



of Companies

45th Annual Report 2024

UMER GROUP OF COMPANIES

BHANERO TEXTILE MILLS LIMITED



Vision

A premier quality company providing quality products by maintaining an excellent level of ethical & professional standards.



Mission Statement

To become a leading manufacturer of textile products globally and explore the new era to achieve the highest level of success.

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Corporate Information

Governing Board

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. Tauqeer Ahmed Sheikh	Independent Director
Mr. Asif Elahi	Independent Director
Mr. Mustafa Tanvir	Independent Director

Chief Financial Officer

Mr. Asim Mirza	FCMA, CPA(Aust) , MBA
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Company Secretary

Mr. Mohammad Ahmed	M.A (Economics)
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Audit Committee

Mr. Tauqeer Ahmed Sheikh	Chairman
Mr. Hamza Shakeel	Member
Mr. Bilal Sharif	Member

Human Resource Committee

Mr. Tauqeer Ahmed Sheikh	Chairman
Mr. Muhammad Amin	Member
Mr. Hamza Shakeel	Member

Statutory Auditors

M/s Mushatq and Company (Chartered Accountants)
407, Commerce Centre, Hasrat Mohani Road, Karachi.

Legal Advisor

Mr. Imran Iqbal Khan - Advocate Sindh High Court

Bankers

Bank Alfalah Limited	Samba Bank Limited
Dubai Islamic Bank	United Bank Limited
Faysal Bank Ltd	Bank Islami Pakistan Ltd
Habib Bank Limited	Bank Al Habib Limited
MCB Bank Limited	Habib Metropolitan Bank Ltd
Meezan Bank Limited	National Bank of Pakistan
The Bank of Punjab	Askari Bank Ltd

Share Registrar

Hameed Majeed Associated (Private) Limited
5th Floor Karachi Chamber, Karachi.

Registered Office

Umer House, 23/1, Sector 23, S. M. Farooq Road,
Korangi Industrial Area, Karachi, Pakistan
Tel : 021 35115177 - 80
Email: khioff@umergroup.com
URL : <http://www.umergroup.com>

Liaison / Correspondence Office

9th Floor, City Towers, 6-K, Main Boulevard
Gulberg - II, Lahore, Pakistan
Tel : 042 111 130 130 ; Fax: 042 -35770015
Email: lhroff@umergroup.com

Manufacturing Units

Spinning Unit - I is located at:
Kotri Distric Dadu, Sindh. Tel : 0223 870013

Spinning Unit - II and Weaving Unit - III are located at:
Feroz Watwan, 18 KMSheikhupura, Punjab. Tel: 056 3731723

Spinning Unit - IV is located at:
18 KM Sheikhupura, Faisalabad Road , Sheikhupura , Punjab.

BHANERO TEXTILE MILLS LIMITED
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 45th Annual General Meeting of the members of **Bhanero Textile Mills Limited** will be held on Monday, 28th October 2024 at 03:00 pm at the registered office of the company i.e. Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi, to transact the following business:

The following ordinary and special business is proposed to be conducted in the meeting:

Ordinary Business:

1. To confirm the minutes of the last annual general meeting held on 27th October, 2023.
2. To receive, consider and adopt the audited financial statements of the company for the year ended 30th June, 2024 together with the auditors' and directors' report thereon.

In accordance with Section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following web link and QR enabled code:



URL: <http://www.umergroup.com/bhanero-financial-reports.html>

3. To appoint the auditors for the next term i.e. year 2024-2025 and fix their remuneration as per last year at PKR 2,275,000.00. The retiring auditor Messer's Mushtaq and Company, Chartered Accountants, being eligible, offer themselves for reappointment.

4. Special Business:

(A) To approve by way of special resolution with or without modification the following resolutions in respect of related party transactions under the provisions of Section 208 of the Companies Act, 2017:

(i) "Resolved That Related Parties Transactions carried out during the year as disclosed in the financial statements for the year ended June 30, 2024, be and are hereby ratified, approved and confirmed."

(ii) "Resolved That the Board of Directors of the Company be and are hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis during the financial year ending June 30, 2025.

Further Resolved That transactions approved by Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next general meeting for their formal ratification/approval."

5. Any Other Business:

To transact any other business with the permission of the chairman.

The statement of material facts in relation to aforesaid special business as required under section 134(3) of the Act and SRO 423 (I)/2018 is enclosed.

Moreover, the notice along with statement of material fact have been dispatched to the shareholders by post and uploaded placed on company website at "www.umergroup.com".

Karachi:

(By the order of the Board)

Dated: 30th September, 2024

**Mohammad Ahmed
Company Secretary**

Notes:

1. For attending the meeting electronically

In pursuance of SMD/SE/2(20)2021/117 to ensure the participation of members in the general meeting electronically, the members can attend the meeting through video link facility, "Zoom" which is available on Google Play or Apple App Store. The entitled member(s) can access with following ID and password:

Join Zoom Meeting

<https://us05web.zoom.us/j/3397286733?pwd=N2FFNXpkYkZCS213bzNVNzZZbm94UT09>

Meeting ID: 339 728 6733

Passcode: btmcorp

2. The Shares Transfer Books of the Company will remain closed from 21st October 2024 to 28th October, 2024 (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 20th October 2024 will be treated in time for the purpose of entitlement of dividend (if any) and to attend the Annual General Meeting of the company.
3. Members interested to attend the virtual meeting through some other member as proxy are requested to send their proxy form (Enclosed) via email at btm.corporate@umergroup.com or at the registered office of the company not later than 48 hours before the time of holding the 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. In compliance of SRO 1013(1)/2017 dated 6th September, 2017 the claimant wise details of unclaimed shares and dividend or modarba certificates as on June 30, 2024 have been uploaded on our website: www.umergroup.com. In this regard, the said shareholders are requested to approach the Company Registered Office or Share Registrar Office regarding any unclaimed dividend, shares or modarba certificates. In case of failure to lodge the claim for unclaimed dividends that were overdue for more than 3 years within 90 days of this notice, the amount of such unclaimed dividends shall be deposited to the credit of Federal Government in accordance with the requirement of the Companies Act, 2017.
6. Members are requested to immediately inform us on any change in their addresses and bank details to our share Registrar, Hameed Majeed Associates (Private) Limited.

Pursuant to the provisions of the Finance Act 2024 effective July 1, 2024, the rates of deduction of income tax from dividend payments under section 150 of the Income Tax Ordinance, 2001 have been revised as follows:

- a. For filer of income tax return 15%
- b. For non-filers of income tax return 30%

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, shareholders whose names are not entered into the Active Taxpayers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered in ATL before the first day of book closure, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

Withholding Tax exemption from the dividend income, shall only be allowed if copy of valid tax exemption certificate or stay order from a competent court of law is made available to Hameed Majeed Associates (Private) Limited, by the first day of Book Closure.

Further, according to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint holder(s) based on their shareholding proportions, in case of joint accounts. In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them (only if not already provided) to our Share Registrar, in writing.

In the event of non-receipt of the information by 20th October 2024, each shareholder will be assumed to have equal proportion of shares and the tax will be deducted accordingly

7. Section 242 of Companies Act 2017 which states that, "Any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders". In compliance of section 242 SECP issued a circular CLD/CCD/PR(11)/2017 No.18/2017 dated 1-Aug-17 requiring listed companies to obtain electronic dividend mandate from the Shareholders and in this regard a notice had already been sent to all the shareholders.

Further, Securities and Exchange Commission of Pakistan (SECP) vide notification No. SRO 1145(1)2017 dated November 6, 2017 in terms of provision of section 242 of the Companies Act, 2017 issued regulations for distribution of dividends by the listed companies requiring entitled shareholders to provide valid information pertaining to designated bank account including name of bank, title of account, address of bank branch and international bank account number. In this regard we request all registered shareholders to provide the bank details in order to credit their cash dividends directly to their bank account, if declared. Also provide us verification of bank detail with your concern bank and submit to in case of book-entry securities in CDS, to CDS participants and in case of physical securities to the Company's Share Registrar.

8. Pursuant to Notification vide SRO 787(1)/2014 of September 08, 2014, SECP has directed to facilitate the members of the company receiving Annual Financial Statements and Notices through electronic mail system (e-mail). We are pleased to offer this facility to our members who desire to receive Annual Financial Statements and Notices of the Company through e-mail in future. In this respect members are hereby requested to convey their consent via e-mail on a standard request form which is available at the Company website i.e. www.umergroup.com. Please ensure that your e-mail has sufficient rights and space available to receive such e-mail which may be larger than 2MB file in size. Further, it is the responsibility of the member to timely update the Share Registrar of any change in the registered e-mail address.

9. E-Voting and Postal Ballot

The schedule and procedure of postal ballot / E-Voting will be placed on the company's website i.e., www.umergroup.com before seven (7) days of the meeting. Members can exercise their right to demand a poll subject to meeting requirements of Section 143 -145 of the Act and applicable clauses of Companies (Postal Ballot) Regulations 2018 issued vide amended SRO 254(1)/2018.

a) **E-Voting**

- i) The procedure for e-voting facility will be shared through email with those members of the company who have valid cell numbers/email addresses (Registered email ID) available in the register of members by the end of 20th October, 2024. Thus, those members who intends to exercise their right to vote through E-Voting shall provide their valid cell numbers and email on or before 20th October, 2024 with the registrar of the company or email us at: "btm.corporate@umergroup.com".
- ii) The web address, login details and security codes will be communicated to members via email by Hameed Majeed Associates (being the e-voting service provider).
- iii) Identity of the Members intending to cast vote through e-Voting shall be authenticated through authentication for email login.
- iv) E-Voting lines will start from October 25, 2024, 9:00 a.m. and shall close on October 27, 2024 at 5:00 p.m. Members can cast their votes any time in this period. Once the vote on a resolution is casted by a Member, he / she shall not be allowed to change it subsequently.

b) **Postal Ballot**

- i) Members may alternatively opt for voting through postal ballot and for their convenience, Ballot Paper is annexed to this notice and the same is also be downloaded from the Company's website www.umergroup.com.
- ii) The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi (Attention of the Company Secretary/ Chairman) by Saturday, October 26, 2024 before 5:00 p.m. The signature on the ballot paper shall match with the signature on CNIC/record of the Company. A postal ballot received after this time / date shall not be considered for voting.
- c) The board of directors under the clause 5 of SRO 254(1)/2018 have appointed the share registrar of the company M/s Hameed Majeed & Associates (Pvt) Ltd to conduct the e-Voting services. They have their own secured web portal system to perform the services adequately in a smooth manner.

- d) The board of directors under the clause 11 of SRO 254(1)/2018 have appointed Messer's Mushtaq and Company, Chartered Accountants, being eligible with satisfactory QCR rating from ICAP. They possess necessary knowledge and experience to independently scrutinize and conduct the voting services.
10. Under the provision of Section 72 of the Act, the shareholders are now required to replace their physical shares with book-entry form at earliest. Accordingly, the physical shares are now required to be converted into Book-Entry Form and kept by Shareholders in their Central Depository System (CDS) Accounts. The CDS Account can be opened and maintained by any CDC Participant {Stock Broker or CDC Investor Account Services Department (CDC IAS) of Central Depository Company of Pakistan Limited situated at Karachi, Lahore and Islamabad.

The following are key features of holding shares in book-entry form in CDC:

- Book-Entry shares cannot be lost, stolen or spoiled.
- No need for issuance of duplicate shares.
- Book-Entry shares can instantly be traded (Sell/Purchase) in Stock Market.
- No requirement of transfer deed for transfer/sale of Book-Entry shares.
- Book-Entry shares can be pledged for availing of any financing facility.
- Instant credit of Bonus and Right shares entitlements in Book-Entry form.
- 24/07 online access of CDS Accounts for reviewing portfolio information.
- Easy access of periodic Account statements of CDS Accounts.

Statement of Material Facts Under Section 134 (3) of The Companies Act, 2017

Items pertaining to 5(A)(i) of the notice for ratification and approval of the related party transactions during the year ended June 30, 2024.

The related party transactions (RPT) were carried out at arm's length during the normal course of business activity during the year ended June 30, 2024 with its associated undertaking and related parties in accordance with its corporate policy, applicable laws and regulations in compliance with the provisions of IAS 24. All the RPT reviewed and approved by the board of directors were duly placed before head of internal audit for approval, followed by the approval of audit committee

However, since common directorship exists between the related parties (by virtue of being the shareholder or common directorship), these transactions are being placed for the approval by shareholders in the Annual General Meeting. All transactions with related parties to be ratified have been disclosed in the financial statements for the year ended June 30, 2024.

The transactions entered with the related parties include, but are not limited to, sale & purchase of goods, dividends paid and received, investments and divestment made (in accordance with the approval of shareholders and board where applicable). The nature of relationship with these related parties has also been stated in the financial statements for the year ended June 30, 2024.

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 42 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		
Yasmin Begum	Directorship of close family relative	1.01%		
Khurram Salim	Director	2.02%		
Farrukh Salim	Directorship of close family relative	2.02%		
Yousuf Salim	Directorship of close family relative	1.69%		
Saqib Salim	Directorship of close family relative	1.68%		
Amna Khurram	Directorship of close family relative	2.45%		
Muhammad Umer	Directorship of close family relative	0.00%		
Yahyaa Farrukh	Directorship of close family relative	2.42%		
Saba Yousaf	Director	2.76%		
Saba Saqib	Directorship of close family relative	2.76%		
Samia Bilal	Directorship of close family relative	11.14%		
			June 30, 2024	June 30, 2023
Nature of relationship	Nature of transactions		Rupees	Rupees
Associated undertaking	Sales of fabric		326,094,037	1,982,518,305
	Sales of Cotton		328,630	42,394,987
	Sales of yarn		997,750,134	1,128,757,764
	Purchase of yarn		376,688,250	640,832,703
	Purchase of cotton		35,530,084	-
	Purchase of fabric		110,506,106	13,054,653
	Purchase of stores,spares & Machinery		12,882,768	-
	Services received		618,000	309,000
	Sale of machinery		708,000	-
	Electricity purchased		77,832,508	549,679,117
	Loan received from directors and sponsors		31,000,000	149,618,200

Items pertaining to 5(A)(ii) of the notice for board authorization to approve related party transactions that will be conducted during the period July 1, 2024 to June 30, 2025.

The Company shall be entering into transactions with its related parties during the year ending June 30, 2025 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business activity. Since, there has been common directorship in the related party transactions, the Board seeks member's consent to approve such transactions with the related parties from time-to-time on case to case basis for the fiscal year ending June 30, 2025 and such transactions shall be deemed to be approved by the shareholders. The nature and scope of such related party transactions is explained above and these transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

Chairman Review Report

The Chairman Review Report is enclosed as required under the provision of section 192(4) of Companies Act 2017 for the year ended June 30, 2024 to discourse chairman's evaluation of the Bhanero Textile Mills Limited board's overall performance and efficacy in accomplishing its goals. In compliance with the guidelines and provisions of the Companies Act 2017 (Act), the Securities and Exchange Commission of Pakistan (Commission), the Pakistan Stock Exchange (PSX), and the Code of Corporate Governance Regulations 2019 (Code), the board of directors of Bhanero Textile Mills Ltd. ("BTM") has applied governance standards in an effective and transparent manner.

Pakistan's economy is centered on two basic commodities textiles, which account for 60 percent of exports, and energy, which accounts for 30 percent of imports. The textile sector seems to have finally been put on ventilator due to decades of mismanagement combined with the exponential increase in natural gas and power prices over the last 20 months. The frequent disruption in cotton production has impacted both the economy and the sector's performance. The foremost issue facing the textile industry is growing production costs, which are mostly caused by the risk of both increased pricing and a lack of consistent supply of energy. Besides, the sector is under a great deal of strain due to record-high lending rates as industry mainly depends on debt to cover its working capital needs and the situation has gotten worse because of rising interest rates.

The chairman review report intends to depict BTM internal control and risk management protocols in addition to presenting corporate governance as implemented by the company's board of directors and executive management. The board of BTM oversees the company's implementation of best practices in corporate governance and determining their efficacy. The BTM board members uphold the highest ethical standards when carrying out their duties.

Risk Management

To identify, evaluate and prioritize risks as well as minimizing, monitoring, and controlling the impact of risk realities and maximizing opportunity potential through the application of cost-effective and well-coordinated resources, the BTM board established strong risk management policies that were regularly reviewed. In order to ensure that decisions are made effectively, independent directors challenge the board's perspectives and the company's developed goals and objectives are continuously assessed for progress towards the objectives.

Board Evaluation

The chairman at BTM has a vital role in setting the course of the company, encouraging its performance and success and directing management to carry out operations in line with the board-approved strategies while respecting the fundamentals of good corporate governance. In line with the Code of Corporate Governance, the Board has been evaluated annually to make sure that its overall performance meets the

established, all-inclusive standards. The Board has managed the company's affairs well during the year under review, demonstrating strong operational and financial performance.

Stakeholder Management

The BTM keeps shareholders abreast on business, financial performance, notices and announcements through the maintenance of a comprehensive and useful website. At the company's annual Corporate Briefing Session, executives (usually the Chairman, CEO, CFO, and Company Secretary) brief shareholders and investors on the company's past performance, financials, and expectations for the future.

Corporate Governance

The BTM board aspires to continuous improvement rather than perfection and adheres strictly to corporate governance norms. The board ensures code compliance in the selection of the chief financial officer, company secretary, and head of internal audit. The board, working with the audit committee, established a robust internal audit department that functions as a functional report to the audit committee to guarantee the independence of the audit function. The members of the internal audit team possessed the knowledge and abilities needed to do their jobs well. The audit and human resource committees include of non-executive directors and are led by independent directors.

Governing Board and Committees Formation

The board needs diversity to manage complex challenges in today's economic world. At BTM, we think that a diverse board generates a powerful dynamic to face future problems since it brings a wide range of perspectives together through synergy. The existing board of ten directors includes four non-executive, two executive, three independent and one female director (NXD) with a proper fusion of age, gender, and experience in recognition of the fact that diversity on boards is expanding globally, and we are not an exception. The entire Board is accredited under the requirements of the Code for directors training program (DTP). The Board's audit and human resources committees are chaired by an independent director and all the members comprising of the non-executive directors who proactively participates in committee proceedings Besides, the human resource committee ensures that remuneration to executive directors and chief executive officer should commensurate with their skills, expertise and responsibility without compromising their independence.



Muhammad Shaheen

(Chairman)

30th September 2024, Karachi.

Directors Report

The Board of Directors of Bhanero Textile Mills Limited are pleased to present Annual Report along with the audited financial statements of company together with auditors' report thereon for the year ended June 30, 2024.

Financial Recitals

The Board of Directors presents financial results of the for the year ended June 30, 2024 as under:

	June 30, 2024	June 30, 2023
	Rupees	Restated Rupees
Sales	33,057,244,654	18,545,108,053
Cost of sales	(30,023,432,811)	(15,554,879,715)
Gross profit	3,033,811,843	2,990,228,338
Other income	128,313,555	317,226,772
	3,162,125,398	3,307,455,110
Distribution cost	(757,124,365)	(391,950,785)
Administrative expenses	(335,713,971)	(256,536,892)
Other operating expenses	(33,376,153)	(132,217,604)
Finance cost	(1,866,239,907)	(745,266,273)
	(2,992,454,396)	1,525,971,554
Profit before Levies and income taxes	169,671,002	1,781,483,556
Levies	357,944,172	236,978,739
(Loss)/Profit before income taxes	(188,273,170)	1,544,504,817
Income Taxes	56,512,019	(36,975,097)
(Loss)/Profit after taxation for the year	(131,761,151)	1,581,479,914
(Loss) / Earnings per share - basic	(43.36)	527.16
(Loss) / Earnings per share - diluted	(43.36)	520.06

The company posted a loss of PKR (188,273,170) and PKR (131,761,151) before and after tax respectively. The revenue increased by 78.25 percent in the fiscal year ending June 30, 2024, primarily driven by the full operationalization of a new spinning unit, which contributed approximately 30 percent to the company's total revenue

During the current fiscal year, the company faced various challenges that caused the disappointing financial results. This loss is attributable to amid global slowdown, persistent and significant economic challenges faced by the country. The inflation rate reaching an all-time high at 38 percent in May 2023 causing SBP to take aggressive monetary measures by raising policy rate reaching all time high of 22 percent in June 2023. There has been an exorbitant increase in energy prices due to abolishment of subsidies to meet IMF condition for securing loan. The government stringent fiscal measures like withdrawal of zero-rating on local inputs for exports through EFS and introduction of SRO 350(1)2024 in sales tax, delay in sales tax refunds, high financing costs coupled with the global volatility in the cotton and yarn prices impede our profitability hence, our margins have been significantly reduced.

Another challenge faced by the industry is commitment with the International Monetary Fund for phasing out of the captive power plants from gas grid by January 2025 and under given circumstances it's becoming very difficult for the industry to maintain probability.

We recognize the current challenges faced by the company and trying our level best to improve our financial position in the years ahead. The management assures that proactive steps have been taken to address the challenges that led to below par performance by the company during the year.

With the inflation on downward trajectory, we expect further cut in the policy rate by the SBP that will also help us to lower down the borrowing cost particularly on short term finances. Besides, consideration is also given the management to bring down the inventory levels. The company is also taking renewable energy initiatives to bring down energy cost and following aggressive marketing strategies for fetching better pricing.

Since the imports and currency restrictions for industry have been eased, we expected the recovery and increase growth during 2024-25. Consequent to reaching of USD 7 billion staff level agreement with IMF, the support will also be provided to our low foreign exchange however, external debt burden remains a significant concern for the country.

Dividends & Reserves Appropriation

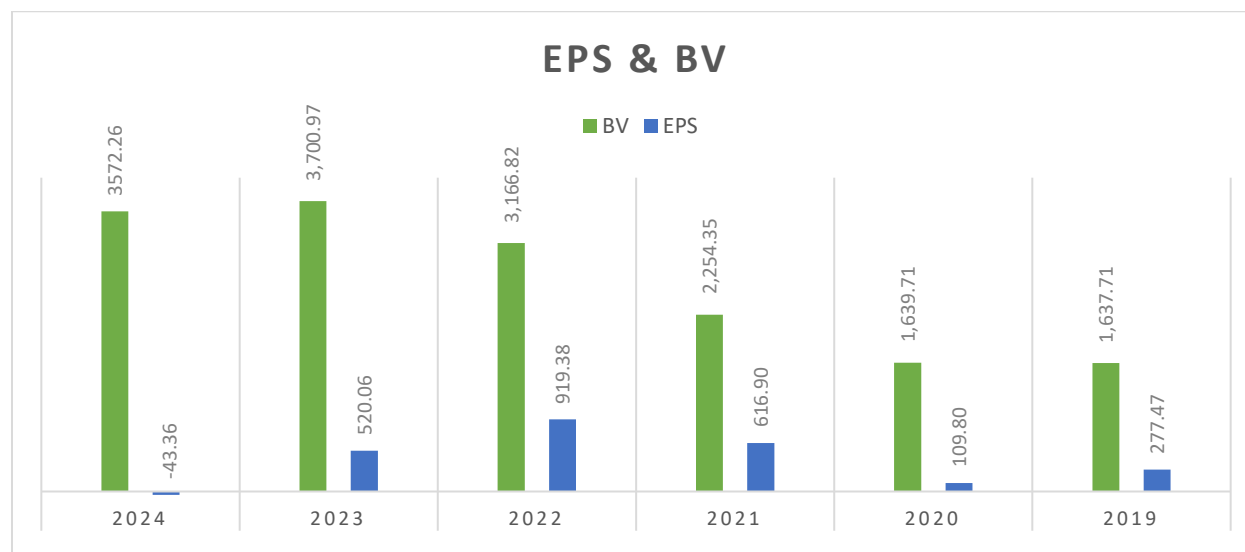
The board of directors have not declared dividends for fiscal year ending June 30,2024 following the recommendation of the audit committee since company has posted a loss during the current year. Nonetheless, the consideration will be given for the declaration of interim dividends by the board of directors depending on profitability and economic viability during the year.

Earnings per Share (EPS) and Breakup Value per Share (BVS)

Investors should use EPS when evaluating a company's future returns and financial stability hence, a greater EPS is more lucrative and is making effective use of investor cash. The investors, use the breakup value to assess a company's financial soundness.

The basic and diluted loss per share is PKR (43.36) as compared to corresponding year 2023 where basic and diluted EPS were PKR 527.16 and 520.16 respectively.

The BVS of share is PKR 3,572.26 (Year 2023: PKR 3,700.97) during the current year ending June 30, 2024.



Working Capital Management

The company has deployed vigilant monitoring system over its assets and liabilities to maintain sufficient cash flow to meet its short-term operating costs and short-term debt obligations

The repayments amounting to PKR 481.081 million and PKR 1,821.069 million on account of long-term loans and debt servicing have been made during the year ended June 30, 2024. The short-term liquidity of company though decreased but still stable as depicted in the current ratio at 1.54 during the current year (2023: 1.65) shows company's ample ability to cover its short-term obligations with its current asset.

Capital Structure

The company utilizes effective combination of debt and equity to support its operations and investments since it is crucial in establishing a company's risk profile and financial health.

The financial firmness of company measured by the increase in shareholder equity at PKR 10,863.114 million during the current fiscal year ending June 30, 2024 (2023: PKR 11,102.912 million).

The company gearing ratio of 1.17 (Year 2023:1.21) represents the financial leverage of the company's that are funded by shareholder equity and creditors' funds is generally considered reasonable with a low risk for well-established companies as per industry standards.

Renewable Energy Initiatives

So far, the company has taken renewable energy initiatives for the installation of around 6.2 megawatt solar energy at Karachi and Punjab Units amounting to approximately PKR 550.00 million.

Credit Rating

The entity's rating reaffirmed at A+/A-1 (Single A Plus / A One) with 'Stable' outlook on given ratings is based on assessment by Messer's VIS Credit Rating Company Limited on September 26, 2023.

Financial Statements

The Chief Executive Officer and Chief Financial Officer presented the financial statements of the company for the year ended June 30, 2024, duly endorsed under their respective signatures, for consideration, approval, and authorization by the board of directors for issuance and circulation as required under Companies Act of 2017, listing regulations of PSX, and directives issued by the SECP.

