



MATCO FOODS LIMITED

# MATCO FOODS LIMITED

B-1/A, S.I.T.E. Phase 1, Super Highway Industrial Area, Karachi 75340

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to the members that Annual General Meeting of Matco Foods Limited will be held on Monday, October 24, 2022 at 11:15 a.m. at Institute of Cost and Management Accountants of Pakistan, Seminar Room, ICMA Pakistan Building ST-18/C, ICMAP Avenue, Block 6, Gulshan-e-Iqbal, Karachi 75300 and through Video Conference to transact the following business:

### **A. Ordinary Business:**

1. To read and confirm the minutes of the previous annual general meeting held on October 21, 2021.
2. To receive, consider and adopt the Audited Annual Financial Statements of the Company together with the Directors' and Auditors' reports thereon for the year ended June 30, 2022 along with the Audited Consolidated Financial Statements of the company and Auditor's report thereon for the year ended June 30, 2022.
3. To appoint Auditors of the Company for the year ending June 30, 2023 at a mutually agreed rate of remuneration. The Board of Directors on the recommendation of the Audit Committee has proposed appointment of M/s Grant Thornton Anjum Rehman Chartered Accountants. The retiring Auditors being eligible offer themselves for re-appointment.

### **B. Special Business**

4. To consider and if deemed fit, pass the following Special Resolutions with or without modification(s):

#### **Investment in Associated Companies & Associated Undertakings:**

“Resolved by way of special resolution that consent and approval of Matco Foods Limited (the “Company”) be and is hereby accorded under Section 199 of the Companies Act, 2017 (the “Act”) for investment in the form of loans/advances from time to time to Barentz Pakistan (Private) Limited, the associated company, up to an aggregate sum of Rs. 100 million (Rupees hundred million only) at the mark-up rate of three (3) months KIBOR plus 2%. Vide special resolution passed in general meeting held on October 24, 2020 by the shareholders, the Company was authorized to extend a facility of similar nature to the extent of Rs. 50 million.”

Resolved further that Chief Executive Officer Mr. Khalid Sarfaraz Ghori, Director Mr. Faizan Ali Ghori and Secretary of the Company be and are hereby authorized singly to take all steps necessary, ancillary and incidental, corporate and legal formalities for the completion of transactions in relation to the loans / advances to the holding company but not limited to filing of all the requisite statutory forms and all other documents with the Securities and Exchange Commission of Pakistan, executing documents all such notices, reports, letters and any other document or instrument to give effect to the above resolutions.”



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## NOTICE OF ANNUAL GENERAL MEETING

### C. Any Other Business

5. To transact any other business with the permission of the Chairman.

**Karachi**  
**October 03, 2022**

**By order of the Board**  
Danish Ahmed  
Company Secretary

### NOTES:

#### 1) CLOSURE OF SHARE TRANSFER BOOK

The share transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from October 17, 2022 to October 24, 2022 (both days inclusive). Transfers received in order at the Company's Registrar Office at CDC Share Registrar Services Limited, CDC House, 99-B, Block B, S.M.C.H.S. Main Shakra-e-Faisal, Karachi - 74400, by the close of business on October 14, 2022 will be treated in time to attend and vote at the meeting.

#### 2) PARTICIPATION IN THE ANNUAL GENERAL MEETING VIA PHYSICAL PRESENCE OR THROUGH VIDEO-CONFERENCING

(a) In line with the direction issued to listed companies by the Securities & Exchange Commission of Pakistan, vide its Circular No. 4 of 2021 dated February 15, 2021 and subsequent Circular No.6 of 2021 dated March 03, 2021, the Company intends to convene this AGM physically and virtually via video conference facility while ensuring compliance with the quorum requirements and request to the Members to consolidate their attendance and voting at the AGM through proxies.

(i) Shareholders interested in attending the AGM through Zoom application will be requested to get themselves registered with Share Registrars of the Company M/s. CDC Share Registrar Services Limited at least 48 hours before the time of AGM at [danish.ahmed@matcofoods.com](mailto:danish.ahmed@matcofoods.com) by providing the following details:

CDC Participant ID / Folio No.	Company	Name of Shareholder	CNIC No. / NTN No.	Cell No.	Email address
	Matco Foods Limited				

Video-link for the meeting will be sent to members at their provided email addresses enabling them to attend the meeting on the given date and time.

Login facility will be opened thirty (30) minutes before the meeting time to enable the participants to join the meeting after the identification process. Shareholders will be able to login and participate in the AGM proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders.



