



*of Companies*

37<sup>th</sup> Annual Report 2016

UMER GROUP OF COMPANIES

BHANERO TEXTILE MILLS LIMITED

  
**BHANERO TEXTILE *of Companies* MILLS LIMITED**

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Vision

A Premier Quality Company, Providing Quality Products  
And Maintaining An Excellent Level Of Ethical  
And Professional Standards.



Mission Statement

To become a leading manufacturer of textile products in the  
International & Local markets and to explore new era to  
Achieve the highest level of success.



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## CORPORATE INFORMATION

Board of Directors	Mr. Khurrum Salim Mr. Bilal Sharif Mr. Mohammad Amin Mr. Adil Shakeel Mr. Mohammad Salim Mr. Mohammad Sharif Mr. Mohammad Shaheen Mr. Mohammad Shakeel Mr. Iqbal Mehboob	Chief Executive / Director Non Executive Director Non Executive Director Non Executive Director Executive Director Non Executive Director Non Executive Director / Chairman Non Executive Director Independent Director
Chief Financial Officer	Mr. Anwar Hussain, FCA	
Company Secretary	Syed Ashraf Ali, FCA	
Audit Committee	Mr. Bilal Sharif Mr. Mohammad Shakeel Mr. Iqbal Mehboob	Chairman Member Member
Human Resource and Remuneration Committee	Mr. Bilal Sharif Mr. Mohammad Amin Mr. Mohammad Shakeel	Chairman Member Member
Auditors	M/s Mushatq and Company Chartered Accountants 407, Commerce Centre, Hasrat Mohani Road, Karachi	
Legal Advisor	Mr. Shahid Pervaiz Jami	
Bankers	Bank Alfalah Limited Dubai Islamic Bank Faysal Bank Ltd. Habib Bank Limited MCB Bank Limited Meezan Bank Limited Samba Bank Limited Standard Chartered Bank (Pakistan) Limited United Bank Limited	
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 ; Fax: 021 -35063002-3 Email: khioff@umergroup.com Website: <a href="http://www.umergroup.com">http://www.umergroup.com</a>	
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 Website: <a href="http://www.umergroup.com">http://www.umergroup.com</a>	
Mills At:	Unit I is situated at: Kotri Distric Dadu, Sindh. Tel : 0223 870013  Unit II and Unit III are situated at: Feroz Watwan, Sheikhpura, Punjab. Tel: 056 3731723	



# **BHANERO TEXTILE *of Companies* MILLS LIMITED**

## **NOTICE OF THE ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the 37th Annual General Meeting of the members of **Bhanero Textile Mills Limited** will be held on Friday 28th October 2016 at 4:00 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:

### **Ordinary Business**

1. To confirm the minutes of the Annual General Meeting held on 28th October 2015.
2. To receive, consider and adopt the audited financial statements of the company for the year ended 30th June, 2016 together with the Auditors' and Directors' Report thereon.
3. To approve the cash dividend @ 100% (i.e. PKR 10 per share) for the year ended 30th June, 2016, as recommended by the Board of Directors.
4. To appoint the auditors for the next term i.e. year 2016-2017 and fix their remuneration. The retiring auditors M/S Mushtaq and Company, Chartered Accountants, being eligible, offer themselves for reappointment.
5. To transact any other business with the permission of the chairman.

### **Special Business**

6. To approve the remuneration of Chief Executive and a Director of Company.

### **Statement Under Section 160(1)/(b) of the Companies Ordinance 1984; Regarding the Special Business**

The shareholders approval is sought for remuneration of Chief Executive and a Director of the company;

For this purpose it is proposed that the following resolution be passed with or without modification by the shareholders as an ordinary resolution;

"Resolved that the company hereby approves the monthly remuneration of Mr. Khurram Salim, Chief Executive, a sum not exceeding PKR 650,000 and Mr. Mohammad Salim - Director, a sum not exceeding PKR 650,000. The perquisites will remain same as approved earlier.