The company's auditors, Mushtaq & Company, Chartered Accountants, have duly audited the financial statements, and they have issued a clean audit report on the financial statements for the year that ended on June 30, 2024, as well as a clean review report on the Statement of Code of Corporate Governance Regulations, 2019 ("Code"). The financial statements are annexed with these reports.

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.

Outlook on Textile Sector

Pakistan once had a thriving textile manufacturing sector since it possessed a plentiful supply of high-quality cotton on its territory and a sizable consumer base that relied on its capacity to produce quality clothing and export to the Gulf, Europe and the United States.

Around couple of decades ago, Pakistan cotton was in high demand worldwide however, during those 20 years, Bangladesh, Vietnam, and Cambodia overtook Pakistan in the textile industry. In 2003, when Pakistan's textile exports were US\$8.3 billion, Vietnam's textile exports were US\$3.87 billion, Bangladesh's were at US\$5.5 billion. Now Vietnam is at \$44.00 billion and Bangladesh is at \$47.47 billion, while Pakistan is struggled to reach \$16.65 billion in 2024 (Year 2023: 16.501 billion and Year 2022: 22.10 billion). Infact Pakistan textile export are in downward trajectory due to manifold reasons, perhaps most significant in contributing is the energy tariff for textile sector.

The ongoing crisis in Bangladesh has caused enormous discontent with far-reaching consequences. The Pakistan can take the advantage of Bangladesh crisis as number multinational corporations are moving their sourcing operations out of Bangladesh. Pakistan has a long history of producing textiles and clothing, and it has a reputation for good quality and environmental sustainability besides having a well-developed labour force and infrastructure. The country has a rare chance to act as a substitute sourcing hub considering its well-established textile sector and advantageous location.

The Pakistani textile sector with US\$ 16.65 textile exports during fiscal year 2023-24 is struggling with numerous of issues that are impeding its expansion and output. The use of outdated production techniques, shortage of raw material, high borrowing cost, delay in refunds, import restrictions, high energy prices, high taxes etc. These are exacerbated by a lack of originality, poor education, and the need for modern industrial techniques to compete globally.

The covid pandemic appeared to be silver lining for country textile sector since it implemented a smart lockdown policy nationwide which allowed its textile operations to continue, unlike in countries regional peers India and Bangladesh. Since no concrete and sustainable measure were taken, the country was unable to sustain the momentum in post covid era once competing countries reopened in the region.

Now there is an opportunity window for declining textile sector of the country and the government should take immediate measure to fill the vacuum created by the situation in Bangladesh. Unfortunately, the textile sector in Pakistan is confronted with several obstacles that impede its capacity to leverage the evolving global garment sourcing landscape. An important barrier is the exorbitant energy costs as high as 17 cents per kWh, about twice as much as Bangladesh's 8.3 cents per kWh and country competitiveness is further undermined by the high borrowing. The withdrawal of zero-rating (SRO 1125) is also a significant blow to the domestic industry.

To revise the textile sector, the energy prices should immediately be revised where industry can compete on similar grounds with competing countries in the region. Presently, electricity tariff for the textile sector in India stands at 6 cents/kWh, Bangladesh 8.6 cents/kWh and Vietnam 7.2 cents/kWh.

The measure shall also be taken to provide conducive business environment that allows to compete in international markets without any economic distortions. We must align policies with the needs of the sector that requires modern, diverse textile and apparel sector that can compete globally and take long term initiatives to enhance cotton production by providing farmers with high-yielding seeds that are resistant to pests, plant diseases, and other concerns. There must be an incentivization on product diversification to increase the variety of exportable products and reach a target of \$50 billion in exports over five years along with reduction in duty and taxes for the textile sector. Finally, a cut in policy rate will decrease the cost of doing business by making the sector profitable so it can access to the capital at lower cost.

Compliance with Code of Corporate Governance

The statement of compliance under regulation 36(1) for listed companies with the Code of Corporate Governance Regulations, 2019 is annexed.

Statement on Corporate and Financial Reporting Framework:

The Directors of the company are fully 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, related party, environment, health and safety, director’s remuneration, anti-money laundering and risk management, environmental, social & governance, anti-harassment for

employees duly updated by incorporating the mechanism prescribed under protection against harassment of women at workplace Act 2010 etc.

- The company has made the disclosure of gender pay gap in the overview of ESG performance by the company during the year ending June 30,2024 as required under circular 10 of 2024 dated April 17, 2024.
- As required under Code of Corporate Governance Regulations, 2019 and Companies Act 2017 (Act), we have included the following information in this report:
 - Statement of pattern of shareholding has been given separately.
 - Statement of shares held by associated undertakings and related persons.
 - Statement of the board meetings and annual general meeting held during the year and attendance by each director has been given separately.
 - Chairman review report under the provisions of section 192(4) of the Act.
 - 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 relevant information thereon is annexed accordingly.

Related Party Transactions

The company adheres to the disclosure requirement under IAS 24 for Related Party Transactions (RPT) and their status are adequately disclosed in the financial statements of the company. Moreover, there is a robust policy in place for all 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 regarding transactions and maintenance of records.

The RPT were duly approved by the internal audit followed by the approval of the audit committee before presentation of the same in the board meeting, to ensure that all the transactions are at arm's length during the normal conduct of business activity.

All the RPT's during the current fiscal year ending June 30, 2024 will be presented before the general meeting of the company for member's approval. Similarly, the board has also decided to avail the approval of members in the general meeting of the company for the transactions to be carried during the fiscal

year ending June 30, 2025 and same shall be placed before the shareholders in the next annual general meeting for their formal ratification/approval.

Board Evaluation

The company evaluates board, individual director and committee members to assess and report on their individual and collective performance. The analysis of results depicts strengths and highlights gaps in performance, which may ultimately help to promote deeper board engagement and encourage directors to utilize their unique perspectives to enhance board performance.

In accordance with regulation 10(3)(v) of Code of Corporate Governance, a thorough and organized internal evaluation was carried out to identify areas of strength and areas where improvements can be made to improve the overall functioning and performance of the board, including the board's own performance, members, and committees. The company conducts its annual evaluation process internally.

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 reason cause.
- Following are the number of meetings held and attended by board of directors, audit committee and human resource & remuneration committee during 2023-24:

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	3	-	-	1	1
6.	Mr. Hamza Shakeel	4	4	6	6	1	1
7.	Mr. Tauqeer Ahmed Sheikh	4	4	6	6	1	1
8.	Mr. Asif Elahi	4	4	-	-	-	-
9.	Mr. Mustafa Tanvir	4	4	-	-	-	-
10.	Mrs. Saba Yousaf	4	4	-	-	-	-

Audit Committee

Sr	Name	Designation	Category
i	Taqueer Ahmed Sheikh	Chairman	Independent Director
ii	Hamza Shakeel	Member	Non- Executive Director
iii	Bilal Sharif	Member	Non- Executive 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 10 of the Code. The audit committee met regularly 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 in absence of the CFO and another with an internal auditor in absence of both the CFO and external auditor.

The audit committee (AC) of a business's board of directors is in charge of the financial reporting and disclosure process. The AC is well-versed in the internal controls and processes of the organization. The AC normally works with the management group, independent auditor, and internal auditors to oversee the selection of accounting policies and principles and guarantee adherence to laws and regulations.

The AC closely collaborates with management to guarantee that appropriate steps are taken to detect fraud and that appropriate policies and procedures are in place to prevent and identify fraud, including financial statement fraud, asset misappropriation, and corruption.

The AC plays an important role in setting the tone of an organization by ensuring that effective communication channels and a code of conduct are put in place. The AC needs to be kept up to date on issues like current investigations, disciplinary actions, and management's efforts to maintain legal and regulatory compliance. The AC members collaborate to stop fraudulent activity and are adept at spotting irregularities and accounting problems.

Human Resource and Remuneration Committee

Sr	Name	Designation	Category
i	Tauqeer Ahmed Sheikh	Chairman	Independent Director
ii	Muhammad 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 recommends significant human resource management policies to the Board for selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO.

The aim of HRRC is to boost organization productivity, enhancing an effectiveness of the board, management and employee performance. The Board is responsible for receiving advice on human resource management policy from the HRRC. The Committee will be in responsibility of making recommendations for the appointment, evaluation, compensation, and succession planning of the Company Secretary, CFO, and CEO.

The HRRC supports the board and management with senior management recruiting and training, salary, performance evaluation, succession planning, and measures for effective human capital utilization.

Corporate Social Responsibility Policy

To us Corporate Social Responsibility (CSR) is the overall ethos that drives us to adopt policies and practices that support sustainability, societal and other ethical ends. Our CSR is based on the belief that businesses have a greater duty to society than just providing jobs and making profits. It requires us to

consider the decisions having environmental and social impacts to reduce harm where possible. We create rules on a company's ethical, sustainable, and environmental duties and makes sure that it has a positive influence on the environment and local communities.

The company has a social responsibility and discharge the same in an ethical manner by fulfilling our civic duty and taking actions that are beneficial for community and the environment in all aspects of its operations, including pollution, waste, product safety, and labour. This includes not only providing funds to the community and social environment, but also maintaining good long-term relationships with parties related to the company.

To operate in a way that is economically, socially, and environmentally sustainable, the company oversees a comprehensive Corporate Social Responsibility (CRS) policy. This policy aims to reduce pollution and greenhouse gas emissions, use natural resources sustainably, minimize waste and dispose of it properly, and encourage recycling during the manufacturing process. By utilising Pakistan's plentiful sunshine through solar energy alternatives, renewable energy plays a critical role in both sustainable development and the country's present energy issue. To cut carbon emissions, establish energy independence, and improve the environment, the corporation has implemented renewable energy initiatives across its units located in Sindh and Punjab.

Health, Safety and Environment Policy

The company's Health, Safety and Environment (HSE) policy aims to proactively manage hazards and hazardous situations with the potential for adverse impact on people, environment, assets and our reputation. We will achieve this by establishing and attaining high standards and through an active and consultative approach with all stakeholders.

We're committed to provide a safe and healthy workplace as well as environmental protection and takes responsibility to provides safe working conditions that will minimize all work-related accidents, illnesses, property losses, and negative environmental consequences. A comprehensive group life insurance policy is already in place for employees in the event of an unforeseen disaster. The corporation has also created health coverage plans for its administrative personnel in both the Karachi and Lahore offices.

Environmental, health, and safety concerns are integrated into all facets of work and are given the same weight as the company's other business goals. The organization aggressively works to improve environmental, health, and safety performance on a constant basis. The company's top concerns are drinking water quality, smog, air and water pollution, chemical and oil spills, land management and conservation, and wildlife preservation.

Environmental, Social and Governance - ESG

The initiatives are taken by the board for the adoption of ESG guidelines by SECP.

Addressing Sustainability Risks

Sustainability risks are uncertain societal or environmental occurrence or circumstance that could have a major detrimental effect on the business if it materializes. These also encompasses the potential

opportunity that an organization may result of shifting environmental or societal circumstances. The increasing and inefficient utilization of resources has knock-on effects including climate change, loss of biodiversity, pollution, poor health and poverty. These issues are interlinked and in turn often exacerbate each other. The water, land, and fossil fuels are among the many natural resources used by the textile industry. The sector uses water the second most extensively and contributes 2 to 8 percent of the world's carbon emissions. Because dyes can contaminate waste water and are not readily biodegradable, the dyeing process is particularly harmful. The textile industry produces a large amount of waste, with 85% of all textiles ending up in landfills each year while washing some types of clothing also releases microplastics into the ocean.

The company is fully committed in meeting its current requirements during the normal course of business activity without endangering the environment and enabling the same for coming generations and encourage its customers, suppliers, employees and other stakeholders to implement policies that are more ethical and ecological while accomplishing the organizational activities and demands.

The organization took following measure to mitigate the sustainability risks:

- The company installed heat recovery boilers being sustainable way to use waste heat to generate steam. These helps in reduction of carbon footprints, energy consumption and minimize the environmental impact caused during the manufacturing process.
- Since the cotton is highly combustible product the flame arrestors are mandatory for the vehicles during transportation of the raw materials or finished products. This helps in safeguarding the environment by capturing toxic pollutants and preventing them from being released into the atmosphere and minimizing the chances of fire breakouts. The flame arrestors are required to be installed by all vehicles either connected commercially with the organization.
- The company installed Forced Drafts (FD) Fans in their boilers to maintain the optimal air-fuel ratio, improving combustion efficiency and reducing CO₂ emissions in the environment.
- The company utilizes non-hazardous chemicals during the production process that are not inherently harmful to humans, local ecosystem or wildlife but still it disposed-off the same in a controlled, careful way to ensure the safety of human health and minimal effect on the environment.
- The company has built a water treatment plant for the environmental sustainability, reducing the pollution that led to problems such as diseases, death of plants and animals, and destruction of habitats. The company ensures that water has low levels of the chemical disinfectant when it leaves the treatment plant. This prevents the contamination of water bodies and helps to maintain the balance of aquatic ecosystems, safeguarding the health of plants, animals & marine life.
- The company arranges periodic plantation drives to improve air quality for employees and environment, combat climate change, preserve biodiversity, helps in reduction of air pollution & carbon emission generated during the manufacturing process. Besides, it also regulates the water cycle, prevent soil erosion and provide resources and habitats for wildlife.

- The company has installed renewable energy to fulfill energy requirements of the manufacturing process. The company ensures to utilize the energy mix in such a way that helps in reduction of greenhouse gas emissions. The installation of the solar panels will reduce the need for fossil fuels that causes problems like global warming, climate change, extreme weather, rising sea levels and adverse impact on our ecosystem.

Promoting the Diversity, Equity and Inclusion - DEI

We're committed for creating an environment across the board where everyone has access to equal opportunities. As an equal opportunity employer, we foster a secure and productive workplace to assure each team member feels valued and included. The company encourages a culture that values variety, respects it, and emphasizes the unique ideas, viewpoints, experiences, and abilities of everyone. The company focuses to establish an inclusive workplace free from all forms of discrimination where diversity is valued and accepted to have a strategic advantage that results in noticeable effect on the company.

The board oversees our DEI Strategy, which places a strong emphasis on empowering all members of our diverse team, with a special emphasis on women in our workforce. The establishment of daycare facility in the company for female employees helps to create a stronger link between supporting parents at work and enhanced organizational output. Safety and security concerns get addressed through live video recording access for parents. The facility is equipped with modern amenities, flexible hours, and alignment with the organisation's schedule contributes towards employee satisfaction, retention, productivity, and performance and promotes inclusivity, challenging traditional gender roles and fostering a diverse workplace.

Diversity is often discussed through the lenses of gender, race, sexual orientation, or cultural diversity, but an additional perspective is gaining traction ie. diversity of thought. One domain in which diversity of thought is relevant is neurodiversity. The company accepts this kind of diversity in hiring and performance reviews to infuse the workplace with fresh perspectives & increase the pool of potential employees. The company also considers diversity of opinion in terms of various backgrounds and life experiences to have diversity of thinking and more demographically varied group of workers.

The company rest assures that all employees are paid commensurate with their job duties and performance regardless of their race, sex, age or other personal factors and everyone should be provided with resources to succeed at and engage in their job.

The company encourages inclusion by creating a culture in which the mix of people can come to work, feel comfortable and confident to be themselves, works in a way that suits them to delivers our business needs. In our organization everyone is valued and we firmly believe that everyone connected with us adds value towards achieving organizational goals.

Directors Remuneration Policy

The purpose of our company's directors' remuneration policy is to reward the employee with all the financial aid that they deserve and motivate them to work efficiently and effectively. The policy serves to safeguard the company's interests and guarantee that directors get just compensation for their work.

Besides, the policy also helps the company to attract and retain qualified professionals, align the interests of the directors with the shareholders, ensure that remuneration reflects the performance of the directors, promote its sustainable success, discourage directors from taking risks that are inconsistent with the company's strategic objectives.

The remuneration policy is prepared under the recommendations and suggestions by human resource and remuneration committee (HRRC) to the board under the provisions of the Companies Act 2017, Companies' Article of Association and Code of Corporate Governance Regulations, 2019.

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.

In pursuance of section 227(l)(a) of the Act, the following remuneration as disclosed on note 35 of financial statements has been paid to the directors of the company during the current fiscal year:

- a) Mr. Khurram Salim (CEO) - PKR 800,000/- per month.
- b) Mr. Mohammad Salim (ED) - PKR 1,000,000/- per month.

Besides, the other fringe benefits for above directors includes company-maintained vehicle with fuel, business travelling and communication expenses.

No fee or remuneration has been paid to any other directors of the company.

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 28, 2024 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 2025. 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 fully complied 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.

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 2025 and the remuneration of the auditors has been fixed as per last year at PKR 2,275,000/- (Year 2024: PKR 2,275,000/-) for the year 2024-25 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.

The SECP has made some amendments in the Fourt Schedule of the Companies Act, 2017 for reporting on Shariah and Non-Shariah related matters vide SRO 1278(I)/2024 dated August 15, 2024, the same will be complied accordingly for the fiscal year 2024-25.

Acknowledgement

I am indebted to the governing board, respected shareholders, customers, lenders, suppliers, and other stakeholders for their encouragement, self-assurance and support and would like to express my appreciation to every employee for their commitment, determination and hard work in serving and connected with the organization.

For and on behalf of the Board



Khurram Salim
(Chief Executive Officer)



Mohammad Salim
(Director)

Karachi: September 30, 2024

Overview of Environmental, Social and Governance (ESG) Performance

Considering the amendments made by Securities and Exchange Commission of Pakistan “SECP” in Regulation 10 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 dated June 12, 2024, the management has taken initial steps to outline ESG performance of the company.

Since SECP encourage for adoption ESG guidelines, the board is reviewing the same for necessary compliance and comprehensive reporting in due course.

I am presenting this ESG report on behalf of the board, outlining our company's commitment to environmental, social, and governance (ESG) principles. The organization feels that sustainable and responsible business practices are not only the right thing to do, but also necessary for long-term success.

This report provides an overview of the Environmental, Social, and Governance (ESG) performance of **Bhanero Textile Mills Limited** (“Company”) for the year 2024. The report aims to reveal our efforts and initiative that have significant impact of ESG on climate, society and corporate governance.

The company emphasizes its initiatives to reduce its impact on the environment, promote social justice, and upholds high standards of corporate governance. We take our responsibilities seriously and acknowledge that the world around us can be significantly impacted by the things we do as a corporation.

The company has proven its dedication to quality and sustainability by obtaining multiple certifications and being recognized for its operations that meet the requirements of Standard OEKO-TEX® compliance, ISO 9001, Supima, BCI Cotton, USA Cotton, Inditex, GOTS, GRS and Giza Licence. The company is fully committed to business responsibility. The Environment, Social, and Governance (ESG) framework comprises three domains wherein the company has incorporated accountability as part of its ongoing commitment to contribute towards sustainable and impactful goods.

Environmental

Our company is pursuing the target of reducing the emissions by 30 to 40 percent over the next five years by switching towards renewable energy, which will have a positive impact not only on our cost base, but also on the environment. Reducing the carbon footprint of our goods and services is one of our top concerns. We are working to accomplish this in part by implementing measures for shifting towards renewable energy.

The company has taken the renewable energy initiatives by the installation 6.21 megawatt solar energy at their manufacturing facilities located in Sindh and Punjab which will result in annual reduction of carbon footprints by 4,481 tons.

The water treatment enables to protects our environment by preventing the harmful contaminants It also helps to maintain the balance of aquatic ecosystems, safeguarding the health of plants, animals & marine life. To protect the environment from contamination the company has installed a water treatment plant at Unit-I (Spinning and Dyeing) treats around 250,000 to 300,000 gallons per day before released back into rivers, lakes and oceans.

The company assures installation of flame arresters during normal operating conditions to prevent an explosion or fire propagation under emergency situations. Since the cotton is highly combustible material the use of flame arresters is mandatory for every vehicle entering in our premises to prevent the ignition of flammable vapors and gases.

The company has installed waste heat recovery boilers (WHRB's) to utilize waste heat to generate steam and utilized the same in yarn conditioned machines. The WHRB doesn't require natural gas or biomass for combustion, so they don't add emissions to the environment and help in reduction of environmental impact by using waste heat to generate steam. The 6 installed WHRB's generate steam of around 4,381 KW / Hour instead of venting the same in the environment.

Social

Our ESG activities involve lowering our carbon footprint, fostering diversity and inclusion, encouraging worker health and safety, and making sure that our business operations are moral and ethical. To keep improving and having a positive influence on the areas in which we operate, we make an effort to interact with our stakeholders and listen to their concerns. In terms of having a positive social impact, the company focuses not only on its own employees, but also on local communities by delivering products with positive social values.

Our anti-harassment policy expresses our commitment to maintain a workplace that's free of harassment, so our employees can feel safe and happy. We will not tolerate anyone intimidating, humiliating or sabotaging others in our workplace. We also prohibit willful discrimination based on age, sexual orientation, ethnicity, racial, religion or disability. The company has a comprehensive harassment policy in the light of the Protection Against Harassment of Women at the Workplace Act, 2010. The policy is designed to protect both men and women against sexual harassment in the workplace where harassment in any form is unacceptable and violates a person's dignity.

The company strictly prohibits the employment of child labor force in the company to save children from injuries to their health or detrimental to their moral or psychological development and ensure that they are not exploited for work.

There are five distinct areas where we concentrate on as part of our ESG strategy to address societal challenges are:

i) DEI initiatives

The company has devised such policies and programs that support inclusion and diversity in the workplace, including training, mentorship programs, hiring procedures, and other areas that aid in boosting the involvement and representation of various groups of individuals. Furthermore, the purpose of equity measures is to guarantee that every employee receives the same treatment and chances. Our DEI values include appreciating that individuals have varying obstacles to overcome and not undervaluing the prevalent methods of action and thought. We stress on more varied perspectives and a staff that more accurately represents a company's clientele can be attained through our successful DEI initiatives.

ii) Engagement and well-being of employees

We prioritise our employees' health and well-being first as part by implementing programs like equitable remuneration, flexible work schedules, and mental health support. The guaranteeing safe and healthy working environments is crucial component of ESG initiatives hence company has taken an initiative for construction of an on-site day care at our liaison office in Lahore particularly benefits

working mothers by offering convenience and peace of mind, allowing them to focus on their professional responsibilities. The qualified and caring day care staff ensures a stimulating environment for children and addresses various situations throughout the day.

Since medical has become extremely expensive for those in need thus, company has arranged a comprehensive health policy to fulfill the medical needs of employees and their families for the staff of Karachi and Lahore Offices. Besides, a group life insurance policy is also in place across the board for all office employees and mill workers.

iii) Community involvement

The company engages local communities through employment, charitable and philanthropic endeavours to get involved with the areas in which they operate. This helps in building positive image and lessen the probability of possible economic hazards. The company provides free meal for Karachi and Lahore office employees whereas subsidies in transport, grocery, utilities and meals provided to workers residing in side the labour colonies of the mill. The company also operates a charitable clinic in Sindh for the community welfare having the facilities like laboratory, ultra sound and free medicines. The community can avail free consultancy from family physician, lady doctor, visiting faculty of child and skin specialist doctors.

iv) Ethical conduct and social responsibility

Transparency, accountability and codes of conduct are effective means of fostering ethical behaviour and social responsibility. The company proactively promotes organization's adherence to its internal rules of conduct.

v) Corporate purpose and culture

To us corporate purpose isn't a mere written slogan by the company rather how our employees perceive the meaning and impact of their work. Our corporate purpose incorporates ESG goals, including social ones to build our company culture around it.

vi) Gender Diversity and Pay Gaps

We encourage an inclusive workplace by assuring equitable and fair representation at all organizational levels irrespective of gender discrimination. At the head office of Karachi and Lahore, women currently make up approximately 32 percent of the company's total staff. There is 5.61 percent and 9.37 percent mean and median gender pay gap however, the variation in pay is due to individual performance over time, employment tenure and specific set of skill.

Governance

The company's governance structure is intended to guarantee ethical behaviour, accountability and openness throughout the organization which is both a tactically and morally beneficial for us. It enhances the organization's general repute, financial stability and long-term success. By fostering accountability, openness, and moral conduct puts us in a position to expand sustainably and gains the trust of stakeholders. Our leadership is committed to maintaining the highest levels of corporate governance, following relevant laws and regulations, and industry best practices.

The board members steer company's strategic direction by contributing invaluable skills and expertise:

- The company values diversity and discourage all sorts of discriminate based on age or gender. The board comprised of 10 members with an appropriate mix of experience, age and gender. Presently, we have three independent directors and one female director on board along with other executive and non-executive directors. The roles CEO and chairman are performed by different individuals whereas the chair is an independent director.
- An evaluation of board and committees to the board is conducted annually in accordance with the provisions of the Code of Corporate Governance Regulations, 2019 (CCG 2019). The process to evaluate the board's performance carried out internally. The evaluation promotes a culture of responsibility, transparency, trust, and openness to improvement and constructive criticism, all of which are characteristics of a high-performing board.
- The Board of Directors and executive management provide steadfast guidance and support to enable responsible business management and strategic decision-making.
- All the members of the governing board are either certified under directors training program or exempted based on their credentials.
- The chairman to the audit and human resource committee is an independent director.
- The board reviews, update, amend its significant policies to follow good governance for the success of the organization:
 - Risk Management & Internal Control
 - Human Resource
 - Whistle Blower
 - Directors Remuneration
 - Environmental, Health and Safety
 - Anti-Money Laundering (AML)
 - Related Party
 - Anti-Harassment & Protection of Women at Workplace Act 2010 Act (Amended 2022).
 - Diversity, Equity and Inclusion-(DIE)
 - Environmental, Social and Governance-(ESG)
 - Business Ethics

Succession planning

Our succession planning strategy ensure a smooth transition of leadership and ownership when key employees or director leaves and avoids interruption when any employees or director retire, pass away or move on to new opportunities. Diversity and inclusion in our opinion are moral requirements for a successful and long-lasting organization.

Stakeholder Engagement

The company has demonstrated positive and collaborative interactions with both local and global stakeholders, in addition to their own initiatives. The company firmly believes that that managing the social and environmental effects depends on the connections between stakeholders hence, the initiatives for stakeholder engagement are adapted rigorously across the board.

Ethical Conduct

The company has a high-level ethical policy that overlaps with social policy is completely compatible with regulatory requirements and aligned to this, we have confidentiality and antibribery policy too in compliance with legal standards. Being a public interest company at PSX, the company disseminate all material information, publish quarterly and annual financial statement, disclosed taxes deposited in government treasury with regulatory authorities and Federal Board of Revenue. The company is completely compliant with respective local labor office i.e SESSI, PESSI and EOBI, ensuring openness and transparency for any assessments or audits on social and labor conduct.

