

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 45th Annual General Meeting of the members of **Bhanero Textile Mills Limited** will be held on Monday, 28th October 2024 at 03:00 pm at the registered office of the company i.e. Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi, to transact the following business: The following ordinary and special business is proposed to be conducted in the meeting:

Ordinary Business:

- To confirm the minutes of the last annual general meeting held on 27th October, 2023.
 - To receive, consider and adopt the audited financial statements of the company for the year ended 30th June, 2024 together with the auditors' and directors' report thereon.
- In accordance with Section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following web link and QR enabled code:



URL: <http://www.umergroup.com/bhanero-financial-reports.html>

- To appoint the auditors for the next term i.e. year 2024-2025 and fix their remuneration as per last year at PKR 2,275,000.00 The retiring auditor Messer's Mushtaq and Company, Chartered Accountants, being eligible, offer themselves for reappointment.

4. Special Business:

(A) To approve by way of special resolution with or without modification the following resolutions in respect of related party transactions under the provisions of Section 208 of the Companies Act, 2017:

- "Resolved That Related Parties Transactions carried out during the year as disclosed in the financial statements for the year ended June 30, 2024, be and are hereby ratified, approved and confirmed."
- "Resolved That the Board of Directors of the Company be and are hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis during the financial year ending June 30, 2025."

Further Resolved That transactions approved by Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next general meeting for their formal ratification/approval."

5. Any Other Business:

To transact any other business with the permission of the chairman.
The statement of material facts in relation to aforesaid special business as required under section 134(3) of the Act and SRO 423 (I)/2018 is enclosed. Moreover, the notice along with statement of material fact have been dispatched to the shareholders by post and uploaded placed on company website at www.umergroup.com.

Karachi:

Dated: 30th September, 2024

(By the order of the Board)

Mohammad Ahmed

Company Secretary

Notes:

- 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://us05web.zoom.us/j/3397286733?pwd=N2FFNXpkYkZCS213bzNVNzZzZm94UT09>
Meeting ID: 339 728 6733
Passcode: btmcorp

- The Shares Transfer Books of the Company will remain closed from 21st October 2024 to 28th October, 2024 (both days inclusive). Transfers received in order at the registered office of the company situated at Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi by 20th October 2024 will be treated in time for the purpose of entitlement of dividend (if any) and to attend the Annual General Meeting of the company.

- Members interested to attend the virtual meeting through some other member as proxy are requested to send their proxy form (Enclosed) via email at btm.corporate@umergroup.com or at the registered office of the company not later than 48 hours before the time of holding the meeting.

- Pursuant to section 132(2) of Companies Act, 2017 the company shall facilitate its members to attend the annual general meeting 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 annual general meeting through video-link at least seven (07) days prior to the date of meeting.

In this regard, it is requested to fill the following Form and submit at the registered address of the Company at least 10 days before holding of the Annual General Meeting:

"I/We, _____ being a member of **Bhanero Textile Mills Limited**, holder of _____ Ordinary Shares vide folio _____ hereby opt for video conference facility at _____."

Signature of Member

- 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, 2024 have been uploaded on our website: www.umergroup.com. In this regard, the said shareholders are requested to approach the Company Registered Office or Share Registrar Office regarding any unclaimed dividend, shares or modarba certificates. In case of failure to lodge the claim for unclaimed dividends that were overdue for more than 3 years within 90 days of this notice, the amount of such unclaimed dividends shall be deposited to the credit of Federal Government in accordance with the requirement of the Companies Act, 2017.

- Members are requested to immediately inform us on any change in their addresses and bank details to our share Registrar, Hameed Majeed Associates (Private) Limited.

Pursuant to the provisions of the Finance Act 2024 effective July 1, 2024, the rates of deduction of income tax from dividend payments under section 150 of the Income Tax Ordinance, 2001 have been revised as follows:

- For filer of income tax return 15%
- For non-filers of income tax return 30%

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, shareholders whose names are not entered into the Active Taxpayers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered in ATL before the first day of book closure, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

Withholding Tax exemption from the dividend income, shall only be allowed if copy of valid tax exemption certificate or stay order from a competent court of law is made available to Hameed Majeed Associates (Private) Limited, by the first day of Book Closure.

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 (only if not already provided) to our Share Registrar, in writing.

In the event of non-receipt of the information by 20th October 2024, each shareholder will be assumed to have equal proportion of shares and the tax will be deducted accordingly.

- 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 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.

- 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. 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.

- E-Voting and Postal Ballot

The schedule and procedure of postal ballot / E-Voting will be placed on the company's website i.e., www.umergroup.com before seven (7) days of the meeting. 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 issued vide amended SRO 254(1)/2018.

a) E-Voting

- 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 20th October, 2024. 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 20th October, 2024 with the registrar of the company or email us at: btm.corporate@umergroup.com.

- The web address, login details and security codes will be communicated to members via email by Hameed Majeed Associates (being the e-voting service provider).

- Identity of the Members intending to cast vote through e-Voting shall be authenticated through authentication for email login.

