bags & Supplies. He added that this year also, four payments to the seller would be paid and accordingly reflected in the balance sheet. He clarified that having debt equity ratio was a good thing as having zero debt equity ratio could be taken as wastage of resources.

Mr. Abrar Hasan while responding to the concerns of the shareholders regarding electronic transfer of dividend clarified that since it was a legal requirement to disburse dividend electronically hence the Company would ensure it compliance, unless, directed otherwise by SECP. He added that this move would benefit the shareholders the most.

"RESOLVED THAT the audited annual financial statements of the Company along with the Directors' and Auditors' reports thereon for the year ended June 30, 2017 together with the Audited Consolidated Financial Statements of the Company and the Auditors' Report thereon for the year ended June 30, 2017 be and are hereby approved and adopted."

Ms. Nafeesa Dada S. No. 327727101 proposed and Mr. Saaed Ahmed Baig S.No. 53 seconded to approve the accounts.

The Chairman put the motion to vote on a show of hands and declared the same carried unanimously.

AGENDA NO.3

TO APPROVE AND DECLARE THE DIVIDEND ON THE ORDINARY SHARES OF THE COMPANY.

To pass the following resolution with or without modification:

"RESOLVED THAT pursuant to the recommendation of the Board of Directors, final dividend of 85% (Rs.4.25/- per Ordinary Share of Rs.5/- each) on 103, 606, 856 equity shares of the Company aggregating to Rupees 440,239,138/- for the year ended June 30, 2017 be and is hereby declared out of the current profit of the Company and that the same be paid to those shareholders whose names appear on the Company's register of members on October 17, 2017."

Mr. Muhammad Amin Siddiqui S.No. 03277941 proposed and Mr. Mohammad Siddiq S. No. 478 seconded to approve the above resolution.

The Chairman put the motion to vote on a show of hands and declared the same carried unanimously.

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Company Secretary

AGENDA NO.4

TO APPOINT AUDITORS FOR THE ENSUING YEAR AND TO FIX THEIR REMUNERATION.

“RESOLVED THAT on recommendation Audit Committee and the Board of Directors M/s. KPMG Taseer Hadi & Co., Chartered Accountants be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and that the Board of Directors be and is hereby authorized to fix their remuneration.”

Mr. Haroon Kapadia S.N No. 637 proposed and Mr. Saeed A. Baig S.No. 53 seconded to approve.

The Chairman put the motion to vote on a show of hands and declared the same carried unanimously.

AGENDA NO.5

SPECIAL BUSINESS:

TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING AS A SPECIAL RESOLUTION FOR THE AMENDMENTS IN MEMORANDUM OF ASSOCIATION OF THE COMPANY.

“RESOLVED THAT the existing Clause V of the Memorandum of Association of the company be and is hereby amended and substituted with the clause as follows;

“The Authorized Capital of the Company is Rs. 1,000,000,000 (Rupees one billion) divided into 200,000,000 Ordinary Shares of Rs.5/- each, with power to increase or reduce as the Company may think fit. The Company may subdivide or consolidate its share or any of them in accordance with the provisions of the Companies Act, 2017.”

RESOLVED FURTHER THAT the words “Incorporated under the Companies Ordinance, 1984” and (Liability of Members in Limited By Shares) appearing in the heading/title of the Memorandum of Association shall be read and replaced as “The Companies Act, 2017” and “(Company Limited by Shares)”.

Ms. Nafeesa Dada S. No. 327727101 proposed and Mr. Malik Bakhtiar Aziz S.No. 513 seconded to approve the accounts.

The Chairman put the motion to vote on a show of hands and declared the same carried unanimously.

AGENDA NO.6

TO CONSIDER AND IF THOUGHT FIT, PASS WITH OR WITHOUT MODIFICATION, THE FOLLOWING RESOLUTIONS AS SPECIAL RESOLUTIONS FOR ALTERATIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY:

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For NATIONAL FOODS LIMITED

Company Secretary

“RESOLVED THAT alterations and additions in the existing Articles of Association of the Company as per the Comparative Statement attached to the Notice of Annual General Meeting as Annexure-A, as laid before the meeting initiated by the Company Secretary for the purpose of identification, be and are hereby approved.

RESOLVED FURTHER THAT any changes, as may be required by the Securities and Exchange Commission of Pakistan, in the revised articles shall be treated as approved and adopted by the shareholders and the same shall have effect from the date of passing of this special resolution.

RESOLVED FURTHER THAT Chief Executive or Secretary of the Company be and are hereby authorized to do or cause to be done any and all acts, deeds and things that may necessary or expedient to complete any or all corporate and legal formalities to give effect to the above resolution.”

Mr. Din Muhammad S. No. 326 proposed and Ms. Nafeesa Dada S. No. 327727101 seconded to approve the accounts.

The Chairman put the motion to vote on a show of hands and declared the same carried unanimously.

AGENDA NO.7

TO APPROVE CIRCULATION / DISSEMINATION OF ANNUAL AUDITED ACCOUNTS AND REPORTS ELECTRONICALLY.

To consider and, if deem fit, to pass with or without any amendment/ modification following resolution as ordinary resolution.

“RESOLVED that the Company be and is hereby authorized for circulation/dissemination of annual audited accounts and reports to the shareholders electronically in soft form i.e. through CD/DVD/USB/EMAIL.

RESOLVED FURTHER that in terms of above resolution the Company shall send annual audited accounts and reports to its shareholders through CD/DVD/USB except to those who wish to receive them through emails and given their written consent to the Company.”

Mr. Malik Bakhtiar Aziz S.No. 513 proposed and Mr. Mr. Saeed A. Baig S.No. 53 seconded to approve the accounts.

The Chairman put the motion to vote on a show of hands and declared the same carried unanimously.

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For NATIONAL FOODS LIMITED**
[Signature]
Company Secretary

AGENDA NO.8

TO TRANSACT ANY OTHER BUSINESS WITH THE PERMISSION OF THE CHAIR.

There, being no other matter to discuss the meeting ended with a vote of thanks to the Chair.

Dated October 24, 2017

A. Majeed

A. Majeed
Chairman

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For NATIONAL FOODS LIMITED

[Signature]
Company Secretary