Bhanero Textile Mills Limited



Khurrum Salim
(Chief Executive Officer)
30th September, 2024

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, 2024

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. Tauqeer Ahmed Sheikh Mr. Asif Elahi Mr. Mustafa Tanvir
ii)	Non-Executive Directors - Male	Mr. Muhammad Shaheen Mr. Muhammad Amin Mr. Bilal Sharif Mr. Hamza Shakeel
iii)	Non-Executive Directors - Female	Mrs. Saba Yousaf
iv)	Executive Directors	Mr. Khurram Salim Mr. Mohammad Salim

(*) 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:

(a) Audit Committee

Name	Designation
Mr. Tauqeer Ahmed Sheikh	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. Tauqeer Ahmed Sheikh	Chairman - Independent Director
Mr. Muhammad Amin	Member - Non- Executive Director
Mr. Hamza Shakeel	Member - Non- Executive Director

c) Nomination Committee

The explanation stated below for not forming the nomination committee.

d) Risk Management Committee

The explanation stated below for not forming the risk management 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:

Sr	Requirement	Explanation for Non-Compliance	Reg No
1	Disclosure of Significant Policies on Website	<i>The requirement to disclose significant policies on the website is non-mandatory in regulation No. 35(1) hence, company posts limited on its website. Nonetheless, subject to the approval board, the company may consider the uploading of key elements on its website.</i>	35
2	Significant Policies	<i>The aspects of workplace harassment for the employees are covered under the company's code of conduct. Nevertheless, the requirements introduced recently by SECP through its notification dated June 12, 2024 are being incorporated in an independent anti-harassment policy as prescribe under Protection against Harassment of Women at the Workplace Act 2010.</i>	10(4)(xvi)
3	Role of board and its members to address Sustainability Risks and Opportunities	<i>Through its notification dated June 12, 2024, the Securities and Exchange Commission of Pakistan announced several amendments to Regulation 10 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. The amendments encourage board to adopt ESG practices hence, the initial steps were taken by the company to report of company's ESG performance. Since, these amendments were made during the year the management is now reviewing these amendments and necessary compliance will be carried in due course.</i>	10(A)
4	Formation of the Nomination Committee	<i>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. The board may consider the formation of NC at the reconstitution of the board.</i>	29(1)
5	Formation of the Risk Management Committee	<i>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 by the Audit Committee. The board may consider the formation of RMC at the reconstitution of the board.</i>	30(1)

For and on behalf of the Board



MUHAMMAD SHAHEEN

(Chairman)

September 30, 2024, Karachi

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, 2024 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.

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, 2024.

Place: Lahore
Dated: 01-October-2024

UDIN: CR202410724DwhJMnzre


MUSHTAQ & CO.
Chartered Accountants



Engagement Partner:
Nouman Arshad, ACA

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 Textile Mills Limited (the Company)**, which comprise the statement of financial position as at June 30, 2024 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 material accounting policy information 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, 2024 and of the loss and other comprehensive loss, 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 the matters described below to be the key audit matters to be communicated in our report:

S. No.	Key audit matter	How the matter was addressed in our audit
1.	Revenue Recognition Refer to note 3.17 & 31 to the financial	Our key audit procedures in this area amongst others included the following;

	<p>statements.</p> <p>Revenue from sale of Company's products for the year ended 30 June 2024 has increased by approximately 78% as compared to last year. The Company recognizes revenue at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.</p> <p>There is an inherent risk that revenue may be overstated since the Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before the control has been transferred.</p> <p>Considering revenue recognition a significant risk area, we have identified this as a key audit matter.</p>	<ul style="list-style-type: none"> • Assessed the design, implementation and operating effectiveness of key internal controls involved in revenue recognition; • Evaluated the appropriateness of the Company's revenue recognition accounting policy and its compliance with IFRS 15: 'Revenue from Contracts with Customers'. • Performed testing of revenue on a sample basis with underlying documentation including dispatch documents and sales invoices; • Performed cut-off procedures on sample basis to ensure sales have been recorded in the correct period; • Checked on a sample basis, approval of sales prices by the appropriate authority. • Ensured that presentation and disclosures related to revenue are being addressed appropriately.
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Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in annual report 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.

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.

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 **Nouman Arshad, ACA.**


MUSHTAQ & CO
Chartered Accountants



Lahore.
Dated: 01-October-2024
UDIN: AR202410724d6hjYLHz8

Bhanero Textile Mills Limited
**Statement of Financial Position
As at June 30, 2024**

	Note	June 30, 2024	June 30, 2023 Restated	June 30, 2022 Restated		Note	June 30, 2024	June 30, 2023 Restated	June 30, 2022 Restated
		Rupees	Rupees	Rupees			Rupees	Rupees	Rupees
EQUITY AND LIABILITIES					ASSETS				
SHARE CAPITAL AND RESERVES					NON CURRENT ASSETS				
Authorized capital					Property, plant and equipment	20	9,051,463,926	9,170,687,068	6,777,100,444
6,000,000 (2023: 6,000,000) ordinary shares of Rs.10 each		60,000,000	60,000,000	60,000,000	Long term deposits	21	65,237,929	43,651,869	41,596,116
							9,116,701,855	9,214,338,937	6,818,696,560
Issued, subscribed and paid up capital	6	30,409,640	30,000,000	30,000,000					
Reserves	7	9,108,598,461	9,109,008,101	8,000,000,000					
Loans from directors and sponsors	8	180,618,200	149,618,200	-					
Unappropriated profit		1,543,487,381	1,814,285,256	1,470,474,119					
		10,863,113,682	11,102,911,557	9,500,474,119					
NON CURRENT LIABILITIES					CURRENT ASSETS				
Long term financing - secured	9	3,300,067,962	3,602,309,054	2,816,943,750	Stores, spares and loose tools	22	308,372,617	248,715,047	150,348,628
Staff retirement benefits	10	342,151,723	263,229,037	208,934,489	Stock in trade	23	11,747,332,888	12,298,227,957	5,101,913,563
Deferred taxation	11	-	-	36,975,097	Trade debts	24	3,594,593,076	2,519,846,485	1,883,524,023
Deferred government grant	12	731,949,939	936,561,136	673,119,963	Loans and advances	25	76,922,215	172,094,898	65,701,413
		4,374,169,624	4,802,099,227	3,735,973,299	Trade deposits and prepayments	26	306,470,627	289,990,214	246,263,643
					Other receivables	27	32,820,322	88,419,626	28,945,773
CURRENT LIABILITIES					Advance income tax	28	287,118,358	164,296,451	-
Trade and other payables	13	2,462,664,394	2,044,635,974	1,865,174,293	Sales tax refundable	29	458,236,921	878,834,820	608,870,900
Unclaimed dividend	14	1,831,650	1,722,649	1,519,833	Cash and bank balances	30	736,372,277	348,929,291	640,838,308
Accrued markup / interest	15	331,423,890	286,252,639	31,367,006			17,548,239,301	17,009,354,789	8,726,406,251
Short term borrowings - secured	16	7,770,606,030	7,321,871,416	-					
Current portion of long term financing	17	861,131,886	664,200,264	336,847,787					
Provision for taxation	18	-	-	73,746,474					
		11,427,657,850	10,318,682,942	2,308,655,393					
CONTINGENCIES AND COMMITMENTS									
	19	-	-	-					
TOTAL EQUITY AND LIABILITIES		26,664,941,156	26,223,693,726	15,545,102,811	TOTAL ASSETS		26,664,941,156	26,223,693,726	15,545,102,811

The annexed notes from 1 to 53 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Bhanero Textile Mills Limited**Statement of Profit or Loss
For The Year Ended June 30, 2024**

	Note	June 30, 2024 Rupees	June 30, 2023 Restated Rupees
Sales	31	33,057,244,654	18,545,108,053
Cost of sales	32	(30,023,432,811)	(15,554,879,715)
Gross profit		3,033,811,843	2,990,228,338
Other income	33	128,313,555	317,226,772
		3,162,125,398	3,307,455,110
Distribution cost	34	(757,124,365)	(391,950,785)
Administrative expenses	35	(335,713,971)	(256,536,892)
Other operating expenses	36	(33,376,153)	(132,217,604)
Finance cost	37	(1,866,239,907)	(745,266,273)
		(2,992,454,396)	(1,525,971,554)
Profit before Levies and taxation		169,671,002	1,781,483,556
Levies	38	(357,944,172)	(236,978,739)
(Loss) / Profit before taxation		(188,273,170)	1,544,504,817
Taxation	38.3	56,512,019	36,975,097
(Loss) / Profit after taxation for the year		(131,761,151)	1,581,479,914
(Loss) / Earnings per share - basic	39.1	(43.36)	527.16
(Loss) / Earnings per share - diluted	39.2	(43.36)	520.06

The annexed notes from 1 to 53 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

Bhanero Textile Mills Limited

**Statement of Comprehensive Income
For The Year Ended June 30, 2024**

	Note	June 30, 2024 Rupees	June 30, 2023 Restated Rupees
(Loss) / Profit after taxation for the year		(131,761,151)	1,581,479,914
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss		-	-
Items that will not be reclassified subsequently to profit or loss			
Actuarial loss on remeasurement of employees retirement benefits - gratuity	10.2	(32,602,984)	(23,168,777)
Related deferred tax on remeasurement of employees retirement benefits - gratuity		-	-
		(32,602,984)	(23,168,777)
Total comprehensive (Loss) / Income for the year		<u>(164,364,135)</u>	<u>1,558,311,137</u>

The annexed notes from 1 to 53 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

**Statement of Changes in Equity
For The Year Ended June 30, 2024**

	Share capital	Share Premium	Capital Reserve	Revenue Reserves		Loan from directors and sponsors	Total
			Reserve for issue of shares	General reserve	Unappropriated profits		
Rupees							
Balance as at June 30, 2022	30,000,000	-	-	8,000,000,000	1,275,893,956	-	9,305,893,956
Effect of restatement - Note 5					194,580,163		194,580,163
Balance as at June 30, 2022 - Restated	30,000,000	-	-	8,000,000,000	1,470,474,119	-	9,500,474,119
Total comprehensive income for the year							
Profit for the year	-	-	-	-	1,581,479,914	-	1,581,479,914
Other comprehensive loss	-	-	-	-	(23,168,777)	-	(23,168,777)
Transactions with owners:							
Final dividend paid for the year ended June 30, 2022 at the rate of PKR 71.50 per share	-	-	-	-	(214,500,000)	-	(214,500,000)
Loans from directors and sponsors received during the year	-	-	-	-	-	149,618,200	149,618,200
Transfer to reserve for issue of shares	-	-	109,008,101	-	-	-	109,008,101
Transfer to general reserve	-	-	-	1,000,000,000	(1,000,000,000)	-	-
Balance as at June 30, 2023 - Restated	30,000,000	-	109,008,101	9,000,000,000	1,814,285,256	149,618,200	11,102,911,557
Total comprehensive income for the year							
Loss for the year	-	-	-	-	(131,761,151)	-	(131,761,151)
Other comprehensive loss	-	-	-	-	(32,602,984)	-	(32,602,984)
Transactions with owners:							
Final dividend paid for the year ended June 30, 2023 at the rate of PKR 35 per share	-	-	-	-	(106,433,740)	-	(106,433,740)
Loans from directors and sponsors received during the year	-	-	-	-	-	31,000,000	31,000,000
Shares issued against scheme of arrangement	409,640	108,598,461	(109,008,101)	-	-	-	-
Balance as at June 30, 2024	30,409,640	108,598,461	-	9,000,000,000	1,543,487,381	180,618,200	10,863,113,682

The annexed notes from 1 to 53 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

**Statement of Cash Flows
For The Year Ended June 30, 2024**

	Note	June 30, 2024 Rupees	June 30, 2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before Levies and taxation		169,671,002	1,781,483,556
Adjustments for:			
Depreciation on property, plant and equipment		867,159,859	464,364,277
Provision for staff retirement benefits - gratuity		106,964,102	81,161,095
Provision for bad debts		1,467,371	7,917,426
Gain on disposal of property, plant and equipment		(5,473,099)	(2,837,398)
Finance cost		1,866,239,907	745,266,273
Operating cash flows before changes in working capital		3,006,029,142	3,077,355,229
Working capital changes			
(Increase) / decrease in current assets			
Inventories		491,237,499	(7,280,246,954)
Trade debts		(1,076,213,962)	(644,239,888)
Loans and advances		95,172,683	(106,393,485)
Trade deposits		(16,480,413)	(43,726,571)
Other receivables		55,599,304	(59,473,853)
Sales tax refundable		420,597,899	(269,963,920)
		(30,086,990)	(8,404,044,671)
Increase in trade and other payables		418,028,420	179,461,681
Cash generated from / (used in) from operations		3,393,970,572	(5,147,227,761)
Finance cost paid		(1,821,068,656)	(490,380,640)
Staff retirement benefits - gratuity paid		(60,644,400)	(50,035,324)
Income taxes and levies paid		(424,254,060)	(475,021,664)
Long term deposits		(21,586,060)	(2,055,753)
		(2,327,553,176)	(1,017,493,381)
Net cash generated from / (used in) from operating activities		1,066,417,396	(6,164,721,142)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		20,087,737	21,697,628
Additions in property, plant and equipment		(762,551,355)	(2,782,236,889)
Net cash used in investing activities		(742,463,618)	(2,760,539,261)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(481,080,862)	(194,091,425)
Proceeds from long term financing		171,160,195	1,570,250,379
Proceeds of loan from directors and sponsors		31,000,000	149,618,200
Short term borrowings - net		448,734,614	7,321,871,416
Dividend paid		(106,324,739)	(214,297,184)
Net cash generated from financing activities		63,489,208	8,633,351,386
Net increase / (decrease) in cash and cash equivalents		387,442,986	(291,909,017)
Cash and cash equivalents at the beginning of the year		348,929,291	640,838,308
Cash and cash equivalents at the end of the year	30	736,372,277	348,929,291

The annexed notes from 1 to 53 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

**Notes to the financial statements
For the year ended June 30, 2024**

1 THE COMPANY AND ITS OPERATIONS

1.1 Bhanero Textile Mills Limited (the Company) was incorporated on 30th 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 Merger and Acquisition

The board of directors' company ('BTML') in their meeting held on February 25, 2022 approved to acquire Bhanero Energy Ltd Unit-1 Kotri, Sindh ("BEL-1") through a Scheme of Arrangement ("Scheme"). On grant of approval by esteemed High Court of Sindh on May 31, 2023, the BTML has issued 40,964 ordinary shares to the shareholders of Bhanero Energy Limited, equivalent to PKR 109,008,101, during the year.

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, employees retirement benefits and obligations for TERF is stated 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.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgements, 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 judgements 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.

Judgements 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.

Notes to the financial statements

For the year ended June 30, 2024

2.5 Standards, interpretations and amendments to published approved accounting standards

2.5.1 There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company’s annual accounting period which began on July 1, 2023. However, these do not have any significant impact on the Company’s financial statements except as disclosed in note 3 to these financial statements.

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:

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of financial statements (Amendments)	January 1, 2024
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2024
IFRS 16	Leases (Amendments)	January 1, 2024
IAS 21	The Effects of changes in Foreign Exchange Rates	January 1, 2025
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 17	Insurance Contracts	January 1, 2026
IFRS 9	Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	January 1, 2026

2.5.3 The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company’s financial statements.

2.5.4 Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at 30 June 2024;

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRIC 12	Service concession arrangements
IFRS 18	Presentation and Disclosures in Financial
IFRS 19	Subsidiaries without Public Accountability: Disclosures

3 Material Accounting Policies Information

3.1 Accounting for minimum taxes and final taxes

The guide was issued by Institute of Chartered Accountants of Pakistan (ICAP) in May 2024 'IAS 12 Application Guidance on Accounting for Minimum taxes and Final taxes' (the guide).

In view of the clarifications from ICAP, it has been established that minimum tax and final taxes do not meet the criteria of income tax expense as per IAS 12 hence it should be accounted for under IFRIC 21 'Levies' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

The guide issued by ICAP provides two (2) approaches to account for minimum and final regime taxes, which is a choice of accounting of which the company has chosen the following:

Designate the amount calculated on gross amount of revenue or other basis as a levy within the scope of IFRIC 21/IAS 37 and recognise it as an operating expense. Any excess over the amount designated as a levy is then recognised as current income tax expense falling under the scope of IAS 12.

The deferred tax will be measured using the average effective rate of tax rather than the enacted / notified tax rate.

Similarly, any amount deducted as final taxes will be classified as a levy in the statement of profit or loss and there would be no deferred tax liability / (asset) recognised in case of final taxes.

Super tax calculation is based on taxable profits as defined in IAS 12, then, such super tax shall be recognised as 'income tax' or 'levy'. If super tax calculation is based on taxable profits as defined in IAS 12, then, such super tax shall be recognised as 'income tax' otherwise such super tax shall qualify for recognition as 'levy' as per IFRIC 21 / IAS 37.

Advance taxes paid under any section of the Income Tax Ordinance, 2001 have been netted off with the levy amount and the net position is shown in the Statement of financial position.

Notes to the financial statements**For the year ended June 30, 2024**

The above changes have been accounted for in these financial statements as per the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. The adoption of this policy results in re-statement of financial statements since deferred tax liability recognised in the year ended June 30, 2023 was at enacted rate and the application of this guide results in material differences except for re-statement in note 5:

3.2 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 statement of profit or loss over the period of the borrowings on an effective interest basis.

3.3 Employee benefits**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 statement of 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.

There is risk that the final salary at the time of cessation of service is greater than what the entity has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

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

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

3.4 Taxation

Income tax expense comprises of 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 statement of financial position liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes after considering, the average effective rate of tax / enacted tax rate and the amounts used for tax purposes. The deferred tax will be measured using the average effective rate of tax rather than the enacted / notified tax rate. 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.

Notes to the financial statements**For the year ended June 30, 2024**

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.

Levies

The tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income, which is not adjustable against the future tax liability, is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21/IAS 37.

3.5 Provisions

A provision is recognized in the statement of financial position 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.

3.6 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.

3.7 Dividend

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

3.8 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.

Depreciation

Depreciation is charged to expense 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.

Notes to the financial statements**For the year ended June 30, 2024****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 affect 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.

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.

Ijarah contracts

Payments made under ijarah contract are charged to the statement of profit or loss on a straight line basis over the period of the lease as per IFAS 2.

3.9 Capital work in progress

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.

3.10 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.

Notes to the financial statements**For the year ended June 30, 2024****Amortised Cost**

Assets that are held for collection of contractual cash flows where those cash flow represents 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.

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.

Notes to the financial statements**For the year ended June 30, 2024**

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 statement of financial position 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.

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
Work in progress	At average manufacturing cost
Finished goods	At average manufacturing cost
Waste	Net realizable value

Valuation of raw material, work in process and finished goods as on 30th June 2024 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 statement of financial position 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

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery.

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.

Notes to the financial statements**For the year ended June 30, 2024****3.17 Revenue recognition**

According to the core principles of IFRS-15, the company recognizes the revenue from sale when the company satisfies a performance obligation (at a point of time) by transferring promised goods to customers being when the goods are dispatched to customers. Revenue is measured at fair value of the consideration received or receivable and is reduced for allowances such as taxes, duties, commission, sales returns and discounts.

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 or loss account currently.

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 statement of financial position date.

Exchange differences, if any, are taken to profit or 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 Deferred Government Grant

In accordance with IFRS 9 the benefit of interest rate lower than the market rate on borrowings obtained under State Bank of Pakistan (SBP) Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of the entity and temporary economic refinance facility, is accounted for as a government grant which is the difference between amount of loan received and the fair value of the loan on the date of disbursement. The differential amount presented in statement of financial position as deferred government grant. The amortisation of deferred government grant is netted off with finance cost within the statement of profit or loss.

Notes to the financial statements**For the year ended June 30, 2024****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.

5 Impact of restatement

The Institute of Chartered Accountants of Pakistan vide Circular 07 of 2024 dated 15 May 2024 has issued Application Guidance on Accounting for Minimum Taxes and Final Taxes ['the Application Guidance'] under IAS 12, IAS 37 and IFRIC 21. The Application Guidance provides guidance on accounting of minimum and final taxes, charged under various provision of the Income Tax Ordinance, 2001 ['the Ordinance'] and provides appropriate approaches to account for minimum taxes and final taxes in compliance with the requirements of under the requirements of relevant accounting and reporting standards.

The Application guidance addresses scenarios where an entity is subject to non-tax/levy regime whereby taxes under Ordinance are levied on turnover or other basis and are not based on taxable profits. The Application Guidance provides that since minimum taxes and final taxes are computed on basis other than taxable profits, these fall under the definition of levy within the scope of IFRIC 21/IAS 37 and thus shall be recognized as 'levies' against the previous practice of recognition as 'current tax' under IAS 12.

In order to implement the Application Guidance, the Company has changed its accounting policy for 'income taxes', following the requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in respect of restatements arising as a result thereof. Following the change in accounting policy:

- Any component of taxes assessed under the Ordinance which are computed on basis other than taxable profits are recognized as levies while taxes based on taxable profits continue to be recognized as current tax.
- Previously recognized deferred taxes have been reassessed and necessary adjustments have been made to align with the effective rate of current tax under the new accounting policy.
- Assets/liabilities related to levies and previously included in current tax assets/liabilities have been reclassified.

The amount of adjustment for each financial statement line item affected and on earnings per share of the Company is as follows:

**Notes to the financial statements
For the year ended June 30, 2024**

	Amount in Rupees		
	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
Effect on Statement of Financial Position 2022			
Unappropriated profit	1,275,893,956	194,580,163	1,470,474,119
Deferred taxation	231,555,260	(194,580,163)	36,975,097
Effect on Statement of Financial Position 2023			
Unappropriated profit	1,446,859,398	(367,425,858)	1,814,285,256
Deferred taxation	367,425,858	367,425,858	-
Effect on Statement of changes in equity 2023			
Unappropriated profit	1,446,859,398	367,425,858	1,814,285,256
Effect on Statement of profit or loss 2023			
Profit before Levies and taxation	1,781,483,556	(236,978,739)	1,544,504,817
Levies	-	(236,978,739)	(236,978,739)
Taxation	(377,142,856)	414,117,953	36,975,097
(Loss) / Profit after taxation for the year	1,404,340,700	177,139,214	1,581,479,914
Earnings per share - basic	468.11	59.05	527.16
Earnings per share - diluted	461.81	58.25	520.06
Effect on Statement of comprehensive income 2023			
(Loss) / Profit after taxation for the year	1,404,340,700	177,139,214	1,581,479,914
Related deferred tax on remeasurement of employees retirement benefits - gratuity	4,293,519	(4,293,519)	-
Total comprehensive (Loss) / Income for the year	1,385,465,442	172,845,695	1,558,311,137

Bhanero Textile Mills Limited
**Notes to the Financial Statements
For The Year Ended June 30, 2024**
6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

June 30, 2024	June 30, 2023	Note	June 30, 2024	June 30, 2023
Number of shares			Rupees	Rupees
1,762,500	1,762,500	Ordinary shares of PKR 10 each allotted for consideration ¹ - fully paid in cash	17,625,000	17,625,000
1,237,500	1,237,500	Ordinary shares of Rs 10. each allotted as bonus shares	12,375,000	12,375,000
40,964	-	Ordinary shares of PKR 10 each allotted for scheme of arrangement	409,640	-
3,040,964	3,000,000		30,409,640	30,000,000

6.1 Associated company holds 500,600 (2023: 500,600) ordinary shares of Rs. 10 each in the company.

6.2 The shareholders' are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the company. All shares carry "one vote" per share without restriction.

7 RESERVES

General reserve - Revenue reserve	7.1	9,000,000,000	9,000,000,000
Share premium	7.2	108,598,461	-
Reserve for issue of shares		-	109,008,101
		9,108,598,461	9,109,008,101

7.1 General reserve is primarily a revenue reserve being maintained to have adequate resources for future requirements and business operations.

7.2 This represents premium arising on issue of shares to shareholders of Bhanero Energy Limited against scheme of arrangement entered into during previous year. This reserve can be utilized by the company only for the purposes specified in section 81 of the Companies Act, 2017.

8 LOAN FROM DIRECTORS AND SPONSORS

Directors and sponsors had entered into a contract with the Company to finance equity portion i.e. land, building and local components of plant & machinery of new Finishing and Home Textile Division. As per contract, the loans are unsecured, interest free and repayable at the discretion of the Company. The loan is presented under equity as per Technical Release-32 of The Institute of Chartered Accountants of Pakistan.

