
BHANERO TEXTILE MILLS LIMITED
NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 40th Annual General Meeting of the members of **Bhanero Textile Mills Limited** will be held on Saturday 26th October 2019 at 09:30 AM, at the registered office of the company i.e. Umer House, 23/I, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi, to transact the following business:

Ordinary Business:

1. To confirm the minutes of the last Annual General Meeting held on 25th October 2018.
2. To receive, consider and adopt the audited financial statements of the company for the year ended 30th June, 2019 together with the Auditors' and Directors' Report thereon.
3. To approve the cash dividend @ 558.00% (i.e. PKR 55.80 per share) for the year ended 30th June, 2019, as recommended by the Board of Directors.
4. To appoint the auditors for the next term i.e. year 2019-2020 and fix their remuneration. The retiring auditor M/S Mushtaq and Company, Chartered Accountants, being eligible, offer themselves for reappointment.
5. To transact any other business with the permission of the chairman.

Special Business:

6. To approve the enhancement in remuneration of the Chief Executive Officer and Executive Director of the company.
7. The board of directors accorded their approval for circulation of annual audited financial statements together with auditors report, directors' report, chairman's review report to every member of the company and every person who is entitled to receive notice of general meeting through electronically under provisions of section 223(6) of the Companies Act, 2017"Act".

Statement under section 134(3) of the Companies Act,2017 regarding Special Business

The statement sets out the material facts concerning the special business given in agenda item (6) of the notice intended to be transacted at the annual general meeting.

The shareholders approval is sought for enhancement in remuneration of the Chief Executive Officer and Executive Director of the company. The existing remuneration of the both CEO and executive director is PKR 650,000/- per month.

For this purpose, following ordinary resolution is proposed to be passed with or without modification by the shareholders at the annual general meeting of the company scheduled for 26th October, 2019.

"Resolved That, the company hereby approves the monthly remuneration of Mr. Khurram Salim the Chief Executive Officer, a sum not exceeding PKR 800,000/- and Mr. Muhammad Salim the executive director a sum not exceeding PKR 1,000,000/- .

The statement sets out the material facts concerning the special business given in agenda item (7) of the notice intended to be transacted at the annual general meeting.

The directors of the company accorded their approval for circulation of annual audited financial statements along with auditors report, directors' report, chairman's review report through electronically (CD,DVD,USB) at their registered address under provisions of section 223(6) of the Companies Act, 2017.

Accordingly, to validate the approval under "Act" the board of directors recommended the following ordinary resolution be passed at the annual general meeting of the company scheduled for 26th October, 2019.

“Resolved That, consent and approval of the members of the company be and is hereby accorded to validate the circulation of annual audited financial statements along with auditors report, directors’ report, chairman’s review report through electronically (CD,DVD,USB) at their registered address under provisions of section 223(6) of the Companies Act, 2017”.

Karachi:

(By the order of the Board)

Dated: September 26, 2019

**Mohammad Ahmed
Company Secretary**

Notes:

1. The Shares Transfer Books of the Company will remain closed from 18th October 2019 to 26th October, 2019 (both days inclusive). Transfers received in order at the registered office of the company i.e. Umer House, 23/I, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi by 17th October 2019 will be treated in time for the purpose of entitlement of dividend in respect of the period ended 30th June, 2019.
2. Members are requested to attend in person along with Computerized National Identity Card (“CNIC”) or appoint some other member as proxy and send their proxy duly witnessed so as to reach the registered office of the company not later than 48 hours before the time of holding the meeting.
3. 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

4. Any individual Beneficial Owner of CDC, entitled to attend and vote at this meeting, must bring his/her original CNIC or Passport, Account and participant’s I.D. numbers, to prove his/her identity, and in case of proxy must enclose an attested copy of his/her CNIC or Passport. Representatives of corporate members should bring the usual documents required for such purpose. The account/ sub account holders of CDC will further have to follow the guidelines as laid down in Circular No. 1 of 2000 dated January 26, 2000 issued by Securities & Exchange Commission of Pakistan.
5. 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.

6. In compliance of section 244 of Companies Act 2017 and SECP circular No. CLD/CCD/PR(11)/2017 Direction No.16 of 2017 dated 7-July -2017 regarding dividends, shares or modaraba certificates remains unclaimed or unpaid for a period of three years from the date it is due or payable shall be vested with Federal Government after complying the requirements of Companies Act 2017.

In compliance of SRO 1013(1)/2017 dated 6th September, 2017 the claimant wise details of unclaimed shares, dividend or modarba certificates as on June 30, 2019 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 with regard to any unclaimed dividend, shares or modarba certificates.

7. Members are requested to immediately inform of any change in their addresses and bank details to our share Registrar, Hameed Majeed Associates (Private) Limited.
8. 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.
9. Pursuant to the provisions of the Finance Act 2019 effective July 1, 2019, 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 24th October 2019, each shareholder will be assumed to have equal proportion of shares and the tax will be deducted accordingly.

10. E-Voting, members can exercise their right to demand a poll subject to meeting requirements of Section 143 -145 of Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations 2018.