

**BHANERO TEXTILE MILLS LIMITED**  
**NOTICE OF THE EXTRA ORDINARY GENERAL MEETING**

Notice is hereby given that an Extra Ordinary General Meeting (“EOGM”) of the members of **Bhanero Textile Mills Limited (“Company”)** will be held on Friday 23<sup>rd</sup> June , 2023 at 03:00 pm, at the registered office of the Company i.e. Umer House, 23/l, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi, to transact the following business:

**Ordinary Business**

To confirm the minutes of the last extraordinary general meeting of the company held on 31<sup>st</sup> January, 2023.

**Special Business**

- 1) To consider and approve the increase in authorized share capital of the company from PKR 60.00 million to PKR 11.00 billion and the amendment in clause V of the memorandum and clause 5 of the article of association of the company along with allied matters, resulting from this increase by way of a special resolution as stated below in note 3 of the statement under 134(3).

***(a) Resolved That, the consent of the members be and is hereby accorded by way of special resolution to increase the authorized share capital from PKR 60.00 million to PKR 11.00 billion. Further Resolved That, the amendment(s) shall be made in the memorandum and article of association of the company along with allied matters to give effect to such increase in authorized share capital of the company.”***

- 2) In pursuant to Section 38 and all other applicable provisions of the Companies Act, 2017, the clause 143 of the existing articles of association of the company be is hereby substituted to be read as follows:

The Board of Directors’ may at any time and from time to time pass a resolution:

**Resolved That**, any sum for the time being standing to the credit of any reserve fund or reserve account of the Company, including premiums received on the issue of any shares or debentures of the Company, or being undivided net profits in the hand of the Company, be capitalized, and that such sum be appropriated as capital to and amongst the ordinary shareholders in the proportions in which they would have been entitled thereto if the same had been distributed by way of dividend on the ordinary shares, effective; and the Directors shall in accordance with such resolution apply such sum in paying up in full any unissued shares as bonus shares or debentures of the Company on behalf of the ordinary shareholders aforesaid, and appropriate such bonus shares or debentures and distribute the same credited as fully paid up to any amongst such shareholders in the proportions aforesaid in satisfaction of the shares and interests of such shareholders in the said capitalized sum or otherwise deal with such sum as directed by such resolution. Where any difficulty arises in respect of any such distribution, the Directors may settle the same as they think expedient, and in particular they may fix the value for distribution of any fully paid-up shares or debentures, make cash payments to any shareholders on footing of the value so fixed in order to adjust rights, and vest any such shares or debentures in trustees upon such trusts for or for the benefit of persons entitled to share in the appropriation and distribution as may seem just and expedient to the Directors.

**Further Resolved That**, any additional shares when issue shall carry equal voting rights and rank pari passu with the existing ordinary shares in all respect/matters in conformity with provisions of the Companies Act, 2017.

**Further Resolved That**, the aforesaid alteration in the articles of association of the company shall be subject to any amendment, modification, addition or deletion as may be required, and such amendment, modification, addition or deletion shall not require fresh approval by the members in the general meeting of the company.

**Further Resolved That**, the Chief Executive Officer and / or Company Secretary of the Company be and is hereby singly authorized to take all necessary steps and execute documents including legal and corporate formalities and file all requisite documents with Securities & Exchange Commission of Pakistan as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the above resolutions.

- 3) To approve by way of ordinary resolution with or without modification the transmission of annual audited financial statements of the company to members through QR enable code and weblink as allowed by Security and Exchange Commission of Pakistan vide its' S.R.O. 389(i)/ 2023 dated March 21, 2023 instead of CD/DVD/USB.

**(a) Resolved That, the consent of the members be and is hereby accorded to transmit the annual audited financial statements including auditor's report, directors' report, chairman's review and other reports contained therein to the members of company through QR enable code and weblink.**

- 4) To transact any other business with the permission of the chairman.

The statement under section 134(3) of the Act ("**Statement**") pertaining to the special resolution is annexed with the notice of EOGM.

**Karachi:**  
**Dated: 29<sup>th</sup> May, 2023**

**(By the order of the Board)**

**Mohammad Ahmed**  
**Company Secretary**

**Notes:**

**1. For attending the meeting electronically**

In pursuance of SMD/SE/2(20)2021/117 to ensure the participation of members in the general meeting electronically, the members can attend the meeting through video link facility, "Zoom" which is available on Google Play or Apple App Store. The entitled member(s) can access with following ID and password:

