

NFL/Corp/2020/54

September 29, 2020

FORM-4

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

Subject: Notice of Annual General Meeting

Dear Sir,

Enclosed please find a copy of the Notice of 49th Annual General Meeting to be held on Wednesday, October 21, 2020 at 4:00 p.m. through Microsoft Teams application/video-link facility.

We attach herewith the Original press clipping published in Business Recorder English and Roznama Khabrain Urdu on September 29, 2020 in respect of the Annual General Meeting of National Foods Limited for circulation amongst the TRE Certificate Holders of the Exchange.

Thanking you,

**Yours faithfully,
FOR NATIONAL FOODS LIMITED**



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

Encl: As above.

CC'to:

- 1. Securities Exchange Commission of Pakistan, Islamabad.**
- 2. Head of Operations, Central Depository Company of Pakistan Ltd. Kar.**
- 3. Share Registrar, Central Depository Company of Pakistan Ltd., Karachi.**



NATIONAL FOODS LIMITED

12/CL-6, Claremont Road, Civil Lines, Karachi-75530 (Tel. 021-36490029 - 021-38402022)

Notice of 49th Annual General Meeting

Notice is hereby given that the 49th Annual General Meeting of National Foods Limited will be held on Wednesday, October 21, 2020 at 4pm through Microsoft Teams application/video-bnk facility to transact the following business:

Ordinary Business:

- To confirm the minutes of the Minutes of Annual General Meeting held on October 18, 2019.
- To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2020 together with the Directors' and Auditors' Reports thereon, together with Audited consolidated financial statements of the Company and the Auditors' reports thereon for the year ended June 30, 2020.
- To approve and declare the dividend on the Ordinary Shares of the Company. The Directors have recommended final dividend of 100% (Rs. 5 per Ordinary Share of Rs. 5/- each), for the year ended June 30, 2020.
- To appoint External Auditors of the Company for the ensuing year, and to fix their remuneration. The Board of Directors, on the recommendation of Audit Committee of the Company, has proposed re-appointment of M/s KPMG Taseer Hadi & Co. Chartered Accountants as external auditors, for the year ending June 30, 2021

Special Business:

- To consider and, if thought fit, to pass with or without modification(s), the resolutions appearing below as ordinary resolutions for the capitalization of free reserves to issue bonus shares as recommended by the Directors.

"RESOLVED THAT a sum of Rs. 186,492,340 be capitalized out of the free reserves of the Company and applied towards issue of 37,298,468 ordinary shares of Rs. 5 each, as 25% fully paid bonus shares i.e. in the proportion of one (01) ordinary share for every four (04) ordinary shares held by the members of the Company whose names appear in the Members' Register as at the close of the business on October 12, 2020".

"FURTHER RESOLVED THAT the bonus shares shall rank pari passu in all respects with the existing shares of the Company as regards the future entitlements, however, these shares shall not be eligible for any final dividend declared by the Company for the year ended June 30, 2020".

"FURTHER RESOLVED THAT members fractional entitlement, as a result of their entitlement to a fraction of a bonus share due to their respective shareholdings shall be deposited into a charity account to be proposed and approved by the Shareholders in the Annual General Meeting on October 21, 2020".

"FURTHER RESOLVED THAT the Chief Executive and Company Secretary be and are hereby jointly and/or severally authorized to give effect to these resolutions and to do and cause to be done all acts, deeds and things that may be necessary or required for issue, allotment and distribution of the said bonus shares and the deposit of sale proceeds of the fractions into aforementioned account".

- To consider, and if thought fit, to pass the following resolutions as ordinary resolutions, (a) to ratify and approve the transactions carried out with related parties during the financial year ended June 30, 2019 and (b) & (c) to authorize the Board of Directors to approve all related party transactions carried out and to be carried out during the year ending June 30, 2020.

a) "RESOLVED THAT the transactions carried out by the company with the following related parties for the financial year ended June 30, 2020 be and are hereby ratified and approved."
i. National Foods DMCC
ii. ATC Holdings (Private) Limited

b) FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to approve all transactions carried out and to be carried out with the above named related parties, on case to case basis, for the financial year ending June 30, 2021 and till next Annual General Meeting of the Company.

c) FURTHER RESOLVED THAT the approval of transactions by the Board, as aforesaid, shall be deemed to have been approved by the shareholders and the transactions for the year ending June 30, 2021 shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval.

- To consider and, if thought fit, to pass with or without modification(s), the resolution appearing below as ordinary resolution for seeking approval of shareholders for the appointment of Mr. Zahid Majeed as Executive Director of the Company and holding the office of profit in terms of Section 171 (1) (c) (i) of the Companies Act, 2017.