9 LONG TERM FINANCING - SECURED
From Financial Institutions

	Limit	Rate	Repayments	Frequency	Security	June 30, 2024	June 30, 2023
						Rupees	Rupees
Bank Al Habib Limited							
LTFF	27.6 M	SBP LTFF rate + 0.4% (2023: SBP LTFF rate + 0.4%)	32 equal quarterly installments commenced from 20 February 2019 and ending on 20 January 2028.	Quarterly	Hypothecation charge over plant and machinery of PKR 54 million of unit III located at Ferozwatton, Sheikhpura-Faisalabad Road, Sheikhpura.	12,434,375	15,884,375
	17.5 M	SBP LTFF rate + 1.5% (2023: SBP LTFF rate + 1.5%)	32 equal quarterly installments commencing from 22 July 2022 and ending on 22 April 2030.	Quarterly		13,128,000	15,316,000
						25,562,375	31,200,375
MCB Bank Limited							
LTFF	900 M	SBP LTFF rate + 0.4% (2023: SBP LTFF rate + 0.4%)	32 equal quarterly installments commenced from 30 April 2019 and ending on 05 February 2030.	Quarterly	Hypothecation charge on plant and machinery of PKR 1,351 million of unit II located at Ferozwatton, Sheikhpura-Faisalabad Road, Sheikhpura.	332,780,473	411,541,097
	400M	SBP LTFF rate + 0.4% (2023: SBP LTFF rate + 0.4%)	32 equal quarterly installments commenced from 06 May 2022 and ending on 07 February 2030.	Quarterly		256,188,813	301,077,049
	65 M	SBP LTFF rate + 0.4% (2023: SBP LTFF rate + 0.4%)	32 equal quarterly installments commenced from 19 February 2022 and ending on 13 November 2029.	Quarterly		32,633,926	38,567,366
Demand Finance	182 M	3M Kibor rate + 0.4% (2023: 3M Kibor rate + 0.4%)	32 equal quarterly installments commenced from 26 July 2019 and ending on 04 October 2032.	Quarterly		182,000,000	206,261,260
						803,603,212	957,446,772

Bhanero Textile Mills Limited
Notes to the Financial Statements
For The Year Ended June 30, 2024
Bank Al Falah Limited

Renewable energy finance (Note 9.1)	87.04 M	3M Kibor + 4% (2023: Nil)	27 equal quarterly installments commencing from 03 October 2024 and ending on 03 april 2031	Quarterly	Hypothecation charge over fixed assets of the Company amounting to PKR 118 million.	87,043,500	-
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87,043,500
Faysal Bank Limited

TERF	1600 M	SBP TERF rate + 0.60% (2023: SBP TERF rate + 0.60%)	32 equal quarterly installments commencing from 06 october 2023 and ending on 22 November 2031.	Quarterly	Hypothecation charge over plant and machinery of PKR 2,294 million of unit III located at Ferozwatton, Sheikhpura-Faisalabad Road, Sheikhpura.	1,171,892,814	1,220,107,913
LTF	113 M	SBP LTF rate + 0.60% (2023: SBP TERF rate + 0.60%)	32 equal quarterly installments commencing from 14 April 2024 and ending on 14 January 2031.	Quarterly		109,885,907	113,430,613

1,281,778,721
1,333,538,526
National Bank Limited

LTF	2700 M	SBP LTF rate + 1.25% (2023: SBP LTF rate + 1.25%)	32 equal quarterly installments commencing from 7 July 2024 and ending on 27 July 2032.	Quarterly	Hypothecation charge over fixed assets of the Company amounting to PKR 3,600 million.	19,693,225	19,693,225
DF		3 Month KIBOR + 1.25% (2023: 3 Month KIBOR + 1.25%)	32 equal quarterly installments commencing from 28 Oct 2024 and ending on 31 December 2032.	Quarterly		481,299,468	481,299,468
TERF		SBP TERF rate + 1.25% (2023: SBP TERF rate + 1.25%)	32 equal quarterly installments commencing from 10 December 2023 and ending on 12th August 2032.	Quarterly		1,185,215,885	1,240,675,247

1,686,208,578
1,741,667,940
Allied Bank Limited

Renewable energy finance	100 M	SBP rate + 3% (2023: Nil)	27 equal quarterly installments commencing from 03 October 2024 and ending on 03 april 2031	Quarterly	Hypothecation charge over fixed assets of the Company amounting to PKR 134 million.	84,116,695	-
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84,116,695
-
3,968,313,081
4,063,853,613

Less: current maturity shown under current liabilities

(668,245,119)
(461,544,559)
3,300,067,962
3,602,309,054

9.1 Subsequent to the year end, the loans have been converted into SBP financing for renewable energy projects carrying markup at SBP rate + 4%.

Note
June 30, 2024
June 30, 2023
Rupees
Rupees
10 STAFF RETIREMENT BENEFITS

Staff retirement benefits - gratuity

10.1
342,151,723
263,229,037
342,151,723
263,229,037
10.1 Movement in net liability recognized in the balance sheet

Present value of defined benefits obligation - at the beginning of the year

263,229,037
208,934,489

Charged to profit or loss account and comprehensive income

10.2
139,567,086
104,329,872

Benefits paid during the year

(60,644,400)
(50,035,324)

Present value of defined benefits obligation - at the end of the year

342,151,723
263,229,037
10.2 Amount charged to profit or loss account / other comprehensive income

Current service cost

72,273,929
51,575,056

Interest cost

34,690,173
29,586,039

Remeasurement charged to other comprehensive income

32,602,984
23,168,777
139,567,086
104,329,872

10.3 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, 2024 using the projected unit credit method assuming a discount rate of 14.75% (2023: 16.25%) per annum and expected rate of increase in salaries at 13.75% (2023: 15.25%) per annum.

10.4 There is no unrecognized actuarial loss / gain.

10.5 Historical information

	2023 Rupees	2022 Rupees	2021 Rupees	2020 Rupees
Present value of defined benefits obligation	263,229,037	208,934,489	181,861,570	167,244,027
Experience adjustments on plan liabilities	23,168,777	1,051,556	8,712,867	7,430,001

10.6 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	(10,596,152)	11,098,397
Expected rate of increase in future salary	11,098,397	(10,779,760)

10.7 The expected gratuity expense comprising of service cost and net interest for the year ending 30th June 2025 works out to PKR 136,769,934.

10.8 The average duration of defined benefit obligation is 6 years.

11 DEFERRED TAXATION

Deferred tax liability on taxable temporary differences
Deferred tax asset on deductible temporary differences

Note	June 30, 2024 Rupees	June 30, 2023 Restated Rupees
11.1	-	-
11.1	-	-
	-	-

11.1 Deferred taxation

Deferred tax liability / (assets) arising in respect of:

2024			
As at July 01 2023	Recognized in profit or loss	Recognized in other comprehensive income	As at June 30, 2024
Taxable temporary differences			
Accelerated tax depreciation on owned assets	-	-	-
Deductible temporary differences			
Provision for employee benefit	-	-	-
Provision for doubtful debts and advances	-	-	-

2023			
As at July 01 2022	Recognized in profit or loss	Recognized in other comprehensive income	As at June 30, 2023
Taxable temporary differences			
Accelerated tax depreciation on owned assets	49,804,601	(49,804,601)	-
Deductible temporary differences			
Provision for employee benefit	(5,620,298)	5,620,298	-
Provision for doubtful debts and advances	(7,209,206)	7,209,206	-

11.1.2 Deferred tax on temporary differences is not recognized for the year as effective tax rate is zero as per guidance issued by ICAP.

12 DEFERRED GOVERNMENT GRANT

Deferred Government grant

Note	June 30, 2024 Rupees	June 30, 2023 Rupees
12.1	731,949,939	936,561,136
	731,949,939	936,561,136

12.1 Deferred Revenue - Govt Grant

Balance at beginning of year	1,139,216,841	816,334,765
During the year	-	499,966,570
Amortization during the year	(214,380,135)	(177,084,494)
	924,836,706	1,139,216,841
Less: current portion	(192,886,767)	(202,655,705)
Balance at the end of the year	731,949,939	936,561,136

12.1.1 The Company had availed long term financing from Faysal Bank Limited and National Bank of Pakistan under "SBP Temporary Economic Refinance Facility" for additions of new plant & machinery. The facility carries mark-up at State Bank of Pakistan (SBP) rate 1% plus bank's spread ranging from 0.60% per annum to 1.25% per annum starting from the date of disbursement and are payable in arrears on quarterly basis. The loans have been measured at its fair value in accordance with IFRS 9 (Financial Instruments) using market rates at SBP approval dates of each tranche. The difference between fair value of loan and loan proceeds has been recognized as deferred grant as per requirements of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) and as per selected opinion issued in November 2020 by the Institute of Chartered Accountants of Pakistan.

	Note	June 30, 2024 Rupees	June 30, 2023 Rupees
13 TRADE AND OTHER PAYABLES			
Creditors		1,036,170,472	770,112,145
Advance from customers & others	13.1	26,069,747	29,375,941
Road Infrastructure cess payable	13.2	558,694,482	384,156,295
Gas Infrastructure cess payable	13.3	60,396,490	60,396,490
Accrued liabilities		497,824,606	476,251,080
Workers' Profit Participation Fund	13.4	10,269,699	87,892,111
Sales tax payable		21,870,369	-
Workers Welfare Fund	13.5	204,732,052	214,401,527
Others		46,636,477	22,050,385
		<u>2,462,664,394</u>	<u>2,044,635,974</u>

13.1 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. 26,035,191 (2023: Rs. 21,575,354) has been recognised in current year in respect of advances from customers at the beginning of period.

13.2 Movement in net liability recognized in the statement of financial position

Balance at beginning of the year	384,156,295	225,316,807
Accrued for the year	174,538,187	158,839,488
Balance at the end of the year	<u>558,694,482</u>	<u>384,156,295</u>

Sindh Infrastructure Cess was levied by Excise and Taxation Officer ['ETO'] Government of Sindh on movement of imported goods entering the Sindh Province from outside Pakistan and Punjab Infrastructure Tax levied by ETO Government of Punjab on movement of imported goods entering the Punjab Province from outside Pakistan. The Company has filed petition in Lahore High Court against levy by ETO Government of Punjab. The Company has also filed petitions vide CP No. 4301 of 2021, 4305 of 2021, 4497 of 2021 in Supreme Court of Pakistan and obtained stay on the recovery of levy ETO Government of Sindh. During the pendency of final judgement on this, the Honorable Courts granted stay have directed the petitioners to arrange bank guarantees in favour of ETOS.

13.3 Movement in liability recognized in the statement of financial position

Balance at beginning of the year	60,396,490	65,547,955
Paid during the year	-	(5,151,465)
Balance at the end of the year	<u>60,396,490</u>	<u>60,396,490</u>

The Company vide petition 1234/2021 filed before the High Court of Sindh challenged the recovery of GIDC installments. The High Court of Sindh vide its order dated 22 November 2020 has suspended the recovery of GIDC installments. No further date is fixed for hearing. Further, the Company vide petition 1848/2021 dated 30 August 2021 filed before the High Court of Sindh challenged the levy of GIDC on the ground of the Government's failure to comply with the Supreme Court's judgment dated 13 August 2020 in relation to commencement of work on specified projects.

The Company is a party to ongoing litigation (Suit No. 1848 of 2021) before the High Court of Sindh, Karachi, challenging the imposition of Gas Infrastructure Development Cess (GIDC). This suit was filed in light of the Supreme Court's judgment dated August 13, 2020, which stipulated that GIDC would become permanently inoperative if work on the gas pipeline was not initiated within six months of the judgment.

The hearings in this matter have been conducted regularly in recent months, and on September 21, 2024, the Court reserved the case for judgment after hearing arguments from all counsels. The announcement of the judgment is at the discretion of the presiding judge, and the Company is not certain about announcement of judgement and awaiting further developments.

13.4 Workers' profit participation fund

Opening balance	87,892,111	161,290,382
Interest on funds utilized in the Company's business	9,287,291	23,880,852
	<u>97,179,402</u>	<u>185,171,234</u>
Paid to the fund	(97,179,402)	(185,171,234)
	<u>-</u>	<u>-</u>
Allocation for the year	10,269,699	87,892,111
	<u>10,269,699</u>	<u>87,892,111</u>

13.4.1 Interest on workers' profit participation fund has been provided @262.5% (2023: 536.25%) per annum.

13.5 Workers Welfare Fund

Opening balance	214,401,527	177,993,460
Payment during the year	(29,665,351)	-
	<u>184,736,176</u>	<u>177,993,460</u>
Allocation for the year	19,995,876	36,408,067
	<u>204,732,052</u>	<u>214,401,527</u>

13.5.1 The company has partly discharged its liability during the year and remaining liability subsequent to the year end without any default surcharge or penalty. Relevant authorities have not demanded any default surcharge or penalty and accepted the amount paid.

14 UNCLAIMED DIVIDEND

Unclaimed dividend	1,831,650	1,722,649
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15 ACCRUED MARKUP / INTEREST

Mark-up accrued on secured:		
- long term financing	104,172,816	66,001,761
- short term borrowings	227,251,074	220,250,878
	<u>331,423,890</u>	<u>286,252,639</u>

Bhanero Textile Mills Limited**Notes to the Financial Statements
For The Year Ended June 30, 2024**

	Note	June 30, 2024 Rupees	June 30, 2023 Rupees
16 SHORT TERM BORROWINGS - SECURED			
From banking companies			
Running finance / Running Musharika	16.1	1,149,100,000	4,987,871,416
Term loans	16.2	4,500,000,000	2,334,000,000
Import finances	16.3	2,121,506,030	-
		<u>7,770,606,030</u>	<u>7,321,871,416</u>
16.1			
The aggregate approved short term borrowing facilities amounting to PKR 14.76 billion (2023: PKR 17.88 billion). Out of total facilities, facilities of Rs. 6.99 billion (2023: Rs. 10.56 billion) are unavailed at the reporting date.			
16.2			
These facilities are subject to mark-up ranging from 1 to 3 month KIBOR + spreads between 0.1% to 2% (2023: 1 to 3 month KIBOR + spreads between 0.1% to 2%) per annum payable quarterly. These are secured against hypothecation charge on current assets of the Company.			
16.3			
The Company has obtained facilities for short-term finance under FE-25 Import finance. The rates of mark-up on these facilities range from 5.75% to 6.75% (2023: Nil) per annum.			
17 CURRENT PORTION OF LONG TERM FINANCING			
Long-term financing	9	668,245,119	461,544,559
Deferred govt. grant	12.1	192,886,767	202,655,705
		<u>861,131,886</u>	<u>664,200,264</u>
18 PROVISION FOR TAXATION			
Provision for taxation		-	-
Income tax refundable / adjustable		-	-
		<u>-</u>	<u>-</u>
19 CONTINGENCIES AND COMMITMENTS			
Contingencies			
19.1			
Various banking companies have issued guarantees on behalf of the Company and discounted receivables of the Company as detailed below:			
Bills discounted		3,566,149,426	2,250,370,965
Bank guarantees		1,011,295,407	709,867,397
19.2			
The Company has issued post dated cheques amounting to PKR 3,172,225,780 (2023: PKR 3,406,425,780) 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.			
19.3			
The Government has levied Super Tax on high earning persons, which was levied by the Government for the tax year 2022 in addition to corporate tax rate of 29%. The Company together with other parties challenged it for tax year 2022 in the Sindh High Court who decided the matter in favour of the petitioners ultra vires to the Constitution of Pakistan.			
The FBR challenged the said decision before the Supreme Court of Pakistan who, vide interim order dated February 2023, directed that the taxpayers shall pay super tax to Nazir on the direction of Sindh High Court. The Company, complying with the directions, provided security of 100% super tax to the Nazir of High Court. 40% of which was encashed and deposited with the FBR. The hearing and appeal before the Supreme Court of Pakistan is pending.			
Commitments			
19.4			
Letter of credit (for store, raw material and fixed assets)		1,140,617,880	5,205,219,332
Commitments for capital expenditure		35,756,582	43,324,239
19.5			
The Company has entered into Ijarah arrangements for vehicles with Meezan Bank Limited. These arrangements have been made for the period of five years. Such arrangements carry Bench Mark Rate of 0.5% per annum over the 3 Month KIBOR. The rate would be fixed for the first three months on the last working day before the first disbursement date and subsequently on each last working day immediately preceding the beginning of next three months. Lease rentals shall be revised in accordance with the change in KIBOR to appropriately reflect the Bench Mark. Future Ijarah payments due under these arrangements at the period end are as follows:			
Not later than one year		98,638,269	54,100,801
Later than one year & not later than five years		255,468,182	137,266,768
Later than five years		-	-
		<u>354,106,451</u>	<u>191,367,569</u>
20 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	20.1	8,755,049,425	8,855,091,927
Capital work in progress	20.6	296,414,501	315,595,141
		<u>9,051,463,926</u>	<u>9,170,687,068</u>

Notes to the Financial Statements
For The Year Ended June 30, 2024

20.1 OPERATING FIXED ASSETS

PARTICULARS	Year Ended June 30, 2024									Rate %
	COST				DEPRECIATION				Book value as at June 30, 2024	
	As at July 01, 2023	Additions / (disposals)	Transfers	As at June 30, 2024	As at July 01, 2023	For the year	Transfers / (disposal)	As at June 30, 2024		
Rupees										
Company owned										
Leasehold land	433,414	-	-	433,414	-	-	-	433,414	-	-
Freehold land	665,526,110	-	-	665,526,110	-	-	-	665,526,110	-	-
Factory building on leasehold land	174,574,262	-	-	174,574,262	130,686,064	4,474,752	-	135,160,816	39,413,446	10%
Factory building on freehold land	1,691,932,536	-	-	1,691,932,536	353,537,513	133,839,503	-	487,377,016	1,204,555,520	10%
Office premises on leasehold land	29,894,675	-	-	29,894,675	21,542,291	498,213	-	22,040,504	7,854,171	5%
Office premises on freehold land	309,511,250	-	-	309,511,250	56,145,066	12,587,715	-	68,732,781	240,778,469	5%
Plant and machinery	8,647,053,212	-	361,565,183	8,888,360,042	2,737,020,892	622,023,880	-	3,251,933,063	5,636,426,979	10%
		(120,258,353)	-			-	(107,111,709)			
Equipments and other assets	206,308,033	123,344,328	-	329,652,361	167,458,347	25,765,734	-	193,224,081	136,428,280	33.33%
Electric Installation	582,683,798	-	252,905,727	835,589,525	59,824,736	54,269,342	-	114,094,078	721,495,447	10%
Gas Line & Pipe	7,365,802	-	-	7,365,802	5,999,072	118,122	-	6,117,194	1,248,608	10%
Cooling towers	5,223,570	-	-	5,223,570	4,334,852	88,872	-	4,423,724	799,846	10%
Ventilation system	2,094,912	-	-	2,094,912	1,427,962	66,695	-	1,494,657	600,255	10%
Boiler	24,032,925	-	-	24,032,925	17,087,208	694,572	-	17,781,780	6,251,145	10%
Factory equipments	16,650,258	-	9,166,966	25,817,224	5,915,361	1,149,881	-	7,065,242	18,751,982	10%
Furniture and fixtures - Factory	6,536,045	-	6,979,183	13,515,228	5,294,382	182,327	-	5,476,709	8,038,519	10%
Office equipments	36,985,136	-	-	36,985,136	23,516,720	1,346,842	-	24,863,562	12,121,574	10%
Furniture and fixtures - Office	2,657,972	-	-	2,657,972	1,598,007	105,997	-	1,704,004	953,968	10%
Vehicles	111,938,757	27,770,608	-	131,561,325	74,922,267	9,947,412	-	78,189,633	53,371,692	20%
		(8,148,040)	-			-	(6,680,046)			
June 30, 2024	12,521,402,667	151,114,936	630,617,059	13,174,728,269	3,666,310,740	867,159,859	4,419,678,844	8,755,049,425	8,755,049,425	
	-	(128,406,393)	-	-	-	-	(113,791,755)	-	-	

Notes to the Financial Statements
For The Year Ended June 30, 2024

Year Ended June 30, 2023

PARTICULARS	COST				DEPRECIATION				Book value as at June 30, 2023	Rate %
	As at July 01, 2022	Additions / (disposals)	Transfers	As at June 30, 2023	As at July 01, 2022	For the year	Transfers / (disposal)	As at June 30, 2023		
Rupees										
Company owned										
Leasehold land	433,414	-	-	433,414	-	-	-	-	433,414	-
Freehold land	665,526,110	-	-	665,526,110	-	-	-	-	665,526,110	-
Building on leasehold land	174,351,730	-	222,532	174,574,262	125,736,783	4,949,281	-	130,686,064	43,888,198	10%
Building on freehold land	603,885,851	1,088,046,685	-	1,691,932,536	315,543,377	37,994,136	-	353,537,513	1,338,395,023	10%
Non factory building on leasehold land	29,894,675	-	-	29,894,675	19,405,974	2,136,317	-	21,542,291	8,352,384	5%
Non factory building on freehold land	133,282,522	176,228,728	-	309,511,250	53,008,985	3,136,081	-	56,145,066	253,366,184	5%
Plant and machinery	5,819,154,508	2,834,811,903	93,585,735	8,647,053,212	2,453,105,322	367,678,312	-	2,737,020,892	5,910,032,320	10%
	-	(100,498,934)	-	-	-	-	(83,762,742)	-	-	-
Equipments and other assets	183,813,704	22,494,329	-	206,308,033	144,339,220	23,119,127	-	167,458,347	38,849,686	33.33%
Electric Installation	78,506,475	503,674,230	503,093	582,683,798	47,532,895	12,291,841	-	59,824,736	522,859,062	10%
Gas line and pipe	7,180,289	-	185,513	7,365,802	5,867,826	131,246	-	5,999,072	1,366,730	10%
Cooling towers	5,223,570	-	-	5,223,570	4,236,106	98,746	-	4,334,852	888,718	10%
Ventilation system	2,094,912	-	-	2,094,912	1,353,856	74,106	-	1,427,962	666,950	10%
Boiler	24,032,925	-	-	24,032,925	16,315,462	771,746	-	17,087,208	6,945,717	10%
Factory equipments	5,650,258	11,000,000	-	16,650,258	5,130,003	785,358	-	5,915,361	10,734,897	10%
Furniture and fixtures - Factory	6,458,676	-	77,369	6,536,045	5,164,300	130,082	-	5,294,382	1,241,663	10%
Office equipments	36,985,136	-	-	36,985,136	22,020,229	1,496,491	-	23,516,720	13,468,416	10%
Furniture and fixtures - Office	2,657,972	-	-	2,657,972	1,480,233	117,774	-	1,598,007	1,059,965	10%
Vehicles	121,851,997	-	-	111,938,757	73,257,836	9,453,633	-	74,922,267	37,016,490	10%
	-	(9,913,240)	-	-	-	-	(7,789,202)	-	-	20%
June 30, 2023	7,900,984,724	4,636,255,875	94,574,242	12,521,402,667	3,293,498,407	464,364,277	-	3,666,310,740	8,855,091,927	
	-	(110,412,174)	-	-	-	-	(91,551,944)	-	-	

20.2 Plant and machinery, Office equipments and Equipments and other assets includes assets amounting to PKR 42,098,968 (2023: PKR 15,710,241) which has been fully depreciated.

20.3 The depreciation charge for the year has been allocated as follows:

Cost of sales
Administrative expenses

Note	June 30, 2024 Rupees	June 30, 2023 Rupees
32	855,683,278	453,284,071
35	11,476,581	11,080,206
	<u>867,159,859</u>	<u>464,364,277</u>

20.4 Freehold lands of the Company are located at Feroze Wattoan Sheikhupura with an area of 883 kanal 01 marla (2023: 883 kanal 01 marla), at Gajumata Kasur 48 Kanal (2023: 48 Kanal) and Leasehold land are located at Kotri with an area of 104 Kanal (2023: 104 Kanal).

Notes to the Financial Statements
For The Year Ended June 30, 2024

20.5 DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

Year Ended June 30, 2024							
Description	Cost	Accumulated depreciation	Written down value	Proceeds from disposal of property, plant and equipment	Gain on disposal of property, plant and equipment	Mode of disposal	Particulars of buyer
Machinery							
Auto Coners	33,255,690	31,447,920	1,807,770	2,101,723	293,953	Negotiation	Mr. Abdul Hafeez, House # P-13, Block B Gulshan Hayat Town, Faisalabad
Looms Picanol	77,218,191	66,195,351	11,022,840	13,986,014	2,963,174	Negotiation	Mr. Atta Mustafa, Purana Narang Road, Muhalla Hassan Park, Muridke
Comber	9,784,472	9,468,438	316,034	600,000	283,966	Negotiation	Blessed Textiles Ltd. SM Farooq Road, Korangi Karachi
	120,258,353	107,111,709	13,146,644	16,687,737	3,541,093		
Vehicles							
Honda Civic	2,778,260	2,027,196	751,064	1,400,000	648,936	Negotiation	Mr. Junaid Mahmood, Eden Society, house # 171 Block A, Lahore cantt.
Honda Civic	2,172,430	1,974,156	198,274	700,000	501,726	Negotiation	Wahid Hashim, House No. B-212, Block 18 Gulshan-e Iqbal Karachi
Toyota Vitz	1,588,500	1,219,799	368,701	800,000	431,299	Negotiation	Wahid Hashim, House No. B-212, Block 18 Gulshan-e Iqbal Karachi
Torota Corolla	1,608,850	1,458,895	149,955	500,000	350,045	Negotiation	Mr. Muhammad Altaf, House 68-B, Railway Officer, Colony, walton, Lahore
	8,148,040	6,680,046	1,467,994	3,400,000	1,932,006		
30-Jun-24	128,406,393	113,791,755	14,614,638	20,087,737	5,473,099		
30-Jun-23	110,412,174	91,551,944	18,860,230	21,697,628	2,837,398		

Bhanero Textile Mills Limited
Notes to the Financial Statements
For The Year Ended June 30, 2024
20.6 CAPITAL WORK IN PROGRESS

June 30, 2024			
As at July 01, 2023	Additions	Transfers	As at June 30, 2024
PKR	PKR	PKR	PKR
Building and civil works	115,514,501	-	115,514,501
Plant and machinery	66,264,927	361,565,183	20,294,885
Electric installation	323,264,169	162,659,054	160,605,115
Equipment and other Assets	106,392,822	106,392,822	-
315,595,141	611,436,419	630,617,059	296,414,501
June 30, 2023			
As at July 01, 2022	Additions	Transfers	As at June 30, 2023
PKR	PKR	PKR	PKR
Building and civil works	493,099,144	1,264,275,413	-
Plant and machinery	1,971,574,536	2,845,811,914	315,595,141
Electric installation	295,068,891	503,674,230	-
Equipment and other Assets	22,494,329	22,494,329	-
2,169,614,127	2,782,236,900	4,636,255,886	315,595,141
21 LONG TERM DEPOSITS	Note	June 30, 2024	June 30, 2023
		Rupees	Rupees
Ijarah deposits		33,995,860	13,022,800
Electricity		30,163,293	30,163,293
Telephone		34,600	33,600
Others	21.1	1,044,176	432,176
		65,237,929	43,651,869
21.1 It includes security deposit amounting to Rs. 20,000 (June 2023: Rs. 20,000) given to Admiral (Private) Limited, an associated company, against rent of building.			
22 STORES, SPARES AND LOOSE TOOLS		308,372,617	234,281,188
Stores, spares and packing material		-	14,433,859
Transferred through Scheme of arrangement		308,372,617	248,715,047
22.1 No item of stores, spares and loose tools is pledged as security as at reporting date.			
23 STOCK IN TRADE		4,697,715,771	6,386,454,765
Raw material		3,079,845,995	3,158,610,529
Raw material in transit		347,196,263	395,155,349
Work in process		3,622,574,859	2,358,007,314
Finished goods	23.2	11,747,332,888	12,298,227,957
23.1 No item of stock in trade is pledged as security as at reporting date.			
23.2 Stock of finished goods includes stock amounting to Rs. 275,000,005 (June 2023: Rs. 16,157,330) that is valued at net realizable value.			
24 TRADE DEBTS		687,925,548	512,479,477
Foreign - secured against letter of credit		2,906,667,528	2,007,367,008
Local - unsecured - considered good		65,651,619	81,098,653
Local - unsecured - considered doubtful		3,660,244,695	2,600,945,138
Allowance for ECL on trade debts	24.1	(65,651,619)	(81,098,653)
		3,594,593,076	2,519,846,485
24.1 Particulars of allowance for ECL on trade debts		81,098,653	165,389,592
Balance at beginning of the year		1,467,371	7,917,426
Charge during the year	36	(16,914,405)	(92,208,365)
Allowance no longer required / recovered		65,651,619	81,098,653
Balance at the end of the year		65,651,619	81,098,653
25 LOANS AND ADVANCES		65,184,416	165,119,391
Advances to :		10,308,039	6,781,102
Suppliers - Unsecured (considered good)		1,165,000	1,165,000
Employees - Secured (considered good)	25.1	1,429,760	194,405
Employees - Unsecured (considered doubtful)		78,087,215	173,259,898
L/C in transit		(1,165,000)	(1,165,000)
Provision for doubtful advances	25.2	76,922,215	172,094,898
25.1 These represent advances to employees against future salaries and post employment benefits in accordance with the company policy.			
25.2 Provision for doubtful advances		1,165,000	1,165,000
Balance at beginning of the year		-	-
Charge during the year		-	-
Provision no longer required/ recovered		1,165,000	1,165,000
Balance at the ended of the year		1,165,000	1,165,000
26 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS		301,444,861	289,444,861
Deposits against infrastructure fees	26.1	5,025,766	545,353
Prepaid expenses		306,470,627	289,990,214
26.1 This represents deposits against a bank guarantee submitted to ETO. Effective mark up rate on these deposits range from 18% to 20.25% per annum (June 30, 2023: 12% to 19.5% per annum).			

