



Bannu Woollen Mills Limited

Office & Mills

D.I.KHAN ROAD, BANNU - 28100 K.P.K (PAKISTAN)

PHONES: (0928) 613151, 613150, 612274, 611157 Fax: (0928) 611450

E-mail: bannuwoollen@yahoo.com & bwmltd2k@gmail.com

BANNU WOOLLEN MILLS LIMITED

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the Company will be held on **Wednesday the 27TH March, 2024 at 09:00 A.M.** at its registered office, D. I. Khan Road, Bannu to transact the following business:-

A. ORDINARY BUSINESS

To confirm minutes of the 63RD Annual General Meeting held on October 23, 2023.

B. SPECIAL BUSINESS:

To consider and, if thought fit to pass the following Resolutions as 'Special Resolution' with or without modification:

1. To ratify and approve transactions entered into by the company with its related parties in ordinary course of business for the year ended June 30, 2021 by passing the following special resolution:

“RESOLVED THAT the transactions with the related parties as disclosed in the note 38.5 of the annual audited Financial Statements of the Company for the year ended June 30, 2021, and also specified in the Statement of Material Information under Section 134(3) of the Companies Act, 2017 (the Act), be and are hereby approved and ratified.”

“FURTHER RESOLVED THAT the Chief Executive or company secretary of the company be and are, hereby authorized to complete all the requisite legal and other corporate formalities with regard to this matter on behalf of the Company and to do all such acts, deeds, matters and things, as may be deemed necessary and beneficial for the company in this regard.”

“FURTHER RESOLVED THAT the Authorized Officers, be and are hereby jointly or severally authorized to take any further modifications/amendments/corrections in these Special Resolutions at a later stage if pointed out by Securities & Exchange Commission of Pakistan (SECP) and to take such other steps, execute such other documents and make necessary corporate and other filings as may be necessary or expedient for the purpose of giving effect to the above Special Resolutions and all other matters incidental or ancillary thereto.”

2. To approve all transactions carried out or to be carried out by the company and the related parties in its ordinary course of business for the year ending June 30, 2024 by passing the following special resolution:

PESHAWAR OFFICE:

Deans Trade Centre,
T.F. 145 & 146, Saddar Road,
Peshawar Cantt.

Tel: (091) 5250082, 5286764
Fax: (091) 5272001

RAWALPINDI OFFICE:

400/2 Gammon House,
Peshawar Road,
Rawalpindi Cantt.

Tel: (051) 5477831, 8317045-46
Fax: (051) 5477511

LAHORE OFFICE:

2nd Floor,
Gardee Trust (Super Height) Building,
Napier Road, Lahore.

Tel: (042) 37357544, 37231691, 37232691
Fax: (042) 37356278

KARACHI OFFICE:

F-3, Hub Chowki Road,
S.I.T.E, Karachi-75730

Tel: (021) 32556901-10
Fax: (021) 32556911-12



“RESOLVED THAT the Chief Financial Officer of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with associated companies / related parties during the year ending June 30, 2024 and in this connection, the Chief Executive Officer be and is hereby also authorized to take any and all necessary actions and sign/ execute any and all such documents/ indentures as may be required in this regard on behalf of the Company.”

3. **To increase the limit from Rs. 12.5 million to Rs. 25 million of transactions entered into by the company and the related parties in its ordinary course of business by passing the following special resolution:**

- i. “RESOLVED THAT the existing approved limit of Rs.12.500 million, with regard to transactions amongst the Associated Companies, which fall under 'normal trade transactions and certain other related transactions not falling under the purview of section 199 of the Act, be and is hereby increased to Rs. 25 million, and the Board is hereby further authorized to approve all the related party transactions falling under the purview of Section 208 of the Act subject to the terms and conditions laid down in the said section. .”
- ii. “FURTHER RESOLVED THAT the Chief Executive Officer or the Company Secretary of the Company be and are, hereby authorized to complete all necessary legal and other corporate formalities with regard to this matter and to do all such acts, deeds, matters and things, as may be deemed necessary and beneficial for the Company in this regard. ”
- iii. “FURTHER RESOLVED THAT all acts, deeds, and things done by the Authorized Officers pursuant to the above Resolutions for and on behalf of and in the name of the Company shall be binding acts, deeds and things done by the Company. ”
- iv. “FURTHER RESOLVED THAT the Chief Executive Officer or Secretary, be and are hereby jointly or severally authorized to make any modifications/ amendments/corrections at a later stage if pointed out by the Securities & Exchange Commission of Pakistan (SECP) and to take such other steps, execute such other documents and make necessary corporate and other filings as may be necessary or expedient for the purpose of giving effect to the above resolutions and all other matters incidental or ancillary thereto.”