Join Zoom Meeting

**<https://zoom.us/j/3397286733?pwd=N2FFNXpkYkZCS213bzNVNzZZbm94UT09>**

**Meeting ID: 339 728 6733**

**Passcode: btmcorp**

2. The Shares Transfer Books of the Company will remain closed from 17<sup>th</sup> June, 2023 till 23<sup>rd</sup> June, 2023 (both days inclusive). Transfers received in order at the Company address i.e. Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi by 22<sup>nd</sup> June, 2023 will be treated in time for the purpose of attendance and vote in the meeting.
3. A member entitled to attend and vote at the EOGM is entitled to appoint a proxy to attend and vote instead of him/ her whereas only the member can act as proxy.
4. Members having their shares in physical form are requested to immediately notify any change in their addresses and bank details to our share Registrar, Hameed Majeed Associates (Private) Limited.
5. In compliance of SRO 1013(1)/2017 dated 6th September, 2017 the claimant wise details of unclaimed shares and dividend or modarba certificates as on June 30, 2022 have been uploaded on our website: [www.umergroup.com](http://www.umergroup.com). In this regard, the said shareholders are requested to approach the Company Registered Office or Share Registrar Office with regard to any unclaimed dividend, shares or modarba certificates.
6. Section 242 of Companies Act 2017 which states that, "Any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders". In compliance of section 242 SECP issued a circular CLD/CCD/PR(11)/2017 No.18/2017 dated 1-Aug-17 requiring listed companies to obtain electronic dividend mandate from the Shareholders and in this regard a notice had already been sent to all the shareholders.

Further, Securities and Exchange Commission of Pakistan (SECP) vide notification No. SRO 1145(1)2017 dated November 6, 2017 in terms of provision of section 242 of the Companies Act, 2017 issued regulations for distribution of dividends by the listed companies requiring entitled shareholders to provide valid information pertaining to designated bank account including name of bank, title of account, address of bank branch and international bank account number. In this regard we request all registered shareholders to provide the bank details along with valid CNIC in order to credit their cash dividends directly to their bank account, if declared. Also provide us verification of bank detail with your concern bank and submit to in case of book-entry securities in CDS, to CDS participants and in case of physical securities to the Company's Share Registrar.

7. Pursuant to Notification vide SRO 787(1)/2014 of September 08, 2014, SECP has directed to facilitate the members of the company receiving Annual Financial Statements and Notices through electronic mail system (e-mail). We are pleased to offer this facility to our members who desire to receive Annual Financial Statements and Notices of the Company through e-mail in future. In this respect members are hereby requested to convey their consent via e-mail on a standard request form which is available at the Company website i.e. [www.umergroup.com](http://www.umergroup.com). Please ensure that your e-mail has sufficient rights and space available to receive such e-mail which may be larger than 2MB file in size. Further, it is the responsibility of the member to timely update the Share Registrar of any change in the registered e-mail address.
8. Pursuant to section 132(2) of the Act the Company shall facilitate its members to attend the extraordinary general meeting (EOGM) through video-link by providing video-conference facility, if available, in the city where 10% or more shareholders of the Company reside, provided that the Company receives their demand to participate in EOGM through video-link at least seven (07) days prior to the date of meeting.

The Company will intimate the members regarding the venue of video conference facility at least five (5) days before the date of EOGM. In this regard it is requested to fill the following form and submit at the registered address of the Company at least seven (07) days before holding of the EOGM:

*"I/We, \_\_\_\_\_ being a member of \_\_\_\_\_, holder of \_\_\_\_\_ Ordinary Shares vide folio \_\_\_\_\_ hereby opt for video conference facility at \_\_\_\_\_."*

\_\_\_\_\_  
**Signature of Member**

9. E-Voting, members can exercise their right to demand a poll subject to meeting requirements of Section 143 -145 of the Act and applicable clauses of Companies (Postal Ballot) Regulations 2018.
  - a) The schedule and procedure of postal ballot / E-Voting will be placed on the company's website i.e., [www.umergroup.com](http://www.umergroup.com) before seven (7) days of the meeting.
  - b) The procedure for e-voting facility will be shared through email with those members of the company who have valid cell numbers/email addresses (Registered email ID) available in the register of members by the end of 17<sup>th</sup> June, 2023. Thus, those members who intends to exercise their right to vote through E-Voting shall provide their valid cell numbers and email on or before 17<sup>th</sup> June, 2023 with the registrar of the company or email us at: ("[btm.corporate@umergroup.com](mailto:btm.corporate@umergroup.com)").
10. Under the provision of Section 72 of the Act, the shareholders are now required to replace their physical shares with book-entry form at earliest. Accordingly, the physical shares are now required to be converted into Book-Entry Form and kept by shareholders in their Central Depository System (CDS) Accounts. The CDS Account can be opened and maintained by any CDC Participant Stock Broker or CDC Investor Account Services Department (CDC IAS) of Central Depository Company of Pakistan Limited situated at Karachi, Lahore and Islamabad.
11. Notice of EOGM together with the statement under 134(3) is placed at Company's website i.e. [www.umergroup.com](http://www.umergroup.com)

## **Statement under section 134 (3) of the Companies Act, 2017**

This statement set out the material facts concerning the special business to be transacted at the EOGM of the company.

### ***Regarding increase in authorized share capital:***

#### **1) Existing authorized share capital of the company**

The existing authorized share capital of the company is PKR 60,000,000/- (Rupees Sixty Million Only) divided in 6,000,000 ordinary shares of PKR 10 each.

