

# Bhanero Textile Mills Limited

C. 601

BTM-SEC-211-2023

September 4, 2023

**Mr. Waseem Sattar**

Senior Manager (Listing Department).  
Pakistan Stock Exchange,  
Karachi.

Sir,

## ***Free Float of Share and Auditors Certificate***

Refer to your mail dated 31<sup>st</sup> August, 2023 for increase in paid up capital of the company subsequent to Scheme of Arrangement, please find enclosed:

Free Float  
Auditor's Certificate

Please acknowledge.

Regards,

**For Bhanero Textile Mills Limited**

  
Company Secretary



<b>Karachi Office :</b> Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi - 74900 Phones : (92-21) 35115177-80 Fax : (92-21) 35115190 & 35115191 E-mail : <a href="mailto:khioff@umergroup.com">khioff@umergroup.com</a> Website : <a href="http://www.umergroup.com">www.umergroup.com</a>	<b>Lahore Office :</b> 9 <sup>th</sup> Floor, City Towers, 6-K, Main Boulevard, Gulberg-II, Lahore - 54660 Phones: (92-42) 111 - 130 - 130, Fax: (92-42) 35770015 E-mail : <a href="mailto:lhroff@umergroup.com">lhroff@umergroup.com</a> Website : <a href="http://www.umergroup.com">www.umergroup.com</a>
--	--

Karachi: September 12, 2023

The Company Secretary,  
Bhanero Textile Mills Limited,  
Umer House, Plot 23,  
Sector 23/1, S.M. Farooq Road,  
Korangi Industrial Area,  
Karachi.

**Sub:** Independent Statutory Auditor's Certificate Confirming the Paid up Capital of the Company Subsequent to the Scheme of Arrangement and Reconstruction for Amalgamation / Merger of Bhanero Energy Limited With And Into Bhanero Textile Mills Limited

Dear Sir,

We have been requested by the management of Bhanero Textile Mills Limited (Public Listed) (BTML) for issuance of a certificate about the increased paid up share capital of BTML subsequent to the merger of Bhanero Energy Limited (Public Un-Listed) (BEL) with and into Bhanero Textile Mills Limited as per the Scheme of Compromises, Arrangement and Reconstruction for Amalgamation/ Merger of BEL with and into BTML (the scheme) sanctioned by the High Court of Sindh at Karachi under sections 279 to 283 and 285 of the Companies Act, 2017.

**Scope:**

The scope of this exercise for certification is limited to checking the working prepared by the management reflecting the paid up capital of BTML consequent to the incorporation of the effect of merger of BEL with and into BTML and to ascertain their accuracy and correctness.

**Management's Responsibility:**

It is the responsibility of the management to ensure accuracy of the working of consequential increase in the paid up capital of the company and change in the number of shares of the Company pursuant to the Scheme of Arrangement sanctioned by the High Court of Sindh, Karachi as well as compliance with the requirement of the Companies Act, 2017, Rules and Regulations of Pakistan Stock Exchange Ltd.

Management's responsibilities also include designing and developing such controls that are necessary to ensure proper compliances therewith and providing all the information and explanations along with evidences required for the issuance of this Certificate.

**Auditor's Responsibility:**

Our responsibility is to perform such procedures as are necessary under the circumstances based on our professional judgment in order to provide the certificate within the scope as defined above. This certificate is issued in accordance with the "Guidelines for issuance of certificates for special purpose by Practicing Chartered Accountant Firms" issued by the Institute of Chartered Accountants of Pakistan. The verification carried out by us was limited to the procedures mentioned below;

1. Perused the Scheme of Compromises, Arrangement and Reconstruction for Amalgamation/ Merger of BEL with and into BTML (the Scheme) sanctioned by the High Court of Sindh at Karachi in terms of sections 279 to 283 and 285 of the Companies Act, 2017 along with its annexures;

2. Obtained a statement from the management that reflected the status of the paid up capital of the Company at premerger stage and the consequential increase in paid up capital of the Company upon merger due to issue of shares to the shareholders of BEL as well the consequential decrease in paid up capital of the Company and the resultant paid up share capital of BTML pursuant to the scheme.

**Conclusion:**

Based on our verification as referred to above, we hereby certify that the paid-up capital of BTML subsequent to the issuance of shares to shareholders of BEL against their shareholding in BEL is worked out as under:

Description	No. of Shares of Rs. 10 each	Rupees
Paid up capital of BTML before the implementation of the scheme	3,000,000	30,000,000/-
Increase in paid up share capital of BTML due to issuance of shares to the shareholders of BEL pursuant to the scheme.	40,964	409,640/-
Revised Paid up share capital of BTML after issuance of shares pursuant to the scheme.	3,040,964	30,409,640/-

**Disclaimer:**

This certificate is being issued on the specific request of our client only for submission to Pakistan Stock Exchange Limited. This is not to be used or distributed for any other purpose and restricted to the facts stated herein and is not a certificate of assurance.

Thanking you,

Yours sincerely,  
Mushtaq & Co.  
Chartered Accountants

Zahid Hussain Zahid, FCA

