

JANANA DE MALUCHO TEXTILE MILLS LTD.

HABIBABAD - KOHAT (PAKISTAN)

Phones: (0922) 862161-62, 862189, 862026, Cable: "JANANA KOHAT"

E-mail: janana@brain.net.pk, janana_textile@hotmail.com

Dated: 15 March, 2021

The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi-74000, Pakistan.

Disclosure of Material Information – Janana De Malucho Textile Mills Ltd.

Dear Sir,

At the Extra Ordinary General Meeting (EOGM) of the members of the Janana De Malucho Textile Mills Ltd. (the Company) held on 13 March, 2021 at the registered office of the Company, the members of the Company, through special resolutions, have approved the Proposed Scheme of Arrangement of Merger / Amalgamation of Babri Cotton Mills Ltd. (BCML) with the Company, under Sections 279 to 285 of the Companies Act, 2017.

Members were duly apprised of the material facts regarding the Scheme as below:

1. The merger will be beneficial for the Company as it will lead to greater efficiency and cost synergies, i.e. by combining the business activities of both parties, performance will increase and costs will decrease and will lead to greater economies of scale. Since both companies are engaged in the business of similar goods, merging the companies will create a large opportunity to reduce costs, and will enable the Company to become more competitive.
2. The proposed scheme of merger/amalgamation between the Company and BCML will result in BCML being merged into the Company, with all the assets and liabilities of BCML being transferred into the Company, and the members of BCML being issued shares of the Company at the ratio of 1 share of the Company for every 1.438266 share of BCML.

The Certified Extract of the Special Resolutions passed at the EOGM and disclosure of interest of directors, are attached herewith as Annexure-1 & Annexure-2, respectively.

Yours truly,
For Janana De Malucho Textile Mills Ltd.

Abid Raza
Company Secretary



KARACHI OFFICE

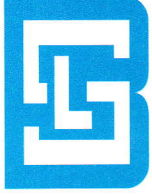
Gandhara House,
109/2 Clifton Karachi
Fax: (021) 35870136 & 35830258
Tel: (021) 35830251-57 & 35860344-46

LAHORE OFFICE

2nd Floor Gardee Trust Building
(Super Hieghts) Napier Road, Lahore
Cable: "BIBOJEE"
Tel: (042) 37231691, 37232691 Fax: 37356278

PESHAWAR OFFICE

Dean's Trade Centre, T.F. Nos. 145&146
3rd Floor, Opp: State Bank of Pakistan
Saddar Road, Peshawar-Cantt
Tel: (091) 5272001, 5250082, 5286764
Fax: (091) 5272001



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ANNEXURE-1

Extract of the Special Resolutions passed by the members of Janana De Malucho Textile Mills Ltd. (the Company) at their meeting held on March 13, 2021 at Habibabad Kohat

After having detailed discussions and the follow up balloting, all the members of the company who were present in the meeting have voted in favor of the merger / amalgamation and have unanimously passed the following Resolutions as Special Resolutions: -

RESOLVED THAT Approval of members of the Company be and is hereby accorded to approve the merger/amalgamation of Babri Cotton Mills Ltd. (BCML) with the Company.

FURTHER RESOLVED THAT Approval of members of the Company be and is hereby accorded to approve the Scheme of Arrangement for Amalgamation/Merger of BCML with the Company, which has been placed by the BOD of the Company before the members for approval through the board resolution dated October 24, 2020.

FURTHER RESOLVED that, all of the terms and conditions set out in the aforementioned Scheme of Merger are hereby approved.

FURTHER RESOLVED THAT:

The Chief Executive and the Company Secretary and one or more such persons as they may designate from time to time (the "**Authorized Officers**"), are hereby individually authorized and empowered, for and on behalf of the Company, to file the scheme of merger/amalgamation before the High Court for the sanction of the scheme, and do all such actions, things, deeds and sign, execute, verify, authenticate, submit all such documents and forms that may be required for completing all legal and corporate formalities with respect to the merger and scheme.

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.

The Chief Executive Officer and the Company Secretary, be and are hereby individually authorized to make 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."

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ANNEXURE-2

DISCLOSURE OF INTEREST OF DIRECTORS

The proposed transaction contemplated under the draft scheme of merger/amalgamation constitutes a related party transaction, wherein a majority of the directors of the Company are interested as follows:

Name of the Related Party	Interested Directors of Janana De Malucho Textile Mills Ltd. (JDML)	Nature of relationship/Percentage Interest	Description of transaction	Pricing Policy	Amount (PKR)
Babri Cotton Mills Limited (BCML)	Raza Kuli Khan Khattak	Shareholder Director/0.26%	Scheme of merger/amalgamation	1 share of JDML will be issued for every 1.438266 shares of the BCML.	N/A
	Lt. Gen Retd. Ali Kuli Khan Khattak	Shareholder Director/0.23%			
	Ahmed Kuli Khan Khattak	Shareholder Director/0.26%			
	Gohar Ayub Khan	Shareholder Director/0.08%			
	Shahnaz Sajjad Ahmad	Shareholder Director/0.13%			

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