	Note	June 30, 2024 Rupees	June 30, 2023 Rupees
27 OTHER RECEIVABLES - UNSECURED			
KMC refundable - Considered doubtful		680,624	680,624
Claims receivable - Considered good		32,820,322	88,419,626
		33,500,946	89,100,250
Provision for doubtful receivables		(680,624)	(680,624)
		32,820,322	88,419,626
28 ADVANCE INCOME TAX			
Income tax refundable		287,118,358	164,296,451
Prepaid Levies adjustable		357,944,172	236,978,739
		645,062,530	401,275,190
Provision for taxation		-	-
Provision for Levies	38	(357,944,172)	(236,978,739)
		(357,944,172)	(236,978,739)
		287,118,358	164,296,451
29 SALES TAX REFUNDABLE			
Sales tax and federal excise duty refundable		458,236,921	878,834,820
Excise duty refundable - considered doubtful		3,006,390	3,006,390
Provision for excise duty refundable		(3,006,390)	(3,006,390)
		-	-
		458,236,921	878,834,820
30 CASH AND BANK BALANCES			
Cash in hand		-	2,515,158
Balances with banks on:			
Current accounts		529,500,453	323,097,200
Saving Account	30.1	200,000,000	1,722,649
Foreign currency account - current		6,871,824	21,594,284
		736,372,277	346,414,133
		736,372,277	348,929,291
30.1	This represents investments in Term Deposit Receipt TDR. Effective mark up rate in respect of these balances ranges from 18% to 20% (June 30, 2023: 5.88% to 11.66%) per annum.		
31 SALES - NET			
Export			
Yarn		18,116,437,632	4,784,360,524
Fabric		6,878,407,423	5,832,230,140
		24,994,845,055	10,616,590,664
Export Rebate		-	33,194
		24,994,845,055	10,616,623,858
Local			
Yarn		8,495,558,576	7,938,272,021
Fabric		1,704,653,097	1,878,524,582
Cotton and polyester		17,921,373	67,732,798
Scrap		19,754,843	10,816,211
Waste and others		502,508,981	246,343,397
		10,740,396,870	10,141,689,009
		35,735,241,925	20,758,312,867
Sales tax		(2,677,997,271)	(2,213,204,814)
		(2,677,997,271)	(2,213,204,814)
		33,057,244,654	18,545,108,053
31.1	Export sales includes Rs. 7,533.72 million exclusive of sales tax (2023: Rs. 4,109.03 million) in respect of indirect export sales.		
32 COST OF SALES			
Raw material consumed	32.1	24,530,887,883	13,038,602,106
Packing material consumed		273,560,588	144,422,285
Stores, spares and loose tools		453,521,300	267,825,575
Salaries, wages and benefits	32.2	1,447,076,212	1,076,865,894
Fees and subscription		2,913,369	1,724,921
Fuel, power and water		3,438,684,079	2,046,329,616
Insurance		94,197,104	56,252,318
Vehicle running and maintenance		24,801,800	18,004,354
Rent, rate and taxes		878,794	837,578
Repairs and maintenance		28,242,169	31,080,198
Communication		1,341,836	1,140,406
Traveling and conveyance		7,795,036	3,767,945
Depreciation	20.3	855,683,278	453,284,071
Others		5,836,525	2,858,804
		31,165,419,973	17,142,996,071
Work in process			
Opening stock		395,155,349	259,005,475
Closing stock		(347,196,263)	(395,155,349)
		47,959,086	(136,149,874)
Cost of goods manufactured		31,213,379,059	17,006,846,197
Cost of raw material sold	32.3	19,657,242	47,329,282
Finished stocks			
Opening stock		2,358,007,314	813,407,832
Finished goods purchases		54,964,055	46,823,718
Finished goods lost by fire		-	(1,520,000)
Closing stock		(3,622,574,859)	(2,358,007,314)
		(1,209,603,490)	(1,499,295,764)
		30,023,432,811	15,554,879,715

	Note	June 30, 2024 Rupees	June 30, 2023 Rupees
32.1 Raw material consumed			
Opening stock		9,545,065,294	4,029,500,256
Purchases - net		22,828,462,792	18,646,766,286
		32,373,528,086	22,676,266,542
Cost of raw material sold		(65,078,437)	(92,599,142)
Closing stock		(7,777,561,766)	(9,545,065,294)
		24,530,887,883	13,038,602,106
32.2 Salaries, wages and benefits includes employees benefits amounting to PKR 96,195,164 (June 30, 2023: PKR 71,485,415).			
32.3 Cost of cotton sold			
Cost of purchases		19,613,336	47,214,576
Salaries, wages and other benefits		23,625	25,588
Loading and unloading		5,093	-
Insurance		15,188	89,118
		43,906	114,706
		19,657,242	47,329,282
33 OTHER INCOME			
Income from financial assets			
Interest income		105,917,113	50,383,189
Exchange gain on foreign currency accounts		-	2,293,469
Dividend Income		-	168,984,969
Gain on sale of mutual fund units		8,938	519,382
Reversal of provision for ECL & advance		16,914,405	92,208,365
		122,840,456	314,389,374
Income from other than financial assets			
Gain on disposal of property, plant and equipment	20.5	5,473,099	2,837,398
		128,313,555	317,226,772
34 DISTRIBUTION COST			
Export			
Freight on export sales		348,363,178	153,495,029
Commission on export sales		153,199,559	89,225,290
Export development surcharge		40,905,815	13,794,688
Others		10,079,231	5,867,274
		552,547,783	262,382,281
Local			
Salaries and wages		2,032,199	961,655
Freight on local sales		40,657,473	23,218,881
Commission on local sales		161,199,928	104,990,825
Others		686,982	397,143
		204,576,582	129,568,504
		757,124,365	391,950,785
35 ADMINISTRATIVE EXPENSES			
Directors' remuneration		21,600,000	21,600,000
Staff salaries and benefits	35.1	144,254,252	121,392,849
Traveling, conveyance and entertainment		20,103,039	12,375,836
Printing and stationery		6,458,191	4,254,944
Communication		2,946,389	2,398,025
Vehicles running and maintenance		19,905,258	17,957,950
Legal and professional		2,580,147	5,814,877
Auditors' remuneration	35.2	2,275,000	2,275,000
Fee and subscription		11,428,522	10,153,274
Repair and maintenance		923,021	119,132
Depreciation	20.3	11,476,581	11,080,206
Rent, rates and utilities		2,016,875	1,537,508
Donation	35.3	-	3,600,000
Ijarah lease rentals		80,581,137	36,195,546
Others		9,165,559	5,781,745
		335,713,971	256,536,892
35.1 Salaries, wages and benefits includes employees benefits amounting to PKR 10,768,938 (June 30, 2023: PKR 9,675,680).			
35.2 Auditors' remuneration			
Annual statutory audit		2,046,000	2,046,000
Half yearly review		189,000	189,000
Code of Corporate Governance review		40,000	40,000
		2,275,000	2,275,000
35.3 Donation to a single party does not exceed to Rs. 1 million (2023: Nil). No director or his spouse had any interest in the donee.			
36 OTHER OPERATING EXPENSES			
Workers' Profit Participation Fund	13.4	10,269,699	87,892,111
Workers' Welfare Fund		19,995,876	36,408,067
Allowance for ECL on trade debts	24.1	1,467,371	7,917,426
Exchange loss on foreign currency		1,643,207	-
		33,376,153	132,217,604

Bhanero Textile Mills Limited
**Notes to the Financial Statements
For The Year Ended June 30, 2024**

	Note	June 30, 2024 Rupees	June 30, 2023 Rupees
37 FINANCE COST			
Mark-up on:			
- long-term financing		239,035,808	57,594,981
- short-term borrowings		1,462,309,797	595,547,872
- workers' profit participation fund	13.4	9,287,291	23,880,852
		1,710,632,896	677,023,705
Bank charges and commission		16,180,775	7,937,456
Letter of credits discounting		139,426,236	60,305,112
		1,866,239,907	745,266,273

37.1 During the year company has capitalized markup of Rs. 2,756,392 (2023: PKR 132,209,003).

37.2 Capitalization rates used to determine the amount of borrowing cost eligible for capitalization is 6 % to 22.41 % (2023: 2.25% to 23.49%).

	Note	June 30, 2024 Rupees	June 30, 2023 Restated Rupees
38 Levies and Taxation			
Levies and taxes		357,944,172	236,978,739
38.1 Final Taxes			
Export sales		244,838,720	129,810,676

This represents final taxes paid on export sales as per section 154 of the income tax ordinance,2001 respectively representing levy in line with the requirements of IFRIC 21/IAS 37 and guide on IAS 12 issued by ICAP.

38.2 Revenue Taxes/Levy		113,105,452	107,168,063
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This represents minimum tax provision under section 113 of the income tax ordinance, 2001. The provision for minimum tax has been recognized as levies in these financial statements as per the requirements of IFRIC 21/IAS37 and guide on IAS 12 issued by ICAP.

	Note	June 30, 2024	June 30, 2023
38.3 Taxation			
Current			
- for the year	38.4	-	-
- for prior years		(56,512,019)	-
		(56,512,019)	-
Deferred			
- for the year	11.1	-	(36,975,097)
- for prior years		-	-
		-	(36,975,097)
		(56,512,019)	(36,975,097)

38.4 Provision for current tax for the year has been made in accordance with section 18 of the Income Tax Ordinance 2001. Income tax assessment of company has been finalized up to tax year 2023.

39 EARNINGS PER SHARE

39.1 Basic (Loss) / earnings per share Rupees - Restated (43.36) 527.16
The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

Earnings			
Earnings for the purpose of basic earnings per share (net profit after tax for the year)		(131,761,151)	1,581,479,914
Number of shares			
Weighted average number of ordinary shares for the purpose of basic earnings per share		3,038,837	3,000,000

39.2 Diluted (Loss) / earnings per share Rupees - Restated (43.36) 520.06

Diluted earnings per share			
The calculation of diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.			
Weighted average number of ordinary shares (diluted)			
Weighted-average number of ordinary shares (basic)		3,038,837	3,000,000
Shares issued pursuant to the scheme of arrangement		-	40,964
Weighted-average number of ordinary shares (diluted)		3,038,837	3,040,964

40 NON ADJUSTING EVENTS AFTER THE REPORTING PERIOD

In respect of current period, the board of directors in their meeting held on 30 September, 2024 has proposed to pay cash dividend @ Nil% i.e. PKR Nil per ordinary share of PKR 10 each.

41 CHANGES FROM FINANCING CASH FLOWS

	June 30, 2024		
	Long term finances Rupees	Short term borrowings Rupees	Unclaimed Dividend Rupees
As at beginning of the year	4,063,853,613	7,321,871,416	1,722,649
Long term finances obtained	171,160,195	-	-
Repayment of long term finances	(481,080,862)	-	-
Loan accretion	214,380,135	-	-
Net increase in short term borrowings	-	448,734,614	-
Dividend declared	-	-	106,433,740
Dividend paid	-	-	(106,324,739)
As at end of the year	3,968,313,081	7,770,606,030	1,831,650

Bhanero Textile Mills Limited**Notes to the Financial Statements
For The Year Ended June 30, 2024**

	June 30, 2023		
	Long term finances Rupees	Short term borrowings Rupees	Unclaimed Dividend Rupees
As at beginning of the year	3,010,576,735	-	1,519,833
Long term finances obtained	1,570,250,379	-	-
Repayment of long term finances	(194,091,425)	-	-
Deferred grant recognized during the year	(499,966,570)	-	-
Loan accretion	177,084,494	-	-
Net decrease in short term borrowings	-	7,321,871,416	-
Dividend declared	-	-	214,500,000
Dividend paid	-	-	(214,297,184)
As at end of the year	4,063,853,613	7,321,871,416	1,722,649

42 REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	2024 Rupees	2024 Rupees	2024 Rupees	2023 Rupees	2023 Rupees	2023 Rupees
Remuneration	9,600,000	12,000,000	59,907,119	9,600,000	12,000,000	52,508,735
Perquisites	-	-	10,076,014	-	-	10,527,933
Post employment benefits	-	-	9,508,799	-	-	7,728,915
	9,600,000	12,000,000	79,491,932	9,600,000	12,000,000	70,765,583
Number of persons	1	1	22	1	1	19

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

42.2 No remuneration to non executive directors has been paid.

Notes to the financial statements

For The Year Ended June 30, 2024

43 SEGMENT INFORMATION

43.1 Products and services from which reportable segments derive their revenues

Information reported to the Company's chief operating decision maker for the purpose of resource allocation and assessment of segment performance is focused on type of goods supplied. The Company's reportable segments are therefore as follows:

Segment

Spinning

Weaving

Information regarding Company's reportable segments is presented below.

43.2 Information about reportable segments

	June-2024		
	Spinning	Weaving	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Revenue from external customers	24,836,720,583	8,220,524,071	33,057,244,654
Intersegment revenues	767,816,790	-	767,816,790
Depreciation	629,122,515	238,037,344	867,159,859
Segment results	1,554,500,663	481,410,246	2,035,910,909
Segment assets	21,169,045,972	4,378,831,349	25,547,877,321
Segment liabilities	12,298,685,956	2,882,218,896	15,180,904,852
Interest income	104,424,312	1,492,801	105,917,113
Additions to non-current assets	600,360,898	162,190,457	762,551,355
Disposals of property, plant and equipment	3,591,798	11,022,840	14,614,638
	June-2023		
	Spinning	Weaving	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Revenue from external customers	11,381,185,138	7,163,922,915	18,545,108,053
Intersegment revenues	567,269,000	-	567,269,000
Depreciation	209,176,649	255,187,628	464,364,277
Segment results	1,836,324,404	690,425,425	2,526,749,829
Segment assets	21,239,994,674	3,606,925,698	24,846,920,372
Segment liabilities	11,980,244,470	2,694,262,265	14,674,506,735
Interest income	45,962,270	4,420,919	50,383,189
Additions to non-current assets	2,709,724,637	72,512,252	2,782,236,889
Disposals of property, plant and equipment	971,367	17,888,863	18,860,230

The accounting policies of the reportable segments are the same as the Company's accounting policies. Segment results represent operating profit earned by the segment. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

43.3 Reconciliations of reportable segment information

43.3.1 Segment revenues and profits

	June-2024		
	Spinning	Weaving	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Total for reportable segments	25,604,537,373	8,220,524,071	33,825,061,444
Inter-segment revenues	(767,816,790)	-	(767,816,790)
Total for the Company	24,836,720,583	8,220,524,071	33,057,244,654
	June-2023		
	Spinning	Weaving	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Total for reportable segments	11,948,454,138	7,163,922,915	19,112,377,053
Inter-segment revenues	(567,269,000)	-	(567,269,000)
Total for the Company	11,381,185,138	7,163,922,915	18,545,108,053

Bhanero Textile Mills Limited**Notes to the financial statements****For The Year Ended June 30, 2024**

	June-2024		
	Spinning	Weaving	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Operating Profit	1,561,324,980	507,962,082	2,069,287,062
Unallocated expenses			
Other operating expenses			(33,376,153)
Finance cost			(1,866,239,907)
Levies			(357,944,172)
Total for the Company	1,561,324,980	507,962,082	(188,273,170)
	June-2023		
	Spinning	Weaving	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Operating Profit	1,918,553,669	740,413,764	2,658,967,433
Unallocated expenses			
Other operating expenses			(132,217,604)
Finance cost			(745,266,273)
Levies			(236,978,739)
Total for the Company	1,918,553,669	740,413,764	1,544,504,817

43.3.2 Segment assets

	June-2024		
	Spinning	Weaving	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Total for reportable segments	21,169,045,972	4,378,831,349	25,547,877,321
Unallocated assets			
Advance Taxation			287,118,358
Sales tax refundable			458,236,921
Trade deposits			306,470,627
Long term deposit			65,237,929
Total for the Company	21,169,045,972	4,378,831,349	26,664,941,156
	June-2023		
	Spinning	Weaving	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Total for reportable segments	21,239,994,674	3,606,925,698	24,846,920,372
Unallocated assets			
Advance Taxation			164,296,451
Sales tax refundable			878,834,820
Trade deposits			289,990,214
Long term deposit			43,651,869
Total for the Company	21,239,994,674	3,606,925,698	26,223,693,726

43.3.3 Segment liabilities

	June-2024		
	Spinning	Weaving	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Total for reportable segments	12,298,685,956	2,882,218,896	15,180,904,852
Un-allocated liabilities			
Unclaimed dividends			1,831,650
Infrastructure fee			619,090,972
Total for the Company	12,298,685,956	2,882,218,896	15,801,827,474

Bhanero Textile Mills Limited**Notes to the financial statements****For The Year Ended June 30, 2024**

	June-2023		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	11,980,244,470	2,694,262,265	14,674,506,735
Un-allocated liabilities			
Unclaimed dividends			1,722,649
Infrastructure fee			444,552,785
Total for the Company	11,980,244,470	2,694,262,265	15,120,782,169

43.4 Geographical information

The geographic information analyses the entity's revenue and non current assets by the Company's country of domicile and other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

	June 30, 2024	June 30, 2023
China	9,185,511,567	385,695,464
Portugal	2,055,075,334	936,630,205
Korea	390,706,405	495,951,776
Japan	598,545,600	1,202,177,350
Italy	447,331,605	426,852,801
Belgium	574,426,207	216,650,388
Spain	668,403,253	430,722,814
Bangladesh	251,788,401	392,429,553
Other Countries	2,057,751,288	1,307,759,867
Pakistan	19,505,702,265	14,963,409,455
	<u>35,735,241,925</u>	<u>20,758,279,673</u>
Export Rebate	-	33,194
Sales tax	<u>(2,677,997,271)</u>	<u>(2,213,204,814)</u>
	<u>33,057,244,654</u>	<u>18,545,108,053</u>

43.5 Information about significant customers

Sales amounting to PKR 6,937,719,331 (2023: PKR 2,429,625,218) were made to one single significant external customer which accounts for more than 10% of the Company's total sales were made during the year.

43.6 Company do not have any non current assets outside Pakistan.

44 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, 2024 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:

	2024							
	Interest / Markup bearing			Non Interest / Markup bearing			Total	Effective Interest Rate %
	Maturity Upto One year	Maturity After One year	Subtotal	Maturity Upto One year	Maturity After One year	Subtotal		
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Financial assets								
Trade debts	-	-	-	3,594,593,076	-	3,594,593,076	3,594,593,076	
Loans and advances	-	-	-	12,902,799	-	12,902,799	12,902,799	
Trade deposits	296,419,095	-	296,419,095	-	-	-	296,419,095	18 to 20.25
Other receivables	-	-	-	32,820,322	-	32,820,322	32,820,322	
Cash and bank balances	200,000,000	-	200,000,000	536,372,277	-	536,372,277	736,372,277	
Long term deposits	-	-	-	-	65,237,929	65,237,929	65,237,929	
	<u>496,419,095</u>	<u>-</u>	<u>496,419,095</u>	<u>4,176,688,474</u>	<u>65,237,929</u>	<u>4,241,926,403</u>	<u>4,738,345,498</u>	
Financial liabilities								
Long-term financing	668,245,119	3,300,067,962	3,968,313,081	-	-	-	3,968,313,081	0.75 to 6 and KIBOR + 0.4 to 1.25
Trade Creditors	-	-	-	1,062,240,219	-	1,062,240,219	1,062,240,219	
Accrued liabilities	-	-	-	497,824,606	-	497,824,606	497,824,606	
Unclaimed dividend	-	-	-	1,831,650	-	1,831,650	1,831,650	
Other payables	10,269,699	-	10,269,699	46,636,477	-	46,636,477	56,906,176	
Accrued mark-up / interest	-	-	-	331,423,890	-	331,423,890	331,423,890	
Short-term borrowings	<u>7,770,606,030</u>	<u>-</u>	<u>7,770,606,030</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,770,606,030</u>	5.75 to 6.75 and KIBOR + 0.1 to 2
	<u>8,449,120,848</u>	<u>3,300,067,962</u>	<u>11,749,188,810</u>	<u>1,939,956,842</u>	<u>-</u>	<u>1,939,956,842</u>	<u>13,689,145,652</u>	
On balance sheet gap	<u>(7,952,701,753)</u>	<u>(3,300,067,962)</u>	<u>(11,252,769,715)</u>	<u>2,236,731,632</u>	<u>65,237,929</u>	<u>2,301,969,561</u>	<u>(8,950,800,154)</u>	
Contingencies and commitments								
Post dated cheques							3,172,225,780	
Bill discounted							3,566,149,426	
Bank guarantees							1,011,295,407	
Letters of credit							1,140,617,880	

	2023							
	Interest / Markup bearing			Non Interest / Markup bearing			Total	Effective Interest Rate %
	Maturity Upto One year	Maturity After One year	Subtotal	Maturity Upto One year	Maturity After One year	Subtotal		
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	
Financial assets								
Trade debts	-	-	-	2,519,846,485	-	2,519,846,485	2,519,846,485	
Loans and advances	-	-	-	8,140,507	-	8,140,507	8,140,507	
Trade deposits	288,899,508	-	288,899,508	-	-	-	288,899,508	5.8 to 11.66
Other receivables	-	-	-	88,419,626	-	88,419,626	88,419,626	
Cash and bank balances	-	-	-	348,929,291	-	348,929,291	348,929,291	
Long-term deposits	-	-	-	-	43,651,869	43,651,869	43,651,869	
	<u>288,899,508</u>	<u>-</u>	<u>288,899,508</u>	<u>2,965,335,909</u>	<u>43,651,869</u>	<u>3,008,987,778</u>	<u>3,297,887,286</u>	
Financial liabilities								
Long-term financing	461,544,559	3,602,309,054	4,063,853,613	-	-	-	4,063,853,613	0.75 to 3.50 and KIBOR + 1.25
Trade Creditors	-	-	-	799,488,086	-	799,488,086	799,488,086	
Accrued liabilities	-	-	-	476,251,080	-	476,251,080	476,251,080	
Unclaimed dividend	-	-	-	1,722,649	-	1,722,649	1,722,649	
Other payables	87,892,111	-	87,892,111	236,451,912	-	236,451,912	324,344,023	
Accrued mark-up / interest	-	-	-	286,252,639	-	286,252,639	286,252,639	
Short-term borrowings	<u>7,321,871,416</u>	<u>-</u>	<u>7,321,871,416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,321,871,416</u>	KIBOR + 0.1 to 2
	<u>7,871,308,086</u>	<u>3,602,309,054</u>	<u>11,473,617,140</u>	<u>1,800,166,366</u>	<u>-</u>	<u>1,800,166,366</u>	<u>13,273,783,506</u>	
On balance sheet gap	<u>(7,582,408,578)</u>	<u>(3,602,309,054)</u>	<u>(11,184,717,632)</u>	<u>1,165,169,543</u>	<u>43,651,869</u>	<u>1,208,821,412</u>	<u>(9,975,896,220)</u>	
Contingencies and commitments								
Post dated cheques							3,406,425,780	
Bill discounted							2,250,370,965	
Bank guarantees							709,867,397	
Letters of credit							5,205,219,332	

44.1 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.

44.2 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 4,738,345,498. (June 30, 2023: PKR 3,297,887,286.), unsecured local trade debts, advances to suppliers, and other receivables amounting in aggregate to PKR 3,640,316,197.(June 30, 2023: PKR 2,616,406,618.) are subject to credit risk. The Company manages its credit risk by; limiting significant exposure to any individual customers and obtaining advance against sales.

44.3 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 statement of financial position liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

44.4 Foreign exchange risk management

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. As at June 30, 2024, the total foreign currency risk exposure was PKR 1,426,708,658. (June 30, 2023: PKR 534,073,761.) in respect of foreign trade debts.