- E-Voting lines will start from October 25, 2024, 9:00 a.m. and shall close on October 27, 2024 at 5:00 p.m. Members can cast their votes any time in this period. Once the vote on a resolution is casted by a Member, he / she shall not be allowed to change it subsequently.

b) Postal Ballot

- Members may alternatively opt for voting through postal ballot and for their convenience, Ballot Paper is annexed to this notice and the same is also be downloaded from the Company's website www.umergroup.com.

- The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi (Attention of the Company Secretary/ Chairman) by Saturday, October 26, 2024 before 5:00 p.m. The signature on the ballot paper shall match with the signature on CNIC/record of the Company. A postal ballot received after this time / date shall not be considered for voting.

- The board of directors under the clause 5 of SRO 254(1)/2018 have appointed the share registrar of the company M/s Hameed Majeed & Associates (Pvt) Ltd to conduct the e-Voting services. They have their own secured web portal system to perform the services adequately in a smooth manner.

- The board of directors under the clause 11 of SRO 254(1)/2018 have appointed Messer's Mushtaq and Company, Chartered Accountants, being eligible with satisfactory QCR rating from ICAP. They possess necessary knowledge and experience to independently scrutinize and conduct the voting services.

- 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.

The following are key features of holding shares in book-entry form in CDC:

- Book-Entry shares cannot be lost, stolen or spoiled.
- No need for issuance of duplicate shares.
- Book-Entry shares can instantly be traded (Sell/Purchase) in Stock Market.
- No requirement of transfer deed for transfer/sale of Book-Entry shares.
- Book-Entry shares can be pledged for availing of any financing facility.
- Instant credit of Bonus and Right shares entitlements in Book-Entry form.
- 24/07 online access of CDS Accounts for reviewing portfolio information.
- Easy access of periodic Account statements of CDS Accounts.

Statement of Material Facts Under Section 134 (3) of The Companies Act, 2017

Items pertaining to 5(A)(i) of the notice for ratification and approval of the related party transactions during the year ended June 30, 2024.

The related party transactions (RPT) were carried out at arm's length during the normal course of business activity during the year ended June 30, 2024 with its associated undertaking and related parties in accordance with its corporate policy, applicable laws and regulations in compliance with the provisions of IAS 24. All the RPT reviewed and approved by the board of directors were duly placed before head of internal audit for approval, followed by the approval of audit committee.

However, since common directorship exists between the related parties (by virtue of being the shareholder or common directorship), these transactions are being placed for the approval by shareholders in the Annual General Meeting. All transactions with related parties to be ratified have been disclosed in the financial statements for the year ended June 30, 2024.

The transactions entered with the related parties include, but are not limited to, sale & purchase of goods, dividends paid and received, investments and divestment made (in accordance with the approval of shareholders and board where applicable). The nature of relationship with these related parties has also been stated in the financial statements for the year ended June 30, 2024.

TRANSACTIONS WITH RELATED PARTIES

The associated undertaking and related parties comprise associated companies, directors and key management personnel. Names, basis of relationship and transaction with associated undertakings and related parties, other than remuneration and benefits to key management personnel under the term of their employment as disclosed in note 42 are as follow:

Name of the Company	Basis of relationship	Percentage of shareholding
Faisal Spinning Mills Limited	Common directorship	N/A
Blessed Textiles Limited	Common directorship	N/A
Bhanero Energy Limited	Common directorship	N/A
Admiral (Private) Limited	Directorship of close family relative	N/A
Yasmin Begum	Directorship of close family relative	1.01%
Khurram Salim	Director	2.02%
Farrukh Salim	Directorship of close family relative	2.02%
Yousuf Salim	Directorship of close family relative	1.69%
Saqib Salim	Directorship of close family relative	1.68%
Amna Khurram	Directorship of close family relative	2.45%
Muhammad Umer	Directorship of close family relative	0.00%
Yahyaa Farrukh	Directorship of close family relative	2.42%
Saba Yousaf	Director	2.76%
Saba Saqib	Directorship of close family relative	2.76%
Samia Bilal	Directorship of close family relative	11.14%

Nature of relationship	Nature of transactions	June 30, 2024	June 30, 2023
		Rupees	Rupees
	Associated undertaking Sales of fabric	326,094,037	1,982,518,305
	Sales of Cotton	328,630	42,394,987
	Sales of yarn	997,750,134	1,128,757,764
	Purchase of yarn	376,688,250	640,832,703
	Purchase of cotton	35,530,084	-
	Purchase of fabric	110,506,106	13,054,653
	Purchase of stores,spares & Machinery	12,882,768	-
	Services received	618,000	309,000
	Sale of machinery	708,000	-
	Electricity purchased	77,832,508	549,679,117
	Loan received from directors and sponsors	31,000,000	149,618,205

Items pertaining to 5(A)(ii) of the notice for board authorization to approve related party transactions that will be conducted during the period July 1, 2024 to June 30, 2025.

The Company shall be entering into transactions with its related parties during the year ending June 30, 2025 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business activity. Since, there has been common directorship in the related party transactions, the Board seeks transactions consent to approve such transactions with the related parties from time-to-time on case to case basis for the fiscal year ending June 30, 2025 and such transactions shall be deemed to be approved by the shareholders. The nature and scope of such related party transactions is explained above and these transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.