**(By the order of the Board)**

**Karachi:**

Date: 27<sup>th</sup> September 2016

**Syed Ashraf Ali, FCA**  
**Company Secretary**

### **NOTES:**

1. The Shares Transfer Books of the Company will remain closed from 21<sup>st</sup> October 2016 to 28th October, 2016 (both days inclusive). Transfers received in order at the registered office of the company i.e. Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi by 19<sup>th</sup> October 2016 will be treated in time for the purpose of entitlement of dividend in respect of the period ended 30<sup>th</sup> June, 2016.
2. A member entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. No person other than a member shall act as proxy.
3. An instrument appointing a proxy and the power of attorney or other Authority (if any) under which it is signed or a notarially certified copy of such power or authority, in order to be valid, must be deposited at the registered office of the company at least 48 hours before the time of the meeting and must be duly stamped, signed and witnessed.
4. Any individual Beneficial Owner of CDC, entitled to attend and vote at this meeting, must bring his/her original CNIC or Passport, Account and participant's I.D. numbers, to prove his/her identity, and in case of proxy must enclose an attested copy of his/her CNIC or Passport. Representatives of corporate members should bring the usual documents required for such purpose. The account/ sub account holders of CDC will further have to follow the guidelines as laid down in Circular No. 1 of 2000 dated January 26, 2000 issued by Securities & Exchange Commission of Pakistan.



## **BHANERO TEXTILE *of Companies* MILLS LIMITED**

### **NOTICE OF THE ANNUAL GENERAL MEETING**

5. As instructed by Securities and Exchange Commission of Pakistan (SECP) vide their letter No. EMD/D-II/Misc/2009-1342 dated April 4, 2013 dividend warrants cannot be issued without insertion of CNIC Numbers; therefore, all shareholders holding physical shares were requested to submit copies of their valid CNICs as requested by our letters and also through advertisement in newspapers. All those shareholders who have not submitted their valid CNICs are once again requested to send a photocopy of their valid CNIC/National Tax numbers alongwith the folio numbers to the Company's Share Registrar. No dividend will be payable unless the CNIC number is printed on the dividend warrants, so please let us have your CNIC numbers failing, which we will not be responsible if we are not able to pay the dividends.
6. In order to make process of payment of cash dividend more efficient, SECP vide circular No. 8(4) SM/CDC 2008 dated April 5, 2013 have issued instructions so that the shareholders can get their dividend credited in their respective bank accounts electronically without any delay. You may therefore authorize the Company to credit the dividend directly to your bank account for all future dividends declared by the Company. Accordingly all non CDC shareholders are requested to send their bank account details to the Company's Registrar at the address given above. Shareholders who hold shares with Participant/Central Depository Company of Pakistan (CDC) accounts are advised to provide the mandate to the concerned Stock Broker/ Central Depository Company of Pakistan Ltd.
7. Members are requested to immediately inform of any change in their addresses to our share Registrar, Hameed Majeed Associates (Private) Limited.
8. Pursuant to Notification vide SRO787(1)/2014 of September 08, 2014, SECP has directed to facilitate the members of the company receiving Annual Financial Statements and Notices through electronic mail system (e-mail). We are pleased to offer this facility to our members who desire to receive Annual Financial Statements and Notices of the Company through e-mail in future. In this respect members are hereby requested to convey their consent via e-mail on a standard request form which is available at the Company website i.e. [www.umergroup.com](http://www.umergroup.com). Please ensure that your e-mail has sufficient rights and space available to receive such e-mail which may be larger than 1 MB 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. Pursuant to the provisions of the Finance Act 2016 effective July 1, 2016, the rates of deduction of income tax from dividend payments under the Income Tax Ordinance, 2001 have been revised as follows:
  - a. For filer of income tax return 12.5%
  - b. For non-filers of income tax return 20%

To enable the Company to make tax deduction on the amount of cash dividend @ 12.5% instead of 20%, 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 @ 20% instead of 12.5%.

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.



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Directors' Report

The Directors of **Bhanero Textile Mills Limited** are pleased to submit the Annual Report and the audited financial statements for the year ended 30th June, 2016.

### Financial Performance at a Glance

By the blessing of Allah Al Mighty, company earned profit after tax of PKR 220.350 Million during the year ended 30th June 2016 (30th June 2015: PKR 207.410 Million) in a challenging business environment.

During the year ended 30th June 2016, sales was decreased from PKR 7,350.098 million to PKR 6,637.411 million as compared to previous year, mainly because of suppressed demand and prices of cotton and yarn.

The company earned gross profit of PKR 684.364 million during the year as compared to PKR 641.533 million in previous year. The increase in gross profit during the current year as compared to corresponding year mainly due to controlling of raw material cost and decrease in fuel and power cost. The Company earned a net profit of PKR 220.349 million during the year, resulting in earnings per share of PKR 73.45 as compared to a net profit of PKR 207.410 million and earnings per share of PKR 69.14 of last year. Profit after tax is increased as compared to previous year due to decrease in finance cost and distribution cost. Administrative cost was increased primarily because of social corporate responsibility and employees' related expenses.