**Notes to the Financial Statements
For The Year Ended June 30, 2024**

44.5 Credit risk

44.5.1 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, 2024	June 30, 2023
		Rupees	Rupees
Trade debts		3,594,593,076	2,519,846,485
Loans and advances		12,902,799	8,140,507
Trade deposits		301,444,861	289,444,861
Other receivables		32,820,322	88,419,626
Cash and bank balances		736,372,277	348,929,291
Long term deposits		65,237,929	43,651,869
		<u>4,743,371,264</u>	<u>3,298,432,639</u>

44.5.2 Concentration of credit risk

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

Domestic	2,972,319,147	2,088,465,661
Europe	268,072,375	85,086,864
Asia and Middle East	419,853,173	427,392,613
	<u>3,660,244,695</u>	<u>2,600,945,138</u>
Impairment	(65,651,619)	(81,098,653)
	<u>3,594,593,076</u>	<u>2,519,846,485</u>

44.5.3 Aging and movement in Impairment losses

The aging of receivables as at the reporting date is as follows:

Not past due	2,497,032,651	1,768,292,996
Past due less than one year	1,085,899,499	759,471,591
Past due more than one year but less than three years	6,520,677	-
Past due more than three years	70,976,367	73,180,551
	<u>3,660,429,195</u>	<u>2,600,945,138</u>
Allowance for expected credit losses	(65,651,619)	(81,098,653)
	<u>3,594,777,576</u>	<u>2,519,846,485</u>

The movement in allowance for impairment in respect of receivables during the year is as follows:

As at beginning of the year	81,098,653	165,389,592
Impairment loss recognized	1,467,371	7,917,426
Impairment loss reversed	(16,914,405)	(92,208,365)
As at end of the year	<u>65,651,619</u>	<u>81,098,653</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.

44.5.4 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.

44.6 Liquidity risk

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

	As at June 30, 2024				
	Carrying amount	Contractual cash flows	One year or less	One to five years	More than five years
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Long term financing	3,968,313,081	6,175,271,237	469,480,174	3,335,454,920	2,370,336,143
Short term borrowings	7,770,606,030	8,393,808,634	8,393,808,634	-	-
Accrued mark-up / interest	331,423,890	331,423,890	331,423,890	-	-
Trade creditors	1,036,170,472	1,036,170,472	1,036,170,472	-	-
Accrued liabilities	497,824,606	497,824,606	497,824,606	-	-
Unclaimed dividend	1,831,650	1,831,650	1,831,650	-	-
Other payables	82,975,923	82,975,923	82,975,923	-	-
	<u>13,689,145,652</u>	<u>16,519,306,412</u>	<u>10,813,515,349</u>	<u>3,335,454,920</u>	<u>2,370,336,143</u>

**Notes to the Financial Statements
For The Year Ended June 30, 2024**

	As at June 30, 2023				
	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	4,063,853,613	6,175,271,237	469,480,174	3,335,454,920	2,370,336,143
Short term borrowings	7,321,871,416	7,909,085,504	7,909,085,504	-	-
Accrued mark-up / interest	286,252,639	286,252,639	286,252,639	-	-
Trade creditors	770,112,145	770,112,145	770,112,145	-	-
Accrued liabilities	476,251,080	476,251,080	476,251,080	-	-
Unclaimed dividend	1,722,649	1,722,649	1,722,649	-	-
Other payables	139,318,437	139,318,437	139,318,437	-	-
	<u>13,059,381,979</u>	<u>15,758,013,691</u>	<u>10,052,222,628</u>	<u>3,335,454,920</u>	<u>2,370,336,143</u>

44.7 Market risk

44.7.1 Currency risk

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

	June 30, 2024 Rupees	June 30, 2023 Rupees
Trade receivables	687,925,548	512,479,477
Cash and cash equivalents	6,871,824	21,594,284
Short term borrowings	(2,121,506,030)	-
Total exposure	<u>(1,426,708,658)</u>	<u>534,073,761</u>

b) Exchange rates applied as at the reporting date.

The following spot exchange rates were applied as at the reporting date wherever applicable.

	2024		2023	
	Assets Rupees	Liabilities Rupees	Assets Rupees	Liabilities Rupees
CHF	309.160	309.710	320.340	320.900
JPY	1.727	1.731	1.998	2.001
Euro	297.880	298.410	313.720	314.270
CNY	38.470	38.530	39.910	39.980
USD	278.300	278.800	286.600	287.100

A ten percent appreciation in Rupee would have increased profit or decreased loss by PKR 142,670,866 (2023: PKR 53,407,376). 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.

44.7.2 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, 2024 Rupees	June 30, 2023 Rupees
Financial assets	301,444,861	289,444,861
Financial liabilities	5,426,519,643	3,376,292,885

Variable rate instruments

	June 30, 2024 Rupees	June 30, 2023 Rupees
Financial assets	-	-
Financial liabilities	6,312,399,468	8,009,432,144

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 increased loss or decreased profit by PKR 63.12 million (2023: PKR 80.09 million). A 100 basis points increase in variable interest rate would have had an equal but opposite impact on profit or loss.

44.7.3 Other Price Risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company is not exposed to commodity price risk as it does not hold financial instruments based commodity prices.

**Notes to the Financial Statements
For The Year Ended June 30, 2024**

44.8 Fair value of financial assets and liabilities

The following table shows the carrying amounts and fair values of financial assets and liabilities. The fair value of financial assets measured at fair value is shown below. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

	Carrying amount			Carrying amount		
	2024			2023		
	At amortized cost	Fair value through profit or loss	Fair value through other comprehensive income	At amortized cost	Fair value through profit or loss	Fair value through other comprehensive income
	'-----Rupees-----'					
Financial assets						
Long term deposits	65,237,929	-	-	43,651,869	-	-
Trade debts	3,594,593,076	-	-	2,519,846,485	-	-
Advances to employees	9,143,039	-	-	5,616,102	-	-
Refundable trade deposits	301,444,861	-	-	289,444,861	-	-
Other receivables	32,820,322	-	-	88,419,626	-	-
Cash at banks	736,372,277	-	-	346,414,133	-	-
	4,739,611,504	-	-	3,293,393,076	-	-
Financial Liabilities						
Long term financing	3,968,313,081	-	-	4,063,853,613	-	-
Short term borrowings	7,770,606,030	-	-	7,321,871,416	-	-
Accrued mark-up / interest	331,423,890	-	-	286,252,639	-	-
Trade creditors	1,036,170,472	-	-	770,112,145	-	-
Accrued liabilities	497,824,606	-	-	476,251,080	-	-
Unclaimed dividend	1,831,650	-	-	1,722,649	-	-
Other payables	82,975,923	-	-	139,318,437	-	-
	13,689,145,652	-	-	13,059,381,979	-	-

The basis for determining fair values is as follows:

Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. Since the majority of the financial assets are fixed rate instruments, there is no significant difference in market rate and the rate of instrument, fair value significantly approximates to carrying value.

45 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 42 are as follow:

Name	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		
Yasmin Begum	Directorship of close family relative	1.01%		
Khurram Salim	Director	2.02%		
Farrukh Salim	Directorship of close family relative	2.02%		
Yousuf Salim	Directorship of close family relative	1.69%		
Saqib Salim	Directorship of close family relative	1.68%		
Amna Khurram	Directorship of close family relative	2.45%		
Muhammad Umer	Directorship of close family relative	0.00%		
Yahyaa Farrukh	Directorship of close family relative	2.42%		
Saba Yousaf	Director	2.76%		
Saba Saqib	Directorship of close family relative	2.76%		
Samia Bilal	Directorship of close family relative	11.14%		

Nature of relationship	Nature of transactions	June 30, 2024 Rupees	June 30, 2023 Rupees
Associated undertaking	Sales of fabric	326,094,037	1,982,518,305
	Sales of Cotton	328,630	42,394,987
	Sales of yarn	997,750,134	1,128,757,764
	Purchase of yarn	376,688,250	640,832,703
	Purchase of cotton	35,530,084	-
	Purchase of fabric	110,506,106	13,054,653
	Purchase of store, spares & machinery	12,882,768	-
	Services received	618,000	309,000
	Sale of machinery	708,000	-
	Electricity purchased	77,832,508	549,679,117
	Loan received from directors and sponsors	31,000,000	149,618,200
	Retirement benefits	139,567,086	104,329,872
		Provision for gratuity	

45.1 Detail of compensation to key management personnel comprising of chief executive officer, director and executives is disclosed in note 42.

46 Accounting Estimates and Judgments
46.1 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.

46.2 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.

46.3 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.

46.4 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.

46.5 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.

47 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. The Company monitors capital using the gearing ratio which is debt divided by total capital employed. Debt comprises long term finances including current maturity. Total capital employed includes total equity as shown in the statement of financial position plus debt. The Company's strategy is to maintain an optimal capital structure in order to minimize cost of capital. Gearing ratio of the Company as at the reporting date is as follows:

Total debt	4,161,199,848	4,266,509,318
Total equity	10,863,113,682	11,102,911,557
	15,024,313,530	15,369,420,875
Gearing	27.70%	27.76%

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements, except those, related to maintenance of debt covenants, commonly imposed by the providers of debt finance.

Bhanero Textile Mills Limited**Notes to the Financial Statements****For The Year Ended June 30, 2024****48 Fair Value Measurements****48.1 Financial Instruments**

There are no recurring or non-recurring fair value measurements as at the reporting date. The management considers the carrying amount of all the financial instruments approximate to their fair values.

48.2 Assets and liabilities other than financial instruments.

None of the assets and liabilities other than certain financial instruments are measured at fair value.

49 PLANT CAPACITY AND ACTUAL PRODUCTION**Spinning & Weaving**

Number of spindles installed	99,696	99,696
Number of looms installed	162	162
Installed capacity of yarn converted in 20/1 (Kgs.)	22,185,705	22,185,705
Actual production of yarn (Kgs.)	26,188,158	13,426,536
Installed capacity of fabric based on 50 picks- meters	34,016,175	34,016,175
Actual production of fabric- meters	22,709,366	22,335,314

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.

The main reason of increase in production of spinning sector is that the Company installed a new unit which started its trial run production later during last year whereas installed capacity of yarn converted in 20/1 had been presented on the basis of whole year.

50 NUMBER OF EMPLOYEES

As at the reporting date	<u>1,609</u>	<u>1,636</u>
Average for the year	<u>1,618</u>	<u>1,637</u>

51 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on September 30, 2024.

52 CORRESPONDING FIGURES

Corresponding figures have been re-arranged where necessary to facilitate comparison. Following major reclassification has been made during the year.

Description	Reclassified from	Reclassified to	Note	Amount
Road Infrastructure cess payable	Long term payable	Trade and other payable	13	384,156,295
Gas Infrastructure cess payable	Long term payable	Trade and other payable	13	60,396,490
Current Portion of long term financing	Long term financing	Current Portion of long term financing	17	157,046,899

53 GENERAL

The figures have been rounded off to the nearest Rupee.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

Bhanero Textile Mills Limited

Historical Data for the Year Ended June 30, 2024

Year-Wise Operating Data

2024	2023	2022	2021	2020	2019
------	------	------	------	------	------

Spinning Unit

Spindle installed	99,696	99,696	80,112	80,112	80,112	80,112
Spindles worked	99,696	99,696	80,112	80,112	80,112	80,112
Installed capacity after conversion into 20/s count - Kg	22,185,705	22,185,705	14,810,385	14,810,385	14,810,385	14,810,385
Actual production - Kg	26,188,158	13,426,536	13,001,202	12,223,351	10,727,209	12,363,406

Weaving Unit

Air jet looms installed	162	162	162	162	162	162
Air jet looms worked	162	162	162	162	162	162
Installed capacity after conversion into 50 picks - Meter	34,016,175	34,016,175	34,016,175	26,566,890	26,566,890	26,566,890
Actual production - Meter	22,709,366	22,335,314	24,019,600	21,117,435	17,372,400	15,864,187

Year-Wise Financial Data

2024	2023	2022	2021	2020	2019
------	------	------	------	------	------

Rupees in Thousands

Profit and loss account

Turnover (Net)	33,057,245	18,545,108	17,252,509	12,158,113	8,923,611	9,347,773
Gross profit	3,033,812	2,990,228	4,074,380	2,731,698	823,552	1,293,672
Operating profit	1,677,967	2,289,771	3,321,097	2,243,984	637,077	1,123,205
Financial expenses	1,866,240	745,266	137,883	83,005	181,440	166,323
Profit/(Loss) before tax	(188,273)	1,544,505	3,183,214	2,160,979	455,636	956,883
Profit/(Loss) after tax	(131,761)	1,581,480	2,758,155	1,850,706	329,399	832,410
Cash dividend	-	106,434	214,500	214,500	150,000	167,400

Balance Sheet

Share Capital	30,410	30,000	30,000	30,000	30,000	30,000
Reserves	9,108,598	9,109,008	8,000,000	6,300,000	4,800,000	4,700,000
Shareholder equity	10,863,114	11,102,912	9,500,474	6,763,064	4,919,120	4,913,117
Long term loans	3,300,068	3,602,309	2,816,944	1,077,029	1,090,593	1,121,716
Short term loan	7,772,890	7,321,871	-	-	1,570,614	992,657
Current liabilities	11,427,658	10,318,683	2,308,655	1,082,598	2,256,905	1,897,523
Current portion of long term loans	861,132	664,200	336,848	212,470	21,515	140,183
Fixed assets	8,755,049	8,855,092	4,607,486	2,911,960	3,004,663	3,168,486
Current assets	17,548,239	17,009,355	8,726,406	6,372,300	57,333,761	5,183,986

Ratios	2024	2023	2022	2021	2020	2019
Performance						
Sales growth percentage - Year to Year basis	78.25%	7.49%	41.90%	36.25%	-4.54%	15.78%
Gross profit (%)	9.18%	16.12%	23.62%	22.47%	9.23%	13.84%
Profit before tax (%)	-0.57%	8.33%	18.45%	17.77%	5.11%	10.24%
Profit after tax (%)	-0.40%	8.53%	15.99%	15.22%	3.69%	8.90%
Breakup value per share - Rupees per share						
Breakup value per share - Rupees per share	3,572.22	3,700.97	3,166.82	2,254.35	1,639.71	1,637.71
Market value of share - at the year end - Rupees per share	1,050.00	948.33	1,465.00	1,050.00	770.01	800.00
Earnings/(Loss) per share - Rupees per share						
Earnings/(Loss) per share - Rupees per share	(43.36)	468.11	919.38	616.90	109.80	277.47
Price earning ratio	(24.22)	2.03	1.59	1.70	7.01	2.88
Leverage						
Gearing ratio	1.17	1.21	0.48	0.19	0.55	0.46
Debt to equity (%)	30.38%	32.44%	29.65%	15.93%	22.17%	22.83%
Interest covering ratio	0.90	3.07	24.09	27.03	3.51	6.75
Liquidity ratio						
Current ratio	1.54	1.65	3.78	5.89	25.40	2.73

BHANERO TEXTILE MILLS LIMITED
CATEGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2024

SR #	CATEGORIES OF SHAREHOLDERS	NUMBERS OF SHAREHOLDERS	SHARES HELD	PERCENTAGE %
1	Directors, Chief Executive Officer, and their spouse and minor children.	30	1,337,870	43.99
2	Associated Companies, Undertaking and Related Parties	23	1,054,970	34.69
4	Insurance Company	1	70,500	2.32
5	Share holders holding 10%	1	500,600	16.46
6	General Public			
	Local	377	76,767	2.52
	Foreign	-	-	-
7	Other Companies	3	7	0.00
8	Joint Stock Companies	1	250	0.01
		436	3,040,964	100.00

**DETAIL OF PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2024
INFORMATION REQUIRED UNDER THE CODE OF CORPORATE GOVERNANCE**

SR #	CATEGORIES OF SHAREHOLDERS	PERCENTAGE	NUMBER OF SHARES HELD
1	ASSOCIATED COMPANIES UNDERTAKINGS AND RELATED PARTIES		
	ADMIRAL (PVT) LTD	16.46	500,600
	MR. MOHAMMAD SHAKEEL	0.73	22,227
	MR. ADIL SHAKEEL	4.92	149,487
	MR. FARRUKH SALEEM	2.02	61,431
	MR. SAQIB SALEEM	1.71	52,020
	MR. MUHAMMAD QASIM	8.65	263,181
	MR. FAISAL SHAKEEL	4.94	150,237
	MR. ABDULLAH BILAL	2.03	61,758
	MR. YAHYAA FURRUKH	2.44	74,182
	MR. MOHAMMAD UMAR	0.02	520
	MRS. NAZLI BEGUM	4.21	127,960
	MRS. SABA SAQIB	2.76	83,891
	MRS. SUMBUL QASIM	0.23	6,868
	MRS. MARIUM ADIL	0.04	1,208
3	DIRECTORS, CHIEF EXECUTIVE AND THEIR SPOUSE AND MINOR CHILDREN		
	MR. MUHAMMAD SALEEM	0.73	22,048
	MR. MUHAMMAD SHAHEEN	1.46	44,475
	MR. HAMZA SHAKEEL	4.94	150,147
	MR. KHURRAM SALEEM	2.06	62,666
	MR. YOUSUF SALEEM	1.67	50,674
	MR. BILAL SHARIF	2.49	75,689
	MR. MUHAMMAD AMIN	3.18	96,808
	MR. MUSTAFA TANVIR	0.02	500
	MR. ASIF ELAHI	0.02	500
	MR. TAUQEER AHMED SHEIKH	0.02	500
	MRS. YASMIN BEGUM	1.00	30,410
	MRS. SEEMA BEGUM	0.51	15,542
	MRS. AMNA KHURRAM	2.44	74,247
	MRS. SAMIA BILAL	11.06	336,228
	MRS. FATIMA AMIN	5.70	173,245
	MRS. SABA YOUSUF	2.72	82,700
	MASTER AZAAN BILAL	2.00	60,746
	MASTER ALI BILAL	2.00	60,745
4	BANKS DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS AND INSURANCE COMPANIES		
	STATE LIFE INSURANCE CORPORATION OF PAKISTAN	2.32	70,500

5	JOINT STOCK COMPANIES	0.01	250
6	OTHER COMPANIES	0.00	7
7	GENERAL PUBLIC	2.52	76,767
	TOTAL	100.00	3,040,964
8	DETAIL OF TRADING IN THE SHARES BY THE DIRECTORS, CEO COMPANY SECRETARY AND THEIR SPOUSES AND MINOR CHILDREN		
	Shares gifted by Mrs. Seema Begum to her son	1.24	37,750
	Shares gifted by Mr. Muhammad Amin to his brother	2.13	64,878
9	SHAREHOLDERS HOLDING 10% OR MORE VOTING INTEREST		
	ADMIRAL (PVT) LTD	16.46	500,600

BHANERO TEXTILE MILLS LIMITED
PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2024

NUMBERS OF SHAREHOLDERS	SHARE HOLDING		TOTAL SHARES HELD	Percentage
	FROM	TO		
324	1	100	8,557	0.28
44	101	500	12,416	0.41
14	501	1000	12,027	0.40
24	1001	5000	55,594	1.83
2	5001	10000	15,868	0.52
1	15001	20000	15,542	0.51
3	20001	25000	63,986	2.10
1	25001	30000	29,872	0.98
1	40001	45000	42,780	1.41
2	50001	55000	101,164	3.33
3	55001	60000	176,142	5.79
2	60001	65000	121,100	3.98
4	70001	75000	290,900	9.57
2	80001	85000	165,600	5.45
1	90001	95000	94,622	3.11
1	125001	130000	125,579	4.13
3	145001	150000	442,904	14.56
1	170001	175000	170,400	5.60
1	260001	265000	261,028	8.58
1	330001	335000	334,283	10.99
1	500001	505000	500,600	16.46
436			3,040,964	100.00








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










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This disclosure is being added as per requirements of Securities and Exchange
Commission of Pakistan vide SRO 924(1) / 2015, dated 09 September 2015.

ڈائریکٹرز کی رپورٹ

بھنہرو ٹیکسٹائل ملز لمیٹڈ کے ڈائریکٹرز کو 30 جون 2024 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۔

کلیدی مالیاتی اشار

کمپنی کے مالی نتائج 30 جون 2024 کو ختم ہوئے۔

Statement of Profit or Loss For The Year Ended June 30, 2024

	June 30, 2024	June 30, 2023
	Rupees	Restated Rupees
Sales	33,057,244,654	18,545,108,053
Cost of sales	30,023,432,811	15,554,879,715
Gross profit	3,033,811,843	2,990,228,338
Other income	128,313,555	317,226,772
	3,162,125,398	3,307,455,110
Distribution cost	757,124,365	391,950,785
Administrative expenses	335,713,971	256,536,892
Other operating expenses	33,376,153	132,217,604
Finance cost	1,866,239,907	745,266,273
	2,992,454,396	1,525,971,554
Profit before Levies and income taxes	169,671,002	1,781,483,556
Levies	357,944,172	236,978,739
(Loss)/Profit before income taxes	(188,273,170)	1,544,504,817
Income Taxes	56,512,019	(36,975,097)
(Loss)/Profit after taxation for the year	(131,761,151)	1,581,479,914
(Loss) / Earnings per share - basic	(43.36)	527.16
(Loss) / Earnings per share - diluted	(43.36)	520.06

(131,761,151.00) کا نقصان ہوا۔ 30 جون 2024 (188,273,170.00) اور PKR کمپنی کو ٹیکس سے پہلے اور بعد میں بالترتیب 2024 کو ختم ہونے والے مالی سال میں ریونیو میں 25.78 فیصد اضافہ ہوا، بنیادی طور پر ایک نئے اسپیننگ یونٹ کے مکمل آپریشنلائزیشن کی وجہ سے، جس نے کمپنی کی کل آمدنی میں تقریباً 30 فیصد حصہ ڈالا۔ رواں مالی سال کے دوران کمپنی کو مختلف چیلنجز کا سامنا کرنا پڑا جس کی وجہ سے مایوس کن مالیاتی نتائج برآمد ہوئے۔ اس نقصان کی وجہ عالمی سست روی، ملک کو درپیش مسلسل اور اہم اقتصادی چیلنجز کے درمیان ہے۔ مئی 2023 میں مہنگائی کی شرح 38 فیصد کی بلند ترین سطح پر پہنچ گئی جس کی وجہ سے اسٹیٹ بینک نے پالیسی ریٹ کو بڑھا کر جون 2023 میں 22 فیصد کی بلند ترین سطح پر پہنچ گیا۔ قرض کے حصول کے لیے آئی ایم ایف کی شرط کو پورا کرنے کے لیے سبسڈی۔ حکومت 2024 (1) 350 SRO کے ذریعے برآمدات کے لیے مقامی ان پٹ پر زیرو ریٹنگ کی واپسی اور سبیلز ٹیکس میں EFS کے سخت مالی اقدامات جیسے کا تعارف، سبیلز ٹیکس ریفرنڈم میں تاخیر، اعلیٰ مالیاتی اخراجات اور کپاس اور دھاگے میں عالمی اتار چڑھاؤ کے ساتھ۔ قیمتیں ہمارے منافع میں رکاوٹ بنتی ہیں اس لیے ہمارے مارجن کو نمایاں طور پر کم کر دیا گیا ہے۔

انڈسٹری کو درپیش ایک اور چیلنج جنوری 2025 تک کیپٹو پاور پلانٹس کو گیس گرڈ سے باہر کرنے کے لیے بین الاقوامی مالیاتی فنڈ کے ساتھ وابستگی ہے اور ان حالات میں صنعت کے لیے امکان کو برقرار رکھنا بہت مشکل ہوتا جا رہا ہے۔

ہم کمپنی کو درپیش موجودہ چیلنجز کو تسلیم کرتے ہیں اور آنے والے سالوں میں اپنی مالی حالت کو بہتر بنانے کی پوری کوشش کرتے ہیں۔ انتظامیہ یقین دلاتی ہے کہ ان چیلنجز سے نمٹنے کے لیے فعال اقدامات کیے گئے ہیں جن کی وجہ سے سال کے دوران کمپنی کی کارکردگی کم رہی۔

کی طرف سے پالیسی ریٹ میں مزید کٹوتی کی توقع کرتے ہیں جو ہمیں قرض لینے کی لاگت کو کم کرنے SBB گرانٹی کی رفتار پر مہنگائی کے ساتھ، ہم میں بھی مدد دے گا، خاص طور پر قلیل مدتی مالیات پر۔ اس کے علاوہ، انونٹری کی سطح کو نیچے لانے کے لیے انتظامیہ کو بھی غور کیا جاتا ہے۔ کمپنی توانائی کی لاگت کو کم کرنے کے لیے قابل تجدید توانائی کے اقدامات بھی کر رہی ہے اور بہتر قیمت حاصل کرنے کے لیے مارکیٹنگ کی جارحانہ حکمت عملیوں پر عمل پیرا ہے۔

چونکہ صنعت کے لیے درآمدات اور کرنسی کی پابندیوں میں نرمی کی گئی ہے، ہم نے 2024-25 کے دوران بحالی اور نمو میں اضافے کی توقع کی۔ آئی ایم ایف کے ساتھ 7 بلین امریکی ڈالر کے عملے کی سطح کے معاہدے تک پہنچنے کے نتیجے میں، ہمارے کم زرمبادلہ کو بھی مدد فراہم کی جائے گی تاہم بیرونی قرضوں کا بوجھ ملک کے لیے ایک اہم تشویش ہے۔

منافع اور ذخائر مختص

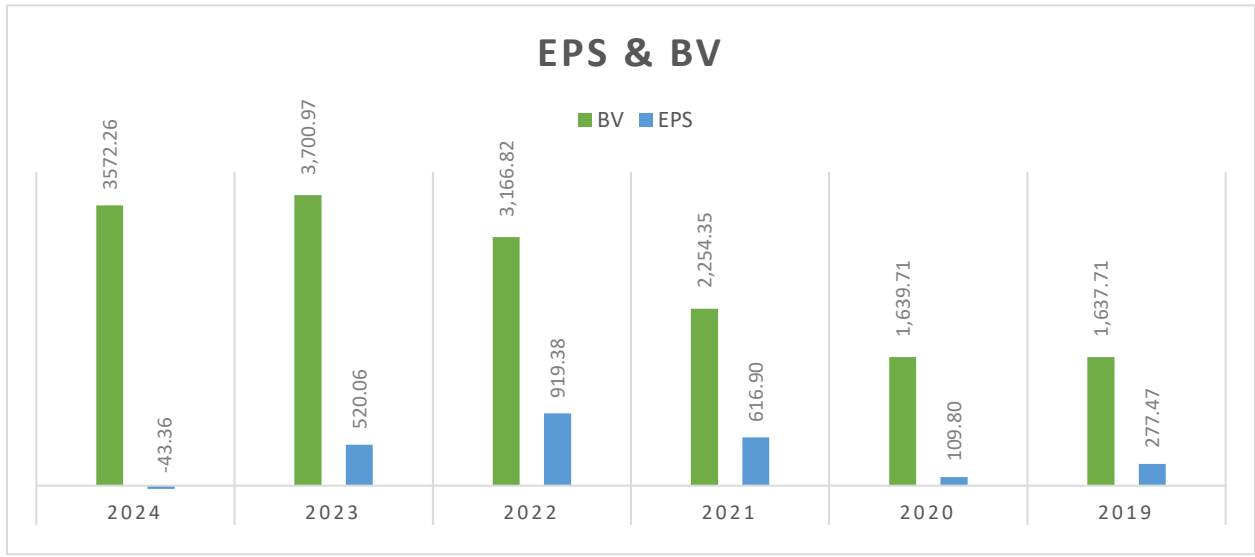
بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارش کے بعد جون 2024, 30 کو ختم ہونے والے مالی سال کے لیے منافع کا اعلان نہیں کیا ہے کیونکہ کمپنی کو رواں سال کے دوران خسارہ ہوا ہے۔ بہر حال، بورڈ آف ڈائریکٹرز کی جانب سے سال کے دوران منافع اور معاشی استحکام کی بنیاد پر عبوری منافع کے اعلان پر غور کیا جائے گا۔

