



*of Companies*

41<sup>st</sup> Annual Report 2020

UMER GROUP OF COMPANIES

BHANERO TEXTILE MILLS LIMITED

## **VISION**

A premier quality company providing quality products and maintaining an excellent level of ethical and professional standards



## **MISSION STATEMENT**

To become a leading manufacturer of textile products in the international and local market & to explore new era to achieve the highest level of success.



## Index

<b>CONTENTS</b>	<b>PAGE</b>
Corporate Information .....	1
Notice of the Annual General Meeting .....	2-3
Chairman's Review Report .....	4
Directors' Report .....	5-13
Statement of Compliance with the Best Practice .....	14-15
Review Report to the Members .....	16
Auditors' Report to the Members .....	17-19
Statement of Financial Position .....	20-21
Statement of Profit or Loss .....	22
Statement of Comprehensive Income .....	23
Statement of Changes in Equity .....	24
Statement of Cash Flows .....	25
Notes to the Financial Statements .....	26-59
Categories of Shareholders .....	60
List of Shareholders .....	61-62
Pattern of Shareholding .....	63
Year wise Operating Data .....	64
Directors' Report (Urdu) .....	65-72
Proxy Form .....	73
Proxy Form (Urdu) .....	74
Jama Punji .....	75

## CORPORATE INFORMATION

<b>Board of Directors</b>	Mr. Mohammad Salim	Executive Director
	Mr. Muhammad Shaheen	Non-Executive Director / Chairman
	Mr. Hamza Shakeel	Non-Executive Director
	Mr. Khurram Salim	Executive Director / CEO
	Mr. Bilal Sharif	Non-Executive Director
	Mr. Muhammad Amin	Non-Executive Director
	Mrs. Saba Yousaf	Non-Executive Director
	Mr. Iqbal Mehboob	Independent Director
	Mr. Asif Elahi	Independent Director
Mr. Mustafa Tanvir	Independent Director	
<b>Chief Financial Office</b>	Mr. Asim Mirza	ACMA, CPA(Aust) , MBA
<b>Company Secretary</b>	Mr. Mohammad Ahmed	M.A (Economics)
<b>Audit Committee</b>	Mr. Iqbal Mehboob	Chairman
	Mr. Hamza Shakeel	Member
	Mr. Bilal Sharif	Member
<b>Human Resource Committee</b>	Mr. Iqbal Mehboob	Chairman
	Mr. Muhammad Amin	Member
	Mr. Hamza Shakeel	Member
<b>Auditors</b>	M/s Mushatq and Company Chartered Accountants 407, Commerce Centre, Hasrat Mohani Road, Karachi.	
<b>Legal Advisor</b>	Mr. Shahid Pervaiz Jami	
<b>Bankers</b>	Bank Alfalah Limited Dubai Islamic Bank Faysal Bank Ltd Habib Bank Limited MCB Bank Limited Meezan Bank Limited Samba Bank Limited United Bank Limited Bank Islami Pakistan Ltd Bank Al Habib Limited Habib Metropolitan Bank Ltd	
<b>Share Registrar</b>	Hameed Majeed Associated (Private) Limited 5th Floor Karachi Chamber, Karachi.	
<b>Registered Office</b>	Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi, Pakistan Tel : 021 35115177 - 80 ; Fax: 021 -35063002-3 Email: khioff@umergroup.com Website: <a href="http://www.umergroup.com">http://www.umergroup.com</a>	
<b>Liaison / Correspondence Office</b>	9th Floor, City Towers, 6-K, Main Boulevard Gulberg - II, Lahore, Pakistan Tel : 042 111 130 130 ; Fax: 042 -35770015 Email: lhroff@umergroup.com Website: <a href="http://www.umergroup.com">http://www.umergroup.com</a>	
<b>Mills</b>	Unit I is situated at: Kotri Distric Dadu, Sindh. Tel : 0223 870013	
	Unit II and Unit III are situated at: Feroz Watwan, Sheikhpura, Punjab. Tel: 056 3731723	

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 41st Annual General Meeting of the members of Bhanero Textile Mills Limited will be held at the registered office of the company situated Umer House, 23/I, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi on Tuesday 27th October 2020 at 10:30 am to transact the following business:

### Ordinary Business:

1. To confirm the minutes of the last Extra Ordinary General Meeting held on 31st January 2020.
2. To receive, consider and adopt the audited financial statements of the company for the year ended 30th June, 2020 together with the Auditors' and Directors' Report thereon.
3. To appoint the auditors for the next term i.e. year 2020-2021 and fix their remuneration. The retiring auditor M/S Mushtaq and Company, Chartered Accountants, being eligible, offer themselves for reappointment.
4. To transact any other business with the permission of the chairman.

(By the order of the Board)

Karachi:

Dated: 29<sup>th</sup> September, 2020

**Mohammad Ahmed**  
Company Secretary

### Notes:

1. For attending meeting electronically due to COVID 19 Pandemic

In pursuance of circular 5 & 25 of 2020 issued by SECP to facilitate the shareholder(s) for attending the Annual General Meeting (AGM) of the company electronically through video link facility, "Zoom" which is available on Google Play or Apple App Store. The entitled member(s) are requested to get themselves registered at least 2 working days before holding of the time of AGM at [btm.corporate@umergroup.com](mailto:btm.corporate@umergroup.com) by providing the details on the following format:

Name of Shareholder	CNIC No.	Folio No.	Cell No.	Email Address

The company will send login details to the members email address for participation in AGM proceedings either through their smart phones or computer devices.

The login facility will be opened (30) thirty minutes prior to the schedule of meeting for verification process.

Members are encouraged to participate virtually due to prevailing pandemic situation.

2. The Shares Transfer Books of the Company will remain closed from 19th October 2020 to 27th October, 2020 (both days inclusive). Transfers received in order at the registered office of the company situated at Umer House, 23/I, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi by 18th October 2020 will be treated in time for the purpose of entitlement to attend the Annual General Meeting of the company.
3. 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.

## **NOTICE OF ANNUAL GENERAL MEETING**

4. 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

5. 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.
6. 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, 2020 have been uploaded on our website: [www.umergroup.com](http://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](http://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. 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.
10. Due to prevailing pandemic situation members are requested to adhere the following SOP's for their own safety during the meeting;
- i) Wear the mask appropriately during the entire meeting.
  - ii) Maintain the social distancing during the entire meeting.
  - iii) Follow the seating arrangement as per social distancing norms in the meeting area.
  - iv) Children should not accompany members.
  - v) Members with even mild cough or low-grade fever are prohibited to attend the meeting.

## **CHAIRMAN REVIEW REPORT**

I am pleased to enclose herewith Chairman Review Report for the year ended June 30, 2020 as required under section 192(4) of Companies Act, 2017 on overall performance and effectiveness of the board of **Bhanero Textile Mills Limited (Board)** in achieving its objectives.

As you are aware that we are experiencing extraordinary times that pushed the world into a recession that is expected to be even worse than the global financial crisis due to outbreak of COVID-19 pandemic.

In these circumstances the prime focus of the Board is on the business continuity challenges posed by COVID-19 hence, considerable emphasis is given to ensure employees safety, securing corporate financial sustainability and reinforcing crucial IT systems to support unprecedented levels of remote working of key personnel.

The Board is mindful of the need to provide clear financial reports and almost every aspects of our financial reporting framework has been reviewed critically. The board has discharged its duties as per provisions of Companies Act 2017 (Act), regulations under Code of Corporate Governance Regulations 2019 (Code), guidelines and directives issued by Securities and Exchange Commission of Pakistan (SECP) and Pakistan Stock Exchange (PSX) for listed companies.


The Board ensured the company's prosperity whilst meeting the appropriate interests of its shareholders and stakeholders. Moreover, they dealt in an effective manner to assure that internal audit, corporate reporting, AGM and EOMG, board and committee meetings, notices, circulation of minutes, elections of the directors have been performed firmly under the directives issued by the corporate regulators.

The Board continually review and evaluate present and future opportunities, threats and risks associated in the external environment due to pandemic situation related to the company. There is a special emphasis on determination of the best strategies and plans that underpin the overall corporate strategy.

The evaluation process of the board and committees has been conducted internally as required under Code and revealed that members have performed effectively according to their roles and responsibilities assigned to them in achieving corporate objectives in the turbulent times.

At Bhanero Textile Mills Limited we firmly believes that diversified board brings an extensive array of perspectives to meet the future challenges and continue to bring in new skills and capabilities to the Board. During the year, two more independent directors have been inducted at the reconstitution of the Board in January 2020. Now the newly reconstructed board of ten directors comprised of two executive, three independent and five non-executive directors including one female director with an appropriate fusion of age, gender & experience. Moreover, the entire reconstituted Board is accredited under the requirements of the Code for directors training program (DTP).

**Karachi:**  
**Date: September 29, 2020**



**Mohammad Shaheen**  
(Chairman)

## Directors Report

The Directors of Bhanero Textile Mills Limited have immense pleasure in presenting the annual report along with auditors' report on the financial statements of the company for the year ended June 30, 2020.

### Financial Results

Financial results of company for the year ended to June 30, 2020 are as under;

	2020 Rupees	2019 Rupees
Sales	8,923,611,447	9,347,772,864
Cost of sales	8,100,058,950	8,054,100,783
Gross profit	823,552,497	1,293,672,081
Other income	159,679,917	227,825,645
Less: Selling, Admin, Finan & Other Expenses	527,596,159	564,615,060
Profit before taxation	455,363,255	956,882,666
Less: Taxation		
Current year	119,247,158	91,837,659
Prior year	-	(34,512)
Deferred	6,990,216	32,669,693
	126,237,374	124,472,840
<b>Profit after taxation</b>	<b>329,398,881</b>	<b>832,409,826</b>
<b>Basic and diluted earnings per share</b>	<b>109.80</b>	<b>277.47</b>

### Financial Performance

By the grace of Almighty Allah, the company earned the profit after tax of PKR 329.399 million during the year ended 30 June, 2020 (2019: PKR 832.410 million).

The company by the grace Allah succeeded to steer its way through challenges due to outbreak of coronavirus pandemic situation across the globe and able to post a net profit during the year.

The company sales slightly decreased from PKR 9,347.773 million to PKR 8,923.611 million whereas gross profit is decreased from PKR 1,293.672 million to PKR 823.552 million during the current year ended June 30, 2020 as compared to corresponding year.

### Dividends & Reserves Appropriation

The company has paid interim dividend for the half year ended December 31, 2019 at 500.00% (PKR 50.00 per share) in addition to the annual dividend of 558.00% (PKR 55.80 per share) for the preceding year ended June 30, 2019.

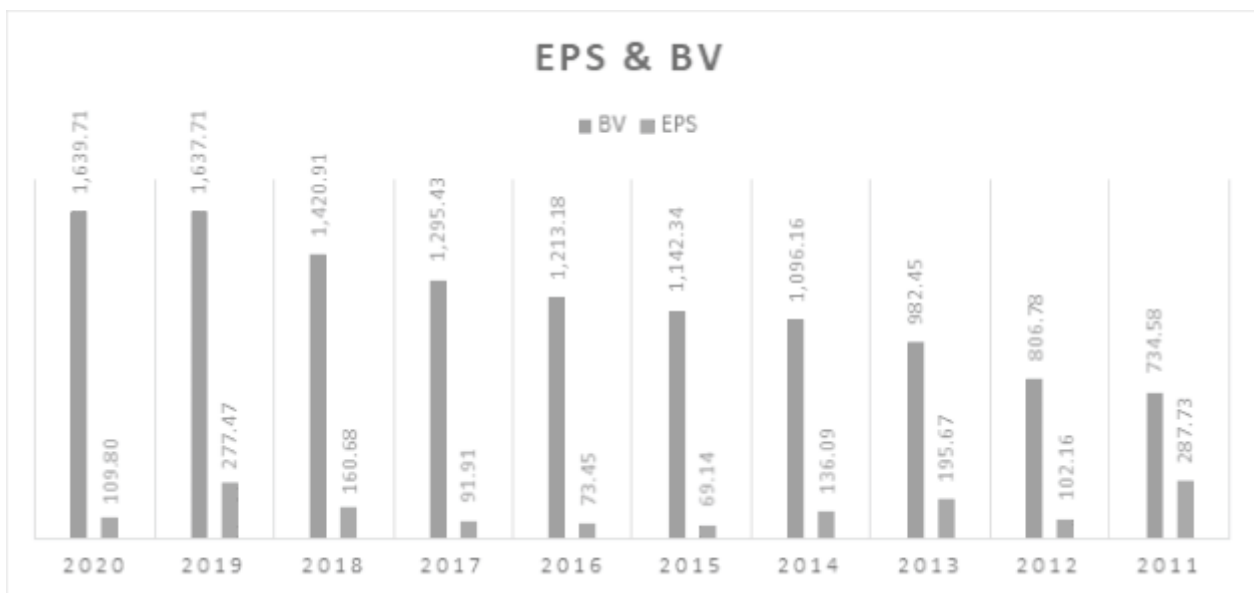
As the pandemic situation is not over yet and in the best interest of the company the board of directors have agreed that declaring dividends shall be refrained for the current year. In this context on recommended by the audit committee, the board of directors have decided that no annual dividend shall be declared for the current year ended June 30, 2020.

Besides, the company has availed the deferment of principal for long term loans and refinancing scheme for payment employees' salaries offered by SBP to minimize the financial impact of Covid19 which also restricts the payment of dividends for 2020 and 2021.

Moreover, the directors proposed to transfer an amount of PKR 100.00 million to the general reserve to meet any unforeseen contingencies in future.

## Earnings and Breakup Value per Share

The company is strongly committed towards enhancing the value to shareholders wealth though there is a decrease in earnings per share for the current year due to decline in profitability but the breakup value of share has been increased during the current year. The EPS and BV of the share during the current year stood at PKR 109.80 (2019: 277.47) and PKR 1,639.71 (2019: 1,637.71) respectively.



## Working Capital Management

The company ensures its capacity to continue its operations smoothly and has sufficient ability to satisfy current maturity of long-term obligations, short-term debt and upcoming operational expenses.

The repayments amounting to PKR 253.147 million on account of long-term loans have been made during the year 2020 whereas PKR 317.108 million have been made towards annual and interim dividends paid during the year to the shareholders of the company.

The short-term liquidity of company is fairly steady as reflected by current ratio of 2.54 (2019: 2.73) is considered satisfactory for the year under review.

## Capital Structure

The balanced capital structure is arguably one of its most important choices for company from a technical perspective that will determine its the growth.

The company managed an optimum mix of debt and equity to enhance the shareholders' value that renders healthier return to its investors.

The financial stability strength of company may be assessed with the fact that shareholder equity stood at PKR 4,919.120 million (2019: PKR 4,913.118 million) showing a marginal growth total equity during the current year ended June 30, 2020 as compared to the corresponding year. The gearing ratio of 0.55 (2019: 0.46) during the current year ended June 30, 2020 is generally considered as normal for well-established companies as per industry norms.

## **Balancing, Modernization and Replacement**

During the year an amount of PKR 175.553 million has been incurred towards upgradation of facilities and machinery to keep pace with latest invention in production technology and enhancement of power generation efficiency.

## **Credit Rating**

The final rating of A+/A 1 (Single A Plus / A One) has been assigned to the company by the rating company Messer's VIS on April 22, 2020. The assigned ratings have been placed on "Rating Watch-Developing" status.

## **Financial Statements**

As required under Companies Act 2017, listing regulations of PSX and directives issued by the SECP the Chief Executive Officer and Chief Financial Officer presented the financial statements of the company for the year ended June 30, 2020, duly endorsed under their respective signatures for consideration, approval and authorization by the board of directors for issuance and circulation.

The financial statements of the company have been duly audited by the auditors of the company, Mushtaq & Company, Chartered Accountants and the auditors have issued clean audit report on the financial statements for the year ended 30th June 2020 and clean review report on Statement of Code of Corporate Governance Regulations, 2019 "Code". These reports are attached with the financial statements.

## **Accounting Standards**

The accounting policies of the Company fully reflect the requirements of the Companies Act 2017 and such approved International Accounting Standards and International Financial Reporting Standards as have been notified under this Act as well as through directives issued by the Securities and Exchange Commission of Pakistan.

## **Agriculture Sector in Pakistan**

Cotton is an important cash crop and lifeline of Pakistan's textile industry. The cotton crop is planted on 14 percent of arable land during the Kharif and around 1.5 million farmers grow cotton. During the current year, the area devoted to cotton is projected to decrease to 2.2 million hectares which is 12 percent lower than the last year mainly due to a shift to other remunerable crops like corn, rice, and sugarcane. Cotton area is expected to decline mainly due to the potential threat of pest attack, uncertain weather conditions, followed by insufficient availability of certified seed.

Agriculture is the mainstay of Pakistan's economy, accounting for almost 20 percent of the country's economy and engaging 42 percent of the workforce. The total harvested area amounts to 23.4m hectares and is primarily worked by smallholders. In spite of being a substantial part of the national economy, agriculture productivity is declining in particular cotton, impeding economic growth and causing food security concerns. Faced with these challenges, it is critical that Pakistan starts embracing modern agriculture technology and innovation to protect and enhance the natural resource base while increasing productivity.

Pakistan is on track to become the most water-stressed nations in the region by 2040 that will result in significant shortages of surface water availability for irrigation, industry and human consumption.

Globally, the agriculture sector is at the cusp of a technology revolution. Modern farms and agricultural operations work far differently than those a few decades ago. Today agriculture routinely uses sophisticated technologies such as robots, drones, temperature and moisture sensors, advanced gene editing, GMO seeds, digital agriculture which allow businesses to be more profitable, efficient, safer and environmentally friendly. These technologies are ready to fuel the next wave of innovation in agriculture around the world and help farmers meet challenges posed by climate change, water scarcity and the burgeoning population.

Unfortunately, we dragged our feet when it comes to embracing new technologies and still rooted in traditional farming followed by our ancestors. We can take an example of recent locust attack that highlights the widening gap between us and progressive economies where the world has shifted to unmanned aerial vehicles to combat these situations we are still to orthodox measures.

In Pakistan's small farmers are significantly more affected by insufficient information, unpredictable weather changes, soil erosion, yield loss due to pests and insects, increase in input and cultivation costs. The technology adoption is essential for the transformation of overall agriculture sector that can potentially help alleviate poverty, conserve the environment and ensure enhance productivity.

## **Recommendations:**

It has been estimated that our population will be almost double in the next 30 years whereas changing climate or global warming is bringing new challenges to the country agriculture sector.

- An immediate need for adopting a more sustainable and technologically advanced approach to agriculture.
- We must adopt practices involving sustainable use of our natural resources, allowing farmers to grow more with lesser utilization and wastage of natural resources.
- Technologies such as laser land levelling as any sort of unevenness of the soil surface has a significant impact on the germination, stand and yield of crops.
- Use of solar-powered high-efficiency irrigation systems, smart water grids and drones need to be promoted for precision agriculture and higher productivity.
- Leveraging drone technology in agriculture sector will enable farmers to increase their productivity through improved pest management and increased precision such as aerial mapping, plant health monitoring, soil analysis and weed detection.

We believe that the potential of technological advancement in agriculture remains untapped owing to the absence of an overarching legislative and policy framework and an outdated regulatory regime. Since the pace of technological advancements in agriculture reaching an unprecedented level, an enabling business environment must be created in the country for timely adoption of new and novel technologies to boost agriculture as well as encourage innovation and attracts meaningful investments in research.

A strong and stable policy, legal and regulatory framework would provide an environment to facilitate long-term investment and technology transfer by firms and other innovation actors. The government must ensure that the prevailing legal framework is evolving with new innovations and technologies.

## **Compliance with Code of Corporate Governance**

The Statement of Compliance with the Code of Corporate Governance is annexed.

## **Statement on Corporate and Financial Reporting Framework:**

The Directors of your company are aware of their responsibilities under Companies Act 2017, Regulations under Code of Corporate Governance 2019 "Code", Rule Book of the Pakistan Stock Exchange Limited and directives issued by Securities & Exchange Commission of Pakistan. As a part of the compliance to the regulators we confirm the following:

- These financial statements, prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control was sound in design and has been effectively implemented and monitored.
- There were no significant doubts upon the company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- We have prepared and circulated a Code of Conduct and business strategy among directors and employees.
- The Board of Directors has adopted a vision and mission statement and a statement of overall corporate strategy.
- All the directors have attended its board and general meeting either physically or through video conference unless preclude due to reasonable reason.

- All the directors are assigned with their responsibilities, roles, remuneration, powers and obligation at the commencement of their terms in accordance with Code of Corporate Governance, Companies Act and Article of Association.
- All the directors of the Company are accredited / exempted under Directors Training Program (DTP) as required by the Code of Corporate Governance Regulations, 2019.
- There has been a proper updated record of the significant policies duly approved by the board of directors on human resource, whistle blower, procurement, communication mechanism with stakeholders, environment, health and safety, director's remuneration, anti-money laundering and risk management etc.
- As required under Code of Corporate Governance Regulations, 2019 and Companies Act 2017 (Act), we have included the following information in this report:
  - o Statement of pattern of shareholding has been given separately.
  - o Statement of shares held by associated undertakings and related persons.
  - o Statement of the board meetings and annual general meeting held during the year and attendance by each director has been given separately.
  - o Chairman review report under the provisions of section 192(4) of the Act.
  - o Statement of compliance duly signed by the chairman under regulation 36 of the Code.
- Key operating and financial statistics for last six years along with information for taxes and levies have been adequately disclosed in the annexed audited financial statements.
- The company strictly follow the guidelines issued by SECP on prohibition of insider trading for listed companies and no trading in the Company's shares was carried by its Directors, CEO, CFO, Company Secretary, Head of Internal Audit and their spouses and minor children except as disclosed in pattern of shareholding.

## **Pattern of Shareholding**

The pattern of shareholding and additional information regarding pattern of shareholding is attached separately.

## **Related Party**

There is a robust policy in place for all related party transactions (RPT) in pursuant to the notification issued by Securities and Exchange Commission of Pakistan vide SRO 768(1)2019 and the guidelines have been duly incorporated in the company policy with regard to transactions and maintenance of records.

## **Elections of Directors and Reconstitution of Board**

The elections were held during the year and board was reconstituted on January 31, 2020 in which all the contesting members were duly elected unopposed. The appointments of independent, executive, non-executive and female directors have been made in strict compliance of the regulations issued under code of corporate governance.

## **Board Evaluation**

The company has opted to conduct evaluation process of the board internally in compliance of the regulation 10(3)(v) of Code for assessing the board performance, members of the board and its committee members.

A comprehensive review has been carried out entailing statutory documents, the minutes of board and committee meetings, policies currently in place and other ancillary documents, questionnaires, interactions with the board and committee members.

# BHANERO TEXTILE MILLS LIMITED



## Board Composition

As required under regulation 34 of Code the board of ten (10) directors is comprised as follows;

Sr No	Category	Gender		Total
		Male	Female	
(i)	Independent Director	3	0	3
(ii)	Executive Directors	2	0	2
(ii)	Non- Executive Directors	4	1	5

## Board and Audit Committee Meetings

- All the directors, eligible to attend the meeting have attended the general meetings of the company in person or through video conference under Regulation 10(6) of the Code unless precluded from doing so due to any reasonable.
- Following are the number of meeting held and attended by board of directors, audit committee and human resource & remuneration committee during 2019-20:

Sr	Name of Directors	Board of Directors		Committees			
				Audit		Human Resource and Remuneration	
		Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
1.	Mr. Muhammad Salim	4	4	-	-	-	-
2.	Mr. Muhammad Shaheen	4	4	-	-	-	-
3.	Mr. Khurram Salim	4	4	-	-	-	-
4.	Mr. Bilal Sharif	4	4	6	6	-	-
5.	Mr. Muhammad Amin	4	4	-	-	1	1
6.	Mr. Hamza Shakeel	4	4	6	6	1	1
7.	Mr. Iqbal Mehboob	4	4	6	6	1	1
8.	Mr. Asif Elahi	3	3				
9.	Mr. Mustafa Tanvir	3	3				
10.	Mrs. Saba Yousaf	4	4	-	-	-	-

## Audit Committee

Sr	Name	Designation	Category
i	Bilal Sharif	Member	Non- Executive Director
ii	Hamza Shakeel	Member	Non- Executive Director
iii	Iqbal Mehboob	Chairman	Independent Director

The audit committee comprises of three members of which chairman is an independent director whereas all the other are non-executive directors and discharge its responsibilities under terms of reference assigned by the board of directors.

The appointment of financial literate member has been made in line with Regulation 27(1)(iii) in the Chapter X of the Code.