### Operating Results and Profit Appropriation

The operating results and allocation of profit for the year ended 30th June 2016 is summarized as under;

	2016 Rupees	2015 Rupees
Sales	6,637,411,409	7,350,098,065
Gross profit	684,364,410	641,533,843
Profit before taxation	321,195,265	236,843,325
Taxation		
Current year	86,842,509	12,439,185
Prior year	-	(5,099,670)
Deferred	14,002,812	22,093,295
	100,845,321	29,432,810
Profit after taxation	220,349,944	207,410,515
<b>Comprehensive income</b>		
Re-measurement of employees retirement benefits obligation – Actuarial gain / (loss)	25,991,525	(9,931,102)
Deferred tax	(3,815,124)	1,059,309
	22,176,401	(8,871,793)
Total comprehensive income	242,526,345	198,538,722
Un-appropriated profit brought forward	97,026,374	108,487,652
	339,552,719	307,026,374
Dividend paid	(30,000,000)	(60,000,000)
Profit available for appropriation	309,552,719	247,026,374
Appropriations:		
Transferred to General Reserve	(200,000,000)	(150,000,000)
Un-appropriated profit carried forward	109,552,719	97,026,374
	=====	=====
Basic and diluted earning per share	73.45	69.14
	=====	=====



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## Dividend

The board of directors is pleased to recommend a final cash dividend of 100% i.e. PKR 10.0 per share (June 2015: 100% i.e. PKR 10.0 per share) for the approval of shareholders at the forthcoming annual general meeting.

## Textile sector and Economic Overview

Pakistan's economy continued to face challenges during the year under review. Shortage of energy, law and order and structural impediments has hampered investment and growth in the country. The textile industry of Pakistan has potential for performing better both in productions as well as in export by virtue of its inherent competitiveness in the international market for its conventional products. But in recent past years, Pakistan textile industry is unable to compete in international market due to high production cost, lack of technological up gradation and less government support. However, to regain its position and to move in high value added products as well as for the increased market share, a large investment in machinery equipment and new technology is essential. The training of workers, improvement in labour productivity, research & development, product diversification and branding are the immediate areas for companies to focus.

Government of Pakistan has reduced the markup rate for export oriented units for import of plant and machinery. Government should also extend the reduction in markup rate for working capital finance.

## Capital Structure and Current Ratio

By the blessing of Allah Al Mighty the total of shareholders' equity stood at PKR 3.639 billion as on 30th June 2016 (2015: PKR 3.427 Billion). Gearing ratio is 0.11 at 30th June 2016 as compared to 0.19 at 30th June 2015. The liquidity position of the company is sound with a current ratio of 5.52 at 30th June 2016 (June 2015: 5.22).

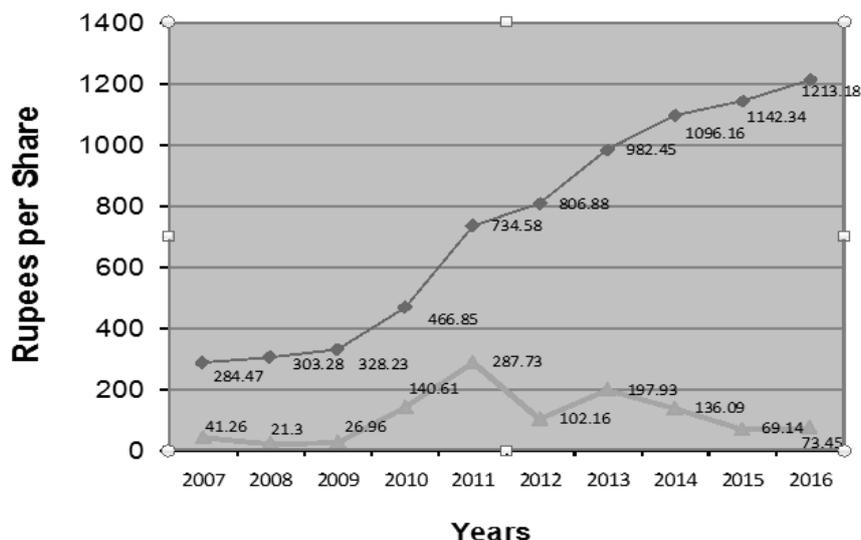
## Cash Flow Management

The Company's cash flow management system projects cash inflows and outflows on a regular basis and monitors the cash position on a daily basis. The Company manages its working capital requirements through short term running finance facilities and other short term borrowing instruments. During the year and amount of PKR 212.103 million was generated from operating activity.

The company is well placed for its commitments towards long and short term loans. The company had paid an amount of PKR 224.189 million on account of repayments of long term loans. An amount of PKR 29.958 million has been paid as dividend to shareholders.