"RESOLVED THAT pursuant to the provisions of Section 171 (1) (c) (i) of the Companies Act, 2017, consent of Members be and is hereby accorded to the appointment of Mr. Zahid Majeed holding office or place of profit under the Company, as Executive Director of the Company at a remuneration, other entitlements and terms and conditions as may be determined by the directors and altered from time to time, as per the Company's policies.

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

Statements under Section 134(3) of the Companies Act, 2017 in respect of special business contained in Agenda Item Number 5, 6 and 7 is annexed to the notice being sent to the members.

Karachi
September 29, 2020

By Order of the Board
Fazal ur Rehman Hajano
Company Secretary

Notes:

1. VIDEO-LINK ARRANGMENT FOR ONLINE PARTICIPATION IN THE 49th ANNUAL GENERAL MEETING OF THE COMPANY DUE TO COVID-19
In the light of SECP's directives issued vide Circular 05 dated March 17, 2020 read with Circular 25 dated August 31, 2020, and considering the well-being of our valued members the company is holding its 49th Annual General Meeting through Microsoft Teams application / video-conferencing facility.
Members and their proxies shall be entitled to attend and participate in the AGM through online and encouraged to consolidate their attendance and voting at the AGM through proxies. Members and their proxies are required to register their particulars (Name, Folio number/CDC Account No, Number of shares held, CNIC/Passport Number, Cell Number and Email ID), by sending an email at AGM@nfoods.com with subject 'Registration for NPL AGM 2020'.
The video link will be shared with the Members whose emails, containing all the required particulars as mentioned, are received at the given email address before the close of business hours i.e. 05:00 p.m. on October 13, 2020.
To facilitate the members in Karachi, the Company has also made arrangement of a video-link/video-conferencing facility at Luxury Hotel, Karachi. Any member who may have difficulty in online participation from their personal locations, shall be able to participate in the meeting from Beach Luxury Hotel, Karachi.
For any queries, the Members may please contact through email on AGM@nfoods.com or contact Mr. Saleem Sultan on 021-36490029 (Ext. 5272).

2. NOTICE OF BOOK CLOSURE

The share transfer books of the Company will remain closed from October 13, 2020 to October 21, 2020 (both days inclusive). Transfers received, in order, at the office of our Share Registrar M/s. CDC Share Registrar Services Limited, CDC House-99B, Block 'B', S.M.C.H.S., main Shahrah-e-Faisal, Karachi-74000, by the close of business on October 12, 2020, will be considered in time for the determination of the entitlement of the shareholders to final cash dividend, bonus shares and to attend and vote at the meeting.

3. Appointment of Proxy

- A member entitled to attend, speak and vote at the Annual General Meeting is entitled to appoint another member at his/his proxy to attend, speak and vote for his/her behalf. A proxy must be a member of the Company. A proxy shall also have the right to demand and join in demanding a poll and vote on a poll.
- The instrument appointing proxy, together with the power of attorney or other authority under which it is signed, as the case may be, or a notarial certified copy of the power or authority, must be deposited at the Registered Office of the Company situated at 12/CL-6, Claremont Road, Civil Lines, Karachi-75530, at least 48 hours before the time of the meeting. Form of proxy is enclosed. Attested copies of valid CNIC or the passport of the member and the Proxy shall be furnished with the Proxy Form.
- Owners of the physical shares and of the shares registered in the name of Central Depository Company of Pakistan Limited (CDC) and/or their proxies are required to produce their original valid Computerized National Identity Card (CNIC) or Passport, for identification purposes, at the time of attending the meeting.

4. Submission of Copies of Valid CNICs

Members, who have not yet submitted attested photocopy of their valid CNIC along with folio number, are requested to send the same, at the earliest, directly to the Company's Share Registrar.

5. Changes in Members Addresses

Members are requested to notify any change in their addresses immediately to the Company's Share Registrar.

6. E-Dividend

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar, at the address given herein above, electronic dividend mandate on E-Dividend form provided in the annual report and also available on website of the Company. In the case of shares held in CDC, the same information should be provided to the CDC participants for updating and forwarding to the Company.