The meetings of audit committee were held at regular intervals in compliance with the Regulation 27(2) of the Code to review the both interim and annual financial statements before the approval of board of directors along with an additional meeting once a year with an external auditor without the CFO and other with an internal auditor without the presence of the CFO and external auditor.

An audit committee is one of the major operating committees of a company's board of directors that is in charge of overseeing financial reporting and disclosures, assuring that company assets are appropriately safeguarded, validating interim and annual financial statements, approving related party transactions, reviewing management letter, ensuring effectiveness of internal controls, investigating and reporting on fraudulent activities, monitoring of accounting policies, oversight of any external auditors, regulatory compliance and the discussion of risk management policies with management.

Audit committees maintain communication with the company's chief financial officer (CFO) and head of internal audit. The committee also has the authority to initiate special investigations in cases where it is determined that accounting practices are problematic or suspected and an internal auditor assists the committee in such efforts.

## Human Resource and Remuneration Committee

Sr	Name	Designation	Category
i	Iqbal Mehboob	Chairman	Independent Director
ii	Mohammad Amin	Member	Non- Executive Director
iii	Hamza Shakeel	Member	Non- Executive Director

The human resource and remuneration committee (HRRC) is comprised of three members of which all are non-executive directors whereas chairman is an independent director. The HRRC review compliance with any legislative guidelines relating to compensation and benefits, review compliance with employment, labor and human rights legislation.

The HRRC on behalf of the Board of Directors oversee and administer the company's human resource policies, plans, and procedures, review, approve, or recommend for Board approval, decisions relating to the fair and competitive compensation of executives, directors, committee members and other key personnel.

## Corporate Social Responsibility Policy

The company comprehend its duty towards society beyond their economic obligations to owners or stockholders and also beyond those prescribed by law or contract. It is deeply concerned about outside groups affected by their activities and proper consideration has been given for environmental protection at every stage of production from procurement of raw materials to manufacturing technology and disposal wastes.

Confronted with the pandemic situation, the company has been quite responsive in philanthropic donations to those who were in dire need of assistance. Moreover, there has been establish programs that help employees balance the demands of work and personal life and be more satisfied and productive on the job which eventually led to reduces turnover, enhance employee morale.

The company ensures to maintain natural environment by following best practices for waste disposal, recycling, energy conservation and utilizing environmentally-friendly technologies and arranging reforestation excursions at regular intervals to create awareness.

## **Health, Safety and Environment Policy**

Since the outbreak of COVID 19 and the rapid spread of the virus has sparked alarm worldwide and Pakistan is not an exception to this pandemic situation. The company is strongly committed towards health and safety of employees and strictly adhere to the guidelines issued by the government and WHO to minimize the impact of virus.

During these difficult times, the company ensured best safety measure for its employees by allowing them to work from home, arranging disinfection of premises at regular intervals, conducting free testing of virus for employees, allowing leave with pay for those infected with virus, permitting flexible and shorten working hours, providing face-masks and proper sanitization at work place.

One of the many challenges during the pandemic is to ensure continuity of day to day activities with appropriate decision making in compliance of the law and other regulatory frameworks. In this regard the company fully utilized the facilities available through of video meeting platforms and apps.

The company's health, safety and environment policy statement demonstrate a pleasant and workable environment by making every possible effort to remove or reduce the risks to the health, safety of all workers, contractors and visitors, and anyone else in the testing times of pandemic situation.

## **Directors Remuneration Policy**

The feature of executive director's remuneration policy is prepared and recommended by human resource and remuneration committee (HRRC) to the board subject to the provisions of the Companies Act 2017, Companies' Article of Association and Code of Corporate Governance Regulations, 2019.

The remuneration of the executive directors is determined by considering the market competitiveness which is identical in akin companies, whilst also considering level of competencies, experience, scope of the board assignments and yearly meetings.

The executive directors entitled for the fixed monthly remuneration and other perquisites recommended by HRRC which were duly approved by the board and followed by the approval of members in general meeting of the company:

### **1) Mr. Khurram Salim - CEO**

Monthly remuneration of PKR 800,000.00.

Company maintained vehicle with fuel and repairs expense of PKR 800,000.00 per annum.

Mobile phone for personal and office use amounting to PKR 125,000.00 per annum.

Business travelling expense on actual basis.

### **2) Mr. Mohammad Salim - Executive Director**

Monthly remuneration of PKR 1,000,000.00.

Company maintained vehicle with fuel and repairs expense of PKR 800,000.00 per annum.

Mobile phone for personal and office use amounting to PKR 125,000.00 per annum.

Business travelling expense on actual basis.

No fee or remuneration has been paid either to non-executive or independent directors.

## **Statutory Auditors**

The present auditor's M/s Mushtaq & Company, Chartered Accountants shall retire on the conclusion of the annual general meeting scheduled for October 27, 2020 however, being eligible they have offered themselves for re-appointment. The audit committee has suggested the appointment of M/s Mushtaq & Company, Chartered Accountants, as external auditor for the year ended 30th June 2021. The external auditor M/s Mushtaq & Company, Chartered Accountants have been given satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan. The firm and all its partner are in compliance with the International Federation of Accountants' Guidelines on the Code of Ethics as adopted by Institute of Chartered Accountants of Pakistan and they are registered with Audit Oversight Board under section 361 of SECP Act, 1997.

# **BHANERO TEXTILE MILLS LIMITED**



The statutory auditors neither performed any of the decision making, internal audit or management functions nor they have any sort of relationship with any directors or executives of the company. The engagement partners were rotated after completion of every five years.

The Board of Directors also recommended the appointment of M/s Mushtaq & Company, Chartered Accountants, as external auditor for the year ended 30th June 2021 and the remuneration of the auditors has been fixed at PKR 1,758,000 for the year 2020-21 as recommended by the audit committee to the board under regulation 32(3) of the Code. The assignments include statutory audit, half yearly review and code of corporate governance review.

## **Material Changes and Commitments**

No material changes and commitments affecting the financial position of the Company have occurred between the end of financial year of the Company to which the balance sheet relates and the date of directors' report.

## **Acknowledgement**

I am highly indebted to Board of Directors, valued shareholders, customers, bankers, suppliers and other stakeholders for their support, trust and confidence. I also appreciate to all employees for their loyalty dedication and hard work which enabled the Company to achieve its objectives.

**For and on behalf of the Board**

**Khurram Salim  
Chief Executive**

**Karachi: September 29, 2020**

**Muhammad Salim  
Director**

## STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

The statement is being presented to comply with the requirement of regulation 36(1) contained in Code of Corporate Governance Regulations, 2019 for the purpose of establishing a framework of good corporate governance, whereby a company quoted at Pakistan Stock Exchange Limited is managed in compliance with best practices of corporate governance.

Bhanero Textile Mills Limited  
Year Ending June 30, 2020

The company has complied with the requirements of the Regulations in the following manner:-

1. The total number of directors are ten (10) as per the following,-
  - a. Male : Nine (9)
  - b. Female : One(1)
2. The composition of the Board is as follows:

Sr	Category	Name
i)	Independent Directors (*)	Mr. Iqbal Mehboob Mr. Asif Elahi Mr. Mustafa Tanvir
iii)	Non- Executive Directors	Mr. Muhammad Shaheen Mr. Muhammad Amin Mr. Bilal Sharif Mr. Hamza Shakeel
ii)	Executive Directors	Mr. Khurram Salim Mr. Mohammad Salim
iv)	Female director	Mrs. Saba Yousaf

(\*) Explanation required under Regulation 6(1) of Code:

While calculating the minimum number of ID directors the fraction was not rounded upwards to 1. The reason being that as per general rule only number exceeding 0.5 shall be rounded to next number.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The Board has arranged Directors' Training program for the following:  
The entire board is accredited under directors training program.  
(Name of Executive & Designation - (N/A);
10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below.-

**STATEMENT OF COMPLIANCE WITH LISTED COMPANIES  
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

**(a) Audit Committee**

Name	Designation
Mr. Iqbal Mehboob	Chairman - Independent Director
Mr. Bilal Sharif	Member - Non- Executive Director
Mr. Hamza Shakeel	Member - Non- Executive Director

**(b) Human Resource & Remuneration Committee**

Name	Designation
Mr. Iqbal Mehboob	Chairman - Independent Director
Mr. Muhammad Amin	Member - Non- Executive Director
Mr. Hamza Shakeel	Member - Non- Executive Director

**(c) Nomination Committee (N/A)**Explanation

As the formation of Nomination Committee (NC) is not mandatory under regulation 29 of the Code, the functions and responsibilities of NC are performed by the Human Resources & Remuneration Committee.

**(d) Risk Management Committee (N/A)**Explanation

As the formation of Risk Management Committee (RMC) is not mandatory under regulation 30 of the Code, the functions and responsibilities of RMC are performed Audit Committee.


13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following,-

Name of Committee	Frequency of Meeting
Audit Committee	Quarterly
HR and Remuneration Committee	Yearly
Nomination Committee	Not applicable
Risk Management Committee	Not applicable

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below (N/A):

**For and on behalf of the Board**

**Karachi:**  
**Date: September 29, 2020**

  
**Mohammad Shaheen**  
 (Chairman)

# MUSHTAQ & COMPANY

## CHARTERED ACCOUNTANTS

H O. 407, Commerce Centre, Hasrat Mohani Road, Karachi. Tel: 021-32638521-3  
Email Address: mushctaqco@hotmail.com



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### Independent Auditor's Review Report

#### *To the members of Bhanero Textile Mills Limited on the Statement of Compliance with the Code of Corporate Governance*

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Bhanero Textile Mills Limited** for the year ended June 30, 2020 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2020.

A handwritten signature in black ink, appearing to read 'Mushtaq &amp; Co.' with a stylized flourish at the end.

**MUSHTAQ & COMPANY**  
Chartered Accountants

Place: Karachi  
Dated: 29<sup>th</sup> September, 2020

**Engagement Partner:**  
Zahid Hussain Zahid, (ACA)

**Lahore Office:** 19-B, Block G, Gulberg-III, Lahore. Tel: 042-35858624-6

**Islamabad Office:** 313. First floor millennium heights, F-11/1, Islamabad Tel: 051-2224970

# MUSHTAQ & COMPANY

## CHARTERED ACCOUNTANTS

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### Independent auditor's report to the members of

#### ***Bhanero Textile Mills Limited*** ***Report on the Audit of the Financial Statements***

##### ***Opinion***

We have audited the annexed financial statements of **Bhanero Textiles Mills Limited** (the Company), which comprise the statement of financial position as at June 30, 2020 and the statement of profit or loss, the statements of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2020 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

##### ***Basis for Opinion***

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### ***Key Audit Matter(s)***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

##### ***Information Other than the Financial Statements and Auditor's Report Thereon***

Management is responsible for the other information. The other information comprises director's report and last six years' financial analysis but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Lahore Office: 19-B, Block G, Gulberg-III, Lahore. Tel: 042-35858624-6

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### ***Responsibilities of Management and Board of Directors for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provided the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Lahore Office: 19-B, Block G, Gulberg-III, Lahore. Tel: 042-35858624-6

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# MUSHTAQ & COMPANY

## CHARTERED ACCOUNTANTS

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From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Zahid Hussain Zahid, ACA.

Place: Karachi  
Dated: 29<sup>th</sup> September, 2020

A handwritten signature in black ink, appearing to read 'Mushtaq &amp; Co.' with a stylized flourish at the end.

**MUSHTAQ & COMPANY**  
Chartered Accountants

Lahore Office: 19-B, Block G, Gulberg-III, Lahore. Tel: 042-35858624-6

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# BHANERO TEXTILE MILLS LIMITED



## Statement of Financial Position


As At June 30, 2020

	Note	June 30, 2020 Rupees	Jun 30, 2019 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized capital</b>			
6,000,000 (2019: 6,000,000) ordinary shares of Rs.10 each			
		<b>60,000,000</b>	<b>60,000,000</b>
Issued, subscribed and paid up capital	5	<b>30,000,000</b>	30,000,000
Reserves	6	<b>4,800,000,000</b>	4,700,000,000
Unappropriated profit		<b>89,120,050</b>	183,117,492
		<b>4,919,120,050</b>	4,913,117,492
<b>NON CURRENT LIABILITIES</b>			
Long term financing - secured	7	<b>1,090,593,256</b>	1,121,716,016
Deferred liabilities	8	<b>522,252,463</b>	473,570,951
		<b>1,612,845,719</b>	1,595,286,967
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	<b>631,608,287</b>	725,976,725
Unclaimed dividend	10	<b>1,396,762</b>	1,105,177
Accrued markup / interest	11	<b>31,770,640</b>	37,601,814
Short term borrowings - secured	12	<b>1,570,614,112</b>	992,656,991
Current portion of long term financing	13	<b>21,514,739</b>	140,182,704
		<b>2,256,904,540</b>	1,897,523,411
<b>CONTINGENCIES AND COMMITMENTS</b>	14	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,788,870,309</b>	<b>8,405,927,870</b>

The annexed notes from 1 to 49 form an integral part of these financial statements.

Karachi:  
Date: 29<sup>th</sup> September 2020

  
Khurram Salim  
Chief Executive

  
Mohammad Salim  
Director

  
Asim Mirza  
Chief Financial Officer

# BHANERO TEXTILE MILLS LIMITED




## Statement of Financial Position As At June 30, 2020

	Note	June 30, 2020 Rupees	Jun 30, 2019 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	15	3,004,662,572	3,168,486,197
Capital work in progress	16	21,893,326	24,922,707
Long term deposit	17	28,553,816	28,532,816
		<b>3,055,109,714</b>	<b>3,221,941,720</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	18	121,739,357	111,668,839
Stock in trade	19	3,956,409,702	3,569,018,484
Trade debts	20	957,494,189	758,161,471
Loans and advances	21	16,293,610	68,358,803
Trade deposits and short term prepayments	22	128,562,912	109,173,307
Other receivables	23	20,297,574	14,106,501
Income tax refundable	24	222,869,340	238,907,724
Sales tax refundable	25	195,699,479	170,868,560
Cash and bank balances	26	114,394,432	143,722,461
		<b>5,733,760,595</b>	<b>5,183,986,150</b>
<b>TOTAL ASSETS</b>		<b>8,788,870,309</b>	<b>8,405,927,870</b>

The annexed notes from 1 to 49 form an integral part of these financial statements.

Karachi:  
Date: 29<sup>th</sup> September 2020

  
Khurram Salim  
Chief Executive

  
Mohammad Salim  
Director

  
Asim Mirza  
Chief Financial Officer

# BHANERO TEXTILE MILLS LIMITED




## Statement of Profit or Loss For The Year Ended June 30, 2020

	Note	June 30, 2020 Rupees	June 30, 2019 Rupees
Sales	27	8,923,611,447	9,347,772,864
Cost of sales	28	8,100,058,950	8,054,100,783
Gross profit		823,552,497	1,293,672,081
Other income	29	159,679,917	227,825,645
		983,232,414	1,521,497,726
Distribution cost	30	162,909,192	178,150,675
Administrative expenses	31	148,382,741	145,357,054
Other operating expenses	32	34,863,784	74,784,807
Finance cost	33	181,440,442	166,322,524
		527,596,159	564,615,060
Profit before tax		455,636,255	956,882,666
Provision for taxation	34		
Current tax - current year		119,247,158	91,837,659
Current tax - prior year		-	(34,512)
Deferred		6,990,216	32,669,693
		126,237,374	124,472,840
Profit after taxation for the year		329,398,881	832,409,826
Earnings per share - basic and diluted	35	109.80	277.47

The annexed notes from 1 to 49 form an integral part of these financial statements.

Karachi:  
Date: 29<sup>th</sup> September 2020

  
Khurram Salim  
Chief Executive

  
Mohammad Salim  
Director

  
Asim Mirza  
Chief Financial Officer

# BHANERO TEXTILE MILLS LIMITED



## Statement of Comprehensive Income For The Year Ended June 30, 2020

	Note	June 30, 2020 Rupees	June 30, 2019 Rupees
Profit after taxation for the year		329,398,881	832,409,826
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit and loss</b>		-	-
<b>Items that will not be reclassified subsequently to profit and loss</b>			
Actuarial (loss)/gain on remeasurement of employees retirement benefits - gratuity	8.1.2	(7,430,001)	13,487,793
Related deferred tax on remeasurement of employees retirement benefits - gratuity		1,433,716	(2,617,161)
		(5,996,285)	10,870,632
<b>Total comprehensive Income for the year</b>		<b>323,402,596</b>	<b>843,280,458</b>

The annexed notes from 1 to 49 form an integral part of these financial statements.

Karachi:  
Date: 29<sup>th</sup> September 2020

  
Khurram Salim  
Chief Executive

  
Mohammad Salim  
Director

  
Asim Mirza  
Chief Financial Officer


## Statement of Changes in Equity For The Year Ended June 30, 2020

	Revenue Reserves		Total	
	Share capital	General reserve		Unappropriated profits
Rupees				
<b>Balance as at June 30, 2018</b>	30,000,000	4,000,000,000	232,737,034	4,262,737,034
<b>Total comprehensive income for the year</b>				
Profit for the year	-	-	832,409,826	832,409,826
Other comprehensive gain	-	-	10,870,632	10,870,632
Transfer to general reserve	-	700,000,000	(700,000,000)	-
Final dividend paid for the year ended June 30, 2018 at the rate of PKR 64.30 per share	-	-	(192,900,000)	(192,900,000)
<b>Balance as at June 30, 2019</b>	<u>30,000,000</u>	<u>4,700,000,000</u>	<u>183,117,492</u>	<u>4,913,117,492</u>
<b>Total comprehensive income for the year</b>				
Profit for the year	-	-	329,398,881	329,398,881
Other comprehensive loss	-	-	(5,996,285)	(5,996,285)
Interim dividend paid for the year ended June 30, 2020 at the rate of PKR 50.00 per share	-	-	(150,000,000)	(150,000,000)
Final dividend paid for the year ended June 30, 2019 at the rate of PKR 55.80 per share	-	-	(167,400,038)	(167,400,038)
Transfer to general reserve	-	100,000,000	(100,000,000)	-
<b>Balance as at June 30, 2020</b>	<u>30,000,000</u>	<u>4,800,000,000</u>	<u>89,120,050</u>	<u>4,919,120,050</u>

The annexed notes from 1 to 49 form an integral part of these financial statements.

Karachi:  
Date: 29<sup>th</sup> September 2020

  
Khurram Salim  
Chief Executive

  
Mohammad Salim  
Director

  
Asim Mirza  
Chief Financial Officer

# BHANERO TEXTILE MILLS LIMITED



## Statement of Cash Flows For The Year Ended June 30, 2020


	June 30, 2020 Rupees	June 30, 2019 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	455,636,255	956,882,666
<b>Adjustments for:</b>		
Depreciation on property, plant and equipment	284,655,587	250,170,999
Provision for staff retirement benefits - gratuity	44,734,703	46,468,510
Provision for bad debts	5,627,595	16,004,393
Infrastructure fee ETO	18,897,975	20,465,816
Infrastructure fee - Gas	4,020,841	10,373,816
(Gain) on disposal of property, plant and equipment	(145,380,936)	(220,041,190)
Finance cost	181,440,442	166,322,524
<b>Operating cash flows before changes in working capital</b>	<b>849,632,462</b>	<b>1,246,647,534</b>
<b>Working capital changes</b>		
(Increase)/decrease in current assets		
Inventories	(397,461,736)	(1,265,465,972)
Trade debts	(204,960,313)	67,327,978
Loans and advances	52,065,193	(39,659,176)
Trade deposits	(19,389,605)	(25,712,972)
Other receivables	(6,191,073)	3,340,773
Sales tax refundable	(24,830,919)	(40,828,765)
	(600,768,453)	(1,300,998,134)
Increase in trade and other payables	(94,368,438)	(45,717,866)
<b>Cash generated by operations</b>	<b>154,495,571</b>	<b>(100,068,466)</b>
Finance cost paid	(187,271,616)	(143,898,531)
Staff retirement benefits - gratuity paid	(33,765,581)	(33,702,454)
Income taxes paid	(103,208,774)	(124,604,518)
Long term deposits	(21,000)	-
	(324,266,971)	(302,205,503)
<b>Net cash used in operating activities</b>	<b>(169,771,400)</b>	<b>(402,273,969)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	203,131,500	320,255,625
Additions in property, plant and equipment	(175,553,145)	(717,468,930)
<b>Net cash generated from/(used in) investing activities</b>	<b>27,578,355</b>	<b>(397,213,305)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES *</b>		
Payment of long term financing	(253,146,967)	(81,367,073)
Proceeds from long term financing	105,163,315	376,665,000
Short term borrowings - net	577,957,121	772,199,213
Dividend paid	(317,108,453)	(192,553,428)
<b>Net cash generated from financing activities</b>	<b>112,865,016</b>	<b>874,943,712</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(29,328,029)</b>	<b>75,456,438</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>143,722,461</b>	<b>68,266,023</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>114,394,432</b>	<b>143,722,461</b>

\* No non-cash item are included in these activities.

The annexed notes from 1 to 49 form an integral part of these financial statements.

Karachi:  
Date: 29<sup>th</sup> September 2020

  
Khurram Salim  
Chief Executive

  
Mohammad Salim  
Director

  
Asim Mirza  
Chief Financial Officer

## Notes to the financial statements For the year ended June 30, 2020

### 1 THE COMPANY AND ITS OPERATIONS

#### 1.1

Bhanero Textile Mills Limited (the Company) was incorporated on 30<sup>th</sup> March 1980 as a public limited company in Pakistan under repealed Companies Ordinance, 1984 now the Companies Act, 2017 and is quoted on Pakistan Stock Exchanges Limited. The registered office of the Company is located at Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area Karachi.

1.2 The company is principally engaged in manufacturing and sales of yarn and fabric. The production facilities are located at Kotri, District Dadu in the province of Sindh and Feroze Wattwan, District Sheikhpura in the province of Punjab.

#### 1.3 Impact of COVID-19

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. On March 23, 2020, the Government announced a temporary lock down as a measure to reduce the spread of the COVID-19. The company's operations were not affected as it fell under the exemption provided by the Government to some sectors. After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the company continued to carry out its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business. Due to this, management has assessed the accounting implications of these developments on these financial statements, however, according to management's assessment; there is no significant financial impact of the effects of COVID-19 on these financial statements except the adjustment for Net Realizable Value of stock in trade as disclosed in note 19.1 and note 19.2 of these financial statements. The Management believes that the going concern assumption of the Company remains valid.

### 2 Basis of Preparation

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### 2.2 Basis of measurement

These financial statements have been prepared on the historical cost convention except for certain financial instruments at fair value and employees retirement benefits at present value. In these financial statements, except for cash flow statements, all transactions have been accounted for on accrual basis.

#### 2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the company's functional currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest Rupee.

## Notes to the financial statements For the year ended June 30, 2020

### 2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 45 to these financial statements.

### 2.5 Standards, interpretations and amendments to published approved accounting standards

#### 2.5.1 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year :

Following standards, amendments and interpretations are effective for the year beginning on or after July 01, 2019. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

- ▣ IFRS 16, 'Leases' is applicable to accounting periods beginning on or after January 1, 2019. IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all the leases on the balance sheet date. This standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The accounting by lessor will not significantly change. Some differences may arise as a result of the new guidance on the definition of lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has not any impact of this standard on its financial statements.
- ▣ Amendment to IAS 12, 'Income taxes', as part of the annual improvements 2017 applicable for annual periods beginning on or after January 1, 2019. The amendments clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transactions that generated the distributable profits – i.e. in profit or loss, OCI or equity.

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on or January 1, 2019 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

#### 2.5.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the company

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2020:

## Notes to the financial statements For the year ended June 30, 2020

- An amendment to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' is applicable for accounting periods beginning on or after January 1, 2022. Under IAS 37, a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits. The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labor and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required.
- Amendment to IAS 16 'Property, plant and Equipment' is applicable on accounting periods beginning on or after January 1, 2022. The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss. The amendments apply retrospectively, but only to items of PPE made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments. The amendment not expected to have material impact on the Company's financial statements.
- An amendment to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors is applicable on accounting periods beginning on or after January 1, 2020. The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with IFRS. Refined definition of materiality - Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

There are a number of other minor amendments and interpretations to other approved accounting standards that are not yet effective and are also not relevant to the company and therefore have not been presented here.