فی شیئر آمدنی اور بریک اپ ویلیو

زیادہ منافع EPS کا استعمال کرنا چاہیے اس لیے زیادہ EPS سرمایہ کاروں کو کمپنی کے مستقبل کے منافع اور مالی استحکام کا جائزہ لیتے وقت بخش ہے اور سرمایہ کار کی نقد رقم کا موثر استعمال کر رہا ہے۔ سرمایہ کار، کمپنی کی مالی استحکام کا اندازہ لگانے کے لیے بریک اپ ویلیو کا استعمال کرتے ہیں۔

PKR بالترتیب EPS (36 . 43) ہے جہاں بنیادی اور کمزور 2023 PKR کے اسی سال کے مقابلے میں فی حصص بنیادی اور گھٹا ہوا نقصان اور 520.16 تھے۔ 527.16

(ہے 3,700.97 PKR (سال 2023: 3,572.26 PKR 30BVS جون 2024 کو ختم ہونے والے موجودہ سال کے دوران شیئر کا



ورکنگ کیپیٹل مینجمنٹ

کمپنی نے اپنے اثاثوں اور ذمہ داریوں پر چوکس نگرانی کا نظام تعینات کیا ہے تاکہ اس کے مختصر مدت کے آپریٹنگ اخراجات اور قرض کی مختصر مدت کی ذمہ داریوں کو پورا کرنے کے لیے کافی نقد بہاؤ برقرار رکھا جا سکے۔

ملین کی طویل مدتی قرضوں اور 1,821.069 PKR اور 30PKR جون 2024 کو ختم ہونے والے سال کے دوران 481.081 ملین قرضوں کی خدمات کی مد میں ادائیگیاں کی گئی ہیں۔ موجودہ سال (2023: 1.65) کے دوران 1.54 کا تناسب کمپنی کی اپنی قلیل مدتی ذمہ داریوں کو اپنے موجودہ اثاثے کے ساتھ پورا کرنے کی کافی صلاحیت کو ظاہر کرتا ہے۔

کیپٹل سٹرکچر

کمپنی اپنے آپریشنز اور سرمایہ کاری میں معاونت کے لیے قرض اور ایکویٹی کے مؤثر امتزاج کا استعمال کرتی ہے کیونکہ یہ کمپنی کے رسک پروفائل اور مالیاتی صحت کو قائم کرنے میں بہت اہم ہے۔

ملین میں 10,863.114 PKR (ملین) کو ختم ہونے والے موجودہ مالی سال کے دوران 11,102.912 PKR 30 جون 2024 (2023: شیئر ہولڈر کی ایکویٹی میں اضافے سے کمپنی کی مالی مضبوطی کی پیمائش کی گئی۔

1.17 کا کمپنی گیلٹرنگ ریشو (سال 2023: 1.21) کمپنی کے مالی فائدہ کی نمائندگی کرتا ہے جیسے شیئر ہولڈر ایکویٹی اور قرض دہندگان کے فنڈز سے فنڈ کیا جاتا ہے اسے صنعتی معیارات کے مطابق اچھی طرح سے قائم کمپنیوں کے لیے کم خطرہ کے ساتھ عام طور پر معقول سمجھا جاتا ہے۔

قابل تجدید توانائی کے اقدامات

اب تک، کمپنی نے کراچی اور پنجاب یونٹس میں تقریباً 550.00 ملین روپے کی تقریباً 6.2 میگا واٹ شمسی توانائی کی تنصیب کے لیے قابل تجدید توانائی کے اقدامات کیے ہیں۔

کریڈٹ ریٹنگ

(سنگل اے پلس/اے ون) پر ہستی کی ریٹنگ کی تصدیق 26 ستمبر 2023 کو A+/A-1 دی گئی ریٹنگز پر 'مستحکم' آؤٹ لک کے ساتھ کریڈٹ ریٹنگ کمپنی لمیٹڈ کے جائزے پر مبنی ہے۔ Messer 's VIS

مالیاتی گوشوارے

جیسا کہ کمپنیز ایکٹ 2017 کے تحت ضرورت ہے، پی ایس ایکس کے ریگولیشن ریگولیشنز اور ایس ای سی پی کی طرف سے جاری کردہ ہدایات چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر نے 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی بیانات پیش کیے، ان کے متعلقہ دستخطوں کے تحت غور کے لیے توثیق کی گئی، جاری کرنے اور گردش کے لیے بورڈ آف ڈائریکٹرز کی منظوری اور اجازت۔ کمپنی کے مالیاتی بیانات کو کمپنی کے آڈیٹرز، مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے باقاعدہ طور پر آڈٹ کیا ہے اور آڈیٹرز نے 30 جون 2023 کو ختم ہونے والے سال کے مالی بیانات پر صاف آڈٹ رپورٹ جاری کی ہے اور کوڈ کے بیان پر صاف جائزہ رپورٹ کارپوریٹ گورننس ریگولیشنز، 2019 "کوڈ"۔ یہ رپورٹیں مالی بیانات کے ساتھ منسلک ہیں۔

اکاؤنٹنگ کے معیارات

کمپنی کی اکاؤنٹنگ پالیسیاں کمپنیز ایکٹ 2017 اور اس طرح کے منظور شدہ بین الاقوامی اکاؤنٹنگ سٹینڈرڈز اور انٹرنیشنل فنانشل رپورٹنگ سٹینڈرڈز کی مکمل طور پر عکاسی کرتی ہیں جیسا کہ اس ایکٹ کے تحت اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری ہدایات کے ذریعے مطلع کیا گیا ہے۔

ٹیکسٹائل سیکٹر پر منظر نامہ

پاکستان میں کسی زمانے میں ٹیکسٹائل مینوفیکچرنگ کا ایک فروغ پزیر سیکٹر تھا کیونکہ اس کے پاس اپنی سرزمین پر اعلیٰ معیار کی کپاس کی وافر سپلائی تھی اور صارفین کی ایک بڑی تعداد تھی جو معیاری لباس تیار کرنے اور خلیج، یورپ اور امریکہ کو برآمد کرنے کی اپنی صلاحیت پر انحصار کرتی تھی۔

تقریباً دو دہائیاں قبل پاکستانی کپاس کی دنیا بھر میں بہت زیادہ مانگ تھی تاہم ان 20 سالوں کے دوران بنگلہ دیش، ویتنام اور کمبوڈیا نے ٹیکسٹائل کی صنعت میں پاکستان کو پیچھے چھوڑ دیا۔ 2003 میں جب پاکستان کی ٹیکسٹائل کی برآمدات 3.8 بلین امریکی ڈالر تھیں، ویتنام کی ٹیکسٹائل کی برآمدات 3.87 بلین امریکی ڈالر، بنگلہ دیش کی 5.5 بلین امریکی ڈالر تھی۔ اب ویتنام 44.00 بلین ڈالر اور بنگلہ دیش 47.47 بلین ڈالر پر ہے، جب کہ پاکستان 2024 میں 16.65 بلین ڈالر تک پہنچنے کے لیے جدوجہد کر رہا ہے (سال 2023: 16.501 بلین اور سال 2022: 22.10 بلین)۔ درحقیقت پاکستان کی ٹیکسٹائل کی برآمدات کئی وجوہات کی بناء پر نیچے کی جانب گامزن ہیں، شاید ٹیکسٹائل سیکٹر کے لیے انرجی ٹیرف کا سب سے اہم حصہ ہے۔

بنگلہ دیش میں جاری بحران کے دور رس نتائج کے ساتھ بہت زیادہ عدم اطمینان پیدا ہوا ہے۔ پاکستان بنگلہ دیش کے بحران کا فائدہ اٹھا سکتا ہے کیونکہ متعدد ملٹی نیشنل کارپوریشنز بنگلہ دیش سے اپنے سوسنگ آپریشنز کو منتقل کر رہی ہیں۔ پاکستان کی ٹیکسٹائل اور ملبوسات کی پیداوار کی ایک طویل تاریخ ہے، اور یہ اچھی طرح سے ترقی یافتہ لیبر فورس اور انفراسٹرکچر کے علاوہ اچھے معیار اور ماحولیاتی پائیداری کے لیے شہرت رکھتا ہے۔ ملک کے پاس ٹیکسٹائل کے مضبوط شعبے اور فائدہ مند مقام کو دیکھتے ہوئے متبادل سوسنگ ہب کے طور پر کام کرنے کا ایک نادر موقع ہے۔

پاکستانی ٹیکسٹائل سیکٹر مالی سال 2023-24 کے دوران 16.65 امریکی ڈالر کی ٹیکسٹائل برآمدات کے ساتھ متعدد مسائل سے نبرد آزما ہے جو اس کی توسیع اور پیداوار میں رکاوٹ ہیں۔ فرسودہ پیداواری تکنیکوں کا استعمال، خام مال کی کمی، قرض لینے کی زیادہ لاگت، رقم کی واپسی میں تاخیر، درآمدی پابندیاں، توانائی کی اونچی قیمتیں، زیادہ ٹیکس وغیرہ۔ یہ اصلیت کی کمی، ناقص تعلیم، اور جدید صنعتی تکنیکوں کی ضرورت کی وجہ سے بڑھتے ہیں۔ عالمی سطح پر مقابلہ کرنے کے لیے۔

کووڈ وبائی بیماری ملک کے ٹیکسٹائل سیکٹر کے لیے چاندی کی لکیر دکھائی دیتی ہے کیونکہ اس نے ملک بھر میں ایک سمارٹ لاک ڈاؤن پالیسی کا نفاذ کیا جس سے اس کے ٹیکسٹائل آپریشنز کو جاری رکھنے کی اجازت دی گئی، علاقائی ہم عمر ممالک بھارت اور بنگلہ دیش کے برعکس۔ چونکہ کوئی ٹھوس اور پائیدار اقدام نہیں اٹھایا گیا تھا، اس لیے خطے میں مسابقتی ممالک کے دوبارہ کھلنے کے بعد ملک کووڈ کے بعد کے دور میں اس رفتار کو برقرار رکھنے میں ناکام رہا۔

اب ملک کے زوال پذیر ٹیکسٹائل سیکٹر کے لیے مواقع کی کھڑکی موجود ہے اور حکومت کو بنگلہ دیش کی صورت حال سے پیدا ہونے والے خلا کو پر کرنے کے لیے فوری اقدامات کرنے چاہئیں۔ بدقسمتی سے، پاکستان میں ٹیکسٹائل سیکٹر کو کئی رکاوٹوں کا سامنا ہے جو اس کی ابھرتی ہوئی عالمی گارمنٹس سوسنگ لینڈ سکیپ سے فائدہ اٹھانے کی صلاحیت میں رکاوٹ ہیں۔ ایک اہم رکاوٹ 17 سینٹس فی کلو واٹ فی گھنٹہ سے زیادہ توانائی کی لاگت ہے، جو بنگلہ دیش کے 3.8 سینٹ فی کلو واٹ گھنٹہ سے تقریباً دوگنا ہے اور زیادہ قرضے لینے سے ملک کی مسابقت مزید کمزور ہوتی ہے۔ زیرو (سے دستبرداری بھی ملکی صنعت کے لیے ایک اہم دھچکا ہے۔ 1125 SRO ریٹنگ)

ٹیکسٹائل سیکٹر پر نظر ثانی کے لیے توانائی کی قیمتوں میں فوری طور پر نظر ثانی کی جائے جہاں انڈسٹری مقابلہ کر سکے۔

، kWh/سی طرح کی بنیادوں پر خطے کے مسابقتی ممالک کے ساتھ۔ فی الحال، ہندوستان میں ٹیکسٹائل سیکٹر کے لیے بجلی کا ٹیرف 6 سینٹس / ہے۔ kWh اور ویتنام میں 7.2 سینٹ kWh/بنگلہ دیش 8.6 سینٹ /

یہ اقدام سازگار کاروباری ماحول فراہم کرنے کے لیے بھی کیا جائے گا جو بین الاقوامی منڈیوں میں بغیر کسی معاشی بگاڑ کے مقابلہ کرنے کی اجازت دیتا ہے۔ ہمیں اس شعبے کی ضروریات کے ساتھ پالیسیوں کو ہم آہنگ کرنا چاہیے جس کے لیے جدید، متنوع ٹیکسٹائل اور ملبوسات کے شعبے کی ضرورت ہے جو عالمی سطح پر مقابلہ کر سکے اور کسانوں کو زیادہ پیداوار والے بیج فراہم کر کے کپاس کی پیداوار بڑھانے کے لیے طویل مدتی اقدامات اٹھائیں جو کیڑوں، پودوں کی بیماریوں اور بیماریوں کے خلاف مزاحم ہوں۔ دیگر خدشات، ٹیکسٹائل سیکٹر کے لیے ڈیوٹی اور ٹیکسوں میں کمی کے ساتھ ساتھ برآمدات کے قابل مصنوعات کی اقسام کو بڑھانے اور پانچ سالوں کے دوران برآمدات میں 50 بلین ڈالر کے ہدف تک پہنچنے کے لیے مصنوعات کے تنوع پر حوصلہ افزائی کی جانی چاہیے۔ آخر کار، پالیسی ریٹ میں کٹوتی اس شعبے کو منافع بخش بنا کر کاروبار کرنے کی لاگت کو کم کرے گی تاکہ وہ کم قیمت پر سرمائے تک رسائی حاصل کر سکے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 کے ساتھ درج کمپنیوں کے لیے ریگولیشن 36 (1) کے تحت تعمیل کا بیان منسلک ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک پر بیان:

کمپنی کے ڈائریکٹرز کمپنیز ایکٹ 2017، کوڈ آف کارپوریٹ گورننس 2019 "ضابطہ"، پاکستان اسٹاک ایکسچینج لمیٹڈ کی رول بک اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ ہدایات کے تحت اپنی ذمہ داریوں سے پوری طرح آگاہ ہیں۔ ریگولیشنز کی تعمیل کے ایک حصے کے طور پر ہم مندرجہ ذیل کی تصدیق کرتے ہیں:

financial یہ مالیاتی بیانات، جو کمپنی کے انتظام کے ذریعہ تیار کیے گئے ہیں، اس کے معاملات کی منصفانہ حالت، اس کے کام کا نتیجہ، نقد بہاؤ اور ایکوٹی میں تبدیلیوں کو پیش کرتے ہیں۔

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

account مناسب حساب کتاب کی پالیسیوں کو مالی بیانات کی تیاری میں مستقل طور پر لاگو کیا گیا ہے اور اکاؤنٹنگ کا تخمینہ معقول اور سمجھدار فیصلے پر مبنی ہے۔

• بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالی بیانات کی تیاری میں عمل کیا گیا ہے۔

internal اندرونی کنٹرول کا نظام ڈیزائن میں درست تھا اور اسے مؤثر طریقے سے نافذ اور مانیٹر کیا گیا ہے۔

the کمپنی کی مستقل تشویش کے طور پر جاری رکھنے کی صلاحیت پر کوئی خاص شبہات نہیں تھے۔

corporate کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی روانگی نہیں ہوئی، جیسا کہ فہرست سازی کے قواعد و ضوابط میں تفصیلی ہے۔

• ہم نے ڈائریکٹروں اور ملازمین کے درمیان ایک ضابطہ اخلاق اور کاروباری حکمت عملی تیار اور گردش کی ہے۔

Direct بورڈ آف ڈائریکٹرز نے ویژن اور مشن کا بیان اور مجموعی کارپوریٹ حکمت عملی کا بیان اپنایا ہے۔

• تمام ڈائریکٹرز اس کے بورڈ اور جنرل میٹنگ میں یا تو جسمانی طور پر یا ویڈیو کانفرنس کے ذریعے شریک ہوئے ہیں جب تک کہ معقول وجہ کی وجہ سے روک نہ لیا جائے۔

• تمام ڈائریکٹرز کو ان کی ذمہ داریوں، کرداروں، معاوضوں، اختیارات اور ذمہ داری کے ساتھ ان کی شرائط کے آغاز پر کوڈ آف کارپوریٹ گورننس، کمپنیز ایکٹ اور آرٹیکل آف ایسوسی ایشن کے مطابق تفویض کیا جاتا ہے۔

the کمپنی کے تمام ڈائریکٹرز کو ڈائریکٹر ٹریننگ پروگرام (ڈی ٹی پی) کے تحت منظور شدہ / چھوٹ دی گئی ہے جیسا کہ کوڈ آف کارپوریٹ

گورننس ریگولیشنز، 2019 کی ضرورت ہے۔

• بورڈ آف ڈائریکٹرز کی جانب سے انسانی وسائل، وسل بلوئر، پروکیورمنٹ، اسٹیک ہولڈرز کے ساتھ کمیونیکیشن میکانزم، متعلقہ فریق، ماحولیات، صحت اور حفاظت، ڈائریکٹر کا معاوضہ، اینٹی منی لانڈرنگ اور رسک مینجمنٹ، ماحولیاتی، سماجی اور گورننس، کام کی جگہ پر خواتین کو ہراساں کرنے کے خلاف تحفظ کے تحت تجویز کردہ میکانزم کو شامل کر کے ملازمین کے لیے ہراساں کرنے کے خلاف کارروائی ایکٹ 2010 وغیرہ۔

• کارکردگی کے جائزہ میں صنفی تنخواہ کے فرق کا انکشاف کیا ESG کمپنی نے 2024 ، 30 کو ختم ہونے والے سال کے دوران کمپنی کی طرف سے بے جیسا کہ 2024 کے سرکلر 10 کے تحت 17 اپریل 2024 کو درکار ہے۔

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

شیئر ہولڈنگ کے پیٹرن کا بیان الگ سے دیا گیا ہے۔

o متعلقہ کاروباری اداروں اور متعلقہ افراد کے حصص کا بیان۔

o سال کے دوران منعقد ہونے والے بورڈ میٹنگز اور سالانہ جنرل میٹنگ کا بیان اور ہر ڈائریکٹر کی حاضری الگ سے دی گئی ہے۔

o ایکٹ کے سیکشن 192 (4) کی دفعات کے تحت چیئرمین جائزہ رپورٹ۔

ضابطے کے ضابطہ 36 کے تحت چیئرمین کی طرف سے دستخط شدہ تعمیل کا بیان۔

six پچھلے چھ سالوں کے کلیدی آپریٹنگ اور مالیاتی اعدادوشمار کے ساتھ ساتھ ٹیکس اور لیویز کی معلومات کو منسلک آڈٹ شدہ مالی بیانات میں مناسب طریقے سے ظاہر کیا گیا ہے۔

listed کمپنی ایس ای سی پی کی طرف سے جاری کردہ ہدایات کی سختی سے پیروی کرتی ہے جو کہ لسٹڈ کمپنیوں کے اندرونی تجارت کی ممانعت پر ہے اور کمپنی کے حصص میں کوئی تجارت اس کے ڈائریکٹر ، سی ای او ، سی ایف او ، کمپنی سیکرٹری ، ہیڈ آف انٹرنل آڈٹ اور ان کے میاں بیوی اور نابالغ بچوں کے علاوہ نہیں شیئر ہولڈنگ کے انداز میں انکشاف

شیئر ہولڈنگ کا نمونہ۔

شیئر ہولڈنگ کا پیٹرن اور اس سے متعلقہ معلومات اس کے مطابق منسلک ہیں۔

متعلقہ پارٹی لین دین

متعلقہ پارٹی ٹرانزیکشنز (RPT) اور ان کی حیثیت کا IAS 24 کے تحت ضرورت کی تعمیل کرتے ہوئے مناسب طور پر انکشاف کیا جاتا ہے۔ مزید برآں، SRO 768 (1) کے ذریعے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ نوٹیفکیشن کے مطابق سب کے لیے ایک مضبوط پالیسی موجود ہے۔) 2019 اور گائیڈ لائنز کو کمپنی کی پالیسی میں لین دین اور ریکارڈ کی دیکھ بھال کے حوالے سے مناسب طریقے سے شامل کیا گیا ہے۔ آر پی ٹی کو اندرونی آڈٹ کے ذریعے باضابطہ طور پر منظور کیا گیا تھا جس کے بعد بورڈ میٹنگ میں اسے پیش کرنے سے پہلے آڈٹ کمیٹی کی منظوری لی گئی تھی، تاکہ اس بات کو یقینی بنایا جا سکے کہ کاروباری سرگرمی کے معمول کے دوران تمام لین دین مکمل طور پر مکمل ہوں۔ 30 جون 2024 کو ختم ہونے والے موجودہ مالی سال کے دوران تمام RPT کو ممبران کی منظوری کے لیے کمپنی کی جنرل میٹنگ کے سامنے پیش کیا جائے گا۔ اسی طرح، بورڈ نے 30 جون 2025 کو ختم ہونے والے مالی سال کے دوران کئے جانے والے لین دین کے لیے کمپنی کی جنرل میٹنگ میں ممبران کی منظوری حاصل کرنے کا بھی فیصلہ کیا ہے اور اسے اگلی سالانہ جنرل میٹنگ میں شیئر ہولڈرز کے سامنے رکھا جائے گا۔ ان کی رسمی توثیق / منظوری۔

بورڈ کی تشخیص

کمپنی کی طرف سے سالانہ بنیادوں پر بورڈ کی کارکردگی اور تاثیر کا سخت جائزہ لیا گیا ہے۔ بورڈ کی تشخیص کا یہ باقاعدہ عمل، باہمی تعاون کے ساتھ فیصلہ سازی اور انفرادی ڈائریکٹرز کی مضبوط کارکردگی کو فروغ دیتا ہے۔ اس کے علاوہ، یہ بورڈ روم کے تنازعات کو کم کرنے اور گڈ گورننس اور ٹیم اسپرٹ کا کلچر قائم کرنے کے لیے ڈائریکٹرز کو مؤثر طریقے سے تعاون کرنے کی ترغیب دیتا ہے۔

ضابطہ کارپوریٹ گورننس کے ضابطہ 10(3)(v) کے مطابق، موجودہ مالی سال کے دوران اندرونی طور پر ایک مکمل اور اچھی طرح سے تشکیل شدہ داخلی جائزہ لیا گیا تاکہ بورڈ کے مجموعی کام کو بہتر بنانے کے لیے طاقت کے شعبوں اور ان شعبوں کی نشاندہی کی جا سکے جہاں بہتری لائی جا سکتی ہے۔ اور کارکردگی جس میں بورڈ کی اپنی کارکردگی، اراکین اور اس کی کمیٹیاں شامل ہوں۔

بورڈ کی تشکیل

ضابطہ 34 کے تحت ضرورت کے مطابق دس (10) ڈائریکٹرز کا بورڈ مندرجہ ذیل پر مشتمل 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

• تمام ڈائریکٹرز، میٹنگ میں شرکت کے اہل، کمپنی کی جنرل میٹنگز میں شرکت کی ہے۔ کوڈ کے ریگولیشن 10 (6) کے تحت ذاتی طور پر یا ویڈیو کانفرنس کے ذریعے جب تک کسی معقول کی وجہ سے ایسا کرنے سے روک دیا جائے۔ 2023-24 کے دوران بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی اور ہیومن ریسورس اور معاوضہ کمیٹی کے اجلاس اور شرکت کی میٹنگ کی تعداد درج ذیل ہے۔

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	3	-	-	1	1
6.	Mr. Hamza Shakeel	4	4	6	6	1	1
7.	Mr. Tauqeer Ahmed Sheikh	4	4	6	6	1	1
8.	Mr. Asif Elahi	4	4	-	-	-	-
9.	Mr. Mustafa Tanvir	4	4	-	-	-	-
10	Mrs. Saba Yousaf	4	4	-	-	-	-

آڈٹ کمیٹی

Sr	Name	Designation	Category
i	Tauqeer Ahmed Sheikh	Chairman	Independent Director
ii	Hamza Shakeel	Member	Non- Executive Director
iii	Bilal Sharif	Member	Non- Executive Director

آڈٹ کمیٹی تین ممبران پر مشتمل ہوتی ہے جس میں چیئرمین ایک آزاد ڈائریکٹر ہوتا ہے جبکہ باقی تمام نان ایگزیکٹو ڈائریکٹر ہوتے ہیں اور بورڈ آف ڈائریکٹرز کی طرف سے تفویض کردہ شرائط کے تحت اپنی ذمہ داریاں نبھاتے ہیں۔

مالیاتی خواندہ ممبر کی تقرری ضابطہ کے باب X میں ضابطہ 27(1)(iii) کے مطابق کی گئی ہے۔

بورڈ آف ڈائریکٹرز کی منظوری سے قبل عبوری اور سالانہ مالیاتی گوشواروں کا جائزہ لینے کے لیے آڈٹ کمیٹی کے اجلاس باقاعدگی سے وقفے وقفے سے منعقد کیے جاتے تھے اور سال میں ایک بار بیرونی آڈیٹر کے ساتھ ایک اضافی میٹنگ ہوتی تھی۔ بغیر CFO اور دوسرے اندرونی آڈیٹر کے ساتھ CFO اور بیرونی آڈیٹر کی موجودگی کے بغیر۔

AC کمپنی کے بورڈ آف ڈائریکٹرز کا ایک ذیلی گروپ ہے جو کمپنی کی مالیاتی رپورٹنگ اور انکشاف کے عمل کی نگرانی کے لیے ذمہ دار ہے اور کمپنی کے عمل اور اندرونی کنٹرول سے مکمل آگاہی رکھتا ہے۔ اکاؤنٹنگ پالیسیوں اور اصولوں کے انتخاب پر نظر رکھنے اور قوانین اور ضوابط کی تعمیل کو یقینی بنانے کے لیے AC عام طور پر انتظامی ٹیم، آزاد آڈیٹر، اور اندرونی آڈیٹرز کے ساتھ رابطہ کرتا ہے۔