4. **Alterations/ Amendments of the Memorandum and Articles of Association of the company:**

To alter/amend (a) the Memorandum of Association (the “Memorandum”), and (b) the Articles of Association (the “Articles”), of the Company, in order to update the same in conformity with the provisions of the Companies Act, 2017:

A. Alteration/Amendments of the Memorandum

- (i) “RESOLVED THAT, subject to confirmation of the Securities and Exchange Commission of Pakistan:

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(a) Sub-Clause (1) of Clause III of the Memorandum be amended to read as principal line of business of the Company:

(i) The principal line of business of the Company shall be to erect, maintain, alter, extend and purchase plant, machinery, apparatus, hand looms, power looms, and other textile machinery for the purpose of manufacturing, ginning, preparing, combing, spinning, weaving, bleaching, dyeing, mercerizing, printing, knitting, doubling, finishing, calendaring, processing, buying, selling, importing, exporting, trading (as wholesalers and retailers) or otherwise dealing in and working any of the fabrics and materials including wool, cotton, jute, hems, silk, artificial silk, lawn, polyester, synthetic fiber, yarn, cloth, linen, canvas, hosiery, carpets and other goods or merchandise made thereof; and to carry on the business of manufacturers, sizers, spinners, weavers, ginners, pressers, doublers, packers balers, traders, retailers, wholesalers, exporters of wool, cotton, jute, silk, hems, artificial silk, linen, lawn, polyester, synthetic fiber and any other fibrous material used in textile and the cultivation thereof.

(b) The existing object sub-Clauses (2) to (12) of Clause III of the Memorandum of Association shall be deleted.

(c) The following new sub-Clauses (ii), (iii) and (iv) of Clause III of the Memorandum shall be added, to read as under:-

(ii) Except for the business mentioned in sub-clause (iii) hereunder, the Company may engage in all the lawful business and shall be authorised to take all necessary steps and actions in connection therewith and ancillary thereto.

(iii) Notwithstanding anything contained in the forgoing sub-clauses of this clause, nothing contained herein shall be construed as empowering the Company to undertake or indulge, directly or indirectly in the business of a Banking Company, Non-Banking Finance Company (Mutual Fund, Leasing, Investment Company, Investment Advisor, Real Estate Investment Trust management company, Housing Finance Company, Venture Capital Company, Discounting Services, Microfinance or Microcredit business), Insurance Business, Modaraba management company, Stock Brokerage business, forex, real estate business, managing agency, business of providing the services of security guards or any other business restricted under any law for the time being in force or as may be specified by the Commission.

(iv) It is hereby undertaken that the Company shall not:

(a) engage in any of the business mentioned in sub-clause (iii) above or any unlawful operation;

(b) launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/business or any lottery business;

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- (c) engage in any of the permissible business unless the requisite approval, permission, consent or licence is obtained from competent authority as may be required under any law for the time being in force.
- (d) the existing Clause V of the Memorandum be substituted to read as under:-
- V. The authorized Share Capital of the Company is Rs.200,000,000 (Rupees two hundred million only) divided into 20,000,000 (Twenty million) ordinary shares of Rs.10/- (Rupees ten) each.
- (e) the Revised Memorandum be and is hereby affirmed as the revised Memorandum of Association of the Company.
- (f) the aforesaid alteration in the Memorandum of Association of the Company shall be subject to any amendment, modification, addition or deletion as may be deemed appropriate by the authorized person or as may be suggested, directed and advised by the Commission which suggestion, direction and advice shall be deemed to have been approved as part of the passed 'Special Resolution'.

B. Alteration/Amendments of the Articles of Association

(ii) "FURTHER RESOLVED THAT:

- (a) the existing Articles of Association be substituted with the Revised Articles, so as to update the same in conformity with the provisions of the Act.
- (b) the Revised Articles be affirmed as the new revised of Association of the Company.
- (iii) "FURTHER RESOLVED THAT Mr. Azmat Khan, Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things, take any and all necessary steps, to fulfill the legal, corporate and procedural formalities and file all necessary documents/returns as he deemed necessary in this behalf and the matters ancillary thereto."

ANY OTHER BUSINESS

5. To consider any other business with the permission of the Chair.

Statement of material facts required under Section 134(3) of the Companies Act, 2017 in respect of Special Business to be transacted at the forthcoming Extraordinary General meeting is annexed.