### 3 Summary of Significant Accounting Policies

#### 3.1 Borrowings

Mark-up bearing borrowings are recognized initially at cost, less attributable transaction cost. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

#### 3.2 Employee benefits

##### Short term employees benefits

The company recognizes the undiscounted amount of short term employee benefits to be paid in exchange for services rendered by employees as a liability after deducting amount already paid and as an expense in profit or loss unless it is included in the cost of inventories or property, plant and equipment as permitted or required by the approved accounting standards. If the amount paid exceeds the undiscounted amount of benefits, the excess is recognized as an asset to the extent that the prepayment would lead to a reduction in future payments or cash refund.

The Company provides for compensated absences of its employees on unavailed balance of leaves in the period in which the leaves are earned.

##### Post retirement benefits

##### Defined benefit plans

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Liability is adjusted annually to cover the obligation and the adjustment is charged to profit or loss. The determination of the Company's obligation under the scheme requires assumptions to be made of future outcomes, the principal ones being in respect of increases in remuneration, expected average remaining working lives of employees and discount rate used to derive present value of defined benefit obligation.

Amounts recognized in the balance sheet represent the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost.

## Notes to the financial statements For the year ended June 30, 2020

Actuarial gains and losses are recognized in comprehensive income for the period in which these arise.

### 3.3 Taxation

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

#### Current

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on higher of the taxable income at current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any, or minimum of turnover. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

#### Deferred

Deferred tax is accounted for using the balance sheet liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. In this regard, the effects on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the requirement of "Technical Release - 27" of the Institute of Chartered Accountants of Pakistan. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is not recognized for timing differences that are not expected to reverse and for the temporary differences arising from the initial recognition of goodwill and initial recognition of assets and liabilities in a transaction that is not a business combination and that at the time of transaction affects neither the accounting nor the taxable profit.

### 3.4 Provisions

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### 3.5 Trade and other payables

Liabilities for trade and other amounts payable are recognized and carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not invoices to the company.

### 3.6 Dividend

Dividend is recognized as a liability in the period in which it is approved by shareholders.

### 3.7 Property, plant and equipment and depreciation

#### Owned assets

Property, plant and equipment, except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land and capital work-in-progress are stated at cost.

#### Subsequent cost

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

## Notes to the financial statements For the year ended June 30, 2020

### Depreciation

Depreciation is charged to income on reducing balance method over its estimated useful life at the rates specified in property, plant and equipment note except for equipment and other assets. Equipment and other assets are depreciated over the period of three years. Depreciation on additions to property, plant and equipment is charged from the month in which an item is acquired or capitalized while no depreciation is charged for the month in which the item is disposed off.

The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is material.

The gain or loss on disposal of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

### Impairment

Where the carrying amount of asset exceeds its estimated recoverable amount it is written down immediately to its recoverable amount.

### Leased assets

#### Recognition

The Company recognizes a right-of-use asset and a lease liability at the commencement date. A commencement date is the date on which the lessor makes an underlying asset available for use by the lessee (the Company). The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of all underlying assets that have a lease term of 12 months or less and leases for which the underlying asset, when new, is of low-value as per the threshold set by the Company. The Company recognizes the lease payments associated with these leases as an expense on straight-line basis over the lease term.

#### Initial measurement

##### Lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid. The lease payments are discounted using the interest rate implicit in the lease, or the Company's incremental borrowing rate if the implicit rate is not readily available. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments comprise fixed payments less any lease incentives receivable; variable lease payments that depend on an index or a rate; amounts expected to be payable by the Company under residual value guarantees; the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

##### Right-of-use asset

The Company initially measures the right-of-use asset at cost. This cost comprises the amount of lease liability as initially measured, plus any lease payments made on or before the commencement date, less lease incentives received, initial direct costs and estimated terminal costs (i.e. dismantling or other site restoration costs required by the terms and conditions of the lease contract).

#### Subsequent measurement

##### Lease liability

After the commencement date, the Company re-measures the lease liability to reflect the effect of interest on outstanding lease liability, lease payments made, reassessments and lease modifications etc. Variable lease payments not included in the measurement of the lease liability and interest on lease liability are recognized in the statement of profit or loss account, unless these are included in the carrying amount of another asset.

Lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the liability.

##### Right-of-use asset

After the commencement date, the Company measures the right-of-use asset at cost less accumulated depreciation and accumulated identified impairment losses, if any, adjusted for any remeasurement of the lease liability.

## Notes to the financial statements For the year ended June 30, 2020

The Company depreciates the cost of right-of-use asset, net of residual value, from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. However, if the lease contract transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise the purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

### 3.8 Capital work in process

Capital work in progress and stores held for capital expenditure are stated at cost and represents expenditure incurred on property, plant and equipment during construction and installation. Cost includes borrowing cost as referred in accounting policy of borrowing cost. Transfers are made to relevant property, plant and equipment category as and when assets are available for use.

### 3.9 Investments in associate - Equity Method

Entities in which the Company has significant influence but not control and which are neither its subsidiaries nor joint ventures are associates and are accounted for by using the equity method of accounting. These investments are initially recognized at cost, thereafter the carrying amount is increased or decreased to recognize the company's share of profit or loss of associates. Share of post acquisition profit and loss of associates is accounted for in the company's profit and loss account. Distribution received from investee, reduces the carrying amount of investment. The changes in the associate's equity which are not recognized in the associates' profit and loss account, are recognized directly in the equity of the Company.

### 3.10 Financial assets and liabilities

#### Financial assets

The Company classifies its financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

#### Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

#### Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value and subsequent to initial recognition changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

## Notes to the financial statements For the year ended June 30, 2020

### **Derecognition**

Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

### **Financial Liabilities**

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed on profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in profit or loss.

## **3.11 Impairment**

### **Financial Assets**

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts, due from customers and contract assets. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### **Non-Financial Assets**

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized as an expense in the profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

## **3.12 Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are set off and only the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognized amount and the company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

## **3.13 Stores and spares**

Stores and spares are valued at lower of cost and net realizable value. Cost is determined on a weighted average basis. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

## Notes to the financial statements For the year ended June 30, 2020

### 3.14 Stock-in-trade

Stock-in-trade is stated at the lower of cost and net realizable value except waste which is valued at net realizable value. Cost is determined as follows.

Raw material	At weighted average cost or replacement cost whichever is lower
Work in progress	At average manufacturing cost
Finished goods	At average manufacturing cost or net realizable value whichever is lower
Waste	Net realizable value

Valuation of raw material, work in process and finished goods as on 30th June 2020 have been valued at lower of cost and net realizable value as per the requirement of IAS 2.

Raw material in transit is stated at invoice price plus other charges paid thereon upto the balance sheet date.

Average manufacturing cost in relation to work in process and finished goods, consist of direct material and proportion of manufacturing overheads based on normal capacity.

Net realizable value is the estimated selling price in the ordinary course of business less costs of completion and selling expenses.

### 3.15 Trade debts and other receivables

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest rate method.

### 3.16 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, cash in transit and balances with bank for the purpose of cash flow statement.

### 3.17 Revenue recognition

Revenue from sale of goods is recognised when control of goods is transferred to customers.

Interest income is recognized on the basis of constant periodic rate of return.

Dividend income is recognized when the right to receive dividend is established i.e. the book closure date of the investee company declaring the dividend.

Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through other comprehensive income' are included in other comprehensive income in the period in which they arise.

Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in profit or loss in the period in which they arise.

### 3.18 Borrowing costs

Borrowing costs incurred on long term finances directly attributable for the construction / acquisition of qualifying assets are capitalized up to the date, the respective assets are available for the intended use. All other mark-up, interest and other related charges are taken to the profit and loss account currently.

## Notes to the financial statements For the year ended June 30, 2020

### 3.19 Foreign currency translation

Foreign currency transactions are translated into Pak Rupees at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are retranslated into Pak Rupees at the rates of exchange prevailing at the balance sheet date.

Exchange differences, if any, are taken to profit and loss account.

### 3.20 Transactions with related party

Transactions with related parties are priced at comparable uncontrolled market price. All transactions involving related parties arising in the normal course business are conducted at arm's length using valuation modes, as admissible. Parties are said to be related when they meet the definition as provided in the Companies Act, 2017.

### 3.21 Segment reporting

Segment reporting is based on the operating (business) segments of the company. An operating segment is a component of the company that engages in a business activities from which it may earn revenues and incur expenses, including revenues and expenses that relates to transactions with any of the company's other components. An operating segment's operating results are reviewed by the CEO to make decision about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Segment results that are reported to the CEO includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprises mainly corporate assets, income tax assets, liabilities and related income and expenditure. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment.

The business segments are engaged in providing products and services which are subject to risks and rewards which differ from the risk and reward of other segment. Segments reported are Spinning, Weaving and Power Generation, Which also reflects the management structure of company.

### 3.22 Government Grant

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy. The Company recognises government grants when there is reasonable assurance that grants will be received and the Company will be able to comply with conditions associated with grants. Government grants are recognised at fair value, as deferred income. Grants that compensate the Company for expenses incurred are amortised on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

## 4 Capital Management

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital and level of dividends to ordinary shareholders. The company seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. There were no changes in the company's approach to capital management during the year. Further the company is not subject to externally imposed capital requirements.

# BHANERO TEXTILE MILLS LIMITED



## Notes to the financial statements For the year ended June 30, 2020

			30-Jun-20	30-Jun-19
			Rupees	Rupees
<b>5</b>	<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>			
	30-Jun-20	30-Jun-19		
	Number of shares			
	1,762,500	1,762,500	Ordinary shares of PKR 10 each allotted for consideration'- fully paid in cash	17,625,000
	1,237,500	1,237,500	Ordinary shares of Rs 10. each allotted as bonus shares	12,375,000
	<u>3,000,000</u>	<u>3,000,000</u>		<u>30,000,000</u>
<b>5.1</b>	Associated company holds 500,600 (2019: 500,600) ordinary shares of Rs. 10 each in the company.			
<b>6</b>	<b>RESERVES</b>			
	General reserve - Revenue reserve		4,800,000,000	4,700,000,000
			<u>4,800,000,000</u>	<u>4,700,000,000</u>

# BHANERO TEXTILE MILLS LIMITED



## Notes to the financial statements For the year ended June 30, 2020

### 7 LONG TERM FINANCING - SECURED

#### From Financial Institutions

	Note	LTFF Loans	Non - LTFF Loans	30-Jun-20	30-Jun-19
		Rupees	Rupees	Rupees	Rupees
Bank Al Habib Limited - Term Finance	7.01	13,081,250	-	13,081,250	15,093,750
Bank Al Habib Limited - Term Finance	7.02	9,703,125	-	9,703,125	11,140,625
MCB Bank Limited - Term Finance	7.03	68,512,500	-	68,512,500	78,662,500
MCB Bank Limited - Term Finance	7.04	9,598,752	-	9,598,752	10,970,000
MCB Bank Limited - Term Finance	7.05	18,043,376	-	18,043,376	20,621,000
MCB Bank Limited - Term Finance	7.06	-	15,091,120	15,091,120	17,247,000
Meezan Bank Limited - Term Finance	7.07	-	-	-	51,086,662
Meezan Bank Limited - Term Finance	7.08	-	-	-	5,506,717
Meezan Bank Limited - Term Finance	7.09	-	-	-	39,195,312
Meezan Bank Limited - Term Finance	7.10	-	-	-	97,871,154
MCB Bank Limited - Term Finance	7.11	89,098,875	-	89,098,875	98,316,000
MCB Bank Limited - Term Finance	7.12	65,375,061	-	65,375,061	72,138,000
MCB Bank Limited - Term Finance	7.13	98,951,250	-	98,951,250	105,548,000
MCB Bank Limited - Term Finance	7.14	3,959,062	-	3,959,062	4,223,000
MCB Bank Limited - Term Finance	7.15	-	4,227,600	4,227,600	4,665,000
MCB Bank Limited - Term Finance	7.16	-	7,469,200	7,469,200	8,242,000
MCB Bank Limited - Term Finance	7.17	-	6,921,900	6,921,900	7,638,000
MCB Bank Limited - Term Finance	7.18	218,295,000	-	218,295,000	232,848,000
MCB Bank Limited - Term Finance	7.19	3,957,188	-	3,957,188	4,221,000
MCB Bank Limited - Term Finance	7.20	118,600,000	-	118,600,000	118,655,000
MCB Bank Limited - Term Finance	7.21	100,267,000	-	100,267,000	100,267,000
MCB Bank Limited - Term Finance	7.22	61,397,000	-	61,397,000	61,397,000
MCB Bank Limited - Term Finance	7.23	78,842,000	-	78,842,000	78,842,000
Bank Al Habib Limited - Term Finance	7.24	17,504,000	-	17,504,000	17,504,000
MCB Bank Limited - Term Finance	7.25	22,899,000	-	22,899,000	-
MCB Bank Limited - Term Finance	7.26	20,287,526	-	20,287,526	-
MCB Bank Limited - Term Finance	7.27	4,281,000	-	4,281,000	-
Bank Al Falah Limited - Refinance salaries	7.28	-	24,987,717	24,987,717	-
Bank Al Falah Limited - Refinance salaries	7.29	-	27,387,107	27,387,107	-
		<b>1,022,652,965</b>	<b>86,084,644</b>	<b>1,108,737,609</b>	<b>1,261,898,720</b>
Less: current maturity					
Bank Al Habib Limited - Term Finance	7.01	-	-	-	2,012,500
Bank Al Habib Limited - Term Finance	7.02	-	-	-	1,437,500
MCB Bank Limited - Term Finance	7.03	-	-	-	10,150,000
MCB Bank Limited - Term Finance	7.04	-	-	-	1,371,248
MCB Bank Limited - Term Finance	7.05	-	-	-	2,577,624
MCB Bank Limited - Term Finance	7.06	-	-	-	2,155,880
Meezan Bank Limited - Term Finance	7.07	-	-	-	20,434,668
Meezan Bank Limited - Term Finance	7.08	-	-	-	2,202,688
Meezan Bank Limited - Term Finance	7.09	-	-	-	15,678,128
Meezan Bank Limited - Term Finance	7.10	-	-	-	39,148,464
MCB Bank Limited - Term Finance	7.11	-	-	-	9,217,125
MCB Bank Limited - Term Finance	7.12	-	-	-	6,762,939
MCB Bank Limited - Term Finance	7.13	3,298,375	-	3,298,375	9,895,125
MCB Bank Limited - Term Finance	7.14	131,969	-	131,969	395,907
MCB Bank Limited - Term Finance	7.15	-	-	-	437,343
MCB Bank Limited - Term Finance	7.16	-	-	-	772,689
MCB Bank Limited - Term Finance	7.17	-	-	-	716,064
MCB Bank Limited - Term Finance	7.18	-	-	-	14,553,000
MCB Bank Limited - Term Finance	7.19	-	-	-	263,812
Bank Al Falah Limited - Refinance salaries	7.28	-	7,024,877	7,024,877	-
Bank Al Falah Limited - Refinance salaries	7.29	-	7,689,132	7,689,132	-
		<b>3,430,344</b>	<b>14,714,009</b>	<b>18,144,353</b>	<b>140,182,704</b>
		<b>1,019,222,621</b>	<b>71,370,635</b>	<b>1,090,593,256</b>	<b>1,121,716,016</b>

# BHANERO TEXTILE MILLS LIMITED



## Notes to the financial statements For the year ended June 30, 2020

	Security	Repayment	Mark-up on LTF	Mark-up Rates on NON- LTF
7.01	Hypothecation charge on plant and machinery of PKR 267.0 million of unit III located at Ferrozwatton, Sheikhpura-Faisalabad Road, Sheikhpura.	Repayable in thirty two quarterly installments, commencing from February 22, 2019.	2.4% (2019: 2.4%)	-
7.02	Covered under securities for term finance 7.01	Repayable in thirty two quarterly installments, commencing from April 20, 2019.	2.4% (2019: 2.4%)	-
7.03	Hypothecation charge on plant and machinery of PKR 1,734 million of unit II located at Ferrozwatton, Sheikhpura-Faisalabad Road, Sheikhpura.	Repayable in thirty two quarterly installments, commencing from April 30, 2019.	2.4% (2019: 2.4%)	-
7.04	Covered under securities for term finance 7.03	Repayable in thirty two quarterly installments, commencing from July 07, 2019.	2.4% (2019: 2.4%)	-
7.05	Covered under securities for term finance 7.03	Repayable in thirty two quarterly installments, commencing from September 02, 2019.	2.4% (2019: 2.4%)	-
7.06	Covered under securities for term finance 7.03	Repayable in thirty two quarterly installments, commencing from July 26, 2019.	-	3 Months KIBOR + 0.4% (2019: 3 Months KIBOR + 0.4%)
7.07	Hypothecation charge on plant and machinery of PKR 666.7 million of unit II located at Ferrozwatton, Sheikhpura-Faisalabad Road, Sheikhpura.	The entire loan has been repaid during the year.	-	3 Months KIBOR + 0.65% (2019: 3 Months KIBOR + 0.65%)
7.08	Covered under securities for term finance 7.07	The entire loan has been repaid during the year.	-	3 Months KIBOR + 0.65% (2019: 3 Months KIBOR + 0.65%)
7.09	Covered under securities for term finance 7.07	The entire loan has been repaid during the year.	-	3 Months KIBOR + 0.65% (2019: 3 Months KIBOR + 0.65%)
7.10	Covered under securities for term finance 7.07	The entire loan has been repaid during the year.	-	3 Months KIBOR + 0.65% (2019: 3 Months KIBOR + 0.65%)
7.11	Hypothecation charge on plant and machinery of PKR 1,734 million of unit II located at Ferrozwatton, Sheikhpura-Faisalabad Road, Sheikhpura.	Repayable in Thirty two quarterly installments, commencing from October 14, 2019.	2.4% (2019: 2.4%)	-
7.12	Hypothecation charge on plant and machinery of PKR 1,734 million of unit II located at Ferrozwatton, Sheikhpura-Faisalabad Road, Sheikhpura.	Repayable in Thirty two quarterly installments, commencing from November 17, 2019.	2.4% (2019: 2.4%)	-
7.13	Hypothecation charge on plant and machinery of PKR 1,734 million of unit II located at Ferrozwatton, Sheikhpura-Faisalabad Road, Sheikhpura.	Repayable in Thirty two quarterly installments, commencing from December 11, 2019.	2.4% (2019: 2.4%)	-
7.14	Hypothecation charge on plant and machinery of PKR 1,734 million of unit II located at Ferrozwatton, Sheikhpura-Faisalabad Road, Sheikhpura.	Repayable in Thirty two quarterly installments, commencing from December 27, 2019.	2.4% (2019: 2.4%)	-

# BHANERO TEXTILE MILLS LIMITED



## Notes to the financial statements For the year ended June 30, 2020

	Security	Repayment	Mark-up on LTF	Mark-up Rates on NON- LTF
7.15	Hypothecation charge on plant and machinery of PKR 1,734 million of unit II located at Ferrozwatton, Sheikhpura-Faisalabad Road, Sheikhpura.	Repayable in Thirty two quarterly installments, commencing from October 28, 2019.		3 Months KIBOR + 0.4% (2019: 3 Months KIBOR + 0.4%)
7.16	Hypothecation charge on plant and machinery of PKR 1,734 million of unit II located at Ferrozwatton, Sheikhpura-Faisalabad Road, Sheikhpura.	Repayable in Thirty two quarterly installments, commencing from November 04, 2019.		3 Months KIBOR + 0.4% (2019: 3 Months KIBOR + 0.4%)
7.17	Hypothecation charge on plant and machinery of PKR 1,734 million of unit II located at Ferrozwatton, Sheikhpura-Faisalabad Road, Sheikhpura.	Repayable in Thirty two quarterly installments, commencing from November 9, 2019.		3 Months KIBOR + 0.4% (2019: 3 Months KIBOR + 0.4%)
7.18	Hypothecation charge on plant and machinery of PKR 1,734 million of unit II located at Ferrozwatton, Sheikhpura-Faisalabad Road, Sheikhpura.	Repayable in Thirty two quarterly installments, commencing from January 06, 2020.	2.4% (2019: 2.4%)	
7.19	Hypothecation charge on plant and machinery of PKR 1,734 million of unit II located at Ferrozwatton, Sheikhpura-Faisalabad Road, Sheikhpura.	Repayable in Thirty two quarterly installments, commencing from January 10, 2020.	2.4% (2019: 2.4%)	
7.20	Hypothecation charge on plant and machinery of PKR 1,734 million of unit II located at Ferrozwatton, Sheikhpura-Faisalabad Road, Sheikhpura.	Repayable in Thirty two quarterly installments, commencing from May 07, 2022.	2.4% (2019: 2.4%)	
7.21	Hypothecation charge on plant and machinery of PKR 1,734 million of unit II located at Ferrozwatton, Sheikhpura-Faisalabad Road, Sheikhpura.	Repayable in Thirty two quarterly installments, commencing from May 06, 2022.	2.4% (2019: 2.4%)	
7.22	Hypothecation charge on plant and machinery of PKR 1,734 million of unit II located at Ferrozwatton, Sheikhpura-Faisalabad Road, Sheikhpura.	Repayable in Thirty two quarterly installments, commencing from January 15, 2022.	2.4% (2019: 2.4%)	
7.23	Hypothecation charge on plant and machinery of PKR 1,734 million of unit II located at Ferrozwatton, Sheikhpura-Faisalabad Road, Sheikhpura.	Repayable in Thirty two quarterly installments, commencing from May 6, 2022.	2.4% (2019: 2.4%)	
7.24	Hypothecation charge on plant and machinery of PKR 267 million of unit III located at Ferrozwatton, Sheikhpura-Faisalabad Road, Sheikhpura.	Repayable in Thirty two quarterly installments, commencing from July 22, 2021.	3.5% (2019: 3.5%)	
7.25	Hypothecation charge on plant and machinery of PKR 1,734 million of unit II located at Ferrozwatton, Sheikhpura-Faisalabad Road, Sheikhpura.	Repayable in Thirty two quarterly installments, commencing from February 19, 2022.	2.4% (2019: Nil)	
7.26	Hypothecation charge on plant and machinery of PKR 1,734 million of unit II located at Ferrozwatton, Sheikhpura-Faisalabad Road, Sheikhpura.	Repayable in Thirty two quarterly installments, commencing from March 13, 2022.	2.4% (2019: Nil)	
7.27	Hypothecation charge on plant and machinery of PKR 1,734 million of unit II located at Ferrozwatton, Sheikhpura-Faisalabad Road, Sheikhpura.	Repayable in Thirty two quarterly installments, commencing from March 6, 2022.	2.4% (2019: Nil)	

# BHANERO TEXTILE MILLS LIMITED



## Notes to the financial statements For the year ended June 30, 2020

	Security	Repayment	Mark-up on LTFF	Mark-up Rates on NON- LTF
7.28	Ranking Charge over current assets of unit II located at Ferrozwatton, Sheikhpura-Faisalabad Road, Sheikhpura to the extent of PKR. 136 million.	Repayable in Eight quarterly installments, commencing from January 1, 2021.	0.75% (2019: Nil)	
7.29	Ranking Charge over current assets of unit II located at Ferrozwatton, Sheikhpura-Faisalabad Road, Sheikhpura to the extent of PKR. 136 million.	Repayable in Eight quarterly installments, commencing from January 1, 2021.	0.75% (2019: Nil)	

### 8 DEFERRED LIABILITIES

	Note	Rupees	Rupees
Staff retirement benefits - gratuity	8.1	167,244,027	148,844,904
Deferred taxation	8.2	152,144,713	146,588,213
Infrastructure fee payable - ETO	8.3	120,334,875	101,436,900
Infrastructure fee payable - Gas	8.4	80,721,775	76,700,934
Deferred Government grant	8.5	1,807,073	-
		<b>522,252,463</b>	<b>473,570,951</b>

#### 8.1 Staff retirement benefits - gratuity

##### 8.1.1 Movement in net liability recognized in the balance sheet

Present value of defined benefits obligation - at the beginning of the year		148,844,904	149,566,641
Charged to profit and loss account and comprehensive income	8.1.2	52,164,704	32,980,717
Benefits paid during the year		(33,765,581)	(33,702,454)
Present value of defined benefits obligation - at the end of the year		<b>167,244,027</b>	<b>148,844,904</b>

##### 8.1.2 Amount charged to profit and loss account / other comprehensive income

Current service cost	34,321,411	31,879,874
Interest cost	10,413,292	14,588,636
Remeasurement charged to other comprehensive income	7,430,001	(13,487,793)
	<b>52,164,704</b>	<b>32,980,717</b>

8.1.3 The company operates an unfunded gratuity scheme (defined benefit plan) for all its permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Provisions are made annually to cover the obligation under the scheme on the basis of actuarial valuation and are charged to income. Actuarial valuation has been carried out by independent valuer as at June 30, 2020 using the projected unit credit method assuming a discount rate of 8.5% (2019: 14.25%) per annum and expected rate of increase in salaries at 7.5% (2019: 12%) per annum.

