

NFL/CORP/2022/180

September 28, 2022

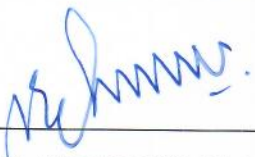
The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
KARACHI.

SUBJECT: NOTICE OF 51ST ANNUAL GENERAL MEETING (PRE-PUBLICATION)

Please find enclosed a copy of 51st Annual General Meeting of National Foods Limited to be held on October 20, 2022 prior to its publication in the newspaper for circulation amongst the TRE Certificate of the Exchange.

Thanking you,

Yours faithfully,
FOR NATIONAL FOODS LIMITED



(FAZAL UR REHMAN HAJANO)
COMPANY SECRETARY

**NATIONAL FOODS LIMITED
NOTICE OF 51st ANNUAL GENERAL MEETING**

Notice is hereby given that the 51st Annual General Meeting of National Foods Limited will be held on Thursday, October 20, 2022, at 3:00 pm at Beach Luxury Hotel, Karachi to transact the following business. The shareholders who wish to attend the AGM via video link facility may do so.

Ordinary Business:

1. To confirm the Minutes of Annual General Meeting held on October 14, 2021.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2022, 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, 2022.
3. 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, 2022.
4. 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, 2023.

Special Business:

5. To consider, and if thought fit, to pass the following resolutions as special resolutions, (a) to ratify and approve the transactions carried out with related parties during the financial year ended June 30, 2022, 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, 2023.

- a) ***"RESOLVED THAT** the transactions, in which majority of directors are interested, carried out by the company with the following related parties for the financial year ended June 30, 2022, be and are hereby ratified and approved".*

ATC Holdings (Private) Limited- Parent Company
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National Foods DMCC- Subsidiary

- b) ***"FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to approve all related party transactions, in which majority of directors are interested, carried out and to be carried out with any related party including the above-named related parties, on case-to-case basis, for the financial year ending June 30, 2023, 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, 2023, shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval".*

6. To consider and, if thought fit, to pass with or without modification(s), the following as a Special Resolution for the approval of Rent Agreement between ATC Holdings (Private) Limited-(ATCH) and National Foods Limited for use of ATCH Lahore premises.

“RESOLVED THAT the Rent Agreement for use of ATC Holdings (Private) Limited Lahore premises to be entered into by the Company with its parent Company for an indefinite period, is hereby ratified and approved as per the details appearing in statement of material facts”.

7. To consider and, if thought fit, to pass with or without modification(s), the resolution appearing below as ordinary resolution to authorize Mr. Adam Fahy Majeed for holding of office of profit in the Company 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 authorize Mr. Adam Fahy Majeed for holding office or place of profit under the Company, as Executive Director of the Company, for the remaining term of the Board, 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”.

8. 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 5,6,7 and is annexed to the notice being sent to the members.

By Order of the Board

Karachi
September 29, 2022

Fazal ur Rehman Hajano
Company Secretary

Notes:

1. PARTICIPATION IN THE AGM PROCEEDINGS VIA VIDEO LINK FACILITY

In addition to in person meeting, the Company shall also hold its AGM through video link facility in pursuance to Circulars notified by the Securities and Exchange Commission of Pakistan (SECP). The members/proxies interested to participate in the AGM through this facility, are requested to get themselves registered with the Company at cdcsr@cdcsrsl.com by providing the following details: -

Shareholder Name	Company name	Folio/ CDC Number	CNIC Number	Cell Number	Registered Email Address

Video-link and login credentials will be shared with the members/proxies whose email containing all the above particulars are received at the given email address by the close of business on October 18, 2022.

The members can also provide their comments and questions for the agenda items of the AGM on WhatsApp Number: 0321-8200864 and email: cdcsr@cdcsrsl.com

2. NOTICE OF BOOK CLOSURE

The share transfer books of the Company will remain closed from October 14, 2022 to October 20, 2022 (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 13, 2022, will be considered in time for the determination of the entitlement of the shareholders to final cash dividend and to attend and vote at the meeting.

3. Appointment of Proxy and participation in the AGM

- a) A member entitled to attend, speak and vote at the Annual General Meeting is entitled to appoint another member as his/her 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.
- b) 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 working day 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.
- c) Owners of the physical shares and of the shares registered in the name of Central Depository Company of Pakistan Ltd. (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 in person. In case of a corporate entity, the Board of Directors' resolution/Power of Attorney, with specimen signature of the nominee, shall be produced at the time of the meeting (unless it has been provided earlier).

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 CDS 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, 2022, effective July 01, 2022, 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 13, 2022.

Further, according to clarification received from Federal Board of Revenue (FBR), withholding 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 number 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 13, 2022; 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 20, 2022.

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 13, 2022.

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

Company: corporate.secretary@nfoods.com
Share Registrar: info@cdcsrsl.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 20, 2022 or any adjourned meeting through video-conferencing facility at _____ (Please insert name of the City)

Signature of member

11. Circulation / Transmission of Annual Report 2022 and Notice of Meeting

The Annual Report of the Company for the year ended June 30, 2022 has been placed on the Company's website at the given link: <https://nfoods.com/investor-relations/financial-report/>.

Annual Report 2022 and notice of AGM is also being circulated through post/courier to the members in accordance with section 223(6) of the Companies Act, 2017 and electronically to members via email to all those shareholders whose email addresses are available with the CDC or the Share Registrar.

Members who desire to receive annual report and notice of meeting onward through e-mail, instead of registered post/courier, may submit their consent on the FORM available for the purpose on Company's website.