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## NOTICE OF ANNUAL GENERAL MEETING

- (ii) Shareholders may send their comments and suggestions relating to the agenda items of the AGM to the Company Secretary Office at least two (2) working days before the AGM, at the given email address [danish.ahmed@matcofoods.com](mailto:danish.ahmed@matcofoods.com). Shareholders are requested to mention their full name, CNIC # and Folio/CDC Account # for this purpose.
- (iii) Shareholders are encouraged to participate in the AGM to consolidate their attendance and participation through proxies.
- (b) A member entitled to attend the meeting may appoint any other member as his/her proxy to attend the meeting physically or through video-link. A proxy form is annexed in the Annual Report.
- (c) The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of power of attorney must be deposited at the Share Registrar of the Company M/s. CDC Share Registrar Services Limited at least 72 hours before the time of the AGM (i.e., latest by Friday, October 21, 2022 at 11:15 a.m.).
- (d) For appointing proxies, the shareholders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan:
  - (i) In case of individuals having physical shareholding or 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 CDC Regulations, shall submit the proxy form accordingly.
  - (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC number shall be mentioned on the form.
  - (iii) Notarized copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
  - (iv) In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

### **3) CNIC/NTN NUMBER ON DIVIDEND WARRANT (MANDATORY)**

As it has already been notified from time to time, SECP has directed vide its Notification S.R.O. 831(1)/2012 dated July 5, 2012 that the Dividend Warrant(s) should also bear the Computerized National Identity Card (CNIC) number of the registered shareholder or the authorized person, except in case of minor(s) and corporate shareholder(s).

In order to comply with the SECP's directives and in terms of Section 243(2)(a) of the Companies Act, 2017, the Company shall be constrained to withhold the Dividend Warrant(s), in case of non-availability of a copy of valid CNIC (for individuals) and National Tax Number (for corporate entities).



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B-1/A, S.I.T.E. Phase 1, Super Highway Industrial Area, Karachi 75340

## NOTICE OF ANNUAL GENERAL MEETING

Accordingly, shareholders who have not yet submitted a copy of their valid CNIC or NTN are once again requested to immediately submit the same to the Company or Share Registrar, CDC Share Registrar Services Limited.

### 4) **DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNT**

As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission.

The Shareholders having physical shareholding are encouraged to open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

### 5) **UNCLAIMED DIVIDEND/SHARES**

Information of unclaimed dividend/shares has been placed at the website of the Company [www.matcofoods.com](http://www.matcofoods.com). Respective shareholders are requested to contact Share Registrar of the Company to collect their unclaimed dividend/shares.

### 6) **TRANSMISSION OF ANNUAL AUDITED ACCOUNTS THROUGH EMAIL**

The Securities and Exchange Commission of Pakistan through its notification SRO787(1)/2014 dated 8<sup>th</sup> September 2014 has permitted / allowed companies to circulate Annual Financial Statements along with the Notice of Annual General Meeting to its members through email. Accordingly, members are requested to send written request to the company's registered office at mentioned above along with your valid email address to provide you the financial statements at your valid email address. In case you don't wish to avail this facility, the financial statements will be sent to you at your registered address as per normal practice.

### 7) **PLACEMENT OF FINANCIAL ACCOUNTS ON WEBSITE**

Pursuant to the notification of the SECP (SRO 634(I)/2014) dated July 10, 2014, the financial statements of the Company have been placed on the Company's website at [www.matcofoods.com](http://www.matcofoods.com).

### 8) **CHANGE OF ADDRESS (IF ANY)**

The shareholders are requested to notify the Company at its registered office at aforesaid address if there is any change in their addresses and update zakat status with their participants immediately.



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## NOTICE OF ANNUAL GENERAL MEETING

Annexure

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

#### INVESTMENTS IN ASSOCIATED COMPANIES & ASSOCIATED UNDERTAKINGS

The Board of Directors of the Company has approved the specific limits of investments in the form of loans / advances in the following associated companies and associated undertakings subject to the consent of members under Section 199 of the Companies Act, 2017 / Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017. The Board of Directors do hereby undertake / certify that necessary due diligence for the following proposed investments have been carried out.