8.1.4 There is no unrecognized actuarial loss / gain.

##### 8.1.5 Historical information

	2019 Rupees	2018 Rupees	2017 Rupees	2016 Rupees
Present value of defined benefits obligation	148,844,904	149,566,641	131,861,347	114,569,919
Experience adjustments on plan liabilities	(13,487,793)	(5,902,811)	(1,254,616)	(25,991,525)

##### 8.1.6 Sensitivity analysis of actuarial assumptions

The calculation of defined benefit obligation is sensitive to assumptions given above. The below information summarizes how the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result of change in respective assumptions by 100 basis point.

	Increase in assumption	Decrease in assumption
Discount rate	(5,583,321)	5,869,355
Expected rate of increase in future salary	5,869,355	(5,685,553)

# BHANERO TEXTILE MILLS LIMITED



## Notes to the financial statements For the year ended June 30, 2020

- 8.1.7 The expected gratuity expense comprising of service cost and net interest for the year ending 30th June 2021 works out to PKR 52.33 million.
- 8.1.8 The average duration of defined benefit obligation is 6 years.

	30-Jun-20	30-Jun-19
	Rupees	Rupees
<b>8.2 Deferred taxation</b>		
<b>Deferred tax liability / (assets) arising in respect of:</b>		
<b>Taxable temporary differences</b>		
Accelerated tax depreciation on owned assets	201,936,843	192,811,379
<b>Deductible temporary differences</b>		
Provision for employee benefit	(32,271,926)	(28,881,746)
Provision for doubtful debts and advances	(17,520,204)	(17,341,420)
	(49,792,130)	(46,223,166)
	<b>152,144,713</b>	<b>146,588,213</b>
<b>8.2.1 Deferred taxation has been recognized as follows</b>		
Recognized in profit and loss account	6,990,216	32,669,693
Recognized through OCI	(1,433,716)	2,617,161
	<b>5,556,500</b>	<b>35,286,854</b>

- 8.2.2 Revenue from export sales of the Company is subject to taxation under the final tax regime, while the remaining portion of revenue attracts assessment under normal provisions of the Ordinance. Deferred tax is provided for only that portion of timing differences that represent income taxable under normal provisions of the Ordinance. These differences are calculated at that proportion of total timing differences that the local sales, other than the indirect exports taxable under section 154 (3) of the Ordinance, bear to the total sales revenue based on historical and future trends. Deferred tax has been calculated at 29% of the timing differences so determined based on tax rates notified by the Government of Pakistan for future tax years.

- 8.3 This represents amount payable to Excise and Taxation Department, Government of Sindh in respect of infrastructure fee levied through fifth version of law (i.e. Sindh Finance (Amendment) Ordinance 2006). The Supreme Court in his judgment dated 17th May 2011 has decided that fifth version of law (i.e. Sindh Finance (Amendment) Ordinance 2006) is valid and hence the levy imposed and collected from the effective date of the fifth version i.e. 28th December 2006 is valid and all imposition and collection before 28th December 2006 are declared to be invalid. The company has now filed petition in Sindh High Court, challenging fifth version of law (i.e. Sindh Finance (Amendment) Ordinance 2006) regarding levy of infrastructure fee from the 28th December 2006. During the pendency of decision on fifth version of law, Sindh High Court has directed on 31st May 2011 to pay 50% of liability to Excise and Taxation Department, Government of Sindh, and provide bank guarantee of the remaining amount as calculated in accordance with the decision of Supreme Court of Pakistan. Subsequent imports of the company be released against 50% payment infrastructure fee to Excise and Taxation Department, Government of Sindh and furnishing bank guarantee of balance 50% amount. This also includes an amount payable to Excise and Taxation Department, Government of Punjab in respect of Infrastructure Development Cess. The company had also filed WP No. 25754-16 in Lahore High Court, and during the pendency of the decision, Lahore High Court has directed to pay 50% of liability to Excise and Taxation Department, Government of Punjab and provide bank guarantee of the balance 50% amount. The company has provided bank guarantees amounting to PKR 131.75 Million (June 30, 2019: PKR 103.03 Million) in respect of unpaid infrastructure fee. The company has accrued unpaid infrastructure fee.

- 8.4 This represents Gas Infrastructure Development Cess [GIDC] levied by Sui Northern Gas Pipelines Limited [SNGPL] and Sui Southern Gas Pipelines Limited [SSGPL]. The Company and others have filed a suit before the Lahore High Court [LHC] and Sindh High Court [SHC] challenging the levy. The LHC & SHC had granted the stay in favour of the Company and directed the SNGPL & SSGPL to avoid collection of GIDC. Subsequent to year end, the Supreme Court of Pakistan has decided the case in favour of SNGPL and SSGC dismissing all petitions. According to Supreme Court decision, GIDC upto July 2020 will be recovered from consumers in 24 equal monthly installments. During current year the Company has filed petition in Sindh High Court which has restrained the SNGPL and SSGPL for taking any coercive action against the Company for any non-payment of installments of GIDC showing arrears in the bills issued to the Company and also from disconnection of gas connection.

	30-Jun-20	30-Jun-19
	Rupees	Rupees
<b>8.5 Deferred Revenue - Govt Grant</b>		
Balance at beginning of year	-	-
During the year	5,320,965	-
Amortization during the year	(143,506)	-
Less: current portion	(3,370,386)	-
Balance at the end of the year	<b>1,807,073</b>	<b>-</b>

# BHANERO TEXTILE MILLS LIMITED



## Notes to the financial statements For the year ended June 30, 2020

8.5.1 During the year, the Company entered into a long-term loan agreement with Bank Al Falah Limited amounting to PKR 57.535 million under the Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns by the State Bank of Pakistan. The loan is repayable in eight equal quarterly installments, starting from January 2021. This long term financing facility is secured by way of ranking charge amounting to PKR 136 million over current assets of the Company. The facility carries mark-up at State Bank of Pakistan (SBP) rate (currently 0%) plus bank's spread of 0.75% per annum starting from the date of disbursement and is payable in arrears on quarterly basis. This represents the differential between the loan proceeds and fair value of the loan recorded as deferred grant in accordance with IAS 20 and ICAP circular 11 of 2020. The fair value of the loan is the present value of loan proceeds received, discounted using prevailing market rates of interest for a similar instrument by using effective interest method.

9 TRADE AND OTHER PAYABLES	Note	30-Jun-20 Rupees	30-Jun-19 Rupees
Creditors		333,163,472	264,744,087
Advance from customers & others	9.1	7,764,374	112,376,167
Accrued liabilities		190,474,516	228,896,503
Workers' Profit Participation Fund	9.2	24,524,276	51,043,799
Workers Welfare Fund		69,810,329	65,098,416
Others		5,871,320	3,817,753
		<u>631,608,287</u>	<u>725,976,725</u>

9.1 Advance received from customer is recognised as revenue when the performance obligation in accordance with the policy is satisfied. Revenue for an amount of Rs. 50,916,757 (2019: Rs. 4,250,978) has been recognised in current year in respect of advances from customers at the beginning of period.

9.2 Workers' profit participation fund	Note	30-Jun-20 Rupees	30-Jun-19 Rupees
Opening balance		51,043,799	29,007,844
Interest on funds utilized in the Company's business	9.2.1	5,907,509	5,212,878
		56,951,308	34,220,722
Paid to the fund		(56,951,308)	(34,220,722)
		-	-
Allocation for the year	32	24,524,276	51,043,799
		<u>24,524,276</u>	<u>51,043,799</u>

9.2.1 Interest on workers' profit participation fund has been provided @ 418.50% (2019: 482.25%) per annum.

## 10 UNCLAIMED DIVIDEND

Unclaimed dividend		1,396,762	1,105,177
		<u>1,396,762</u>	<u>1,105,177</u>

## 11 ACCRUED MARKUP / INTEREST

Mark-up accrued on secured:			
- long-term financing		6,989,327	18,850,343
- short-term borrowings		24,781,313	18,751,471
		<u>31,770,640</u>	<u>37,601,814</u>

11.1 During the year company has capitalized the markup of Rs. 293,903 (2019: 8,005,988 )

## 12 SHORT TERM BORROWINGS - SECURED

### From banking companies

Short term loan / Running Finance	12.2	1,570,614,112	992,656,991
		<u>1,570,614,112</u>	<u>992,656,991</u>

12.1 The aggregate approved short term borrowing facilities amounting to PKR 6.39 billion (2019: PKR 6.39 billion).

12.2 These facilities are subject to mark-up ranging from 1 to 3 month KIBOR + spread between 0.1% to 2% (2019: 1 to 3 month KIBOR + spreads between 0.1% to 2%) per annum payable quarterly. These are secured against joint hypothecation charge on stocks and receivables.

## 13 CURRENT PORTION OF LONG TERM BORROWINGS

	Note	30-Jun-20 Rupees	30-Jun-19 Rupees
Long-term financing	7	18,144,353	140,182,704
Deferred govt. grant	8.5	3,370,386	-
		<u>21,514,739</u>	<u>140,182,704</u>

# BHANERO TEXTILE MILLS LIMITED



## Notes to the financial statements For the year ended June 30, 2020

### 14 CONTINGENCIES AND COMMITMENTS

#### Contingencies

14.1 The Company has issued post dated cheques amounting to PKR 619,531,567 (2019: PKR 436,516,075) in favour of Collector of Customs in lieu of custom levies against various statutory notifications. The post dated cheques furnished by the company are likely to be released after the fulfilment of term of related SROs.

14.2 Bank guarantee issued to Sui Northern Gas Pipeline Company Limited amounting to PKR 230.168 Million (2019: PKR 230.168 million) and Pakistan State Oil PKR 2.25 million (2019: PKR 2.25 million).

14.3 Bills discounted

441,965,186      542,488,682

#### Commitments

Letter of credit (for store, raw material and machinery)

-      74,255,406

# BHANERO TEXTILE MILLS LIMITED



## Notes to the financial statements For the year ended June 30, 2020

### 15 PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	COST				DEPRECIATION				Book value as at June 30, 2020	Rate
	As at July 01, 2019	Additions / (disposals)	Transfers	As at June 30, 2020	As at July 01, 2019	For the year	Transfers / (disposal)	As at June 30, 2020		
Rupees										
<b>Company owned</b>										
Leasehold land	433,414	-	-	433,414	-	-	-	-	433,414	-
Freehold land	523,024,537	61,032,589 (41,856,466)	-	542,200,660	-	-	-	-	542,200,660	-
Building on leasehold land	174,351,730	-	-	174,351,730	105,874,683	6,714,984	-	112,589,667	61,762,063	10%
Building on freehold land	458,236,786	15,210,474	-	473,447,260	249,446,660	21,005,766	-	270,452,426	202,994,834	10%
Office premises on leasehold land	29,894,675	-	-	29,894,675	17,661,170	611,675	-	18,272,845	11,621,830	5%
Office premises on freehold land	84,248,571	-	28,057,817	112,306,388	43,886,844	2,134,994	-	46,021,838	66,284,550	5%
Plant and machinery	4,283,841,415	859,319 (67,009,928)	52,910,851	4,270,601,657	2,113,675,209	219,274,621	-	2,281,716,743	1,988,884,914	10%
Equipments and other assets	116,494,055	15,357,146	-	131,851,201	93,826,622	16,933,273	-	110,759,895	21,091,306	Three years
Electric Installation	78,506,475	-	-	78,506,475	36,293,067	4,147,538	-	40,440,605	38,065,870	10%
Gas Line & Pipe	7,180,289	-	-	7,180,289	5,379,928	180,036	-	5,559,964	1,620,325	10%
Cooling towers	5,223,570	-	-	5,223,570	3,869,025	135,454	-	4,004,479	1,219,091	10%
Ventilation system	2,094,912	-	-	2,094,912	1,078,374	101,653	-	1,180,027	914,885	10%
Boiler	24,032,925	-	-	24,032,925	13,446,556	1,058,637	-	14,505,193	9,527,732	10%
Factory equipments	5,473,827	-	-	5,473,827	4,734,223	71,365	-	4,805,588	668,239	10%
Furniture and fixtures - Factory	6,458,676	-	-	6,458,676	4,683,129	177,553	-	4,860,682	1,597,994	10%
Office equipments	29,257,136	-	-	29,257,136	19,064,942	1,019,221	-	20,084,163	9,172,973	10%
Furniture and fixtures - Office	2,657,972	-	-	2,657,972	1,042,418	161,555	-	1,203,973	1,453,999	10%
Vehicles	110,681,906	5,154,330 (879,125)	-	114,957,111	59,643,824	10,927,262	-	69,809,218	45,147,893	20%
<b>June 30, 2020</b>	<b>5,942,092,871</b>	<b>97,613,858</b> <b>(109,745,519)</b>	<b>80,968,668</b>	<b>6,010,929,878</b>	<b>2,773,606,674</b>	<b>284,655,587</b>	<b>(51,994,955)</b>	<b>3,006,267,306</b>	<b>3,004,662,572</b>	

#### Year Ended June 30, 2019

### PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	COST				DEPRECIATION				Book value as at June 30, 2019	Rate
	As at July 01, 2018	Additions / (disposals)	Transfers	As at June 30, 2019	As at July 01, 2018	For the year	Transfers / (disposal)	As at June 30, 2019		
Rupees										
<b>Company owned</b>										
Leasehold land	433,414	-	-	433,414	-	-	-	-	433,414	-
Freehold land	513,824,445	74,898,316 (65,698,224)	-	523,024,537	-	-	-	-	523,024,537	-
Building on leasehold land	151,313,955	23,037,775	-	174,351,730	100,783,899	5,090,784	-	105,874,683	68,477,047	10%
Building on freehold land	374,002,329	84,234,457	-	458,236,786	234,682,123	14,764,537	-	249,446,660	208,790,126	10%
Office premises on leasehold land	29,894,675	-	-	29,894,675	17,017,301	643,869	-	17,661,170	12,233,505	5%
Office premises on freehold land	111,279,691	-	-	84,248,571	42,776,209	3,099,956	-	43,886,844	40,361,727	5%
Plant and machinery	3,808,683,053	495,408,278 (28,403,393)	8,153,477	4,283,841,415	1,932,226,735	195,475,433	-	2,113,675,209	2,170,166,206	10%
Equipments and other assets	109,221,148	7,811,602	(538,695)	116,494,055	80,812,092	13,553,225	-	93,826,622	22,667,433	Three years
Electric Installation	74,503,775	4,002,700	-	78,506,475	32,092,374	4,200,693	-	36,293,067	42,213,408	10%
Gas line and pipe	7,180,289	-	-	7,180,289	5,179,888	200,040	-	5,379,928	1,800,361	10%
Cooling towers	5,223,570	-	-	5,223,570	3,718,520	150,505	-	3,869,025	1,354,545	10%
Ventilation system	1,461,897	633,015	-	2,094,912	1,029,899	48,475	-	1,078,374	1,016,538	10%
Boiler	18,244,925	5,788,000	-	24,032,925	12,859,810	586,746	-	13,446,556	10,586,369	10%
Factory equipment	13,757,029	-	(8,283,202)	5,473,827	12,427,375	79,295	(7,772,447)	4,734,223	739,604	10%
Furniture and fixtures - Factory	5,727,018	731,658	-	6,458,676	4,522,000	161,129	-	4,683,129	1,775,547	10%
Office equipments	23,370,986	5,217,730	668,420	29,257,136	17,421,954	986,233	656,755	19,064,942	10,192,194	10%
Furniture and fixtures - Office	2,657,972	-	-	2,657,972	862,912	179,506	-	1,042,418	1,615,554	10%
Vehicles	106,685,556	22,237,385 (18,241,035)	-	110,681,906	64,181,921	10,950,573	-	59,643,824	51,038,082	10%
	5,357,465,727	584,627,144	-	5,942,092,871	2,562,595,012	250,170,999	(39,159,337)	2,773,606,674	3,168,486,197	
<b>Assets subject to finance lease</b>										
Vehicles	-	-	-	-	-	-	-	-	-	20%
<b>June 30, 2019</b>	<b>5,357,465,727</b>	<b>724,000,916</b> <b>(139,373,772)</b>	<b>-</b>	<b>5,942,092,871</b>	<b>2,562,595,012</b>	<b>250,170,999</b>	<b>(39,159,337)</b>	<b>2,773,606,674</b>	<b>3,168,486,197</b>	

15.1 Equipment and other assets includes assets amounting to PKR 15,710,241 (2019: PKR 15,710,241) which has been fully depreciated.

# BHANERO TEXTILE MILLS LIMITED



## Notes to the financial statements For the year ended June 30, 2020

	June 30, 2020 Rupees	June 30, 2019 Rupees
15.2 The depreciation charge for the year has been allocated as follows:		
Cost of sales	28 272,531,551	238,073,064
Administrative expenses	31 12,124,036	12,097,935
	<u>284,655,587</u>	<u>250,170,999</u>

15.3 Freehold lands of the Company are located at Feroze Wattoan Sheikhupura with an area of 914 Kanal 7 marla (2019: 864 Kanal 8 Marla), at Gajumata Kasur 48 Kanal (2019: 48 Kanal), at Raiwind Kasur Nil (2019: 298 Kanal 2 Marla) and Leasehold land are located at Kotri with an area of 104 Kanal (2019: 104 Kanal).

### 15.4 DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

Year Ended June 30, 2020							
Description	Cost	Accumulated depreciation	Written down value	Proceeds from disposal of property, plant and equipment	Gain / (loss) on disposal of property, plant and equipment	Mode of disposal	Particulars of buyer
Land	18,721,383	-	18,721,383	83,375,000	64,653,617	Negotiation	AM Dairy & Cattle Farm (Pvt) Ltd. H#69/3, Green Villas, Maratib Ali Road Lahore
Land	23,135,083	-	23,135,083	103,031,500	79,896,417	Negotiation	AM Steel Industries (Pvt) Ltd. H#69/3, Green Villas, Maratib Ali Road Lahore
	<u>41,856,466</u>	<u>-</u>	<u>41,856,466</u>	<u>186,406,500</u>	<u>144,550,034</u>		
<b>Machinery</b>							
Waukesha Gen Set	67,009,928	51,233,087	15,776,841	16,500,000	723,159	Negotiation	Tariq Glass Industries Ltd 128-J Model Town Lahore
	<u>67,009,928</u>	<u>51,233,087</u>	<u>15,776,841</u>	<u>16,500,000</u>	<u>723,159</u>		
<b>Vehicles</b>							
Suzuki Cultus LE 11 - 6106	879,125	761,868	117,257	225,000	107,743	Negotiation	Mr. Waseem Abbas, Ali Block, Chak # 92/6 R, Dak Khana Khas, Sahiwal
	<u>879,125</u>	<u>761,868</u>	<u>117,257</u>	<u>225,000</u>	<u>107,743</u>		
30-Jun-20	<u>109,745,519</u>	<u>51,994,955</u>	<u>57,750,564</u>	<u>203,131,500</u>	<u>145,380,936</u>		
Year ended June 30, 2019							
Description	Cost	Accumulated depreciation	Written down value	Proceeds from disposal of property, plant and equipment	Gain / (loss) on disposal of property, plant and equipment	Mode of disposal	Particulars of buyer
<b>Office premises on lease hold land</b>							
Land	34,534,042	-	34,534,042	147,739,000	113,204,958	Negotiation	AM Dairy & Cattle Farm (Pvt) Ltd. H#69/3, Green Villas, Maratib Ali Road Lahore
Land	31,164,182	-	31,164,182	133,323,500	102,159,318	Negotiation	AM Steel Industries (Pvt) Ltd. H#69/3, Green Villas, Maratib Ali Road Lahore
	<u>65,698,224</u>	<u>-</u>	<u>65,698,224</u>	<u>281,062,500</u>	<u>215,364,276</u>		
<b>Building</b>							
Non factory building	27,031,120	1,989,321	25,041,799	30,000,000	4,958,201	Negotiation	Mrs. Ghazala Zahid, H # 153, Ahmed Block, New Garden Town Lahore
	<u>27,031,120</u>	<u>1,989,321</u>	<u>25,041,799</u>	<u>30,000,000</u>	<u>4,958,201</u>		
<b>Machinery</b>							
Carding machinery	6,066,751	5,341,748	725,003	818,125	93,122	Negotiation	Abdul Hafeez, H#583, Street#5, Sarfraz Colony, Faisalabad
Waukesha Gen Set	22,336,642	16,339,598	5,997,044	4,900,000	(1,097,044)	Negotiation	Tariq Glass Industries Limited, 128 J , Model Town, Lahore
	<u>28,403,393</u>	<u>21,681,346</u>	<u>6,722,047</u>	<u>5,718,125</u>	<u>(1,003,922)</u>		
<b>Vehicles</b>							
Toyota Corolla LEF-9450	1,968,800	1,738,975	229,825	300,000	70,175	Negotiation	Nadeem Akhtar Bhutta, H#104, Samanabad Lahore
Toyota Corolla LEF-9453	1,967,440	1,738,070	229,370	300,000	70,630	Negotiation	Nadeem Akhtar Bhutta, H#104, Samanabad Lahore
Honda Civic LEF-9745	1,921,800	1,697,751	224,049	300,000	75,951	Negotiation	Nadeem Akhtar Bhutta, H#104, Samanabad Lahore
Honda Civic LEF-9743	1,921,800	1,697,751	224,049	300,000	75,951	Negotiation	Nadeem Akhtar Bhutta, H#104, Samanabad Lahore
Honda Civic LEA-5236	1,482,710	1,373,955	108,755	200,000	91,245	Negotiation	Rehan Athar, H#133, Pak Block, Iqbal Town Lahore
Toyota ISIS BBL-605	2,053,467	1,281,057	772,410	800,000	27,590	Negotiation	Muhammad Sabir Hussain, H#604A, Sector 11-A, North Karachi
Tractor SAA-4894	357,803	324,825	32,978	75,000	42,022	Negotiation	Saleem Sarwar, Sheikhupura
Honda Civic LEF-9744	1,921,800	1,705,346	216,454	300,000	83,546	Negotiation	Irfan Parvez, H#199D, PHASE-1, Sui Northern Housing Society, Lahore Cantt
Toyota Corolla LEA-6681	1,516,240	1,229,265	286,975	300,000	13,025	Negotiation	H#468-B, Peoples Colony Faisalabad
Toyota Altis AUQ-105	1,875,765	1,557,240	318,525	400,000	81,475	Negotiation	Mansha, H#8169/70, Labour Colony, Landhi Sector F2, Karachi
Toyota Corolla APV-820	1,253,410	1,144,435	108,975	200,000	91,025	Negotiation	Abdul Jabbar, Yaqoob Choro P O Tana Boola Khan, Karachi
	<u>18,241,035</u>	<u>15,488,670</u>	<u>2,752,365</u>	<u>3,475,000</u>	<u>722,635</u>		
30-Jun-19	<u>139,373,772</u>	<u>39,159,337</u>	<u>100,214,435</u>	<u>320,255,625</u>	<u>220,041,190</u>		