By the order of the Board

Azmat Khan
Company Secretary

Bannu
March 04, 2024

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NOTES:

BOOK CLOSURE:

- (i) The register of members of the Company will remain closed from March 20, 2024 to March 27, 2024 (both days inclusive). Transfers received in order by the Company's Shares Registrar, M/s. Vision Consulting Limited, 5-C LDA Flats, 1st Floor, Lawrence Road, Lahore by the close of business up to (5.00 pm) on March 19, 2024 will be considered in time for registration in the name of the transferees, and be eligible for the purpose of attending and voting at the EOGM.
- (ii) The register required to be maintained as per Section 209 of the Act will be open and accessible for inspection during the continuance of the meeting to any member having right to attend the meeting.
- (iii) A member entitled to attend and vote at the EOGM may appoint another member of the Company as a proxy to attend and vote instead of him/her. And the instrument appointing a proxy and the power of attorney or other authority (if any) under which it signed or notarized certified copy of power of attorney or authority in order to be effective must be deposited at the registered office of the company at least 48 hours before the time of meeting and must be duly stamped, signed and witnessed.
- (iv) Any individual beneficial owner of CDC entitled to attend and vote at this meeting must bring his/her CNIC or Passport to prove his/her identity, and in case of Proxy must enclose an attested copy of his/her CNIC or Passport. Representative of Corporate entities should bring attested copies of Board's resolution/Power of Attorney with specimen signatures required for the purpose and all such documents as are required under Circular No.1 dated 26th January 2000 issued by the Securities Exchange Commission of Pakistan for the purpose.
- (v) Members (Non-CDC) are requested to notify the Share Registrar immediately any change in their addresses.
- (vi) If Members holding ten (10) percent of the total paid up capital, reside in a city, such Members, may demand the Company to provide them the facility of video-link for attending the EOGM. If you wish to take benefit of this facility, please fill and send a request in Standard Form placed in annual report which is also available on website of the Company to the Share Registrar at its address given hereinabove at least seven (7) days prior to the date of the Meeting.

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- (vii) The members interested in attending the EOGM virtually are requested to get themselves registered by sending their particulars at the designated email address corporate@bwm.com.pk mentioning their names, folio number, and email address by the close of business hours on March 25, 2024. The log-in credentials and link to participate in the EOGM would be provided to the registered shareholders.
- (viii) The notice of Extra Ordinary General Meeting has also been posted on the Company's website.
- (ix) Contact details of share registrar is M/s. Vision Consulting Limited, 5-C LDA Flats, 1st Floor, Lawrence Road, Lahore, Ph: +92-42-36283096-97 & **Email: shares@vcl.com.pk** and of Company Secretary is Mr. Azmat Khan, Company Secretary, D.I Khan Road, Bannu, Ph: +92-928-612274 & **Email: Azmatkhan@bwm.com.pk**.
- (x) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on March 19, 2024. The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of Vision Consulting Ltd. (being the e-voting service provider). Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login. Members shall cast vote online at any time from March 23, 2024, 9:00 a.m. (PST) to March 26, 2024 till 5:00 p.m. (PST). Voting shall close on March 26, 2024, at 5:00 p.m. Once the vote on the resolution is cast by a Member, he/she shall not be allowed to change it subsequently.
- (xi) Members may alternately opt for voting through postal ballot. For convenience of the members, Ballot Paper will be available on the Company's website www.bwm.com.pk within stipulated time to download. The members must ensure that the duly filled and signed ballot paper, along with a copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at the Company's registered address, D.I Khan Road, Bannu, or email at corporate@bwm.com.pk one day before the EOGM, i.e., on March 26, 2024 before 05:00 pm. A postal ballot received after this time/date shall not be considered for voting. The signature on the Ballot Paper shall match with signature on the CNIC.

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

This statement sets out the material facts pertaining to the special business to be transacted at the Extraordinary General Meeting of Bannu Woollen Mills Ltd. ("the Company") to be held on March 27, 2024.

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1. Item No. 01 of the Agenda of Special Business:

Material facts regarding the ratification and approval of the related party transactions:

The transactions conducted with the related parties have been duly approved by the Board of Directors on recommendation by the Board Audit Committee. During the year ended June 30, 2021 the Company had carried out few transactions with its related parties at arm's length.