AC اس بات کو یقینی بناتا ہے کہ دھوکہ دہی کی روک تھام اور اس کی نشاندہی کے لیے مناسب پالیسیاں اور عمل موجود ہیں، جیسے کہ اثاثہ جات کا غلط استعمال، بدعنوانی، اور مالیاتی سٹیٹمنٹ فراڈ اور انتظامیہ کے ساتھ مل کر کام کرتا ہے تاکہ اس بات کو یقینی بنایا جا سکے کہ فراڈ کی نشاندہی پر ضروری اقدامات کیے جائیں۔

AC ضابطہ اخلاق کو لاگو کرنے اور موثر مواصلاتی چینلز کے قیام کو یقینی بنا کر تنظیم کے لہجے کو ترتیب دینے میں اہم کردار ادا کرتا ہے۔ AC اس بات سے پوری طرح واقف ہے کہ انتظامیہ قوانین اور ضوابط کی تعمیل حاصل کرنے کے لیے کیا کر رہی ہے، اور انہیں جاری تحقیقات اور تادیبی کارروائیوں جیسے مسائل کے بارے میں علم ہونا چاہیے۔ AC ممبران اجتماعی طور پر دھوکہ دہی کو روکنے کے لیے کام کرتے ہیں اور جان بوجھ کر اکاؤنٹنگ کی غلطیوں اور بے ضابطگیوں کا پتہ لگانے میں ماہر ہیں۔

انسانی وسائل اور معاوضہ کمیٹی

Sr	Name	Designation	Category
i	Taqueer Ahmed Sheikh	Chairman	Independent Director
ii	Mohammad Amin	Member	Non- Executive Director
iii	Hamza Shakeel	Member	Non- Executive Director

ہیومن ریسورس اینڈ ریمونریشن کمیٹی (HRRC) تین ممبران پر مشتمل ہے جن میں سے سبھی نان ایگزیکٹو ڈائریکٹر ہیں جبکہ چیئرمین ایک آزاد ڈائریکٹر ہیں۔ HRRC سی ای او کے انتخاب، تشخیص، معاوضہ (بشمول ریٹائرمنٹ فوائد) اور جانیشینی کی منصوبہ بندی کے لیے بورڈ کو انسانی وسائل کے انتظام کی اہم پالیسیوں کی سفارش کرتا ہے۔

HRRC کا مقصد کسی تنظیم کے بورڈ، انتظامی ٹیم اور اس کے ملازمین کی تاثیر کو بہتر بنا کر اس کی پیداواری صلاحیت کو زیادہ سے زیادہ کرنا ہے۔ HRRC بورڈ کو انسانی وسائل کے انتظام کی پالیسی کی سفارش کرنے کا ذمہ دار ہے۔ CEO، CFO اور کمپنی سیکریٹری کے انتخاب، تشخیص، معاوضہ (بشمول ریٹائرمنٹ فوائد) اور جانیشینی کی منصوبہ بندی کی سفارش کرنے کی مجموعی ذمہ داری کمیٹی پر ہوگی۔

HRRC سینئر مینجمنٹ کی بھرتی اور تربیت، معاوضہ، کارکردگی کا جائزہ، جانیشینی کی منصوبہ بندی اور انسانی سرمائے کے موثر استعمال کے لیے اقدامات میں بورڈ اور انتظامیہ کی مدد کرتا ہے۔



کارپوریٹ سماجی ذمہ داری کی پالیسی

کمپنی کی اخلاقی، پائیدار اور ماحولیاتی ذمہ داریوں سے متعلق پالیسیاں تیار کرتی ہے اس بات کو یقینی بنا کر کہ کمپنی کا مقامی کمیونٹیز اور ماحول پر مثبت اثر پڑے۔

کمپنی کی اپنی کمیونٹی اور ماحولیات کے تئیں ایک سماجی ذمہ داری ہے کمپنی کے کاموں کے تمام پہلوؤں جیسے مسائل جو ماحول پر اثر انداز ہوتے ہیں جیسے کہ آلودگی، فضلہ، مصنوعات کی حفاظت اور مزدوری لیکن صرف کمیونٹی اور سماجی افراد کو فنڈز فراہم کرنے تک محدود نہیں۔ ماحول، بلکہ کمپنی سے متعلق فریقین کے ساتھ اچھے طویل مدتی تعلقات کو برقرار رکھنا بھی شامل ہے۔ کمپنی آلودگی اور گرین ہاؤس گیسوں کے اخراج کو کم

کرنے، قدرتی وسائل کے پائیدار استعمال، ضیاع کو کم سے کم اور مناسب طریقے سے ٹھکانے لگانے کے مقصد کے ساتھ ماحولیاتی برقرار رکھتے ہوئے اقتصادی، سماجی اور ماحولیاتی طور پر پائیدار طریقے سے کام کرنے کے لیے ایک جامع کارپوریٹ سماجی ذمہ داری (CRS) پالیسی کا انتظام کرتی ہے۔ مینوفیکچرنگ کے عمل کے دوران ری سائیکلنگ کو فروغ دینا۔

(پالیسی کی نگرانی CRS اقتصادی، سماجی اور ماحولیاتی طور پر پائیدار طریقے سے کام کرنے کے لیے، کمپنی ایک جامع کارپوریٹ سماجی ذمہ داری) کرتی ہے۔ اس پالیسی کا مقصد آلودگی اور گرین ہاؤس گیسوں کے اخراج کو کم کرنا، قدرتی وسائل کو پائیدار طریقے سے استعمال کرنا، فضلہ کو کم سے کم کرنا اور اسے مناسب طریقے سے ٹھکانے لگانا، اور مینوفیکچرنگ کے عمل کے دوران ری سائیکلنگ کی حوصلہ افزائی کرنا ہے۔ شمسی توانائی کے متبادل کے ذریعے پاکستان کی سورج کی روشنی کو استعمال کرتے ہوئے، قابل تجدید توانائی پائیدار ترقی اور ملک کے موجودہ توانائی کے مسئلے دونوں میں اہم کردار ادا کرتی ہے۔ کاربن کے اخراج کو کم کرنے، توانائی کی خودمختاری قائم کرنے اور ماحول کو بہتر بنانے کے لیے کارپوریشن نے سندھ اور پنجاب میں واقع اپنے یونٹوں میں قابل تجدید توانائی کے اقدامات نافذ کیے ہیں۔

صحت ، حفاظت اور ماحولیاتی پالیسی

کمپنی ایک محفوظ اور صحت مند کام کی جگہ کو یقینی بنانے اور ماحول کی حفاظت کے لیے پرعزم ہے اور اس بات پر پختہ یقین رکھتی ہے کہ حفاظت اور ماحول کی حفاظت ایک اچھا کاروبار ہے اور کام سے متعلق تمام چوٹیں، بیماریاں، املاک کے نقصانات اور منفی ماحولیاتی اثرات کو روکا جا سکتا ہے۔ اس عزم کو پورا کرنے کے لیے، کمپنی اس بات کو یقینی بناتی ہے کہ انتظامیہ کارکنوں اور ماحول کے تحفظ کی مکمل ذمہ داری قبول کرے۔ کسی بھی ملازم کے ساتھ کسی غیر متوقع حادثے کی صورت میں کارکنوں کے لیے ایک جامع گروپ لائف انشورنس پہلے سے ہی موجود ہے۔ کمپنی کراچی اور لاہور دونوں دفاتر میں اپنے انتظامی ملازمین کے لیے ہیلتھ پالیسی کے لیے بنائے گئے انتظامات بھی فراہم کرتی ہے۔ کمپنی صحت، حفاظت اور ماحولیاتی تحفظات کو کمپنی کے دیگر کاروباری مقاصد کے ساتھ مساوی حیثیت دیتی ہے اور انہیں کام کے تمام پہلوؤں میں ضم کرتی ہے اور صحت، حفاظت اور ماحولیاتی کارکردگی کو مسلسل بہتر بنانے کے لیے فعال طور پر کوشش کرتی ہے۔ کمپنی کی پالیسی پانی اور فضائی آلودگی، کیمیائی اور تیل کے اخراج، سموگ، پینے کے پانی کے معیار، زمین کے تحفظ اور انتظام اور جنگلی حیات کے تحفظ پر چوکس ہے۔

ماحولیاتی، سماجی اور گورننس -

ایس ای سی پی کی جانب سے ای ایس جی گائیڈ لائنز کو اپنانے کے لیے بورڈ کے ذریعے اقدامات کیے جاتے ہیں۔

پائیداری کے خطرات سے نمٹنا

پائیداری کے خطرات غیر یقینی معاشرتی یا ماحولیاتی واقعات یا حالات ہیں جو کاروبار پر بہت زیادہ نقصان دہ اثر ڈال سکتے ہیں اگر یہ کام کرتا ہے۔ یہ ممکنہ موقع کو بھی گھیرے ہوئے ہیں جو ایک تنظیم ماحولیاتی یا سماجی حالات کی تبدیلی کے نتیجے میں ہو سکتی ہے۔ وسائل کے بڑھتے ہوئے اور غیر موثر استعمال کے اثرات ہیں جن میں موسمیاتی تبدیلی، حیاتیاتی تنوع کا نقصان، آلودگی، خراب صحت اور غربت شامل ہیں۔ یہ مسائل ایک دوسرے سے جڑے ہوئے ہیں اور اس کے نتیجے میں اکثر ایک

دوسرے کو بڑھا دیتے ہیں۔ پانی، زمین، اور جیواشم ایندھن ٹیکسٹائل کی صنعت میں استعمال ہونے والے بہت سے قدرتی وسائل میں سے ہیں۔ یہ شعبہ پانی کا دوسرے بڑے پیمانے پر استعمال کرتا ہے اور دنیا کے کاربن کے اخراج میں 2 سے 8 فیصد حصہ ڈالتا ہے۔ چونکہ رنگ گندے پانی کو آلودہ کر سکتے ہیں اور آسانی سے بائیوڈیگریڈیبل نہیں ہوتے، اس لیے رنگے کا عمل خاص طور پر نقصان دہ ہے۔ ٹیکسٹائل کی صنعت بڑی مقدار میں فضلہ پیدا کرتی ہے، جس میں ہر سال 85% ٹیکسٹائل لینڈ فلز میں ختم ہو جاتے ہیں جبکہ کچھ قسم کے کپڑے دھونے سے بھی مائیکرو پلاسٹک سمندر میں نکلتا ہے۔

کمپنی ماحول کو خطرے میں ڈالنے بغیر کاروباری سرگرمیوں کے معمول کے دوران اپنی موجودہ ضروریات کو پورا کرنے کے لیے پوری طرح پرعزم ہے اور اسے آنے والی نسلوں کے لیے قابل بناتی ہے اور اپنے صارفین، سپلائرز، ملازمین اور دیگر اسٹیک ہولڈرز کو ایسی پالیسیاں نافذ کرنے کی ترغیب دیتی ہے جو زیادہ اخلاقی اور ماحولیاتی ہوں تنظیمی سرگرمیاں اور مطالبات۔

تنظیم نے پائیداری کے خطرات کو کم کرنے کے لیے درج ذیل اقدامات کیے:

- کمپنی نے ہیٹ ریکوری بوائلرز نصب کیے ہیں جو بھاپ پیدا کرنے کے لیے فضلہ کی حرارت کو استعمال کرنے کا پائیدار طریقہ ہے۔ یہ کاربن کے اثرات کو کم کرنے، توانائی کی کھپت اور مینوفیکچرنگ کے عمل کے دوران ہونے والے ماحولیاتی اثرات کو کم کرنے میں مدد کرتا ہے۔
- چونکہ کپاس انتہائی آتش گیر پروڈکٹ ہے اس لیے خام مال یا تیار مصنوعات کی نقل و حمل کے دوران گاڑیوں کے لیے شعلہ گرفتاری لازمی ہے۔ یہ زہریلے آلودگیوں کو پکڑ کر ماحول کی حفاظت میں مدد کرتا ہے اور انہیں فضا میں چھوڑنے سے روکتا ہے اور آگ لگنے کے امکانات کو کم کرتا ہے۔ تنظیم کے ساتھ تجارتی طور پر منسلک تمام گاڑیوں کے ذریعہ شعلہ گرفتار کرنے والوں کو نصب کرنے کی ضرورت ہے۔
- (پنکھے لگائے ہیں تاکہ ہوا کے FD • کمپنی نے اپنے بوائلرز میں جبری ڈرافٹس) ایندھن کے بہترین تناسب کو برقرار رکھا جا سکے، دہن کی کارکردگی کو بہتر بنایا کے اخراج کو کم کیا جا سکے۔ CO2 جا سکے اور ماحول میں
- کمپنی پیداواری عمل کے دوران ایسے غیر مضر کیمیکلز کا استعمال کرتی ہے جو کہ انسانوں، مقامی ماحولیاتی نظام یا جنگلی حیات کے لیے فطری طور پر نقصان دہ نہیں ہوتے لیکن پھر بھی اس نے انسانی صحت کی حفاظت کو یقینی بنانے کے لیے اسے ایک کنٹرولڈ، محتاط طریقے سے ٹھکانے لگایا۔ ماحول

تنوع، مساوات اور شمولیت کو فروغ دینا

ہم پورے بورڈ میں ایک ایسا ماحول بنانے کے لیے پرعزم ہیں جہاں ہر کسی کو مساوی مواقع تک رسائی حاصل ہو۔ ایک مساوی مواقع کے آجر کے طور پر، ہم ایک محفوظ اور نتیجہ خیز کام کی جگہ کو فروغ دیتے ہیں تاکہ یہ یقین دہانی کرائی جا سکے کہ ٹیم کا ہر رکن قابل قدر اور شامل ہے۔ کمپنی ایک ایسی ثقافت کی حوصلہ افزائی کرتی ہے

جو مختلف قسم کی قدر کرتی ہے، اس کا احترام کرتی ہے، اور ہر ایک کے منفرد خیالات، نقطہ نظر، تجربات اور صلاحیتوں پر زور دیتی ہے۔ کمپنی تمام قسم کے امتیازات سے پاک ایک جامع کام کی جگہ قائم کرنے پر توجہ مرکوز کرتی ہے جہاں تنوع کی قدر کی جاتی ہے اور اسے ایک اسٹریٹجک فائدہ کے لیے قبول کیا جاتا ہے جس کے نتیجے میں کمپنی پر نمایاں اثر پڑتا ہے۔

حکمت عملی کی نگرانی کرتا ہے، جو ہماری افرادی قوت میں خواتین DE&I بورڈ ہماری پر خصوصی زور دینے کے ساتھ، ہماری متنوع ٹیم کے تمام اراکین کو بااختیار بنانے پر زور دیتا ہے۔ خواتین ملازمین کے لیے کمپنی میں ڈے کیئر کی سہولت کا قیام کام پر معاون والدین اور بہتر تنظیمی پیداوار کے درمیان ایک مضبوط ربط پیدا کرنے میں مدد کرتا ہے۔ والدین کے لیے لائیو ویڈیو ریکارڈنگ تک رسائی کے ذریعے حفاظت اور سلامتی کے خدشات کا ازالہ کیا جاتا ہے۔ یہ سہولت جدید سہولیات سے آراستہ ہے، لچکدار گھنٹے، اور تنظیم کے شیڈول کے ساتھ صف بندی ملازمین کے اطمینان، برقرار رکھنے، پیداواری صلاحیت، اور کارکردگی میں معاونت کرتی ہے اور شمولیت کو فروغ دیتی ہے، روایتی صنفی کرداروں کو چیلنج کرتی ہے اور ایک متنوع کام کی جگہ کو فروغ دیتی ہے۔

ڈائریکٹر معاوضہ پالیسی

ڈائریکٹر کی معاوضے کی پالیسی کمپنی کے طویل مدتی مقاصد کو آگے بڑھانے کے لیے بورڈ اور سینئر مینجمنٹ میں صحیح ٹیلنٹ کو برقرار رکھنے کے لیے کمپنی کی کارکردگی اور استحکام کا سنگ بنیاد ہے۔ چونکہ کمپنی کا بورڈ اور سینئر مینجمنٹ اسٹریٹجک سمت فراہم کرنے، اہم کاروباری فیصلوں اور عمل درآمد کی ذمہ داریاں نبھاتے ہیں، اس لیے یہ بہت ضروری ہے کہ انہیں ان کی کارکردگی کے لیے زیادہ ذمہ دار اور جوابدہ بنایا جائے۔ سینئر مینجمنٹ اور بورڈ ممبران کے معاوضے کے طریقے کارپوریٹ گورننس کے مجموعی فریم ورک کے بہت اہم پہلوؤں میں سے ایک ہیں، کیونکہ یہ کمپنی کی کارکردگی کو متاثر کرتا ہے، جس کے نتیجے میں عام شیئر ہولڈرز کو واپسی اور کمپنی کے استحکام پر اثر پڑتا ہے۔ معاوضے کی پالیسی کمپنیز ایکٹ 2017، کمپنیز آرٹیکل آف ایسوسی ایشن اور کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 کی دفعات کے تحت بورڈ کو انسانی وسائل اور معاوضے کی کمیٹی (HRRC) کی سفارشات اور تجاویز کے تحت تیار کی گئی ہے۔ ایگزیکٹو ڈائریکٹرز مقررہ ماہانہ معاوضے اور HRRC کی طرف سے تجویز کردہ دیگر مراعات کے حقدار ہیں جن کی بورڈ نے باضابطہ طور پر منظوری دی اور اس کے بعد کمپنی کی جنرل میٹنگ میں ممبران کی منظوری لی گئی۔

ایکٹ کے سیکشن 227(a)(I) کے مطابق، موجودہ مالی سال کے دوران کمپنی کے ڈائریکٹرز کو درج ذیل معاوضے (نوٹ 35) ادا کیے گئے ہیں:

(a) جناب خرم سلیم (PKR 800,000.00) - CEO ماہانہ۔

(ب) جناب محمد سلیم (PKR 1,000,000.00) - ED ماہانہ۔

اس کے علاوہ، مندرجہ بالا ڈائریکٹرز کے لیے دیگر فوائد میں کمپنی کے زیر انتظام گاڑی ایندھن، کاروباری سفر اور مواصلاتی اخراجات شامل ہیں۔

کمپنی کے کسی دوسرے ڈائریکٹر کو کوئی فیس یا معاوضہ ادا نہیں کیا گیا ہے۔

قانونی آڈیٹرز -

موجودہ آڈیٹر کے میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس 28 اکتوبر 2024 کو طے شدہ سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے، تاہم، اہل ہونے کی وجہ سے انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ آڈٹ کمیٹی نے 30 جون 2025 کو ختم ہونے والے سال کے لیے میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو بطور ایکسٹرنل آڈیٹر مقرر کرنے کی تجویز دی ہے۔ کوالٹی کنٹرول کے تحت بیرونی آڈیٹر میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو تسلی بخش درجہ بندی دی گئی ہے۔ انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کا جائزہ پروگرام۔ فرم اور اس کے تمام پارٹنر انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کی طرف سے اپناؤ گئے کوڈ آف ایتھکس پر انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس کے رہنما اصولوں کی تعمیل کرتے ہیں اور وہ ایس ای سی پی ایکٹ 1997 کے سیکشن 136 کے تحت آڈٹ اور سائیٹ بورڈ کے ساتھ رجسٹرڈ ہیں۔ قانونی آڈیٹرز نے نہ تو کوئی فیصلہ سازی، اندرونی آڈٹ یا انتظامی کام انجام دیا اور نہ ہی ان کا کمپنی کے کسی ڈائریکٹر یا ایگزیکٹوز کے ساتھ کسی قسم کا تعلق ہے۔ منگنی کے شراکت داروں کو ہر پانچ سال کی تکمیل کے بعد گھمایا جاتا تھا۔

بورڈ آف ڈائریکٹرز نے 30 جون 2025 کو ختم ہونے والے سال کے لیے میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی بطور ایکسٹرنل آڈیٹر تقرری کی بھی سفارش کی اور آڈیٹرز کا معاوضہ گزشتہ سال کی طرح (سال: PKR 2,275,000.00) مقرر کیا گیا ہے۔ (2,275,000.00) س-2024 کے لیے جیسا کہ کوڈ کے ضابطے 32(3) کے تحت بورڈ کو آڈٹ کمیٹی نے تجویز کیا ہے۔ اسائنمنٹس میں قانونی آڈٹ، ششماہی جائزہ اور کارپوریٹ گورننس کا کوڈ شامل ہے۔

مادی تبدیلیاں اور وعدے -

کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی مادی تبدیلیاں اور وعدے کمپنی کے مالی سال کے اختتام کے درمیان نہیں ہوئے جس سے بیلنس شیٹ کا تعلق ہے اور ڈائریکٹرز کی رپورٹ کی تاریخ۔ ایس ای سی پی نے شرعی اور غیر شرعی امور کی رپورٹنگ کے لیے کمپنیز ایکٹ 2017 کے فورٹھ شیڈول میں ایس آر او (1)/20241278 مورخہ 15 اگست 2024 کے تحت کچھ ترامیم کی ہیں، مالی سال کے لیے اسی کے مطابق عمل کیا جائے گا۔

اعتراف

میں بورڈ آف ڈائریکٹرز، قابل قدر شیئر ہولڈرز، صارفین، قرض دہندگان، سپلائرز، اور دیگر اسٹیک ہولڈرز کا ان کی حوصلہ افزائی، اعتماد اور تعاون کے لیے انتہائی پابند ہوں اور میں ہر ملازم کے عزم، استقامت اور محنت کے لیے ان کا شکریہ ادا کرنا چاہوں گا۔ کاروبار کی کامیابی میں مدد کرنے خرم سلیم



چیف ایگزیکٹو

محمد سلیم



ڈائریکٹر

کراچی: 30 ستمبر 2024

Bhanero Textile Mills Ltd

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 45th Annual General Meeting of the Company to be held on Monday, 28th October 2024 at 03:00 pm at Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. and/or at any adjournment thereof.

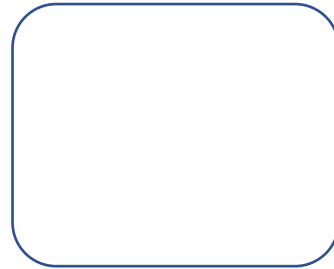
Witness: _____

Signature: _____ (Signature should agree with specimen registered with company)

Name: _____

CNIC/ PP: _____

Address: _____



Affix Rs.5 Revenue Stamp

Signed this _____ day of _____ 2024

Notes:

If a member is unable to attend the meeting, they may complete and sign this proxy 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. This proxy form shall 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 along with 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.

بھنیرو ٹیکسٹائل ملز لمیٹڈ

پراکسی فارم

میں _____ کے
کے رکن اور عام شیئر کے حامل کی حیثیت کے _____ (شیئرز کی تعداد)
رجسٹرڈ کارپوریٹیشن نمبر _____ اور ای سی ڈی کی نمبر _____ اور ای سی ڈی کی نمبر _____ اور ای سی ڈی کی نمبر _____ کے
_____ کے
کو کمپنی کے سالانہ اجلاس جو 28 اکتوبر 2024 کو منعقد ہوگا، میں میرے / ہمارے لئے اور میری / ہماری طرف سے بحیثیت اپنا پراکسی، ووٹ دینے کے لئے حاضر کرتا ہوں / کرتے ہیں۔

دستخط _____ / تاریخ _____ / 2024

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۔
ای سی ڈی شیئر ہولڈرز اور ان کے نمائندوں سے فرداً فرداً درخواست ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ تصدیق شدہ نقل یا پاسپورٹ، پراکسی فارم داخل کرنے سے قبل اس کے ساتھ منسلک کریں۔



BHANERO TEXTILE MILLS LIMITED

BALLOT PAPER FOR VOTING THROUGH POST

Ballot Paper for the Special Businesses at the Annual General Meeting to be held on Monday, 28th October, 2024 at **03:00 pm** at the Registered Office of the Company located at Umer House, 23/1, Sector 23, SM Farooq Road, Korangi Industrial Area, 74900, Karachi.

Contact details of Chairman, where ballot paper may be sent:

Business Address: The Chairman, **Bhanero Textile Mills Limited** at Umer House, 23/1, Sector 23, SM Farooq Road, Korangi Industrial Area, 74900, Karachi.

Email Address: btm.corporate@umergroup.com

Name of shareholder/joint shareholder(s):	
Registered Address:	
Folio / CDC Participant / Investor ID with sub-account No.	
Number of shares held	
CNIC / Passport No. (in case of foreigner) (copy to be attached)	
Additional Information and enclosures {In case of representative of body corporate, corporation and Federal Government}	
Name of Authorized Signatory:	
NIC / Passport No. (in case of foreigner) of Authorized Signatory - (copy to be attached)	

I/We hereby exercise my/our vote in respect of the following Resolutions through postal ballot by giving my/our assent or dissent by placing tick 'mark in the appropriate box below:

Nature and Description of Resolutions	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
<p><i>Agenda A(i)</i></p> <p><i>“Resolved That Related Parties Transactions carried out during the year as disclosed in the financial statements for the year ended June 30, 2024, be and are hereby ratified, approved and confirmed.”</i></p>	<input type="checkbox"/>	<input type="checkbox"/>

<p>Agenda A(ii)</p> <p><i>“Resolved That the Board of Directors of the Company be and are hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis during the financial year ending June 30, 2025.</i></p> <p><i>Further Resolved That that transactions approved by Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next general meeting for their formal ratification/approval.”</i></p>		
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Notes:

1. Duly filled postal ballot should be sent to the Chairman of **Bhanero Textile Mills Ltd** at above-mentioned postal or email address.
2. Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Postal ballot forms should reach the Chairman of the meeting within business hours on or before 27th October, 2024. Any postal ballot received after this date, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC/ Passport (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.
6. This postal Poll paper is also available for download from the website at <https://www.umergroup.com> Shareholders may download the ballot paper from website or use the same ballot paper published in newspapers.

Signature of Shareholder(s) / Proxy Holder(s) / Authorized Signatory

(In case of corporate entity, please affix company stamp)

Place: _____

Dated: _____