# BHANERO TEXTILE MILLS LIMITED



## Notes to the financial statements For the year ended June 30, 2020

	Note	30-Jun-20 Rupees	30-Jun-19 Rupees
<b>16 CAPITAL WORK IN PROGRESS</b>			
Building and other civil work		5,680,909	24,632,107
Machinery		16,212,417	290,600
		<b>21,893,326</b>	<b>24,922,707</b>
<b>17 LONG TERM DEPOSITS</b>			
Electricity		28,107,540	28,107,540
Telephone		33,600	33,600
Others	17.1	412,676	391,676
		<b>28,553,816</b>	<b>28,532,816</b>
<b>17.1</b> It includes security deposit amounting to Rs. 20,000 (June 2019: 20,000) given to Admiral (Private) Limited, an associated company, against rent of building.			
<b>18 STORES, SPARES AND LOOSE TOOLS</b>			
Stores and spares		114,340,062	100,648,705
Packing material		7,399,295	11,020,134
		<b>121,739,357</b>	<b>111,668,839</b>
<b>18.1</b> No item of stores, spares and loose tools is pledged as security as at reporting date.			
<b>19 STOCK IN TRADE</b>			
Raw material	19.1	2,940,887,298	2,993,788,566
Work in process		158,886,287	167,175,804
Finished goods		855,256,063	406,737,270
Waste		1,380,054	1,316,844
		<b>3,956,409,702</b>	<b>3,569,018,484</b>
<b>19.1</b> Raw material stock cost PKR 3,099,902,730 (2019: PKR 448,322,102) have been valued at PKR 2,804,200,606 (2019: PKR 224,161,050) being the replacement cost of raw material. The amount charge to profit and loss in respect of raw material written down to net realizable value is Rs.295,702,124 (2019: PKR 86,629,085)			
<b>19.2</b> Finished Goods stock cost PKR 48,497,790 (2019: Nil) have been valued at PKR 44,374,385 (2019: PKR ) being the net realizable value of finished goods. The amount charge to profit and loss in respect of Finished Goods written down to net realizable value is Rs. 4,123,405 (2019: Nil).			
<b>19.3</b> No item of stock in trade is pledged as security as at reporting date.			
<b>20 TRADE DEBTS</b>	Note	30-Jun-20 Rupees	30-Jun-19 Rupees
Foreign - secured against letter of credit		132,814,407	80,333,375
Local - unsecured - considered good		824,679,782	677,828,096
Local - unsecured - considered doubtful		85,943,604	84,316,009
		<b>1,043,437,793</b>	<b>842,477,480</b>
Allowance for ECL on trade debts	20.1	(85,943,604)	(84,316,009)
		<b>957,494,189</b>	<b>758,161,471</b>
<b>20.1 Particulars of allowance for ECL on trade debts</b>			
Balance at beginning of the year		84,316,009	68,336,616
Charge during the year		5,627,595	16,004,393
Allowance no longer required/ recovered		(4,000,000)	(25,000)
Balance at the ended of the year		<b>85,943,604</b>	<b>84,316,009</b>

# BHANERO TEXTILE MILLS LIMITED



## Notes to the financial statements For the year ended June 30, 2020

	Note	30-Jun-20 Rupees	30-Jun-19 Rupees
<b>21 LOANS AND ADVANCES</b>			
Advances to :			
Suppliers - Unsecured (considered good)	21.1	9,473,414	62,114,206
Suppliers - Unsecured (considered doubtful)		-	202,681
Employees - Secured (considered good)		6,809,479	6,244,597
Employees - Un-secured (considered doubtful)		1,165,000	1,165,000
L/C in transit		10,717	-
		<u>17,458,610</u>	<u>69,726,484</u>
Provision for doubtful advances	21.3	(1,165,000)	(1,367,681)
		<u>16,293,610</u>	<u>68,358,803</u>
21.1	These includes an amount of Rs. Nil (June 2019: Rs. 38,550,000) given to Bhanero Energy Limited in the normal course of business. These advance are 30 days past due.		
21.2	Aggregate maximum outstanding balance of advance to suppliers given to Bhanero Energy Limited at the end of any month during the year was Rs Nil (2019: 38,550,000).		
21.3	<b>Provision for doubtful advances</b>		
		1,367,681	1,474,001
Balance at beginning of the year		-	-
Charge during the year		(202,681)	(106,320)
Provision no longer required/ recovered			
		<u>1,165,000</u>	<u>1,367,681</u>
<b>22 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
Deposits against infrastructure fees	22.1	122,744,861	104,772,103
Prepaid expenses		3,388,731	4,401,204
Margin against letter of credit		2,429,320	-
		<u>128,562,912</u>	<u>109,173,307</u>
22.1	Effective mark up rate on these deposits range from 10.25% to 11.28 % per annum (June 30, 2019: 4.5% to 10.25%) per annum.		
<b>23 OTHER RECEIVABLES - UNSECURED</b>	Note	30-Jun-20 Rupees	30-Jun-19 Rupees
KMC refundable - Considered doubtful		680,624	680,624
Other receivables - Considered good		20,297,574	14,106,501
		20,978,198	14,787,125
Provision for doubtful receivables		(680,624)	(680,624)
		<u>20,297,574</u>	<u>14,106,501</u>
<b>24 INCOME TAX REFUNDABLE</b>			
Income tax refundable / adjustable		342,116,498	330,710,871
Provision for taxation - Current year		(119,247,158)	(91,837,659)
Provision for taxation - Prior years		-	34,512
		<u>(119,247,158)</u>	<u>(91,803,147)</u>
		<u>222,869,340</u>	<u>238,907,724</u>
<b>25 SALES TAX REFUNDABLE</b>			
Sales tax and federal excise duty refundable		195,699,479	170,868,560
Federal excise duty and 1% Special excise duty refundable - considered doubtful		3,006,390	3,006,390
Provision for non refundable		(3,006,390)	(3,006,390)
		<u>-</u>	<u>-</u>
		<u>195,699,479</u>	<u>170,868,560</u>
<b>26 CASH AND BANK BALANCES</b>			
Balances with banks on:			
Current accounts		111,442,657	140,546,846
Foreign currency account - current		2,951,775	3,175,615
		<u>114,394,432</u>	<u>143,722,461</u>

# BHANERO TEXTILE MILLS LIMITED *of Companies*



## Notes to the financial statements For the year ended June 30, 2020

	30-Jun-20 Rupees	30-Jun-19 Rupees
<b>27 SALES - NET</b>		
Export		
Yarn	782,834,636	964,932,941
Fabric	1,998,745,525	2,142,375,439
	<b>2,781,580,161</b>	<b>3,107,308,380</b>
Export Rebate	3,843,214	59,779,138
	<b>2,785,423,375</b>	<b>3,167,087,518</b>
Local		
Yarn	5,119,104,232	4,965,655,386
Fabric	1,895,182,122	1,057,732,218
Cotton and polyester	23,331,029	44,460,346
Scrap	3,643,828	2,121,146
Waste and others	139,264,537	111,375,914
	<b>7,180,525,748</b>	<b>6,181,345,010</b>
	<b>9,965,949,123</b>	<b>9,348,432,528</b>
Discount	(105,542)	(272,664)
Sales tax	(1,042,232,134)	(387,000)
	<b>(1,042,337,676)</b>	<b>(659,664)</b>
	<b>8,923,611,447</b>	<b>9,347,772,864</b>

27.1 Export sales includes exchange gain of PKR 102.71 million (2019: PKR 198.352 million).

	Note	30-Jun-20 Rupees	30-Jun-19 Rupees
<b>28 COST OF SALES</b>			
Raw material consumed	28.1	5,997,746,799	5,853,408,960
Packing material consumed		76,917,790	77,325,062
Stores, spares and loose tools		184,440,840	178,483,612
Salaries, wages and benefits	28.2	753,808,844	683,018,800
Fees and subscription		1,569,583	621,021
Fuel .power and water		1,063,067,338	1,133,109,765
Insurance		24,645,131	22,302,841
Vehicle running and maintenance		10,401,443	9,780,843
Rent, rate and taxes		730,263	742,677
Repairs and maintenance		18,692,597	12,080,050
Communication		835,033	852,381
Traveling and conveyance		2,366,760	2,062,132
Depreciation	15.2	272,531,551	238,073,064
Others		5,444,517	3,327,763
		<b>8,413,198,489</b>	<b>8,215,188,971</b>
Work in process			
Opening stock		167,175,804	137,316,094
Stock burnt during process		-	(5,482,000)
Closing stock		(158,886,287)	(167,175,804)
		<b>8,289,517</b>	<b>(35,341,710)</b>
Cost of goods manufactured		<b>8,421,488,006</b>	<b>8,179,847,261</b>
Cost of raw material sold	28.3	18,825,295	44,468,269
Finished stocks			
Opening stock		408,054,114	225,467,097
Finished goods purchases		108,327,652	12,372,270
Closing stock		(856,636,117)	(408,054,114)
		<b>(340,254,351)</b>	<b>(170,214,747)</b>
		<b>8,100,058,950</b>	<b>8,054,100,783</b>

# BHANERO TEXTILE MILLS LIMITED *of Companies*



## Notes to the financial statements For the year ended June 30, 2020

	Note	30-Jun-20 Rupees	30-Jun-19 Rupees
<b>28.1 Raw material consumed</b>			
Opening stock		2,993,788,566	1,984,424,392
Purchases - net		5,970,904,920	6,904,456,758
		<b>8,964,693,486</b>	8,888,881,150
Cost of raw material sold		(26,059,389)	(41,683,624)
Raw material theft		-	-
Closing stock		(2,940,887,298)	(2,993,788,566)
		<b>5,997,746,799</b>	5,853,408,960.00
<b>28.2</b> Salaries, wages and benefits includes employees benefits amounting to PKR 40,053,584 (June 30, 2019: PKR 40,016,772).			
<b>28.3 Cost of cotton sold</b>			
Cost of purchases		18,435,633	40,673,096
Direct expenses		389,662	3,795,173
		<b>18,825,295</b>	44,468,269
<b>29 OTHER INCOME</b>			
<b>Income from financial assets</b>			
Interest income		9,317,055	6,173,027
Exchange gain on foreign currency accounts		69,921	842,645
Reversal of provision for ECL & advance		4,202,681	131,320
		<b>13,589,657</b>	7,146,992
<b>Income from other than financial assets</b>			
Gain on disposal of property, plant and equipment		145,380,936	220,041,190
Rental income		709,324	637,463
		<b>146,090,260</b>	220,678,653
		<b>159,679,917</b>	227,825,645
<b>30 DISTRIBUTION COST</b>			
<b>Export</b>			
Freight on export sales		46,961,963	45,066,626
Commission on export sales		18,012,656	27,540,015
Export development surcharge		23,957,867	24,929,008
Sales Promotion Expenses		179,369	491,001
Others		1,908,156	3,185,212
		<b>91,020,011</b>	101,211,862
<b>Local</b>			
Salaries and wages		1,111,063	748,098
Freight on local sales		27,781,404	15,059,779
Commission on local sales		41,879,221	60,148,050
Quality claim		-	87,894
Others		1,117,493	894,992
		<b>71,889,181</b>	76,938,813
		<b>162,909,192</b>	178,150,675
<b>31 ADMINISTRATIVE EXPENSES</b>			
Directors' remuneration	36	19,600,000	15,600,000
Staff salaries and benefits	31.1	73,298,217	78,290,678
Traveling, conveyance and entertainment		9,026,730	12,376,834
Printing and stationery		2,764,771	3,070,592
Communication		1,462,829	1,723,800
Vehicles running and maintenance		8,380,104	8,434,130
Legal and professional		3,290,500	882,681
Auditors' remuneration	31.2	1,758,000	1,611,000
Fee and subscription		8,890,065	4,459,535
Repair and maintenance		951,837	1,488,553
Depreciation	15.2	12,124,036	12,097,935
Rent, rates and utilities		1,502,442	1,471,137
Donation	31.3	1,250,000	576,500
Others		4,083,210	3,273,679
		<b>148,382,741</b>	145,357,054

# BHANERO TEXTILE MILLS LIMITED



## Notes to the financial statements For the year ended June 30, 2020

31.1 Salaries, wages and benefits includes employees benefits amounting to PKR 4,681,120 (June 30, 2019: PKR 6,451,639).

### 31.2 Auditors' remuneration

Annual statutory audit	1,529,000	1,390,000
Half yearly review	189,000	181,000
Code of Corporate Governance review	40,000	40,000
	<b>1,758,000</b>	<b>1,611,000</b>

31.3 No director or his spouse had any interest in the done.

### 32 OTHER OPERATING EXPENSES

Workers' Profit Participation Fund	9.2	24,524,276	51,043,799
Workers' Welfare Fund		4,711,913	7,736,615
Allowance for ECL on trade debts	20.1	5,627,595	16,004,393
		<b>34,863,784</b>	<b>74,784,807</b>

### 33 FINANCE COST

Mark-up on:

- long-term financing
- short-term borrowings
- workers' profit participation fund

Bank charges and commission  
Letter of credits discounting

Note	30-Jun-20 Rupees	30-Jun-19 Rupees
	46,439,823	48,198,987
	107,225,610	85,905,984
9.2	5,907,509	5,212,871
	159,572,942	139,317,842
	4,501,591	3,106,656
	17,365,909	23,898,026
	<b>181,440,442</b>	<b>166,322,524</b>

### 34 PROVISION FOR TAXATION

Current  
- for the year  
- for prior years

Deferred - current year

Note	30-Jun-20 Rupees	30-Jun-19 Rupees
34.1	119,247,158	91,837,659
	-	(34,512)
	119,247,158	91,803,147
8.2	6,990,216	32,669,693
	<b>126,237,374</b>	<b>124,472,840</b>

34.1 Provision for current tax for the year has been made in accordance with section 18 and section 154 of the Income Tax Ordinance 2001. Income tax assessment of company has been finalized upto tax year 2019.

### 34.2 Numerical reconciliation between the average tax rate and the applicable tax rate

	30-Jun-20 %	30-Jun-19 %
Applicable tax rate	29.00	29.00
<b>Tax effect of amounts that are:</b>		
adjustment of the prior years	-	-
income chargeable to tax at different rate	(2.83)	(14.16)
deferred tax	1.53	3.41
tax credit	-	(5.24)
	(1.30)	(15.99)
Effective tax rate	<b>27.70</b>	<b>13.01</b>

# BHANERO TEXTILE MILLS LIMITED



## Notes to the financial statements For the year ended June 30, 2020

	<b>30-Jun-20</b>	<b>30-Jun-19</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>35 EARNINGS PER SHARE - BASIC AND DILUTED</b>		
There is no dilutive effect on the basic earning per share of the company which is based on;		
<b>Earnings</b>		
Earnings for the purpose of basic earnings per share (net profit after tax for the year)	<u><b>329,398,881</b></u>	<u>832,409,826</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u><b>3,000,000</b></u>	<u>3,000,000</u>
Basic earnings per share have been computed by dividing earnings as stated above with weighted average number of ordinary shares.		
<b>Basic earnings per share</b>	<b>Rupees</b>	
	<u><b>109.80</b></u>	<u>277.47</u>

No figure for diluted earnings per share has been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

### 36 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTOR

	<u>Chief Executive</u>	<u>Director</u>	<u>Executives</u>	<u>Chief Executive</u>	<u>Director</u>	<u>Executives</u>
	<u>2020</u>	<u>2020</u>	<u>2020</u>	2019	2019	2019
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	Rupees	Rupees	Rupees
Remuneration	<b>9,000,000</b>	<b>10,600,000</b>	<b>15,785,008</b>	7,800,000	7,800,000	12,720,817
Perquisites	-	-	<b>2,766,472</b>	-	-	2,398,791
Post employment benefits	-	-	<b>2,379,366</b>	-	-	3,987,354
	<u><b>9,000,000</b></u>	<u><b>10,600,000</b></u>	<u><b>20,930,846</b></u>	<u>7,800,000</u>	<u>7,800,000</u>	<u>19,106,962</u>
Number of persons	<u><b>1</b></u>	<u><b>1</b></u>	<u><b>7</b></u>	<u>1</u>	<u>1</u>	<u>8</u>

**36.1** In addition the Chief Executive, directors are provided with free use of Company maintained cars and telephone for business use.

**36.2** No remuneration to non executive directors has been paid.

# BHANERO TEXTILE MILLS LIMITED



## Notes to the financial statements For the year ended June 30, 2020

### 37 Segment Analysis

The segment information for the reportable segments for the year ended 30<sup>th</sup> June 2019 is as follows:

#### 37.1 Operating Results

Note	Spinning		Weaving		Total	
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
<b>Sales</b>						
Export sales	782,834,636	964,932,941	1,998,745,525	2,142,375,439	2,781,580,161	3,107,308,380
Local sales	5,267,870,147	5,113,589,896	1,912,655,601	1,067,755,114	7,180,525,748	6,181,345,010
Custom rebate	2,193,783	22,537,862	1,649,431	37,241,276	3,843,214	59,779,138
Inter-segment sales	327,567,620	332,469,980	-	-	327,567,620	332,469,980
	6,380,466,186	6,433,530,679	3,913,050,557	3,247,371,829	10,293,516,743	9,680,902,508
Discount and sales tax						
Regularity Duty	-	-	-	-	-	-
Discount	(105,542)	(230,543)	-	(42,121)	(105,542)	(272,664)
Sales tax	(764,314,386)	(359,142)	(277,917,748)	(27,858)	(1,042,232,134)	(387,000)
	(764,419,928)	(589,685)	(277,917,748)	(69,979)	(1,042,337,676)	(659,664)
Net sales	5,616,046,258	6,432,940,994	3,635,132,809	3,247,301,850	9,251,179,067	9,680,242,844
Cost of sales	5,164,397,092	5,406,811,556	3,263,229,478	2,979,759,207	8,427,626,570	8,386,570,763
Gross profit	451,649,166	1,026,129,438	371,903,331	267,542,643	823,552,497	1,293,672,081
Other operating income/(expense)	154,886,837	228,080,044	4,793,080	(254,399)	159,679,917	227,825,645
	606,536,003	1,254,209,482	376,696,411	267,288,244	983,232,414	1,521,497,726
Distribution cost	87,275,724	110,735,950	75,633,468	67,414,725	162,909,192	178,150,675
Administrative cost	118,099,015	112,823,767	30,283,726	32,533,287	148,382,741	145,357,054
	205,374,739	223,559,717	105,917,194	99,948,012	311,291,933	323,507,729
<b>Operating result</b>	<b>401,161,264</b>	<b>1,030,649,765</b>	<b>270,779,217</b>	<b>167,340,232</b>	<b>671,940,481</b>	<b>1,197,989,997</b>
<b>37.2 Segment assets</b>	6,772,248,376	6,440,249,611	1,440,936,386	1,418,195,852	8,213,184,762	7,858,445,463
<b>Unallocated assets</b>					575,685,547	547,482,407
					<b>8,788,870,309</b>	<b>8,405,927,870</b>
<b>37.3 Segment liabilities</b>	2,938,837,756	2,583,374,454	657,036,153	660,305,634	3,595,873,909	3,243,680,088
<b>Unallocated liabilities</b>					273,876,350	249,130,290
					<b>3,869,750,259</b>	<b>3,492,810,378</b>

#### 37.4 Inter-segment pricing

Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.

There were no major customer of company which formed 10 percent or more of the company's revenue.

### 38 Reconciliation of reportable segment turnover, cost of sales, assets and liabilities

	2020 Rupees	2019 Rupees
<b>38.1 Turnover</b>		
Total turnover for reportable segments	9,251,179,067	9,680,242,844
Elimination of inter-segment turnover	(327,567,620)	(332,469,980)
Total turnover	<b>8,923,611,447</b>	<b>9,347,772,864</b>
<b>38.2 Cost of sales</b>		
Total cost of sales for reportable segments	8,427,626,570	8,386,570,763
Elimination of inter-segment revenue	(327,567,620)	(332,469,980)
Total cost of sales	<b>8,100,058,950</b>	<b>8,054,100,783</b>
<b>38.3 Assets</b>		
Total assets for reportable segments	8,213,184,762	7,858,445,463
Taxation recoverable	222,869,340	238,907,724
Sales tax refundable	195,699,479	170,868,560
Trade deposits	128,562,912	109,173,307
Long term deposit	28,553,816	28,532,816
Total assets	<b>8,788,870,309</b>	<b>8,405,927,870</b>
<b>38.4 Liabilities</b>		
Total liabilities for reportable segments	3,595,873,909	3,243,680,088
Unclaimed dividends	1,396,762	1,105,177
Infrastructure fee	120,334,875	101,436,900
Deferred taxation	152,144,713	146,588,213
Total liabilities	<b>3,869,750,259</b>	<b>3,492,810,378</b>

# BHANERO TEXTILE MILLS LIMITED



## Notes to the financial statements For the year ended June 30, 2020

	Note	Spinning		Weaving		Total	
		30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
<b>39 Cost of sales</b>							
Raw material consumed	39.1	3,782,069,825	3,835,874,056	2,543,244,594	2,350,004,884	6,325,314,419	6,185,878,940
Packing material consumed		68,188,384	70,877,429	8,729,406	6,447,633	76,917,790	77,325,062
Stores and spare parts		96,543,915	112,141,851	87,896,925	66,341,761	184,440,840	178,483,612
Salaries, wages and benefits		574,020,216	530,225,284	179,788,628	152,793,516	753,808,844	683,018,800
Fees and subscription		377,216	382,420	1,192,367	238,601	1,569,583	621,021
Fuel, power and water							
Inter-segment		-	-	-	-	-	-
Others		812,751,645	759,601,918	250,315,693	373,507,847	1,063,067,338	1,133,109,765
		812,751,645	759,601,918	250,315,693	373,507,847	1,063,067,338	1,133,109,765
Insurance		18,530,666	15,526,770	6,114,465	6,776,071	24,645,131	22,302,841
Vehicle running and maintenance		7,497,402	7,050,055	2,904,041	2,730,788	10,401,443	9,780,843
Rent, rates and taxes		661,133	685,177	69,130	57,500	730,263	742,677
Repair and maintenance		14,182,409	7,034,478	4,510,188	5,045,572	18,692,597	12,080,050
Communication		544,142	556,550	290,891	295,831	835,033	852,381
Travelling and conveyance and entertainment		1,797,376	1,620,883	569,384	441,249	2,366,760	2,062,132
Depreciation		189,696,813	166,877,819	82,834,738	71,195,245	272,531,551	238,073,064
Fixed Assets Impaired		-	-	-	-	-	-
Raw material impaired		-	-	-	-	-	-
Others		2,830,282	1,938,695	2,614,235	1,389,068	5,444,517	3,327,763
		5,569,691,424	5,510,393,385	3,171,074,685	3,037,265,566	8,740,766,109	8,547,658,951
Work in process							
Opening stock		64,544,578	57,241,040	102,631,226	80,075,054	167,175,804	137,316,094
Work in process lost / brunt		-	(5,482,000)	-	-	-	(5,482,000)
Closing stock		(66,249,447)	(64,544,578)	(92,636,840)	(102,631,226)	(158,886,287)	(167,175,804)
		(1,704,869)	(12,785,538)	9,994,386	(22,556,172)	8,289,517	(35,341,710)
Cost of goods manufactured		5,567,986,555	5,497,607,847	3,181,069,071	3,014,709,394	8,749,055,626	8,512,317,241
Cost of raw material sold		18,825,295	44,468,269	7,623,756	1,010,528	26,449,051	45,478,797
Finished stocks							
Opening stock		264,035,300	125,130,586	144,018,814	100,336,511	408,054,114	225,467,097
Finished goods purchased		-	3,640,154	100,703,896	7,721,588	100,703,896	11,361,742
Closing stock		(686,450,058)	(264,035,300)	(170,186,059)	(144,018,814)	(856,636,117)	(408,054,114)
		(422,414,758)	(135,264,560)	74,536,651	(35,960,715)	(347,878,107)	(171,225,275)
		5,164,397,092	5,406,811,556	3,263,229,478	2,979,759,207	8,427,626,570	8,386,570,763
	Note	Spinning		Weaving		Total	
		30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
<b>39.1 Raw material consumed</b>							
Opening stock		2,834,123,459	1,898,852,677	159,665,107	85,571,715	2,993,788,566	1,984,424,392
Purchases							
Inter-segment		-	-	327,567,620	332,469,980	327,567,620	332,469,980
Others		3,825,774,611	4,811,817,934	2,145,130,309	2,092,638,824	5,970,904,920	6,904,456,758
		3,825,774,611	4,811,817,934	2,472,697,929	2,425,108,804	6,298,472,540	7,236,926,738
Raw material sold - cotton		(18,435,633)	(40,673,096)	-	-	(18,435,633)	(40,673,096)
Raw material impaired		-	-	-	-	-	-
Raw material sold - yarn		-	-	(7,623,756)	(1,010,528)	(7,623,756)	(1,010,528)
Closing stock		(2,859,392,612)	(2,834,123,459)	(81,494,686)	(159,665,107)	(2,940,887,298)	(2,993,788,566)
		3,782,069,825	3,835,874,056	2,543,244,594	2,350,004,884	6,325,314,419	6,185,878,940
<b>39.2 Cost of raw material sold</b>							
Cost of purchase		18,435,633	40,673,096	7,623,756	1,010,528	26,059,389	41,683,624
Salaries, wages and other benefits		27,000	2,054,977	-	-	27,000	2,054,977
Loading and unloading		649	737,357	-	-	649	737,357
Insurance		19,826	81,764	-	-	19,826	81,764
Commission		-	-	-	-	-	-
Finance cost		342,187	921,075	-	-	342,187	921,075
		18,825,295	44,468,269	7,623,756	1,010,528	26,449,051	45,478,797

# BHANERO TEXTILE MILLS LIMITED



## Notes to the financial statements For the year ended June 30, 2020

### 40 Distribution cost

#### Export

Ocean freight and forwarding	14,626,873	18,288,707	32,335,090	26,777,919	46,961,963	45,066,626
Commission	13,079,981	22,073,886	4,932,675	5,466,129	18,012,656	27,540,015
Export development surcharge	1,934,737	2,380,723	22,023,130	22,548,285	23,957,867	24,929,008
Sales Promotion Expenses	179,369	491,001	-	-	179,369	491,001
Others	731,547	441,474	1,176,609	2,743,738	1,908,156	3,185,212
	30,552,507	43,675,791	60,467,504	57,536,071	91,020,011	101,211,862

#### Local

Salaries and wages	793,263	748,098	317,800	-	1,111,063	748,098
Inland transportation	12,607,613	14,604,129	15,173,791	455,650	27,781,404	15,059,779
Commission	41,879,221	50,816,140	-	9,331,910	41,879,221	60,148,050
Quality claim	-	-	-	87,894	-	87,894
Others	1,443,120	891,792	(325,627)	3,200	1,117,493	894,992
	56,723,217	67,060,159	15,165,964	9,878,654	71,889,181	76,938,813
	87,275,724	110,735,950	75,633,468	67,414,725	162,909,192	178,150,675

Note	Spinning		Weaving		Total	
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
<b>41 Administrative cost</b>						
Directors' remuneration	19,600,000	15,600,000	-	-	19,600,000	15,600,000
Staff salaries and benefits	55,445,489	59,562,718	17,852,728	18,727,960	73,298,217	78,290,678
Traveling, conveyance and entertainment	5,367,173	6,601,124	3,659,557	5,775,710	9,026,730	12,376,834
Printing and stationery	2,107,823	2,137,800	656,948	932,792	2,764,771	3,070,592
Communication	1,377,147	1,584,942	85,682	138,858	1,462,829	1,723,800
Vehicles running and maintenance	6,469,329	6,485,253	1,910,775	1,948,877	8,380,104	8,434,130
Legal and professional	2,656,000	404,070	634,500	478,611	3,290,500	882,681
Auditors' remuneration	1,173,800	1,074,000	584,200	537,000	1,758,000	1,611,000
Fee and subscription	8,696,177	4,121,332	193,888	338,203	8,890,065	4,459,535
Repair and maintenance	951,837	1,488,553	-	-	951,837	1,488,553
Depreciation	9,517,733	9,845,565	2,606,303	2,252,370	12,124,036	12,097,935
Rent, rates and utilities	1,502,442	1,471,137	-	-	1,502,442	1,471,137
Donation	250,000	500,000	1,000,000	76,500	1,250,000	576,500
Bad Debts	-	-	-	-	-	-
Inadmissible input	-	508,723	-	-	-	508,723
Software license renewal and maintenance fee	-	-	-	-	-	-
Others	2,984,065	1,438,550	1,099,145	1,326,406	4,083,210	2,764,956
	118,099,015	112,823,767	30,283,726	32,533,287	148,382,741	145,357,054

### 42 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

#### Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arms length transaction. As at June 30, 2020 the net fair value of all financial instruments has been based on the valuation methodology outlined below:

#### Long-term deposits

Long term deposits does not carry any rate of return. The fair value of it has been taken at book value as it is not considered materially different and readily exchangeable.

