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# NOTICE OF EXTRA ORDINARY GENERAL MEETING

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## **Macter International Limited**

**BOOK POST**

If undelivered please return to:



**Registered Office:**  
F-216, SITE, Karachi  
Tel: 021-32570049  
Email: [cosec@macter.com](mailto:cosec@macter.com)



# Macter International Limited

## NOTICE OF EXTRA ORDINARY GENERAL MEETING OF SHAREHOLDERS

NOTICE is hereby given that an Extra Ordinary General Meeting (EOGM) of the members of Macter International Limited (the Company) will be held on Saturday, July 28, 2018 at 10:00 a.m. at Moosa D. Desai Auditorium, the Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi, to transact the following business:

### SPECIAL BUSINESS:

1. To consider and if deemed fit, pass a special resolution, pursuant to Section 199 of the Companies Act 2017, to authorize investment upto Rs. 300 Million by way of purchase of shares in Misbah Cosmetics (Pvt) Limited (MCPL), a private limited associated company in three years on the basis of requirements and issuance of corporate guarantee(s) upto Rs. 100 Million at a time.

(Attached to this notice is a statement of material facts covering the above mentioned special business, as required under section 134(3) of the Companies Act 2017).

BY ORDER OF THE BOARD

MUHAMMAD ASIF  
Company Secretary

July 6, 2018  
Karachi

### NOTES:

#### 1. Closure of Share Transfer Books

The share transfer books of the Company will remain closed from July 21, 2018 to July 28, 2018 (both days inclusive). Transfers received, in order, at the office of the Company's Share Registrar M/s. F.D. Registrar Services (SMC-Pvt) Limited, 17<sup>th</sup> Floor, Saima Trade Tower-A, I. I. Chundrigar Road, Karachi by the close of business on July 20, 2018 will be considered in time for attending and voting at the meeting.

#### 2. Participation in the meeting

A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote on his/her behalf. Proxies, in order, must be received at the Company's Registered Office, F-216, SITE, Karachi not later than 48 hours before the time of the meeting.



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CDC Account-holders will further have to follow the under mentioned guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan (SECP).

## **A. For attending the meeting**

- i. In case of individuals, 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 Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

## **B. For appointing proxies**

- i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration detail is uploaded as per the regulations, shall submit the proxy form as per the above requirement.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- v. In case of 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. Change of Address**

Members are requested to notify any change in their addresses immediately.

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

### **Item No. 1 of the Notice**

#### **Investment in Misbah Cosmetics (Pvt) Limited (MCPL)**

Macter International Limited (Macter) is a public listed company with shareholders equity of Rs. 1,143 Million as at June 30, 2017 and is desirous of investment of upto Rs. 300 Million, in Misbah Cosmetics (Pvt) Limited (MCPL), a private limited associated company.



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MCPL, since its incorporation on June 9, 2014, has gone through the period of its brand introduction and after a very good market response to its initial launch of the concept of Halal Cosmetics, has now reached to a level where its brands are getting established. At this juncture, the business takeoff and expansion, needs healthy injection of working capital and hence MCPL is requiring capital for such expansion, and would in due course increase its paid up capital as and by way of a rights issue at a value determined by the independent valuer and approved by both the companies.

During the Board of Directors meeting held on June 22, 2018, Macter decided to take steps to facilitate MCPL's proposed plans for expansion of its business, and hence the Board approved the investment up to Rs. 300 Million for subscribing to ordinary shares of Rs. 10 each of MCPL in three years on the basis of requirements and issuance of corporate guarantee(s) upto Rs. 100 Million at a time. The approval of shareholders of the Company is accordingly being sought to make such investment/issuance of corporate guarantee.

The Board of Directors believes that this investment shall be beneficial for shareholders of the Company and is expected to yield dividend income and prospective capital gains for the Company in the years to come.

For this purpose, it is proposed to consider and, if thought fit, to pass the following resolutions as special resolutions, with or without modification, for authorizing investment by way of acquiring shares of Misbah Cosmetics (Pvt) Limited, pursuant to Section 199 of the Companies Act 2017 and issuance of corporate guarantee:

**RESOLVED THAT:**

1. The approval of Shareholder be and is hereby accorded under section 199 of the Companies Act 2017, for the investment upto Rs. 300 Million, by the Company, in M/s. Misbah Cosmetics (Pvt) Limited (MCPL), a private associated Company by way of purchase of shares in three years;
2. The company be and is hereby authorized to issue the corporate guarantee up to Rs. 100 Million at a time to the bank(s) for financing facilities arranged / to be arranged by MCPL;
3. As permitted in Regulation 6 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 ("the Regulations"), it is specifically authorized by the members that the approval of above investment and corporate guarantee will not lapse after 12 months and will continue till the investment / guarantee limits are fully utilized;
4. The Chief Executive Officer and the Company Secretary of the Company be and are hereby authorized jointly and/or singly to undertake the decision of said investment of shares and issuance of corporate guarantee, 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 to consummate this investment by way of purchase of shares of MCPL and issuance of corporate guarantee(s), 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



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may be necessary or expedient for the purpose of giving effect to the spirit and intent of this special resolutions for making investment and issuance of corporate guarantee(s); and

5. Subsequent to the above said equity investments, Chief Executive Officer and/or Company Secretary of the Company be and are hereby authorized jointly and/or singly to dispose of, through any mode, a part or all of equity investments made by the Company from time to time as and when deemed appropriate and necessary in the best interest of the Company, subject to approval of the board of directors of the company.