#### **2) Proposed increase authorized share capital of the company**

The board of directors in their meeting held on 29<sup>th</sup> May, 2023 approved the increase in the authorized share capital to the extent of PKR 11,000,000,000/- (Rupees Eleven Billion Only) divided in 1,100,000,000 ordinary shares of PKR 10 each subject to the approval of members.

#### **3) Amendments in clauses of memorandum and article of association**

To replace clause V of memorandum of association:

##### **Existing Clause**

The share capital of the company is Rs. 60,000,000/- (Rupees Sixty Million) divided into 6,000,000 shares of Rs.10/- each .With power to the company to increase or reduce the said capital, and to issue any part of its capital, original or increased, with or without any preference, priority or special priority or special privilege, or subject to any postponement of right or to any conditions or restrictions, and so that unless the conditions of issue shall otherwise, expressly declare every issue of shares whether declared to be preference or otherwise, shall be subject to the power hereinbefore contained and any required under law.

##### **Amended Clause**

The share capital of the company is Rs. 11,000,000,000/- (Rupees Eleven Billion Only) divided into 1,100,000,000 shares of Rs.10/- each .With power to the company to increase or reduce the said capital, and to issue any part of its capital, original or increased, with or without any preference, priority or special priority or special privilege, or subject to any postponement of right or to any conditions or restrictions, and so that unless the conditions of issue shall otherwise, expressly declare every issue of shares whether declared to be preference or otherwise, shall be subject to the power hereinbefore contained and any required under law.

To replace clause 5 of the article of association:

##### **Existing Clause**

The capital of the company is Rs. 60,000,000/- (Rupees Sixty Million) divided into 6,000,000 shares of Rs.10/- each.

##### **Amended Clause**

The capital of the company is Rs. 11,000,000,000/- (Rupees Eleven Billion Only) divided into 1,100,000,000 shares of Rs.10/- each.

To replace clause 143 of the article of association:

##### **Existing Clause**

The company may, upon the recommendation of the directors by ordinary resolution resolve that it is desirable to capitalize any sum standing to the credit of any of the company's reserve account (including any share premium account and any capital redemption reserve fund) or any sum standing to the credit of profit and loss account or otherwise available for distribution, and accordingly that the directors be authorized and directed to appropriate the sum resolved to be capitalized to the members in proportions in which sum would have been divisible amongst them had the same been applied or been applicable in paying dividends, and to apply such sum on their behalf in paying up full unissued shares or debentures of

the company of a nominal amount equal to such sum, such shares or debentures to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid.

Amended Clause

The Board of Directors' may at any time and from time to time pass a resolution, any sum

- (a) for the time being standing to the credit of any reserve fund or reserve account of the Company, including premiums received on the issue of any shares or debentures of the Company, or
- (b) being undivided net profits in the hand of the Company, be capitalized, and that such sum be appropriated as capital to and amongst the ordinary shareholders in the proportions in which they would have been entitled thereto if the same had been distributed by way of dividend on the ordinary shares, effective; and the Directors shall in accordance with such resolution apply such sum in paying up in full any unissued shares as bonus shares or debentures of the Company on behalf of the ordinary shareholders aforesaid, and appropriate such bonus shares or debentures and distribute the same credited as fully paid up to any amongst such shareholders in the proportions aforesaid in satisfaction of the shares and interests of such shareholders in the said capitalized sum or otherwise deal with such sum as directed by such resolution. Where any difficulty arises in respect of any such distribution, the Directors may settle the same as they think expedient, and in particular they may fix the value for distribution of any fully paid-up shares or debentures, make cash payments to any shareholders on footing of the value so fixed in order to adjust rights, and vest any such shares or debentures in trustees upon such trusts for or for the benefit of persons entitled to share in the appropriation and distribution as may seem just and expedient to the Directors.

**4) Fee payable to SECP and Federal or Provincial Government**

An amount of approximately PKR 45.00 million being fee payable to Commission for increase in authorized capital and any other fee payable to federal or provincial government to give effect to such transaction has also been approved by the board of directors.

**5) Alteration of clause in the memorandum and article of association of the company**

The clause in memorandum and article of association of the company will be altered to give effect for increase the authorized share capital of the company from PKR 60.00 million (Rupees Sixty Million) to PKR 11.00 billion (Rupees Eleven Billion Only)

**6) Inspection of the memorandum and article of association of the company by any member**

A copy of existing and amended memorandum and article of association is available for inspection by any member at the registered office of the company during 9:00 am to 5:00 pm during working days and same shall also be available for inspection in EOGM.

**7) Statement by the board of directors**

We the board of directors ("Board") of the company hereby confirm that proposed alterations in the memorandum and article of association of the company to increase the share capital in line with the applicable provisions of law and regulatory framework.

**8) Regarding circulation of annual audited accounts via QR enabled code:**

Considering the digital evolvement, the SECP vide S.R.O. 389 (I)/2023 dated March 21, 2023, subject to the approval of the members of the company, has allowed listed companies to circulate the Annual Report including audited financial statements, auditor's report and Directors report, etc to its members through QR enabled code and weblink and also permitted that the circulation of annual financial statements through CD/DVD/USB may be discontinued.