#### Non-current liabilities

For all non-current liabilities the fair values have been taken at book values as these are not considered materially different based on the current market rates of return and reprising profiles of similar non-current liabilities.

#### Other financial instruments

The fair values of all other financial instruments are considered to approximate their book values as they are short term in nature.

The analysis of yield / mark-up rate risk is as under:

# BHANERO TEXTILE MILLS LIMITED



## Notes to the financial statements For the year ended June 30, 2020

	2020							Effective Interest Rate %
	Interest / Markup bearing			Non Interest / Markup bearing			Total Rupees	
	Maturity Upto	Maturity After	Subtotal	Maturity Upto	Maturity After	Subtotal		
	One year	One year		One year	One year			
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees		
<b>Financial assets</b>								
Trade debts	-	-	-	957,494,189	-	957,494,189	957,494,189	
Loans and advances	-	-	-	7,985,196	-	7,985,196	7,985,196	
Trade deposits	122,744,861	-	122,744,861	2,429,320	-	2,429,320	125,174,181	4.5 to 10.25
Other receivables	-	-	-	20,297,574	-	20,297,574	20,297,574	
Cash and bank balances	-	-	-	114,394,432	-	114,394,432	114,394,432	
Long term deposits	-	-	-	-	28,553,816	28,553,816	28,553,816	
	122,744,861	-	122,744,861	1,102,600,711	28,553,816	1,131,154,527	1,253,899,388	
<b>Financial liabilities</b>								
Long-term financing	18,144,353	1,090,593,256	1,108,737,609	-	-	-	1,108,737,609	2.40 and KIBOR + 0.40 to .75
Trade and other payables	24,524,276	-	24,524,276	607,084,011	-	607,084,011	631,608,287	
Accrued mark-up / interest	-	-	-	31,770,640	-	31,770,640	31,770,640	
Short-term borrowings	1,570,614,112	-	1,570,614,112	-	-	-	1,570,614,112	KIBOR + 0.1 to 2
	1,613,282,741	1,090,593,256	2,703,875,997	638,854,651	-	638,854,651	3,342,730,648	
<b>On balance sheet gap</b>	<b>(1,490,537,880)</b>	<b>(1,090,593,256)</b>	<b>(2,581,131,136)</b>	<b>463,746,060</b>	<b>28,553,816</b>	<b>492,299,876</b>	<b>(2,088,831,260)</b>	
<b>Contingencies and commitments</b>								
Post dated cheques							-	
Bill discounted							441,965,186	
Guarantees (Note 8.3 and Note 14.2)							346,313,330	
Letters of credit							-	

	2019							Effective Interest Rate %
	Interest / Markup bearing			Non Interest / Markup bearing			Total Rupees	
	Maturity Upto	Maturity After	Subtotal	Maturity Upto	Maturity After	Subtotal		
	One year	One year		One year	One year			
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees		
<b>Financial assets</b>								
Trade debts	-	-	-	758,161,471	-	758,161,471	758,161,471	
Loans and advances	-	-	-	7,409,597	-	7,409,597	7,409,597	
Trade deposits	104,772,103	-	104,772,103	-	-	-	104,772,103	4.5 to 10.25
Other receivables	-	-	-	14,106,501	-	14,106,501	14,106,501	
Bank balances	-	-	-	143,722,461	-	143,722,461	143,722,461	
Long-term deposits	-	-	-	-	28,532,816	28,532,816	28,532,816	
	104,772,103	-	104,772,103	923,400,030	28,532,816	951,932,846	1,056,704,949	
<b>Financial liabilities</b>								
Long-term financing	140,182,704	1,121,716,016	1,261,898,720	-	-	-	1,261,898,720	2.40 to 3.5 and KIBOR + 0.40 to .75
Trade and other payables	51,043,799	-	51,043,799	674,932,926	-	674,932,926	725,976,725	
Mark-up accrued on loans	-	-	-	37,601,814	-	37,601,814	37,601,814	
Short-term borrowings	992,656,991	-	992,656,991	-	-	-	992,656,991	KIBOR + 0.1 to 2
	1,183,883,494	1,121,716,016	2,305,599,510	712,534,740	-	712,534,740	3,018,134,250	
<b>On balance sheet gap</b>	<b>(1,079,111,391)</b>	<b>(1,121,716,016)</b>	<b>(2,200,827,407)</b>	<b>210,865,290</b>	<b>28,532,816</b>	<b>239,398,106</b>	<b>(1,961,429,301)</b>	
<b>Contingencies and commitments</b>								
Post dated cheques							436,516,075	
Bill discounted							542,488,682	
Guarantees (Note 8.3 and Note 14.2)							335,453,078	
Letters of credit							74,255,406	

## Notes to the financial statements For the year ended June 30, 2020

### 42.1 Interest rate risk management

Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments. Changes in interest rates can affect the rates charged on interest bearing liabilities. This can result in an increase in interest expense relative to financial borrowings or vice versa. The Company manages its risk by interest rate swapping, maintaining a fair balance between interest rates and financial assets and financial liabilities. The effective interest rates for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

### 42.2 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted. Out of the total financial assets of PKR 1,264,118,966 (June 30, 2019: PKR 1,056,684,999), unsecured local trade debts, advances to suppliers, and other receivables amounting in aggregate to PKR 995,996,537 (June 30, 2019: PKR 779,657,619) are subject to credit risk. The Company manages its credit risk by; limiting significant exposure to any individual customers and obtaining advance against sales.

### 42.3 Liquidity risk

Liquidity risk reflects the Company's inability in raising funds to meet commitments. The management closely monitors the Company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

### 42.4 Foreign exchange risk management

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. As at June 30, 2020, the total foreign currency risk exposure was PKR 135,766,182 (June 30, 2019: PKR 83,508,990) in respect of foreign trade debts.

### 42.5 Credit risk

#### 42.5.1 Maximum credit exposure

The carrying amount of financial assets, excluding cash in hand, represents maximum credit exposure. The maximum exposure to credit risk as at the reporting date is:

	<i>Note</i>	June 30, 2020 Rupees	June 30, 2019 Rupees
Long term deposits		28,553,816	28,532,816
Trade debts		957,494,189	758,161,471
Loan and advances		5,644,479	5,079,597
Refundable trade deposits		125,174,181	104,772,103
Other receivables		20,297,574	14,106,501
Cash at banks		114,394,432	143,722,461
		<b>1,251,558,671</b>	<b>1,054,374,949</b>

#### 42.5.2 Concentration of credit risk

Maximum exposure to credit risk by geographical region as at the reporting date is:

Domestic	910,623,386	762,144,105
Europe	-	16,786,833
United States of America	-	-
Asia and Middle East	132,814,407	63,546,542
	<b>1,043,437,793</b>	<b>842,477,480</b>
Impairment	(85,943,604)	(84,316,009)
	<b>957,494,189</b>	<b>758,161,471</b>

# BHANERO TEXTILE MILLS LIMITED



## Notes to the financial statements For the year ended June 30, 2020

	June 30, 2020 Rupees	June 30, 2019 Rupees
<b>42.5.3 Aging and movement in Impairment losses</b>		
The aging of receivables as at the reporting date is as follows:		
Not past due	639,534,839	407,667,374
Past due less than one year	323,586,946	367,578,036
Past due more than one year but less than three years	12,004,393	9,183,448
Past due more than three years	68,311,615	58,048,622
	<u>1,043,437,793</u>	<u>842,477,480</u>
Impairment	(85,943,604)	(84,316,009)
	<u>957,494,189</u>	<u>758,161,471</u>
The movement in allowance for impairment in respect of receivables during the year is as follows:		
As at beginning of the year	84,316,009	68,336,616
Impairment loss recognized	5,627,595	16,004,393
Impairment loss reversed	(4,000,000)	(25,000)
As at end of the year	<u>85,943,604</u>	<u>84,316,009</u>

Credit quality of counter parties is assessed based on historical default rates. All loans and receivables not past due are considered good. The management believes that allowance for impairment of loans and receivables past due is not necessary, as these comprise amounts due from old customers, which have been re-negotiated from time to time and are also considered good.

### 42.5.4 Collateral held

The Company does not hold collateral to secure its loans and receivables. However, foreign trade receivables of the Company are secured through letters of credits and exposure to credit risk in respect of these is minimal.

# BHANERO TEXTILE MILLS LIMITED



## Notes to the financial statements For the year ended June 30, 2020

### 42.6 Liquidity risk

Following are the contractual maturities of financial liabilities, including estimated interest payments

	As at June 30, 2020				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term financing	1,108,737,609	1,199,097,119	49,434,390	630,238,609	519,424,121
Short term borrowings	1,570,614,112	1,696,577,364	1,696,577,364	-	-
Accrued mark-up / interest	31,770,640	31,770,640	31,770,640	-	-
Trade creditors	333,163,472	333,163,472	333,163,472	-	-
Accrued liabilities	190,474,516	190,474,516	190,474,516	-	-
Unclaimed dividend	1,396,762	1,396,762	1,396,762	-	-
Other payables	30,395,596	30,395,596	30,395,596	-	-
	<b>3,266,552,707</b>	<b>3,482,875,469</b>	<b>2,333,212,740</b>	<b>630,238,609</b>	<b>519,424,121</b>

	As at June 30, 2019				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term financing	1,261,898,720	1,435,251,743	190,921,529	714,665,396	529,664,818
Short term borrowings	992,656,991	713,147,918	713,147,918	-	-
Accrued mark-up / interest	37,601,814	37,601,814	37,601,814	-	-
Trade creditors	264,744,087	264,744,087	264,744,087	-	-
Accrued liabilities	228,896,503	228,896,503	228,896,503	-	-
Unclaimed dividend	1,105,177	1,105,177	1,105,177	-	-
Other payables	54,861,552	54,861,552	54,861,552	-	-
	<b>2,841,764,844</b>	<b>2,735,608,794</b>	<b>1,491,278,580</b>	<b>714,665,396</b>	<b>529,664,818</b>

### 42.7 Market risk

#### 42.7.1 Currency risk

The Company's exposure to currency risk as at the reporting date is as follows:

	June 30, 2020 Rupees	June 30, 2019 Rupees
Trade receivables	132,814,407	80,333,375
Cash and cash equivalents	2,951,775	3,175,615
Total exposure	<b>135,766,182</b>	<b>83,508,990</b>

All foreign currency balances are denominated in USD. Average exchange rate used during the year and spot exchange rate applied at the reporting date was PKR 168.00 / USD (2019: PKR 164.000 / USD ).

A ten percent appreciation in Rupee would have decreased profit or loss by PKR 13,576,618 (2019: PKR 8,350,899). A ten percent depreciation would have had the equal but opposite effect on profit or loss. This sensitivity analysis based on assumption that all variables, with the exception of foreign exchange rates, remain unchanged.

#### 42.7.2 Interest rate risk

The interest rate profile the Company's interest bearing financial instruments as at the reporting date is as follows:

##### Fixed rate instruments

	June 30, 2020 Rupees	June 30, 2019 Rupees
Financial assets	122,744,861	104,772,103
Financial liabilities	1,022,652,965	1,030,446,875

# BHANERO TEXTILE MILLS LIMITED



## Notes to the financial statements For the year ended June 30, 2020

Variable rate instruments	June 30, 2020 Rupees	June 30, 2019 Rupees
Financial assets	-	-
Financial liabilities	1,656,698,756	1,224,108,836

The Company is not exposed to interest rate risk in respect of its fixed rate instruments. A 100 basis points increase in variable interest rates would have decreased profit or loss by PKR 16,566,988 (2019: PKR 12,241,088 ). A 100 basis points increase in variable interest rate would have had an equal but opposite impact on profit or loss.

### 42.8 Fair values

Fair value is a price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date.

### 43 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 37 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

Nature of relationship	Nature of transactions	30-Jun-20 Rupees	30-Jun-19 Rupees
Associated undertaking	Sales of fabric	8,616,199	3,559,668
	Sales of Cotton	23,331,029	43,267,548
	Sales of yarn	581,623,165	547,957,137
	Purchase of yarn	259,271,769	114,990,899
	Purchase of stores	-	2,340,000
	Purchase of fabrics	117,823,519	7,721,587
	Services rendered	709,324	637,463
	Services received	309,000	309,000
	Electricity purchased	342,093,860	333,131,263
	Retirement benefits	Provision for gratuity	52,164,704
Key management	Remuneration	19,600,000	15,600,000

### 44 Accounting Estimates and Judgments

#### 44.1 Income taxes

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

#### 44.2 Investment stated at fair value

Management has determined fair value of certain investments by using quotations from active market conditions and information about the financial instruments. These estimates are subjective in nature and involve some uncertainties and matters of judgment (e.g. valuation, interest rate, etc.) and therefore, cannot be determined with precision.

#### 44.3 Property, plant and equipment

The Company reviews the rate of depreciation, useful life, residual value and value of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding affect on the depreciation charge and impairment.

#### 44.4 Stock-in-trade and stores and spares

The Company reviews the net realizable value of stock-in-trade and stores and spares to assess any diminution in the respective carrying values. Any change in the estimates in future years might affect the carrying amounts of stock-in-trade and stores and spares with a corresponding affect on the amortization charge and impairment. Net realizable value is determined with respect to estimated selling price less estimated expenditures to make the sales.

#### 44.5 Interest rate and cross currency swap

The Company has entered into various interest rates and cross currency swap over the last year. The calculation involves use of estimates with regard to interest and foreign currency rates which fluctuate with the market forces.

# BHANERO TEXTILE MILLS LIMITED



## Notes to the financial statements For the year ended June 30, 2020

45 PLANT CAPACITY AND ACTUAL PRODUCTION	30-Jun-20	30-Jun-19
<b>Spinning &amp; Weaving</b>		
Number of spindles installed	80,112	80,112
Number of looms installed	162	162
Installed capacity of yarn (Kgs.)	14,810,385	14,810,385
Actual production of yarn (Kgs.)	10,727,209	12,363,406
Installed capacity of fabric based on 50 picks- meters	26,566,890	26,566,890
Actual production of fabric - meters	17,372,400	15,864,187

It is difficult to precisely describe production capacity and the resultant production converted into base count in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, raw materials used, spindles speed and twist etc. It would also vary accordingly to pattern of production adopted in a particular year.

46 NUMBER OF EMPLOYEES	30-Jun-20	30-Jun-19
As at the reporting date	1,412	1,416
Average for the year	1,416	1,399

### 47 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on 29<sup>th</sup> September 2020.

### 48 CORRESPONDING FIGURES


48.1 Figures have been rounded off to the nearest rupee. Corresponding figures have been re-arranged where necessary to facilitate comparison. However, no significant reclassification has been made.

### 49 GENERAL

The figures have been rounded off to the nearest Rupee.

Karachi:  
Date: 29<sup>th</sup> September 2020

  
Khurram Salim  
Chief Executive

  
Mohammad Salim  
Director

  
Asim Mirza  
Chief Financial Officer

# **BHANERO TEXTILE MILLS LIMITED**



## **CATEGORIES OF SHAREHOLDERS AS AT JUNE 30, 2020**

<b>SR #</b>	<b>CATEGORIES OF SHAREHOLDERS</b>	<b>NUMBERS OF SHAREHOLDE</b>	<b>SHARES HELD</b>	<b>PERCENTAG E %</b>
1	Director's, CEO, Their Spouse and Minor Children	19	1,420,779	47.36
2	Associated Companies, Undertaking and Related Parties	12	1,427,721	47.59
3	NIT & ICP	-	-	-
4	Insurance Company	1	70,500	2.35
5	General Public / Individuals	350	74,394	2.48
6	Other Companies	3	6,606	0.22
		<b>385</b>	<b>3,000,000</b>	<b>100.00</b>

# BHANERO TEXTILE MILLS LIMITED



## List of Shareholders As At 30 June 2020

Sr #	Shareholder Category	Percentage	No. of Shares
<b>1</b>	<b>ASSOCIATED COMPANIES UNDERTAKINGS AND RELATED PARTIES</b>		
	ADMIRAL (PVT) LTD	16.69	500,600
	MR. MOHAMMAD SHAKEEL	0.74	22,055
	MR. ADIL SHAKEEL	4.92	147,634
	MR. FARRUKH SALEEM	2.02	60,600
	MR. SAQIB SALEEM	1.68	50,490
	MR. MUHAMMAD QASIM	5.28	158,400
	MR. FAISAL SHAKEEL	4.92	147,676
	MR. ABDULLAH BILAL	1.96	58,787
	MRS. NAZLI BEGUM	4.19	125,579
	MRS. SABA SAQIB	2.76	82,900
	MRS. SADAF FARRUKH	2.42	72,500
	MRS. MARIUM ADIL	0.02	500
<b>2</b>	<b>DIRECTOR'S, CEO, THEIR SPOUSE AND MINOR CHILDREN</b>		
	MR. MUHAMMAD SALEEM	0.73	21,929
	MR. MUHAMMAD SHAHEEN	1.43	42,780
	MR. HAMZA SHAKEEL	4.92	147,594
	MR. KHURRAM SALEEM	2.02	60,500
	MR. YOUSUF SALEEM	1.69	50,674
	MR. BILAL SHARIF	2.48	74,500
	MR. MUHAMMAD AMIN	5.32	159,500
	MR. IQBAL MEHBOOB VOHRA	0.02	500
	MR. MUSTAFA TANVIR	0.02	500
	MR. ASIF ELAHI	0.02	500
	MRS. YASMIN BEGUM	1.01	30,372
	MRS. SEEMA BEGUM	1.78	53,292
	MRS. AMNA KHURRAM	2.45	73,400
	MRS. SAMIA BILAL	11.14	334,283
	MRS. FATIMA AMIN	5.68	170,400
	MRS. SABA YOUSUF	2.76	82,700
	MASTER AZAAN BILAL	1.96	58,678
	MASTER ALI BILAL	1.96	58,677
<b>3</b>	<b>BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCE INSTITUTIONS AND INSURANCE COMPANIES</b>		
	STATE LIFE INSURANCE CORPORATION OF PAKISTAN	2.35	70,500
<b>4</b>	<b>INDIVIDUAL SHAREHOLDERS</b>	2.48	74,394
<b>5</b>	<b>OTHER COMPANIES</b>	0.22	6,606
	<b>TOTAL</b>	<b>100.00</b>	<b>3,000,000</b>

# **BHANERO TEXTILE MILLS LIMITED**



## **List of Shareholders As At 30 June 2020**

<b>Sr #</b>	<b>Shareholder Category</b>	<b>Percentage</b>	<b>No. of Shares</b>
<b>6</b>	<b>DETAIL OF TRADING IN THE SHARES BY THE DIRECTORS, CEO COMPANY SECRETARY AND THEIR SPOUSES AND MINOR CHILDREN</b>		
<b>7</b>	<b>SHAREHOLDERS HOLDING 05% OR MORE</b>		
	MR. MUHAMMAD QASIM	5.28	158,400
	MR. MUHAMMAD AMIN	5.32	159,500
	MRS. SAMIA BILAL	11.14	334,283
	MRS. FATIMA AMIN	5.68	170,400
	ADMIRAL (PVT) LTD	16.69	500,600

## PATTERN OF SHAREHOLDING AS AT JUNE 30, 2020

NUMBERS OF SHAREHOLDERS	SHARE HOLDING		TOTAL SHARES HELD	Percentage
	FROM	TO		
309	1	100	8,282	0.28
33	101	500	10,286	0.34
6	501	1000	5,600	0.19
6	1001	5000	16,000	0.53
3	5001	10000	23,132	0.77
3	20001	25000	64,184	2.14
1	25001	30000	29,872	1.00
1	40001	45000	42,780	1.43
3	50001	55000	154,456	5.15
3	55001	60000	176,142	5.87
2	60001	65000	121,100	4.04
4	70001	75000	290,900	9.70
2	80001	85000	165,600	5.52
1	125001	130000	125,579	4.19
3	145001	150000	442,904	14.76
2	155001	160000	317,900	10.60
1	170001	175000	170,400	5.68
1	330001	335000	334,283	11.14
1	500001	505000	500,600	16.69
<b>385</b>			<b>3,000,000</b>	<b>100.00</b>

\* Note: The slabs representing nil holding have been omitted.