7. Deduction of Income Tax under Section 150 of the Income Tax Ordinance, 2001

Pursuant to the Finance Act, 2020, effective July 01, 2020, the rate of deduction of income tax under Section 150 of the Income Tax Ordinance, 2001, from payment of dividend to a NON-FILER of income tax return is prescribed as 30% and for FILER of Tax Returns as 15%. List of Filers is available at Federal Board of Revenue's (FBR) website: <http://www.fbr.gov.pk>. Members are therefore advised to update their tax FILER status latest by October 12, 2020.
Further, according to clarification received from Federal Board of Revenue (FBR), with holding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint-holder(s) based on their shareholding proportions, in case of joint accounts.
In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and joint-holder(s) in respect of shares held by them to our Share Registrar, in writing as follows:

Folio/CDC A/C No.	Total No. of shares	Principal Shareholders		Joint Holder(s)	
		Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)

The required information must reach our Share Registrar by the close of business (5:00 p.m.) on October 12, 2020; otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).

The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the company or Share Registrar. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

The information received within the above specified time would enable the Company to deduct income tax at the applicable rates from the payment of dividend if announced by the Company on October 21, 2020.

Members seeking exemption from deduction of income tax or deduction at a reduced rate under the relevant provisions of the Income Tax Ordinance, 2001, are requested to submit a valid tax certificate or necessary documentary evidence, as the case may be, latest by October 12, 2020.

For any query/problem/information, the investors may contact the company and/or the Share Registrar at the following phone numbers, email addresses:

Company: info@nfoods.com
Share Registrar: info@cdcpak.com
Corporate Secretary: info@nfoods.com

8. **Unclaimed Dividend/Shares**
Shareholders, who by any reason, could not claim their dividend/shares, if any, are advised to contact our Share Registrar M/s. CDC Share Registrar Services Limited, CDC House-99B, Block 'B', S.M.C.H.S., main Shahrah-e-Faisal, Karachi-74000, to collect / enquire about their unclaimed dividend/shares, if any.
9. **Postal Ballot/E-Voting**
In accordance with the Companies (Postal Ballot) Regulations, 2018, for the purpose of election of directors and for any other agenda item subject to the requirements of section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through postal ballot i.e. by post or e-voting, in the manner and subject to conditions contained in aforesaid regulations.
10. **Video-Conferencing Facility in Other Cities**
If the members holding ten percent of the total paid up capital or such other percentage of the paid up capital as may be specified by the Commission, are resident in any other city, the company shall provide the facility of video-conferencing to such members for attending annual general meeting of the company, if so required by such members in writing to the company at least seven days (7) before the date of the meeting. The company will intimate members regarding venue of conference facility at least 5 days before the date of general meeting along with complete information necessary to enable them to access such facility.

Consent for Video-Conferencing Facility

I/We, of being a member of National Foods Limited holder of Ordinary Share(s) as per Register Folio No. _____ hereby opt for participation in the Annual General Meeting to be held on October 21, 2020 or any adjourned meeting through video-conferencing facility at _____ (Please insert name of the City)

Signature of member

11. **Protective Measures and SOPs to be followed for attending meeting**
Members or their proxies attending meeting from Beach Luxury Hotel, Karachi or video conferencing facility, if provided in any other cities, are requested to abide protective measures and SOPs advised by the Government to avoid Covid-19.
12. **Availability of Financial Statements and Reports on the Website:**
The Annual Report of the Company for the year ended June 30, 2020 has been placed on the Company's website at the given link: <http://nfoods.com/contents/our-company/financials/>
13. **Electronic Transmission of Financial Statements and Notice of Meeting**
Members who desire to receive annual financial statements and notice of meeting for the financial year ending June 30, 2021 or onward through e-mail, instead of registered post/courier, may submit their consent on the FORM available for the purpose on Company's website.

Share Registrar
M/s. CDC Share Registrar Services Limited,
CDC House-99B, Block 'B', S.M.C.H.S.,
Main Shahrah-e-Faisal, Karachi-74000.

Registered Office
National Foods Limited
12/CL-6, Clarendon Road,
Civil Lines, Karachi.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement set out all the material facts concerning Special Business under Agenda Item No. 5, 6 and 7 be transacted at the 49th Annual General Meeting.

AGENDA ITEM NO. 5

ISSUE OF BONUS SHARES BY CAPITALIZATION OF FREE RESERVES

The Board of Directors in their meeting held on September 07, 2020, have recommended capitalization of a sum of Rs. 186,492,340 out of free reserves of the Company for issue of 37,298,468 ordinary shares of Rs. 5 each, as 25% fully paid bonus shares. The directors are of the view that the Company's financial position and its reserves justify the capitalization of free reserves. The Directors of the Company have not, direct or indirect interest in this special business, except to the extent of their entitlements of bonus shares and their relatives who are also shareholders of the Company.