12. Conversion of Physical Shares into Book-Entry Form

Pursuant to Section 72 of the Companies Act and directive issued by SECP vide its letter No. CSD/ED/Misc./2016-639-640 dated 26 March 2021, all listed companies are required to pursue their shareholders who still hold shares in physical form, requiring them to convert their shares in Book-Entry-Form.

In view of the aforesaid requirement shareholders of the Company are requested to convert their physical shares into book-entry form as soon as possible. Conversion of shares into book-entry form would facilitate the shareholders i.e. readily available market for instant sale and purchase of shares, elimination of risk of loss & damage, easy & safe transfer and less formalities as compared to physical shares. Shareholders may contact Share Registrar of the Company for assistance in conversion of shares. Guidelines for Conversion of Physical Shares into Book-entry Form are available on the website of CDC Share Registrar Services Limited at the given link:
https://www.cdcsrsl.com/?jet_download=7429

STATEMENTS 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, 7 and be transacted at the 51st Annual General Meeting.

AGENDA ITEM NO. 6

SPECIAL RESOLUTIONS - TRANSACTIONS WITH RELATED PARTIES

(a) Ratification and approval of transactions with related parties carried out during the financial year ended June 30, 2022

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 such related party transaction by shareholders where majority of directors are interested.

In view of the above, following transactions, in which majority of directors are interested due to their common directorship, carried out in normal course of business on an arms' length basis with related parties during the financial year ended June 30, 2022, are being placed before the shareholders for their ratification and approval.

Name of related party	Relationship	Nature of Transaction	Amount in Rupees '000'	Pricing Policy
ATC Holdings (Private) Limited	Parent Company	Rental income	3,074	Arm's length / under approved agreement with related party
National Foods DMCC	Subsidiary Company	Net Sales	2,220,238	Arm's length / under approved agreement with related party

(b) and (c) Authorization for the Board of Directors to approve the related party transactions during the financial year ending June 30, 2023, 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, 2023, 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 or otherwise.

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 such transactions, in which majority of directors are interested, carried out and to be carried out with such related parties during the financial year ending June 30, 2023, 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 under clause (a) of the agenda. The related party transactions, requiring shareholders' approval, conducted during financial year ending June 30, 2023, shall then be placed before the shareholders in the next AGM for their formal approval/ratification.

Disclosure of Interest of Directors: Mr. Abrar Hasan, Mrs. Noreen Hasan, Mr. Adam Fahy Majeed and Mr. Zahid Majeed are interested in the agenda to the extent of their common directorships and/or their shareholding in respective related parties.

AGENDA ITEM NO. 7

SPECIAL RESOLUTION - APPROVAL OF RENT AGREEMENT WITH ATC HOLDINGS (PRIVATE) LIMITED

National Foods Limited (NFL) will be entering into a rent Agreement for the use of ATC Holdings (Private) Limited Lahore premises for an indefinite period (the Agreement). The Board approved the Agreement on September 08, 2022 and proposed to seek approval/ratification by the members of the Company in the Annual General Meeting.

As the majority of directors were interested in the arrangement due to their common directorship and shareholding, in ATC Holdings (Private) Limited, the shareholders are requested to approve the Agreement by NFL, by passing special resolution in terms of Section 208 of the Companies Act, 2017.

The disclosure of information under Regulation 5 of the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 [SRO 1194 (I)/2018, dated October 2, 2018].

i) Name of related party;	ATC Holdings (Private) Limited
ii) Names of the interested or concerned directors;	<ul style="list-style-type: none"> • Abrar Hasan • Adam Fahy Majeed • Noreen Hasan • Zahid Majeed
iii) Nature of relationship, interest or concern along with complete information of financial or other interest or concern of directors, managers or key managerial personnel in the related party;	Common Directorship
iv) Detail, description, terms and conditions of transactions;	Renting office premises for the employees of National Foods Limited
v) Amount of transactions;	Rs. 728,550 (Per Quarter)
vi) Timeframe or duration of the transactions or contracts or arrangements;	Indefinite Period
vii) Pricing policy;	On arm's length basis
viii) Recommendations of the audit committee;	Yes
ix) Any other relevant and material information that is necessary for the shareholders to make a well-informed decision regarding the approval of related party transactions.	Rent has been benchmarked against similar properties within the same vicinity

Inspection: The Agreement relating to special business can be inspected by the shareholders from the date of issuance of this notice till the date of meeting at the registered office of the Company during usual business hours from Monday to Friday (9.00 a.m. - 5.00 p.m.)

AGENDA ITEM NO. 8 ORDINARY RESOLUTION - HOLDING OFFICE OF PROFIT

The Board of Directors of the Company in their meeting held on September 8, 2022, approved appointment of Mr. Adam Fahy Majeed as Executive Director of the Company as "Chief Growth Officer" - International Division - Exports in terms of Section 208 (1) (f) of the Companies Act, 2017. 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. Adam Fahy Majeed as Executive Director of the Company for holding of office of profit.

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. Adam Fahy Majeed as Executive Director of the Company on account of his appointment as “Chief Growth Officer”
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. 5 million per annum plus inflationary adjustments (if any).
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; a) To implement board’s International Strategy b) Innovation, New Product Developments, Route to Market Restructuring c) Enter new geographical markets d) Oversea Market and Sales Strategy e) Develop International Hubs
v) Period of holding of such office.	Till next election.
vii) Nature and extent of interest, if any, therein of every director, whether directly or indirectly.	Mr. Adam Fahy Majeed himself and Mr. Zahid Majeed being his father are interested in this matter.