# BHANERO TEXTILE MILLS LIMITED



## Year-Wise Operating Data

2020	2019	2018	2017	2016	2015
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### Spinning Unit

Spindle installed	80,112	80,112	80,112	69,312	69,312	69,312
Spindles worked	80,112	80,112	80,112	69,312	69,312	69,312
Installed capacity after conversion into 20/s count - Kg	14,810,385	14,810,385	14,810,385	13,954,119	13,954,119	13,954,119
Actual production - Kg	10,727,209	12,363,406	11,392,698	10,621,496	10,008,485	9,832,682

### Weaving Unit

Air jet looms installed	162	162	160	160	160	160
Air jet looms worked	162	162	160	160	160	160
Installed capacity after conversion into 50 picks - Meter	26,566,890	26,566,890	21,534,566	21,534,566	21,534,566	21,534,566
Actual production - Meter	17,372,400	15,864,187	15,952,617	15,100,469	15,992,288	19,272,241

## Year-Wise Financial Data

2020	2019	2018	2017	2016	2015
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Rupees in Thousands

### Profit and loss account

Turnover (Net)	8,923,611	9,347,773	8,073,845	6,837,254	6,637,411	7,350,098
Gross profit	823,552	1,293,672	868,396	754,284	684,364	641,534
Operating profit	637,077	1,123,205	636,131	456,308	391,023	351,971
Financial expenses	181,440	166,323	93,971	87,063	69,828	115,128
Profit before tax	455,636	956,883	542,160	369,245	321,195	236,843
Profit after tax	329,399	832,410	482,037	275,737	220,349	207,410
Cash dividend	150,000	167,400	192,900	110,400	30,000	30,000

### Balance Sheet

Share Capital	30,000	30,000	30,000	30,000	30,000	30,000
Reserves	4,800,000	4,700,000	4,000,000	3,700,000	3,300,000	3,150,000
Shareholder equity	4,919,120	4,913,117	4,262,737	3,886,302	3,639,552	3,427,026
Long term liabilities	1,090,593	1,121,716	885,234	428,762	348,588	583,099
Short term loan	1,570,614	992,657	220,458	676,558	-	-
Current liabilities	2,258,970	1,897,523	1,089,456	1,256,655	493,105	497,897
Current portion of long term loans	21,515	140,183	81,367	77,464	77,464	67,141
Fixed assets	3,004,663	3,168,486	2,794,871	2,029,940	1,957,647	2,080,122
Current assets	5,735,826	5,183,986	3,790,735	3,784,088	2,720,643	2,597,798

### Ratios

#### Performance

Sales growth percentage - Year to Year basis	-4.54%	15.78%	18.09%	3.01%	-9.70%	-8.82%
Gross profit (%)	9.23%	13.84%	10.76%	11.03%	10.31%	8.73%
Profit before tax (%)	5.11%	10.24%	6.72%	5.40%	4.84%	3.22%
Profit after tax (%)	3.69%	8.90%	5.97%	4.03%	3.32%	2.82%

Breakup value per share - Rupees per share	1,639.71	1,637.71	1,420.91	1,295.43	1,213.18	1,142.34
Market value of share - at the year end - Rupees per share	770.01	800.00	807.49	900.00	680.00	474.00

Earnings per share - Rupees per share	109.80	277.47	160.68	91.91	73.45	69.14
Price earning ratio	7.01	2.88	5.03	9.79	9.26	6.86

#### Leverage

Gearing ratio	0.55	0.46	0.28	0.30	0.12	0.19
Debt to equity (%)	22.17%	22.83%	20.77%	11.03%	9.58%	17.01%
Interest covering ratio	3.51	6.75	6.77	5.24	5.60	3.06

#### Liquidity ratio

Current ratio	2.54	2.73	3.48	3.01	5.52	5.22
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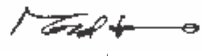



## BHANERO TEXTILE MILLS LIMITED *of Companies*

سال کی تکمیل کے بعد گھمایا گیا تھا۔  
بورڈ آف ڈائریکٹرز نے میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکائونٹنٹس کو 30 جون 2021 کو ختم ہونے والے سال کے بیرونی آڈیٹر کی تقرری کی بھی سفارش کی اور آڈیٹرز کا معاوضہ سال 2020-21 کے لئے پی کے آر 1،772،100.00 پر مقرر کیا گیا ہے کوڈ کے ضابطہ (3) 32 کے تحت بورڈ کو آڈٹ کمپنی تقویضات میں قانونی آڈٹ، ششماہی جائزہ اور کارپوریٹ گورننس جائزہ کا کوڈ شامل ہے۔  
مادی تبدیلیاں اور وعدے  
کمپنی کی مالی سال کے اختتام کے درمیان کمپنی کی مالی حیثیت کو متاثر کرنے والی کوئی مادی تبدیلی اور وعدے نہیں ہوئے جس سے بیلنس شیٹ سے متعلق ہے اور ڈائریکٹرز کی رپورٹ کی تاریخ ہے۔

اعتراف

میں بورڈ آف ڈائریکٹرز، قابل قدر حصص یافتگان، صارفین، بینکروں، سپلائرز اور دیگر اسٹیک ہولڈرز کی ان کی حمایت، اعتماد اور اعتماد کے لئے انتہائی مقروض ہوں۔ میں بھی تمام ملازمین کی وفاداری سے لگن اور محنت کے لئے ان کی تعریف کرتا ہوں جس سے کمپنی کو اپنے مقاصد حاصل کرنے میں مدد ملی۔  
بورڈ کے لئے اور اس کی طرف سے

  
محمد سلیم  
ڈائریکٹر

  
خرم سلیم  
چیف ایگزیکٹو

کراچی: 29 ستمبر 2020



## BHANERO TEXTILE MILLS LIMITED of Companies

صحت، حفاظت اور ماحولیاتی پالیسی

چونکہ کوویڈ 19 کا وبا پھیل گیا ہے اور وائرس کے تیزی سے پھیلانے پوری دنیا میں خطرے کی گھنٹی بکھیر دی ہے اور پاکستان اس وبائی صورتحال سے بھی مستثنیٰ نہیں ہے۔ کمپنی ملازمین کی صحت اور حفاظت کے لئے پرعزم ہے اور اس وائرس کے اثرات کو کم سے کم کرنے کے لئے حکومت اور ڈبلیو ایچ او کے جاری کردہ رہنما اصول پر سختی سے عمل کرے گی۔

ان مشکل اوقات کے دوران، کمپنی نے اپنے ملازمین کو گھر سے کام کرنے کی اجازت دے کر، باقاعدگی سے وقفوں سے احاطے کی جراثیم کشی کا بندوبست کر کے، ملازمین کے لئے وائرس کا مفت معائنہ کرایا، وائرس سے متاثرہ افراد کو تنخواہ کے ساتھ رخصت کی اجازت دے کر، لچکدار کی اجازت دے کر حفاظتی اقدامات کو یقینی بنایا۔ اور کام کے اوقات کو مختصر کریں، چہرے کے ماسک فراہم کریں اور کام کی جگہ پر مناسب حفظان صحت بنائیں۔

وبائی مرض کے دوران، بہت سے چیلنجز ہیں سے ایک یہ ہے کہ قانون اور دیگر ضابطہ کارانہ نظاموں کی تعمیل میں مناسب فیصلہ سازی کے ساتھ روزانہ کی سرگرمیوں کا تسلسل یقینی بنانا ہے۔ اس سلسلے میں کمپنی نے ویڈیو میٹنگ پلیٹ فارمز اور ایپس کے ذریعہ دستیاب سہولیات کا پوری طرح سے استعمال کیا۔

کمپنی کی صحت، حفاظت اور ماحولیاتی پالیسی کے بیان سے صحت، خطرے کو دور کرنے یا کم کرنے کی ہر ممکن کوشش کر کے تمام کارکنوں، ٹھیکیداروں اور ملاقاتیوں، اور وبائی صورتحال کی جانچ کے اوقات میں کسی اور کو بھی خوشگوار اور قابل عمل ماحول کا مظاہرہ کیا گیا ہے۔

ڈائریکٹرز معاوضہ کی پالیسی

ایگزیکٹو ڈائریکٹرز کی معاوضہ پالیسی کی خصوصیت کو انسانی وسائل اور معاوضہ کمیٹی (HRRC) کے ذریعہ تیار کیا اور اس کی سفارش کی گئی ہے جو کمپنیوں ایکٹ 2017، کمپنیوں کی آرٹیکل آف ایسوسی ایشن اور کوڈ آف کارپوریشن ریگولیشنز، 2019 کی شقوں کے تابع ہے۔

ایگزیکٹو ڈائریکٹرز کی معاوضہ مارکیٹ کی مسابقت پر غور کرتے ہوئے طے کیا جاتا ہے جو ایک جیسی کمپنیوں میں مماثلت رکھتا ہے، جبکہ بورڈ کی اسٹیمٹس کے دائرہ کار اور سالانہ اجلاسوں پر بھی اہلیت، تجربے، دائرہ کار پر غور کرتے ہوئے۔

ایگزیکٹو ڈائریکٹرز، HRRC کی طرف سے تجویز کردہ مقررہ ماہانہ معاوضے اور دیگر اجازت ناموں کے حقدار ہیں جن کو بورڈ نے باضابطہ طور پر منظور کیا اور کمپنی کے عمومی اجلاس میں ممبروں کی منظوری کے بعد:

(1) مشرخرم سلیم سی ای او

PKR کے ماہانہ معاوضہ 000.00-800

کمپنی نے گاڑیوں کو ایندھن کے ساتھ برقرار رکھا اور سالانہ 800، 000.00 پی کے آر کے اخراجات کی مرمت کی۔ ذاتی اور آفس استعمال کے ل Mobile موبائل فون، جس میں سالانہ 125، 000.00 پی کے آر ہوں گے۔

اصل بنیاد پر کاروباری سفر خرچ

(2) مشرخرم سلیم۔ ایگزیکٹو ڈائریکٹرز

PKR کے ماہانہ معاوضے 000.00، 000.00

کمپنی نے گاڑیوں کو ایندھن کے ساتھ برقرار رکھا اور سالانہ 800، 000.00 پی کے آر کے اخراجات کی مرمت کی۔ ذاتی اور آفس استعمال کے ل Mobile موبائل فون، جس میں سالانہ 125، 000.00 پی کے آر ہوں گے۔

اصل بنیاد پر کاروباری سفر خرچ

غیر ایگزیکٹو یا آزاد ڈائریکٹرز کو کسی بھی قسم کی فیس یا معاوضے کی ادائیگی نہیں کی گئی ہے۔

قانونی آڈیٹر

موجودہ ڈائریکٹرز کی میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکائونٹنٹس 27 اکتوبر 2020 کو شیڈول ہونے والے سالانہ عمومی اجلاس کے اختتام پر ریٹائر ہو جائیں گے، البتہ اہل ہونے کے بعد انہوں نے دوبارہ تقرری کے لئے خود کو پیش کیا ہے۔ آڈٹ کمیٹی نے 30 جون 2021 کو ختم ہونے والے سال کے لئے میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکائونٹنٹس کی تقرری کی تجویز دی ہے۔ بیرونی آڈیٹر میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکائونٹنٹس کو کو ایٹنی کسٹروں کے تحت الطیمان بخش درجہ بندی دی گئی ہے ادارہ برائے چارٹرڈ اکائونٹنٹس آف پاکستان کا جائزہ پروگرام۔ فرم اور اس کے تمام ساتھی انٹی ٹیوٹ آف چارٹرڈ اکائونٹنٹس آف پاکستان کے ذریعہ ضابطہ اخلاق پر بین الاقوامی فیڈریشن آف اکائونٹنٹس کے رہنما اصولوں کی تعمیل کرتے ہیں اور وہ ایس ای سی پی ایکٹ 1997 کے سیکشن 361 کے تحت آڈٹ نگرانی بورڈ کے ساتھ رجسٹرڈ ہیں۔

قانونی آڈیٹرز نے نو کوئی فیصلہ سازی، داخلی آڈٹ یا انتظامی امور انجام دیئے اور نہ ہی کمپنی کے کسی ڈائریکٹرز یا ایگزیکٹوز کے ساتھ ان کا کسی بھی طرح کا رشتہ ہے۔ منگنی کے شرکت داروں کو ہر پانچ

Sr	Name	Designation	Category
i	Bilal Sharif	Member	Non- Executive Director
ii	Hamza Shakeel	Member	Non- Executive Director
iii	Iqbal Mehboob	Chairman	Independent Director

آڈٹ کمیٹی میں تین اراکین پر مشتمل ہے جس میں چیئرمین آزاد ڈائریکٹر ہیں جبکہ دیگر تمام نان ایگزیکٹو ڈائریکٹر ہیں اور بورڈ آف ڈائریکٹرز کے مقرر کردہ حوالہ کی شرائط کے تحت اپنی ذمہ داریوں کو نبھانے کے لیے رہے ہیں۔

مالی خواندگی والے ممبر کی تقرری ضابطہ نمبر (iii) (1) 27 کے مطابق ضابطہ کے باب X میں کی گئی ہے۔

بورڈ آف ڈائریکٹرز کی منظوری سے قبل دو دنوں عبوری اور سالانہ مالی بیانات کا جائزہ لینے کے لئے ضابطہ اخلاق کی ضابطہ نمبر (2) 27 کی تعمیل میں باقاعدگی سے وقفوں پر آڈٹ کمیٹی کے اجلاس منعقد ہوتے تھے جس کے ساتھ ساتھ سال میں ایک بار بیرونی آڈیٹر سے ملاقات ہوتی ہے۔ سی ایف او کے بغیر اور کسی دوسرے کے اندرونی آڈیٹر کے بغیر، سی ایف او اور بیرونی آڈیٹر کی موجودگی کے بغیر۔ ایک آڈٹ کمیٹی کمپنی کے بورڈ آف ڈائریکٹرز کی ایک اہم آڈیٹنگ کمیٹی ہے جو مالی رپورٹنگ اور انکشافات کی نگرانی کی ذمہ داری سنبھالتی ہے، اس بات کا یقین دلاتے ہوئے کہ کمپنی کے اثاثوں کی مناسب حفاظت کی جائے، عبوری اور سالانہ مالی بیانات کی توثیق کی جائے، متعلقہ پارٹی لین دین کی منظوری دی جائے، نظم و نسق کا جائزہ لیا جائے، داخلی کنٹرولوں کی تاثیر کو یقینی بنانا، جعلی سرگرمیوں پر تفتیش اور رپورٹنگ، اکاؤنٹنگ پالیسیوں کی نگرانی، کسی بھی بیرونی آڈیٹر کی نگرانی، ریگولیٹری تعمیل اور انتظامیہ کے ساتھ رسک مینجمنٹ پالیسیوں پر تبادلہ خیال۔ آڈٹ کمیٹیوں کی چیف فنانشل آفیسر (سی ایف او) اور اندرونی آڈٹ کے سربراہ کے ساتھ بات چیت برقرار رکھتی ہیں۔ کمیٹی کو یہ اختیار بھی حاصل ہے کہ وہ ان معاملات میں خصوصی تحقیقات کا آغاز کرے جہاں یہ طے کیا جاتا ہے کہ اکاؤنٹنگ کے عمل مشکوک یا مشتبہ ہیں اور اندرونی آڈیٹر کمیٹی کو اس طرح کی کوششوں میں معاونت کرتا ہے۔

#### انسانی وسائل اور معاوضہ کمیٹی

Sr	Name	Designation	Category
i	Iqbal Mehboob	Chairman	Independent Director
ii	Mohammad Amin	Member	Non- Executive Director
iii	Hamza Shakeel	Member	Non- Executive Director

ہیومن ریسورس اینڈ ایجوکیشن کمیٹی (ایچ آر آرسی) تین ممبروں پر مشتمل ہے جن میں سے سبھی نان ایگزیکٹو ڈائریکٹر ہیں جبکہ چیئرمین آزاد ڈائریکٹر ہیں۔ HRRC معاوضے اور فوائد سے متعلق کسی بھی قانون ساز رہنما خطوط کی تعمیل کا جائزہ لے، ملازمت، مزدوری اور انسانی حقوق سے متعلق قانون سازی کی تعمیل کا جائزہ لے۔ بورڈ آف ڈائریکٹرز کی جانب سے ایچ آر آرسی کمیٹی کی انسانی وسائل کی پالیسیاں، منصوبے، اور طریقہ کار کی نگرانی اور انتظامیہ، بورڈ کی منظوری کے لئے جائزہ، منظوری، یا تجویز، ایگزیکٹو، ڈائریکٹرز، کمیٹی ممبروں اور دیگر کے منصفانہ اور مسابقتی معاوضے سے متعلق فیصلے اہم اہلکار۔

#### کارپوریٹ سماجی ذمہ داری کی پالیسی

کمپنی معاشرے کے بارے میں اپنے فرض کو مانگان یا اسٹاک ہولڈرز پر ان کی معاشی ذمہ داریوں سے بالاتر اور قانون یا معاہدے کے ذریعہ مقرر کردہ ذمہ داریوں سے بالاتر سمجھتی ہے۔ یہ ان کی سرگرمیوں سے متاثرہ بیرونی گروہوں کے بارے میں گہری توثیق کا باعث ہے اور خام مال کی خریداری سے لے کر مینوفیکچرنگ ٹیکنالوجی اور ضائع ہونے والے پچرے تک پیداوار کے ہر مرحلے پر ماحولیاتی تحفظ کے لئے مناسب طور کیا گیا ہے۔

وبائی صورتحال سے دوچار، یہ کمپنی ان لوگوں کو بخیر عطا دینے میں کافی حد تک ذمہ دار رہی ہے جنہیں امداد کی اشد ضرورت تھی۔ مزید برآں، ایسے پروگرام بنائے گئے ہیں جو ملازمین کو کام اور ذاتی زندگی کے تقاضوں میں توازن قائم کرنے میں مدد دیتے ہیں اور ملازمت پر زیادہ مطمئن اور نتیجہ خیز بننے میں جس کے نتیجے میں کاروبار میں کمی واقع ہوتی ہے، ملازمین کے حوصلے بڑھ جاتے ہیں۔ کمپنی فضائل ضائع کرنے، ری سائیکلنگ، توانائی کے تحفظ اور ماحول دوست ٹیکنالوجی کے استعمال اور آگاہی پیدا کرنے کے لئے باقاعدگی سے وقفوں سے جنگلات کی کٹائی کے سفر کا انتظام کر کے قدرتی ماحول کو برقرار رکھنے کو یقینی بناتی ہے۔



# BHANERO TEXTILE MILLS LIMITED of Companies

شیر ہولڈنگ کا نمونہ

شیر ہولڈنگ کا نمونہ اور شیر ہولڈنگ کے نمونوں سے متعلق اضافی معلومات الگ سے منسلک ہیں۔

متعلقہ پارٹی

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے ایس آر او 2019 (1) 768 کے جاری کردہ نوٹیفیکیشن کے تحت پارٹی سے متعلق تمام متعلقہ ٹرانزیکشن (آر پی ٹی) کے لئے ایک مضبوط پالیسی موجود ہے اور لین دین کے سلسلے میں کمپنی پالیسی میں باقاعدگی سے شامل کیا گیا ہے۔ اور ریکارڈ کی بحالی۔

بورڈ آف ڈائریکٹرز کا انتخاب اور تنظیم نو

انتخابات ایک سال کے دوران ہوئے تھے اور 31 جنوری 2020 کو بورڈ کی تشکیل نو کی گئی تھی جس میں مقابلہ کرنے والے تمام ممبروں کو بلا تفریق منتخب کیا گیا تھا۔ کارپوریٹ گورننس کے ضابطہ اخلاق کے تحت جاری کردہ ضابطوں کی سختی سے عمل کرتے ہوئے آزاد، ایگزیکٹو، غیر ایگزیکٹو اور خواتین ڈائریکٹرز کی تقرری کی گئی ہے۔

بورڈ کی تشخیص

کمپنی نے بورڈ کی کارکردگی، بورڈ کے ممبران اور اس کے ممبران اور ممبران کی کمیٹی کے ممبران کی تشخیص کے لئے ضابطہ اخلاق (v) (3) 10 کی تعمیل میں داخلی طور پر بورڈ کی تشخیص کا رروائی کا انتخاب کیا ہے۔

قانونی دستاویزات، بورڈ اور کمیٹی کے اجلاسوں کے منٹ، اس وقت موجود پالیسیاں اور دیگر ذیلی دستاویزات، سوائس، بورڈ اور کمیٹی ممبروں کے ساتھ بات چیت کے بارے میں ایک جامع جائزہ لیا گیا ہے۔

بورڈ مرکب

ضابطہ نمبر 34 کے تحت مطلوبہ طور پر دس (10) ڈائریکٹرز کا بورڈ مندرجہ ذیل ہے۔

Sr No	Category	Gender		Total
		Male	Female	
(i)	Independent Director	3	0	3
(ii)	Executive Directors	2	0	2
(ii)	Non- Executive Directors	4	1	5

بورڈ اور آڈٹ کمیٹی کے اجلاس

اجلاس میں شرکت کے اہل تمام ڈائریکٹرز، کمیٹی کے عمومی اجلاسوں میں شریک ہوئے ہیں

ضابطہ اخلاق (6) 10 کے تحت ذاتی طور پر یا ویڈیو کانفرنس کے ذریعے جب تک کہ کسی بھی معقول وجہ سے ایسا کرنے سے باز نہ آجائے

during 2019-20 کے دوران بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی اور ہیومن ریسورس اور معاوضہ کمیٹی کے اجلاس اور شرکت کی تعداد درج ذیل ہے

Sr	Name of Directors	Committees					
		Board of Directors		Audit		Human Resource and Remuneration	
		Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
1.	Mr. Muhammad Salim	4	4	-	-	-	-
2.	Mr. Muhammad Shaheen	4	4	-	-	-	-
3.	Mr. Khurram Salim	4	4	-	-	-	-
4.	Mr. Bilal Sharif	4	4	6	6	-	-
5.	Mr. Muhammad Amin	4	4	-	-	1	1
6.	Mr. Hamza Shakeel	4	4	6	6	1	1
7.	Mr. Iqbal Mehboob	4	4	6	6	1	1
8.	Mr. Asif Elahi	3	3				
9.	Mr. Mustafa Tanvir	3	3				
10.	Mrs. Saba Yousaf	4	4	-	-	-	-



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ہمارا ماننا ہے کہ زراعت میں تکنیکی ترقی کی صلاحیت کو بڑے ہوئے قانون سازی اور پالیسی فریم ورک اور فرسودہ ریگولیشنز کی عدم موجودگی کی وجہ سے استعمال نہیں کیا جاسکتا۔ چونکہ زراعت میں تکنیکی ترقی کی رفتار غیر معمولی سطح تک پہنچ چکی ہے، لہذا زراعت کو فروغ دینے کے ساتھ ساتھ جدت کی حوصلہ افزائی اور تحقیق میں باہمی سرمایہ کاری کو راغب کرنے کے نئے نئے ملک میں نئی اور جدید ٹیکنالوجی کو بروقت اپنانے کے لئے ایک قابل کاروبار کاروباری ماحول پیدا کرنا ہوگا۔

ایک مضبوط اور مستحکم پالیسی، قانونی اور ضابطہ کار فریم ورک فرموں اور دیگر جدت پسند ادارہ کاروں کے ذریعہ طویل مدتی سرمایہ کاری اور ٹیکنالوجی کی منتقلی کی سہولت کے لئے ایک ماحول فراہم کرے گا۔ حکومت کو یقینی بنانا ہوگا کہ موجودہ قانونی فریم ورک نئی ایجادات اور ٹیکنالوجیز کے ساتھ تیار ہو رہا ہے۔

کارپوریٹ گورننس کے کوڈ کی تعمیل

کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل کا بیان جوڑا گیا ہے۔

کارپوریٹ اور مالی رپورٹنگ کے فریم ورک پر بیان:

آپ کی کمپنی کے ڈائریکٹرز کمپنیز ایکٹ 2017، کوڈ آف کارپوریٹ گورننس "2019 کوڈ" کے تحت قواعد و ضوابط، پاکستان اسٹاک ایکسچینج لمیٹڈ کے رول بک اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ذریعہ جاری کردہ ہدایات کے تحت اپنی ذمہ داریوں سے آگاہ ہیں۔ ریگولیشنز کی تعمیل کے ایک حصے کے طور پر، ہم درج ذیل کی تصدیق کرتے ہیں:

financial کمپنی کے انتظام کے ذریعہ تیار کردہ یہ مالی بیانات، اس کی امور کی منصفانہ حیثیت، اس کی کارروائیوں، نقد بہا اور ایکویٹی میں تبدیلیوں کا نتیجہ پیش کرتے ہیں۔

company کمپنی کے اکاؤنٹ کی مناسب کتابیں برقرار رکھی گئی ہیں۔

statements مالی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو ہوتی ہیں اور محاسبہ کا تخمینہ معقول اور محتاط فیصلے پر مبنی ہوتا ہے۔

statements بین الاقوامی مالیاتی رپورٹنگ معیارات، جیسا کہ پاکستان میں قابل اطلاق ہیں، مالی بیانات کی تیاری میں عمل کیا گیا ہے۔

internal اندرونی کنٹرول کا نظام ڈیزائن کے مطابق تھا اور اس کو موثر انداز میں نافذ اور نگرانی کی جا رہی ہے۔

going کمپنی کی تشکیل کی حیثیت سے جاری رکھنے کی اہلیت پر کوئی خاص شبہات نہیں تھے۔

corporate کارپوریٹ گورننس کے بہترین طریقہ کار سے کوئی مادی طور پر خرابی نہیں ہوئی ہے، جیسا کہ فہرست سازی کے ضوابط میں تفصیل ہے۔

ہم نے ڈائریکٹرز اور ملازمین کے مابین ایک ضابطہ اخلاق اور کاروباری حکمت عملی تیار کی ہے اور اس کی گردش کی ہے۔