The information required under Clause 3(1) of Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 is as under:

S#	Description	Information Required								
(a) A. Regarding Associated Company and Associated Undertaking										
i.	Name of the associated company or associated undertaking	Misbah Cosmetics (Pvt) Limited								
ii.	Basis of relationship	Common directorship and shareholding in MCPL by directors/sponsors of Macter. The detail is mentioned below under general disclosure.								
iii.	Earnings per share for the last three years	<table><tr><td>Year Ended</td><td>EPS - Rs.</td></tr><tr><td>June 30, 2015</td><td>(20.55)</td></tr><tr><td>June 30, 2016</td><td>(373.02)</td></tr><tr><td>June 30, 2017</td><td>(271.15)</td></tr></table>	Year Ended	EPS - Rs.	June 30, 2015	(20.55)	June 30, 2016	(373.02)	June 30, 2017	(271.15)
Year Ended	EPS - Rs.									
June 30, 2015	(20.55)									
June 30, 2016	(373.02)									
June 30, 2017	(271.15)									
iv.	Break-up value per share based on the latest audited financial statements	<p>Break-up value per share based on the Annual Audited Financial Statements for the year ended June 30, 2017 was as under:</p> <ul style="list-style-type: none"><li>Rs (56.47) considering advance against share capital as part of paid up capital</li><li>Rs (564.71) not considering advance against share capital as part of paid up capital</li></ul>								
v.	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements;	<p>Main items of financial position for the year ended June 30, 2017 (latest audited financial statements) are as follows:</p> <p><b>Statement of Financial Position</b></p> <ol style="list-style-type: none"><li>1) Total Assets – Rs. 64.46 Million</li><li>2) Total Shareholders’ Equity – Rs.( 56.47) Million</li><li>3) Total Liabilities – Rs. 120.93 Million</li><li>4) Sales – Net Rs. 29.36 Million</li><li>5) Total Loss for the year Rs. (27.11) Million</li></ol>								



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vi.	<p>in case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely,-</p> <p>(I) description of the project and its history since conceptualization;</p> <p>(II) starting date and expected date of completion of work;</p> <p>(III) time by which such project shall become commercially operational;</p> <p>(IV) expected time by which the project shall start paying return on investment; and</p> <p>(V) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;</p>	Not applicable.							
(a) B. General Disclosure									
i.	Maximum amount of investment	Upto Rs. 300 Million							
ii.	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	<table><tr><td>Purpose</td><td>The purpose of investment is to allow Macter to expand and diversify the business opportunities in the field of beauty and cosmetics. The new investment would result in increased sales revenue for MCPL and the resultant enhanced business value.</td></tr><tr><td>Benefit</td><td>Share of benefit from the profits to be made by MCPL and the prospective capital gain</td></tr><tr><td>Period</td><td>The investment by Macter in MCPL is a long term investment unless otherwise decided to disinvest earlier at some best offer price in the best interest of the company.</td></tr></table>		Purpose	The purpose of investment is to allow Macter to expand and diversify the business opportunities in the field of beauty and cosmetics. The new investment would result in increased sales revenue for MCPL and the resultant enhanced business value.	Benefit	Share of benefit from the profits to be made by MCPL and the prospective capital gain	Period	The investment by Macter in MCPL is a long term investment unless otherwise decided to disinvest earlier at some best offer price in the best interest of the company.
Purpose	The purpose of investment is to allow Macter to expand and diversify the business opportunities in the field of beauty and cosmetics. The new investment would result in increased sales revenue for MCPL and the resultant enhanced business value.								
Benefit	Share of benefit from the profits to be made by MCPL and the prospective capital gain								
Period	The investment by Macter in MCPL is a long term investment unless otherwise decided to disinvest earlier at some best offer price in the best interest of the company.								
iii.	Sources of fund from which securities will be acquired	Surplus funds of Macter.							