<b>(a) Disclosure for all types of Investments:</b>																										
<b>(A) Disclosure regarding associated company</b>																										
(i)	Name of the associated company or associated undertaking	Barentz Pakistan (Private) Limited (“BPPL”)																								
(ii)	Basis of Relationship	Matco Foods Limited owns 49% shareholding in the Barentz Pakistan (Private) Limited																								
(iii)	Earnings / (Loss) per share for the last three Years	2022: 3.83 * 2021: (3.32) 2020: (0.91)																								
(iv)	Break-up value per share, based on last audited financial statements	2022: PKR 7.45 * 2021: PKR 3.61																								
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	Based on the reviewed and audited financial statements for the financial year ended 30 June 2022 and 31 December 2021 respectively, the financial position of BPPL is as under; <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">2022*</th> <th style="text-align: center;">2021</th> </tr> <tr> <th colspan="3" style="text-align: center;">Rs. in Million</th> </tr> </thead> <tbody> <tr> <td>Total Equity</td> <td style="text-align: right;">37.26</td> <td style="text-align: right;">18.08</td> </tr> <tr> <td>Total assets</td> <td style="text-align: right;">190.34</td> <td style="text-align: right;">122.36</td> </tr> <tr> <td>Total liability</td> <td style="text-align: right;">153.08</td> <td style="text-align: right;">104.28</td> </tr> <tr> <td>Gross profit</td> <td style="text-align: right;">42.40</td> <td style="text-align: right;">10.92</td> </tr> <tr> <td>Profit/(Loss) before tax</td> <td style="text-align: right;">24.06</td> <td style="text-align: right;">(18.84)</td> </tr> <tr> <td>Profit/(Loss) after tax</td> <td style="text-align: right;">19.18</td> <td style="text-align: right;">(16.64)</td> </tr> </tbody> </table>		2022*	2021	Rs. in Million			Total Equity	37.26	18.08	Total assets	190.34	122.36	Total liability	153.08	104.28	Gross profit	42.40	10.92	Profit/(Loss) before tax	24.06	(18.84)	Profit/(Loss) after tax	19.18	(16.64)
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(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:																									
	I. Description of the project and its history since conceptualization	Not Applicable																								
	II. Starting date and expected date of completion of work	Not Applicable																								
	III. Time by which such project shall become commercially operational	Not Applicable																								



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## NOTICE OF ANNUAL GENERAL MEETING

	IV. Expected time by which the project shall start paying return on investment	Not Applicable								
	V. Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts	Not Applicable								
<b>(B) General Disclosure</b>										
(i)	Maximum amount of investment to be made	PKR 100,000,000/- (Rupees Hundred Million Only).								
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	<p>The investment amount will be utilized by the associated company to meet the working capital requirement of the Company as the business is growing and they have entered into the business of flavors and colors. For flavors business, they entered into a distribution business with multinational company which will surely increase the top and bottom line of the Company.</p> <p>Matco Foods Limited will be benefited ultimately through share of profit/dividend and interest income from the associated company.</p>								
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds, -	Loan and/or advance will be given out of own funds of the Company.								
	I. Justification for investment through borrowings;	N/A								
	II. Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and	N/A								
	III. Cost benefit analysis	N/A								
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	<table border="1"> <thead> <tr> <th>Nature</th> <th>Loan/Advance</th> </tr> </thead> <tbody> <tr> <td>Purpose</td> <td>To earn mark-up/profit on loan/advance being provided to BPPL which will augment the Company's cash flow.</td> </tr> <tr> <td>Rate of Mark-up</td> <td>3-month KIBOR + 2%</td> </tr> <tr> <td>Repayment</td> <td>On demand</td> </tr> </tbody> </table>	Nature	Loan/Advance	Purpose	To earn mark-up/profit on loan/advance being provided to BPPL which will augment the Company's cash flow.	Rate of Mark-up	3-month KIBOR + 2%	Repayment	On demand
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Purpose	To earn mark-up/profit on loan/advance being provided to BPPL which will augment the Company's cash flow.									
Rate of Mark-up	3-month KIBOR + 2%									
Repayment	On demand									
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated	Directors of the Company have no interest in the investee Company except in their capacity as Director of Investee Company.								



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	company or associated undertaking or the transaction under consideration	
(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 impairment or write offs	A similar nature of loan/advance facility of Rs. 50 million from time to time for working capital requirements has been granted by the valued shareholders of the Company vide special resolution passed in the Annual General Meeting held on October 24, 2020. There is no impairment and/or write off against the above facility.
(vii)	Any other important details necessary for the members to understand the transaction	None
<b>(b) Additional disclosure regarding Loans and Advances</b>		
(i)	category-wise amount of investment	Previously, Matco Foods Limited has subscribed the 2,450,000 shares of BPPL at Par Value Rs. 10 each. Then, loan/advance provided to the BPPL up to Rs. 50 million. Now, the proposal to increase the limit of loan/advance to Rs. 100 million is made to shareholders.
(ii)	average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, for the relevant period	Average borrowing cost of the investing Company ranges from 1-month KIBOR + 0.75% to 1.0% - and 3-month KIBOR + 0.55% to 1.5% in 2021 - 2022.
(iii)	rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	3-month KIBOR + 2%.
(iv)	particulars of collateral or security to be obtained in relation to the proposed investment	No collateral is considered necessary since BPPL is an associated company of the Company.
(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	The above facility will be repayable on demand.

\* The financial year of the associated company have been linked with the Parent Company which is December 31 ended. Therefore, the figures as of June 30, 2022 (six-months ended) reviewed by the statutory auditors of the associated company have been presented here for the better understanding of the Shareholders.