Direct بورڈ آف ڈائریکٹرز نے ایک وژن اور مشن بیان اور کارپوریٹ حکمت عملی کی مجموعی وضاحت کو اپنایا ہے۔

تمام ڈائریکٹرز جسمانی طور پر یا ویڈیو کانفرنس کے ذریعے اس کے بورڈ اور عام اجلاس میں شریک ہوئے ہیں جب تک کہ مناسب وجہ سے اس سے باز نہ آجائیں۔

Corporate تمام ڈائریکٹرز کو کوڈ آف کارپوریٹ گورننس کمپنیز ایکٹ اور آرٹیکل آف ایسوسی ایشن کے مطابق اپنی شرائط کے آغاز پر اپنی ذمہ داریوں، کردار، معاوضے، اختیارات اور ذمہ داری کے ساتھ تفویض کیا گیا ہے۔

Corporate کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 کی ضرورت کے مطابق، کمپنی کے تمام ڈائریکٹرز کو ڈائریکٹرز ریگولیشن پروگرام (ڈی ٹی پی) کے تحت منظور شدہ اچھوت دی گئی ہے۔

resource انسانی وسائل، میٹھی بنانے والا، خریداری، اسٹیک ہولڈرز کے ساتھ مواصلات کا طریقہ کار، ماحولیات، سحت اور حفاظت، ڈائریکٹرز کا معاوضہ، اینٹی منی لائٹرننگ اور رسک مینجمنٹ وغیرہ سے متعلق اہم پالیسیوں کا صحیح اپ ڈیٹ ریکارڈ موجود ہے۔

Corporate کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 اور کمپنیز ایکٹ (2017 ایکٹ) کے تحت ضرورت کے مطابق، ہم نے اس رپورٹ میں درج ذیل معلومات کو شامل کیا ہے۔

o حصص یافتگی کے انداز کا بیان الگ سے دیا گیا ہے۔

o متعلقہ اقدامات اور متعلقہ افراد کے ذریعہ رکھے ہوئے حصص کا بیان۔

o بورڈ کے اجلاسوں کا بیان اور سال کے دوران منعقدہ سالانہ عمومی اجلاس اور ہر ڈائریکٹر کی حاضری کو الگ سے دیا گیا ہے۔

o اے ایکٹ کی دفعہ (4) 192 کی دفعات کے تحت چیئر مین جائزہ رپورٹ۔

o تعمیل کے بیان پر ضابطہ اخلاق کے ضابطہ 36 کے تحت چیئر مین کے ذریعہ دستخط کریں۔

six منسلک آڈٹ شدہ مالیاتی بیانات میں ٹیکسوں اور محصولات کی معلومات کے ساتھ گزشتہ چھ سالوں کے اہم آپریٹنگ اور مالی اعداد و شمار کا انکشاف کیا گیا ہے۔

listed کمپنی درج کمپنیوں کے لئے اندرونی تجارت کی ممانعت کے بارے میں ایس ای سی پی کی طرف سے جاری کردہ رہنما خطوط پر توجہ سے عمل کرتی ہے اور کمپنی کے حصص میں کوئی ٹریڈنگ اس کے ڈائریکٹرز، ای او ای ایف او، کمپنی سکریٹری، ہیڈ آف انٹرنل آڈٹ اور ان کے شریک حیات اور نا بانغ بچوں نے نہیں کی تھی۔ حصص یافتگی کے انداز میں انکشاف کیا۔



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اس ایکٹ کے تحت مطلع کیا گیا ہے اور ساتھ ہی ساتھ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ ہدایات کے ذریعے بھی۔

پاکستان میں زراعت کا شعبہ

کپاس پاکستان کی ایکسٹراکٹڈ سٹری کی ایک اہم نقد فصل اور لائف لائن ہے۔ کپاس کی فصل خریف کے دوران 14 فیصد قابل کاشت اراضی پر لگائی گئی ہے اور تقریباً 15 لاکھ کسان کپاس کی کاشت کرتے ہیں۔ رواں سال کے دوران، کپاس سے وابستہ رقبے میں کم ہو کر 2.2 ملین ہیکٹر رہنے کا امکان ہے جو پچھلے سال کے مقابلے میں 12 فیصد کم ہے جس کی بنیادی وجہ کئی، چاول، اور گنے کی دیگر بقایا فصلوں میں تبدیلی ہے۔ توقع کی جارہی ہے کہ کپاس کے رقبے میں کیڑوں کے حملے کے ممکنہ خطرہ، موسم کی غیر یقینی صورتحال اور اس کے بعد نقد بقیہ بیج کی ناکافی فراہمی ہے۔

زراعت پاکستان کی معیشت کا بنیادی مقام ہے، جو ملک کی تقریباً 20 economy فیصد معیشت کا حصہ بنتی ہے اور اس میں 42 فیصد افرادی قوت شامل ہے۔ کٹائی کے کل رقبے کی مقدار 23.4 ملین ہیکٹر ہے اور اس میں بنیادی طور پر چھوٹے ہولڈرز کام کرتے ہیں۔ قومی معیشت کا ایک اہم حصہ ہونے کے باوجود، خاص کپاس میں زراعت کی پیداواری صلاحیت کم ہو رہی ہے، جس سے معاشی نمو رکاوٹ ہے اور کھانے کی حفاظت کے خدشات ہیں۔ ان چیلنجوں کا سامنا کرنا پڑتا ہے، یہ ضروری ہے کہ پاکستان قدرتی وسائل کی بنیاد کو بڑھاو دینے کے ساتھ ساتھ پیداواری صلاحیت میں اضافہ کرتے ہوئے جدید زراعت کی ٹیکنالوجی اور جدت طرازی کو اپنانا شروع کر دے۔

پاکستان 2040 تک خٹلے میں سب سے زیادہ پانی سے دباوا لے لیمالک کی حیثیت اختیار کر رہا ہے جس کے نتیجے میں آب پاشی، صنعت اور انسانی استعمال کے ل surface سطحی پانی کی دستیابی میں نمایاں کمی ہوگی۔

عالمی سطح پر، زراعت کا شعبہ ایک ٹیکنالوجی کے انقلاب کی زد میں ہے۔ جدید فارم اور زرعی کام کچھ عشروں پہلے کے مقابلے میں کہیں مختلف ہیں۔ آج زراعت معمول کے مطابق جدید ترین ٹیکنالوجیز جیسے روبوٹ، ڈرون، درجہ حرارت اور نمی سنسر، جدید چین ایڈیٹنگ، جی ایم او بیج، ڈیجیٹل زراعت کا استعمال کرتی ہے جو کاروبار کو زیادہ منافع بخش، موثر، محفوظ اور ماحول دوست بنانے کی اجازت دیتی ہے۔ یہ ٹیکنالوجیز پوری دنیا میں زراعت میں جدت کی اگلی لہر کو فروغ دینے کے لئے تیار ہیں اور کاشتکاروں کو آب و ہوا میں بدلا، پانی کی قلت اور بڑھتی ہوئی آبادی سے درپیش چیلنجوں کا مقابلہ کرنے میں مدد فراہم کرتی ہیں۔

بدقسمتی سے، جب ہم نئی ٹیکنالوجیز قبول کرنے کی بات کرتے ہیں تو ہم نے اپنے پیروں کو گھسیٹ لیا اور اب بھی روایتی کاشتکاری میں جڑیں جس کے بعد ہمارے باپ دادا بھی شامل ہیں۔ ہم حالیہ ٹینڈریوں کے حملے کی مثال لے سکتے ہیں

ہمارے اور ترقی پسند معیشتوں کے مابین بڑھتے ہوئے فاصلوں کو اجاگر کرتا ہے جہاں دنیا نے ان صورتحال سے نمٹنے کے لئے بغیر پائلٹ کا ڈبوں کی طرف رخ کیا ہے ہم ابھی بھی آرتھوڈوکس اقدامات پر گامزن ہیں۔

پاکستان میں چھوٹے کاشتکارانہ کٹائی معلومات، موسم کی غیر متوقع تبدیلی، مٹی کا کٹا، کیڑوں اور کیڑوں کے باعث پیداوار میں ہونے والے نقصان، ان پٹ اور کاشت کے اخراجات میں نمایاں طور پر زیادہ متاثر ہیں۔ زراعت کے مجموعی شعبے کی تبدیلی کے ل The ٹکنالوجی کو اپنانا ضروری ہے جو غربت کے خاتمے، ماحولیات کے تحفظ اور پیداواری میں اضافے کو یقینی بنانے میں مدد فراہم کر سکے۔

سفارشات:

یہ اندازہ لگایا گیا ہے کہ اگلے 30 سالوں میں ہماری آبادی تقریباً double دوگنی ہو جائے گی جبکہ آب و ہوا یا گلوبل وارمنگ میں بدلاؤ آنے سے ملک کے زراعت کے شعبے میں نئے چیلنجوں کا سامنا ہے۔

زراعت کے ل more زیادہ پائیدار اور ٹیکنیکی طور پر جدید طریقہ اختیار کرنے کی فوری ضرورت۔

- ہمیں اپنے قدرتی وسائل کے پائیدار استعمال سے متعلق طریقوں کو اپنانا ہوگا، تاکہ کاشتکاروں کو قدرتی وسائل کے کم استعمال اور ضائع ہونے کے ساتھ زیادہ سے زیادہ فٹو نمٹا ہو سکے۔

- زمین کی سطح کی کسی بھی طرح کی عدم مساوات جیسے لیزر لینڈ لیوینگ جیسی ٹیکنالوجیز فصلوں کے انکرن، اسٹینڈ اور پیداوار پر خاص اثر ڈالتی ہیں۔

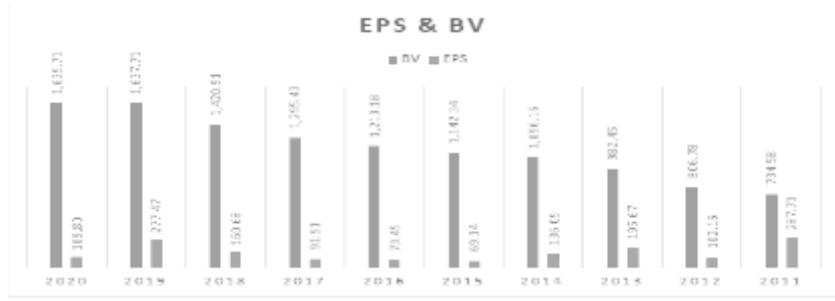
صحت سے متعلق زراعت اور اعلیٰ پیداواری صلاحیت کے ل solar شمسی توانائی سے چلنے والے اعلیٰ کارکردگی کے آبپاشی نظام، اسارٹ واٹر گرڈ اور ڈرون کے استعمال کو فروغ دینے کی ضرورت ہے۔

- زراعت کے شعبے میں ڈرون ٹکنالوجی کا فائدہ اٹھانے سے کاشتکار بہتر کیڑوں کے انتظام کے ذریعہ اپنی پیداواری صلاحیت میں اضافہ کر سکیں گے اور ہوائی نقشہ سازی، پودوں کی صحت کی نگرانی، مٹی کے تجزیے اور ماتی جڑوں کی کھوج کی طرح صحت سے متعلق اضافہ کریں گے۔



# BHANERO TEXTILE MILLS LIMITED

of Companies



ورکنگ کیپٹل مینجمنٹ

کمپنی اپنے عمل کو آسانی سے جاری رکھنے کی اپنی صلاحیت کو یقینی بناتی ہے اور اس میں طویل مدتی ذمہ داریوں، قلیل مدتی قرض اور آئندہ آپریشنل اخراجات کی موجودہ پختگی کو پورا کرنے کی کافی صلاحیت ہے۔

طویل مدتی قرضوں کی وجہ سے پی کے آر 253.147 ملین کی ادائیگی سال 2020 کے دوران کی گئی ہے جبکہ کمپنی کے حصص یافتگان کو سال کے دوران ادا کی جانے والی سالانہ ادائیگیوں اور عبوری منافع کی مد میں 317.108 ملین کر دیئے گئے ہیں۔

کمپنی کی قلیل مدتی لیکویڈیٹی کافی حد تک مستحکم ہے کیونکہ (2019: 2.73) 2.54 کے موجودہ تناسب سے ظاہر ہوتا ہے کہ اسے جائزے کے تحت سال کے لئے تسلی بخش سمجھا جاتا ہے۔

کمپنی کا ڈھانچہ

کمپنی کا متوازن ڈھانچہ کمپنی کے لئے تکنیکی لحاظ سے اس کا سب سے اہم انتخاب ہے جو اس کی نمو کو طے کرے گا۔

کمپنی نے حصص یافتگان کی قدر کو بڑھانے کے لئے قرض اور ایکویٹی کا ایک زیادہ سے زیادہ اختلاط کا انتظام کیا جو اپنے سرمایہ کاروں کو صحت مند واپسی فراہم کرتا ہے۔

کمپنی کی مالی استحکام کی طاقت کا اندازہ اس حقیقت سے لگایا جاسکتا ہے کہ شیئرز ڈارک ایکویٹی 4، 919.120 ملین (2019: 4 ملین 913.118 ملین (ری جو اسی سال کے مقابلہ میں 30 جون 2020 کو ختم ہونے والے سال کے دوران معمولی نمو کی مجموعی ایکویٹی ہے۔ 30 جون 2020 کو ختم ہونے والے رواں سال کے دوران (2019: 0.46) 0.55 کا گینٹنگ تناسب عام طور پر صنعت کے معیار کے مطابق اچھی طرح سے قائم کمپنیوں کے لئے عام سمجھا جاتا ہے۔

توازن، جدید کاری اور تبدیلی

سال کے دوران، پی کے آر 175.553 ملین کی رقم سہولیات اور مشینری کو اپ گریڈ کرنے کے لئے تیار کیا گیا ہے تاکہ پیداواری ٹکنالوجی میں جدید ایجاد کو جاری رکھیں اور نئی پیدا کرنے کی استعداد کار میں اضافہ کیا جاسکے۔

کریڈٹ ریٹنگ

2020 + 22 کو A + / A 1 سنگل A Plus / A One کی حتمی درجہ بندی کمپنی کو Messers JCR-VIS کی درجہ بندی کمپنی نے تفویض کر دی ہے۔ تفویض کردہ درجہ بندی کو "درجہ بندی دیکھنا - ترقی پذیر" حیثیت پر رکھا گیا ہے۔

مالیاتی گوشوارے

کمپنی 2017 کے تحت ضرورت کے مطابق، پی ایس ایکس کے درج ذیل قواعد و ضوابط اور ایس ای سی پی کے ذریعہ جاری کردہ ہدایت ناموں پر چیف ایگزیکٹو آفیسر اور چیف فنانس آفیسر نے 30 جون 2020 کو ختم ہونے والے سال کے لئے کمپنی کے مالی بیانات پیش کیے، جن کی دستخطوں کے تحت باقاعدگی سے اس کی توثیق کی گئی، جاری اور گردش کے لئے بورڈ آف ڈائریکٹرز کی منظوری اور اجازت۔

کمپنی کے مالی بیانات کمپنی کے آڈیٹرز، مشائق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کے ذریعہ باقاعدگی سے آڈٹ کیے گئے ہیں اور آڈیٹرز نے 30 جون 2020 کو ختم ہونے والے مالی بیانات کے بارے میں کلین آڈٹ رپورٹ جاری کی ہے اور بیان کے ضابطے سے متعلق صاف جائزہ رپورٹ جاری کی ہے۔ کارپوریٹ گورننس ریگولیشنز، 2019 کا "کوڈ" - رپورٹ میں مالی بیانات کے ساتھ منسلک ہیں۔

اکاؤنٹنگ معیارات

کمپنی کی اکاؤنٹنگ پالیسیاں کمپنی ایکٹ 2017 اور اس طرح کے منظور شدہ بین الاقوامی اکاؤنٹنگ معیارات اور بین الاقوامی مالیاتی رپورٹنگ معیارات کی ضروریات کو پوری طرح سے ظاہر کرتی ہیں جنہیں

ڈائریکٹرز کی رپورٹ

بیر ویگسٹائل ملز لمیٹڈ کے ڈائریکٹرز کو 30 جون 2020 کو ختم ہونے والی کمپنی کے مالی بیانات کے بارے میں آڈیٹرز کی رپورٹ کے ساتھ سالانہ رپورٹ پیش کرنے میں بے حد خوشی ہے۔

مالی نتائج

کمپنی کے مالی نتائج 30 جون 2020 کو ختم ہوئے۔

	2020 Rupees	2019 Rupees
Sales	8,923,611,447	9,347,772,864
Cost of sales	8,100,058,950	8,054,100,783
Gross profit	823,552,497	1,293,672,081
Other income	159,679,917	227,825,645
Less: Selling, Admin, Finan & Other Expenses	527,596,159	564,615,060
Profit before taxation	455,363,255	956,882,666
Less: Taxation		
Current year	119,247,158	91,837,659
Prior year	-	(34,512)
Deferred	6,990,216	32,669,693
	126,237,374	124,472,840
<b>Profit after taxation</b>	<b>329,398,881</b>	<b>832,409,826</b>
<b>Basic and diluted earnings per share</b>	<b>109.80</b>	<b>277.47</b>

مالیاتی کارکردگی

اللہ تعالیٰ کے فضل و کرم، کمپنی نے 30 جون، 2019) 2020 پی کے آر 832.410 ملین ( کو ختم ہونے والے سال کے دوران پی کے آر 329.399 ملین ٹیکس کے بعد منافع حاصل کیا۔ Allah کے فضل و کرم نے یہ کمپنی دنیا بھر میں کورونا وائرس وبائی صورتحال پیدا ہونے اور سال کے دوران خالص منافع کمانے کے قابل ہونے کی وجہ سے چیلنجوں سے نکلنے میں کامیاب ہوگی۔ کمپنی کی فروخت پی کے آر 9، 347.773 ملین سے کم ہو کر پی کے آر 8، 923.611 ملین ہو گئی جبکہ مجموعی منافع اسی سال کے مقابلہ میں 30 جون 2020 کو ختم ہونے والے سال کے دوران پی کے آر 1، 293.672 ملین سے پی کے آر 823.552 ملین رہ گیا ہے

ڈیویڈنڈ اینڈ ریزرو بچھت

کمپنی نے 30 جون 2019 کو ختم ہونے والے سابقہ سال کے لئے)) 558.00 پی کے آر 55.80 فی حصص (کے سالانہ منافع کے علاوہ 31 دسمبر 2019 کو ختم ہونے والے نصف سال کے لئے)) 500.00 پی کے آر 50.00 فی شیئر (پر عبوری منافع ادا کیا ہے۔

چونکہ وبائی حالت کی صورتحال ابھی ختم نہیں ہوئی ہے اور کمپنی کے بہترین مفاد میں بورڈ آف ڈائریکٹرز اس بات پر متفق ہیں کہ منافع کا اعلان موجودہ سال کے لئے روکا جائے گا۔ آڈٹ کمپنی کی تجویز کردہ اس تناظر میں، بورڈ آف ڈائریکٹرز نے فیصلہ کیا ہے کہ 30 جون 2020 کو ختم ہونے والے موجودہ سال کے لئے کوئی سالانہ منافع نہیں اعلان کیا جائے گا۔

اس کے علاوہ، کمپنی نے کوویڈ 19 کے مالی اثرات کو کم کرنے کے لئے اسٹیٹ بینک کی پیش کردہ ادائیگی ملازمین کی تنخواہوں کے لئے طویل مدتی قرضوں اور ری فنانسنگ اسکیم کے لئے پرنسپل کی التوا کا فائدہ اٹھایا ہے جس سے 2020 اور 2021 کے منافع کی ادائیگی پر بھی پابندی ہے۔

مزید یہ کہ، ڈائریکٹرز نے مستقبل میں کسی بھی غیر متوقع ہنگامی صورتحال کو پورا کرنے کے لئے پی کے آر 100، 00 ملین کی رقم کو جنرل ریزرو میں منتقل کرنے کی تجویز پیش کی۔

آمدنی اور بریک اپ ویلیو فی شیئر

کمپنی حصص یافتگان کی دولت میں مالیت بڑھانے کے لئے پرعزم ہے اگرچہ منافع میں کمی کی وجہ سے رواں سال کے لئے فی حصص آمدنی میں کمی واقع ہوئی ہے لیکن موجودہ سال کے دوران حصص کی بریک اپ ویلیو میں اضافہ کیا گیا ہے۔ رواں سال کے دوران شیئر کا EPS اور BV بالترتیب (277.47: 2019) 109.80 (PKR 1 اور 639.71 (2019: PKR 1)، 637.71) 1

## PROXY FORM

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a member of **BHANERO TEXTILE MILLS LIMITED** and holder of \_\_\_\_\_  
ordinary shares as per Share Register Folio No. \_\_\_\_\_ and/or CDC Participant  
ID No. \_\_\_\_\_ and Sub Account No. \_\_\_\_\_ hereby appoint  
Mr./Mrs./Miss \_\_\_\_\_ of \_\_\_\_\_ or failing  
him/her \_\_\_\_\_ of \_\_\_\_\_ as my / our  
proxy to act on my/our behalf at the 41<sup>st</sup> Annual General Meeting of the Company to be held on  
Tuesday 27<sup>th</sup> October 2020 at 10:30 at Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi  
Industrial Area, Karachi. and/or at any adjournment thereof.

WITNESS

Signature

Name

Address

Affix  
Rs. 5/-  
Revenue  
Stamp

CNIC/Passport #

(Signature should agree with the  
specimen signature registered  
with the Company)

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2020

### Notes:

If a member is unable to attend the meeting, they may complete and sign this form and sent it to the Company Secretary, **Bhanero Textile Mills Limited**, Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. so as to reach not less than 48 hours before the time scheduled for holding the meeting.

- (i) The Proxy form shall be witnessed by a person whose name, address and CNIC/Passport number should be stated on the form.
- (ii) Attested copy of CNIC or the Passport of the beneficial owner alongwith the Proxy form should also be submitted.
- (iii) The Proxy nominee shall produce his / her original CNIC or original Passport at the time of the meeting.
- (iv) In case of a Corporate entity, the Board of Directors Resolution/Power of Attorney with specimen signature should be submitted (unless it has been provided earlier) along with Proxy form to the Company.

## پرسی فارم

میں \_\_\_\_\_ کے \_\_\_\_\_ کے رکن اور عام شیئر کے حامل کی حیثیت کے \_\_\_\_\_ (شیئر کی تعداد) \_\_\_\_\_ رجسٹرڈ کارپوریٹڈ کمپنی اور ایسی ڈی سی فوئیو کا آئی ڈی نمبر \_\_\_\_\_ اور ذیلی اکاؤنٹ نمبر \_\_\_\_\_ کے \_\_\_\_\_ یا \_\_\_\_\_ کے \_\_\_\_\_ کو کمپنی کے سالانہ اجلاس جو 27 اکتوبر 2020 کو منعقد ہوگا، میں میرے / ہمارے لئے اور میری / ہماری طرف سے بحیثیت اپنا پرسنل، ووٹ دینے کے لئے نامزد کرتا ہوں / کرتے ہیں۔

دستخط \_\_\_\_\_ بروز \_\_\_\_\_ بتاریخ \_\_\_\_\_ / \_\_\_\_\_ / 2020۔

گواہان:

دستخط: \_\_\_\_\_

نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: \_\_\_\_\_

پاسپورٹ نمبر: \_\_\_\_\_

دستخط شیئر ہولڈر

(دستخط کا کمپنی میں رجسٹرڈ نمونے کے ہو بہو مطابق ہونا ضروری ہے)

دستخط: \_\_\_\_\_

نام: \_\_\_\_\_


پتہ: \_\_\_\_\_

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: \_\_\_\_\_

پاسپورٹ نمبر: \_\_\_\_\_

نوٹ: نمائندے کو فعال بنانے کے لئے نامزدگی کا فارم میٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کو موصول ہو جانا چاہیے۔ نمائندے کو کمپنی کارکن ہونا ضروری نہیں۔ سی ڈی سی شیئر ہولڈرز اور ان کے نمائندوں سے فرداً فرداً درخواست ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ تصدیق شدہ نقل یا پاسپورٹ، پرسنل فارم داخل کرنے سے قبل اس کے ساتھ منسلک کریں۔















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**REGISTERED OFFICE**

Umer House, 23/1, Sector 23, S.M. Farooq Road,  
Korangi Industrial Area, Karachi-74900, Pakistan

Phones : 021 - 35115177 - 80

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Website : [www.umergroup.com](http://www.umergroup.com)