## Breakup Value and Earning per Share

Earnings per share of company are PKR 73.45 per share (30th June 2015: PKR 69.14 per share), resulting in even more value for the shareholders equity. The breakup value of share is as on 30th June 2016 PKR 1,213.18 per share (30th June 2015: PKR 1,142.34 per share). The breakup value per share and earnings per share of last years has been tabulated as follows;





# **BHANERO TEXTILE *of Companies* MILLS LIMITED**

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

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

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

The Directors of your Company are aware of their responsibilities under the Code of Corporate Governance incorporated in the Listing Rules of the Pakistan Stock Exchange Limited under instructions from the Securities & Exchange Commission of Pakistan. As a part of the compliance of the Code, 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.
- Six directors of the Company had already completed Directors' Training Program (DTP). In addition three directors met the criteria of exemption under Code of Corporate Governance. Therefore all directors of the Company were in compliance of the Code of Corporate Governance in respect of Directors' Training Program (DTP).
- As required by the Code of Corporate Governance, 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 held during the year and attendance by each director has been given separately.
  - Key operating and financial statistics for last six years.
- Information about taxes and levies had been adequately disclosed in the annexed audited financial statements.
- 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.

## **Major Judgment Areas**

Main areas related to income taxes, deferred tax, retirement benefit obligations and accounting estimates and judgments are detailed in notes to the financial statements.

## **Accounting Standards**

The accounting policies of the Company fully reflect the requirements of the Companies Ordinance 1984 and such approved International Accounting Standards and International Financial Reporting Standards as have been notified under this Ordinance as well as through directives issued by the Securities and Exchange Commission of Pakistan.



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## Human Resource and Remuneration Committee:

Human resource policies were designed to ensure best practice to attract, recruit, develop and retain highest quality of human capital. The Human Resource and Remuneration Committee review the human resource structure of the Company. The Company has employed experienced and qualified human resources to meet the challenges ahead. Company also plans to strengthen its team, use employee performance evaluation methods to further strengthen organization structure and effectiveness.

## Audit Committee

The audit committee of the company is working as required by the code of corporate governance. The audit committee has established internal audit system to monitor and review the adequacy and implementation of internal control at each level. The meetings of audit committee were held in compliance of the requirements of Code of Corporate Governance. Interim and annual financial statements were reviewed by the audit committee before the approval of board of directors.

## Financial statements

As required under listing regulations of stock exchanges the Chief Executive Officer and Chief Financial Officer present the financial statements, duly endorsed under their respective signatures, for consideration and approval of the board of directors and the board, after consideration and approval, authorize the signing of financial statements for issuance and circulation.

The financial statements of the company have been duly audited by the auditors of the company, Mushtaq and Company, Chartered Accountants. Auditors have issued clean audit report on financial statements for the year ended 30th June 2016 and clean review report on Statement of Code of Corporate Governance and their reports are attached with the financial statements.

## Material changes and commitments

No material changes in contingencies and commitments, affecting the financial position of your company, have occurred between the end of the financial year to which this balance sheet relates and the date of the directors' report.

## Board and Audit Committee Meetings

The number of board and audit committee meetings held during the year 2015-16 was four. The attendance of the directors and members are as under:

Name of Directors	Committees					
	Board of Directors		Audit		Human Resource and Remuneration	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mr. Mohammad Salim	4	4	-	-	-	-
Mr. Mohammad Sharif	4	4	-	-	-	-
Mr. Mohammad Shaheen	4	4	-	-	-	-
Mr. Mohammad Shakeel	4	4	4	4	2	2
Mr. Khurrum Salim	4	4	-	-	-	-
Mr. Bilal Sharif	4	4	4	4	2	2
Mr. Mohammad Amin	4	4	-	-	2	2
Mr. Adil Shakeel	4	4	-	-	-	-
Mr. Iqbal Mehboob	4	4	4	4	-	-

## Pattern of Shareholding

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

## Auditors

The present auditors M/s Mushtaq and Company, Chartered Accountants shall retire on the conclusion of forthcoming annual general meeting. Being eligible, they offer themselves for re-appointment as auditor of the company for the year ended 30th June 2017. The audit committee has recommended the appointment of aforesaid M/s Mushtaq and Company, Chartered Accountants, as external auditor for the year ended 30th June 2017. The external auditors, M/s Mushtaq and Company, Chartered Accountants



## **BHANERO TEXTILE *of Companies* MILLS LIMITED**

have been given satisfactory rating under the quality review program of the Institute of Chartered Accountants of Pakistan and the firm and its entire partners are in compliance with the International Federation of Accountants' Guidelines on the Code of Ethics as adopted by Institute of Chartered Accountants of Pakistan. The Board of Directors also recommended the appointment of M/s Mushtaq and Company, Chartered Accountants, as external auditor for the year ended 30th June 2017.