All transactions with all related parties to be ratified were duly disclosed in the Note 38.5 to the annual audited financial statements for the year ended June 30, 2021. Party wise details of such related party transactions are again mentioned below:

Name	Nature of relationship	Nature of transaction	2021 Rupees in thousand	2020
Janana De Malucho Textile Mills Ltd.	Associated Company	Purchase of raw-materials	7,001	463
		Utilities / expenses paid	123	2,058
		Salaries & benefits paid	2,274	868
Gammon Pakistan Ltd.	-do-	Rent accrued	3,632	4,675
		Utilities / expenses paid	0	825
Key management personnel		Salaries and benefits	49,915	53,459

Disclosure of Interest of Directors:

The Company has carried out transactions with related parties in the normal course of business. All transactions entered into with related parties require the approval of the Audit Committee of the Company, which is chaired by an Independent Director of the Company. Upon the recommendation of the Audit Committee, such transactions were placed before the Board of Directors for approval. The nature of relationship with these related parties has also been disclosed in the relevant notes to the annual audited financial statements for the year ended June 30, 2021.

2. Item No. 02 of the Agenda of Special Business:

Material facts regarding the approval of all transactions carried out or to be carried out by the company and the related parties in its ordinary course of business for the year ending June 30, 2024:

Authorization of the Chief Financial Officer for the transactions carried out and to be carried out with associated companies during the ensuing year ending June 30, 2024 to be passed as an ordinary resolution.

The Company would be conducting transactions with associated companies in ordinary course of business. The directors are interested in these transactions due to their common directorship and shareholding in the associated companies. Therefore, such transactions with associated companies have to be approved by the shareholders.

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The directors are interested in this resolution to the extent of their common directorships and their shareholding in the associated companies.

3. Item No. 03 of the Agenda of Special Business:

Material facts regarding the increase of the limit from Rs. 12.5 million to Rs. 25 million of transactions with the related parties in its ordinary course of business:

The transactions with related parties in ordinary course of business for sale and purchase of spare parts, purchase of raw material and such other transactions on account of transactions among Associated Companies, which fall under 'normal trade transactions and certain other related transactions not falling under the purview of section 199 of the Act, to be increased to Rs. 25 million, and the BOD is to be authorized to approve all the related party transactions falling under the purview of Section 208 of the Act subject to the terms and conditions to each of its Associated Companies namely Janana De Malucho Textile Mills Limited, Rahman Cotton Mills Limited, Gammon Pakistan Limited and The Universal Insurance Company Limited or to any other Associated Company to meet the business transactions and the branch office expenses for purchase/sale of raw material, store & spares and for sharing of other expenses incurred on behalf of the Company, subject to the condition that the Company will charge markup at the rate not less than borrowing cost of the Company on such advances and all such loans / advances and reimbursement of expenses shall be repaid/ adjusted on quarterly basis.

The directors are interested in this resolution to the extent of their common directorships and their shareholding in the associated companies.

4. Item No. 04 of the Agenda of Special Business:

A. (i) Alteration of the Memorandum of Association of the Company:

An existing company is required to continue with its existing Memorandum and the Object Clause 1 in the Memorandum shall be considered as the principal line of business (Section 27(A)(iii)(a)). The "principal line of business" means "the business in which substantial assets are held or likely to be held or substantial revenue is earned or likely to be earned by a company, whichever is higher" (Section 26(1)(ii)).

Under the Companies Act, 2017 (the "Act"), a company may carry on or undertake any lawful business or activity and do any act or enter into any transaction being incidental and ancillary thereto which is necessary in attaining its business activities, however, the principal line of business of the Company shall be mentioned in the Memorandum of Association of the Company which shall always commensurate with name of the Company. The Company is, therefore, required to alter/amend its Memorandum of Association in compliance with Section 27 of the Act.

(ii) Alteration of the Articles of Association of the Company:

In order to update the Articles of Association in conformity with the provisions of the Act the Company is altering/amending its Articles of Association.

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(iii) Statement of the Board of Directors:

“We, the members of the Board of Directors hereby confirm that the proposed amendments / alterations in the Memorandum and Articles of Association of the Company are in line with the applicable laws and regulatory framework”.

A copy, each of the existing and proposed Memorandum and Articles of Association, indicating the proposed amendments are available for inspection at the registered office of the Company from 9.00 a.m. to 5.00 p.m. on any working day, up to the last working day before the date of the Extraordinary General Meeting.

The Directors of the Company have no interest, directly or indirectly, in the Special Business mentioned at Agenda No. B-4 and / or Special Resolution except in their capacities as Directors / shareholders.

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