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iv.	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	No Agreement																																			
v.	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	<div>Following directors, majority shareholders of Macter and their relatives have shareholding and directorship in MCPL as mentioned in the below chart and they are interested to the extent of their shareholdings in MCPL:</div> <table><tr><th>Name</th><th>Status at Macter</th><th>% of share-holding in Macter</th><th>Status at MCPL</th><th>% of share-holding in MCPL</th></tr><tr><td>Mr. Asif Misbah</td><td>Shareholder / CEO</td><td>32.4%</td><td>Shareholder</td><td>35.0%</td></tr><tr><td>Mr. Swaleh Misbah Khan</td><td>Shareholder / Director</td><td>32.6%</td><td>Shareholder</td><td>35.0%</td></tr><tr><td>Mr. Aamir Naveed</td><td>Shareholder / Director</td><td>0.0%</td><td>Shareholder / CEO</td><td>0.0%</td></tr><tr><td>Mr. Mohammed Aslam</td><td>Shareholder / Director</td><td>0.0%</td><td>Shareholder / Director</td><td>0.0%</td></tr><tr><td>Ms. Masarrat Misbah</td><td>None</td><td>0.0%</td><td>Shareholder / Director</td><td>30.0%</td></tr><tr><td>Mr. Misbahuddin Khan</td><td>Shareholder</td><td>8.3%</td><td>None</td><td></td></tr></table>	Name	Status at Macter	% of share-holding in Macter	Status at MCPL	% of share-holding in MCPL	Mr. Asif Misbah	Shareholder / CEO	32.4%	Shareholder	35.0%	Mr. Swaleh Misbah Khan	Shareholder / Director	32.6%	Shareholder	35.0%	Mr. Aamir Naveed	Shareholder / Director	0.0%	Shareholder / CEO	0.0%	Mr. Mohammed Aslam	Shareholder / Director	0.0%	Shareholder / Director	0.0%	Ms. Masarrat Misbah	None	0.0%	Shareholder / Director	30.0%	Mr. Misbahuddin Khan	Shareholder	8.3%	None	
Name	Status at Macter	% of share-holding in Macter	Status at MCPL	% of share-holding in MCPL																																	
Mr. Asif Misbah	Shareholder / CEO	32.4%	Shareholder	35.0%																																	
Mr. Swaleh Misbah Khan	Shareholder / Director	32.6%	Shareholder	35.0%																																	
Mr. Aamir Naveed	Shareholder / Director	0.0%	Shareholder / CEO	0.0%																																	
Mr. Mohammed Aslam	Shareholder / Director	0.0%	Shareholder / Director	0.0%																																	
Ms. Masarrat Misbah	None	0.0%	Shareholder / Director	30.0%																																	
Mr. Misbahuddin Khan	Shareholder	8.3%	None																																		
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; and	Not applicable.																																			
vii.	Any other important details necessary for the members to understand the transaction;	None																																			
(b) In case of equity investment, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made																																					
i.	Maximum price at which securities will be acquired	Rs. 10/- per share																																			
ii.	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof;	Not applicable.																																			



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iii.	Maximum number of securities to be acquired	30 Million shares		
iv.	Number of securities and percentage thereof held before and after the proposed investment	Before and after proposed investment	Shares held	% of shares held
		Before	NIL	NIL
		After	30,000,000	79.8%
v.	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	Not applicable		
vi	fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	The fair value of MCPL as determined by a Chartered Accountants firm M/s. Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants is within range of Rs. 37.62 to Rs. 95.35 per share.		
(c) In case of investments in the form of loans, advances and guarantees, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made,-				
i.	Category-wise amount of investment;	Corporate guarantee up to Rs. 100 Million at a time		
ii.	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	KIBOR + 1.5 %		
iii.	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	NIL		
iv.	Particulars of collateral or security to be obtained in relation to the proposed investment;	Counter Guarantee from MCPL and sponsor directors		
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	Not applicable		





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	conversion may take place and the time when the conversion may be exercisable; and	
vi.	repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	Not applicable

## Audited financial statements of Misbah Cosmetics (Pvt) Limited

As required by Regulation 4 (3) of the Regulations, audited financial statements of MCPL for the year ended June 30, 2017 shall be made available for inspection by the members at the EOGM.

## Due diligence undertaking of the directors

The directors of the Company as required by Regulation 3(3), of the Regulations, carried out the due diligence, for the proposed investment in the ordinary shares of MCPL for which shareholders consent by Special Resolution as set out above is required under section 199 of the Companies Act 2017. The recommendations of the said Due Diligence Report duly signed under the authority of directors will be made available for inspection at the EOGM.

## Interest of the investee company, its sponsors and directors in the Investing Company

Name	Status at Macter	% of share-holding in Macter	Status at MCPL	% of share-holding in MCPL
Mr. Asif Misbah	Shareholder / CEO	32.4%	Shareholder	35.0%
Mr. Swaleh Misbah Khan	Shareholder / Director	32.6%	Shareholder	35.0%
Mr. Aamir Naveed	Shareholder / Director	0.0%	Shareholder / CEO	0.0%
Mr. Mohammed Aslam	Shareholder / Director	0.0%	Shareholder / Director	0.0%
Ms. Masarrat Misbah	None	0.0%	Shareholder / Director	30.0%
Mr. Misbahuddin Khan	Shareholder	8.3%	None	

There is no interest, directly or indirectly, of any of the directors of the Company in the above mentioned item except to the extent of their meeting fees and related expenses.