AGENDA ITEM NO. 6

ORDINARY RESOLUTIONS - TRANSACTIONS WITH RELATED PARTIES

(a) Ratification and approval of transactions with related parties carried out during the financial year ended June 30, 2020

The company carries out transactions with its related parties on an arm's length basis, as per the approved policy with respect to 'transactions with related parties', in the normal course of business. All transactions entered into with related parties require the approval of the Board Audit Committee of the Company, which is chaired by an independent director of the Company. Upon the recommendation of the Board Audit Committee, such transactions are placed before the Board of Directors for their approval. However, in terms of Regulation 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Code) approval of shareholders is required for such transactions with related parties in which majority of directors of the company are interested. The Companies Act, 2017 (the Act) also requires approval of shareholders on the matters where majority of directors are interested in view of the above, following transactions carried out in normal course of business on an arm's length basis with related parties during the financial year ended June 30, 2020, are being placed before the shareholders for their ratification and approval.

AGENDA ITEM NO. 7

AMENDMENTS IN THE MEMORANDUM OF ASSOCIATION

The Board of Directors of the Company in their meeting held on September 6, 2018 proposed to increase authorized capital of the Company from Rs. 1 billion to Rs. 5 billion by creating 800 million ordinary shares of Rs. 5/- each. The principle purpose of this increase is to accommodate any increase in paid up capital of the company in the future. Comparison of existing and proposed clause V of the Memorandum of Association, is provided below:

Name	Relationship	Nature of Transaction	Amount in Rupees
National Foods DMCC	Subsidiary	Net Sales	1,471,017,875
ATC Holdings (Private) Limited	Parent Company	Rental Income	5,360,000

(b) and (c) **Authorization for the Board of Directors to approve the related party transactions during the financial year ending June 30, 2021 and till next Annual General Meeting**
The Company is and shall be conducting transactions with its related parties during the financial year ending June 30, 2021 and subsequently, on arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The related parties' transactions in which majority of Directors are interested due to their common directorship and/or shareholding, therefore necessitate approval of shareholders. Accordingly, approval of shareholders is being sought to authorize the Board of Directors of the Company to approve all transactions carried out and to be carried out with such related parties during the financial year ending June 30, 2021 and till next Annual General Meeting, which transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions is explained above in the statement of Agenda Item No. 6(a). The related party transactions conducted during financial year ending June 30, 2021, shall then be placed before the shareholders in the next AGM for their formal approval/ratification. Disclosure of Interest of Directors Mr. Abdul Majeed, Mr. Abrar Hasan and Mr. Zahid Majeed are interested in the agenda to the extent of their common directorships and/or their shareholding in respective related parties and Mrs. Noreen Hasan due to interest of his spouse.

AGENDA ITEM NO. 7

ORDINARY RESOLUTION - HOLDING OFFICE OF PROFIT

The Board of Directors of the Company in their meeting held on September 7, 2020 approved appointment of Mr. Zahid Majeed as Executive Director of the Company as "CEO NFDMMCC -International Division - Exports" in terms of Section 208 (1) (f) of the Companies Act, 2017 as per the recommendations of Human Resource & Remuneration Committee and Audit Committee under the related party policy of the company. This appointment is subject to approval by members of the Company in terms of Section 171 (1) (c) (i) of the Companies Act, 2017. Accordingly, the Board of Directors proposed ordinary resolution pursuant to Section 171 (1) (c) (i) of the Companies Act, 2017, to accord approval of the members in general meeting to the appointment of Mr. Zahid Majeed as Executive Director of the Company for holding of office of profit under the Company. Material facts and disclosures, required under Para B(3) and C (2) of the aforesaid SRO 423 of 2018, are provided herein below:

i) Details of the office of profit proposed to be held by the director;	Mr. Zahid Majeed's appointment as Executive Director of the Company as "CEO NFDMMCC"
ii) Brief job description of the office to be held by the director;	a) To implement board's strategy; b) Manage overall operations and resources; c) Focal point of communication between board of directors and the management;
iii) Remuneration of the director, including perks and benefits, pecuniary or otherwise;	Rs. 53.6 million per annum
iv) Benefits to the company and its members as a result of such office of profit to be held by the director; and	Expansion into international markets and to increase exports;
v) Period of holding of such office.	One (1) year commencing from October 21, 2020
vi) Nature and extent of interest, if any, therein of every director, whether directly or indirectly.	Mr. Zahid Majeed himself and Mr. Abdul Majeed being his father are interested in this matter.