### **Health, Safety & Environmental Protection**

Company always ensures environment preservation and adopts all the possible means for environment protection. We have been taking various steps to ensure minimal dust and emission from our plant and our production lines are installed with pollutant trapping and suppression systems to control dust particles and other emissions.

Safety is an all-encompassing priority for the Company, from the Board down to the business units. The health and safety of our employees, the safety of our assets and the security of our operations always remain among the top priorities of the Company. Due to these controls and with the blessing of Al-Mighty Allah no major accidents or incidents took place at the business units.

### **Corporate Social Responsibility**

Company is comprehensively supporting educational and health projects with renowned NGO chartered by Government of Pakistan. Company spent PKR 4.9 million under social commitments during the year. The company worked closely with NGO to support their programs for Health and Education to provide socio-economic opportunities to a multitude of individuals and households.

### **Business Risks, Challenges and Future Outlook**

Government should overcome the problem of energy crises, law and order situation and infrastructure. These are main constraint for obtaining the reasonable GDP.

Currently the price of cotton is around PKR 6,250 per maund and it is strength with the passage of time. It is expected that the prices of cotton will be upward in subsequent quarters.

The results of the first quarter of the next fiscal year will depend on the direction of cotton prices and demand of yarn. The management expects a moderate result in subsequent period.

### **Acknowledgement**

We would like to thank our customers for their trust in our products. We would also like to acknowledge the continued support of our shareholders, bankers and suppliers, and our employees for their dedication and contribution to the Company.

**For and on behalf of the Board of Directors**

**Khurram Salim  
Chief Executive**

**Karachi:**

Date: 27<sup>th</sup> September 2016

# MUSHTAQ & CO.

## CHARTERED ACCOUNTANTS

407-Commerce Centre Hasrat Mohani Road Karachi-74200 Tel: 32638521-4 Fax: 32639843  
**Branch Office:** 501-B, City Towers, Gulberg-II, Lahore. Tel: 35788637 Fax: 35788626  
Email: Address: mustaq\_vohra@hotmail.com



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### REVIEW REPORT TO THE MEMBERS

#### *On the Statement of Compliance with Best Practices of the Code of Corporate Governance*

We have reviewed the enclosed statement of compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **Bhanero Textile Mills Limited** "the Company" for the year ended June 30, 2016 to comply with the Code contained in regulation No. 5.19 of the Rule book of Pakistan Stock Exchange Limited.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the statement of compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

As part of our audit of 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's statement on internal controls covers all the risks and control or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the audit committee and upon recommendation of audit committee, places before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the statement of compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2016.

**MUSHTAQ & COMPANY**  
Chartered Accountants

**Karachi:**

Date: 27<sup>th</sup> September 2016

**Engagement Partner:**  
Mushtaq Ahmed Vohra,  
FCA



**BHANERO TEXTILE *of Companies* MILLS LIMITED**

**STATEMENT OF COMPLIANCE WITH THE BEST PRACTICE  
OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2016**

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 5.19 of Rule Book of Pakistan Stock Exchange Limited for purpose of establishing a framework of good corporate governance, whereby a listed company is managed in compliance with best practices of corporate governance.

The company has applied the principles contained in the Code in the following manner.

1. The company encourages representation of independent non executive directors and directors representing minority interest on its Board of Directors. At present the board includes;

Category	Name
Independent Director	Mr. Iqbal Mehboob
Executive Directors	Mr. Khurram Salim Mr. Mohammad Salim
Non Executive Directors	Mr. Bilal Sharif Mr. Mohammad Amin Mr. Adil Shakeel Mr. Mohammad Sharif Mr. Mohammad Shakeel Mr. Mohammad Shaheen

The independent director meets the criteria of independence under clause 5.19.1 (b) of the Code of Corporate Governance.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBF1 or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred on the board during the year.
5. 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.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.
8. 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 and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The board arranged one training program for its directors during the year.

  
**BHANERO TEXTILE *of Companies* MILLS LIMITED**

**STATEMENT OF COMPLIANCE WITH THE BEST PRACTICE  
OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2016**

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the Code.
15. The board has formed an Audit Committee. It comprises three members, of whom all are non-executive directors.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an HR and Remuneration Committee. It comprises three members, of whom all are non-executive directors and the chairman of the committee is a non-executive director.
18. The board has set up an effective internal audit function.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
23. We confirm that all other material principles enshrined in the Code have been complied with.

**On and on behalf of the Board of Directors**

**Karachi:**  
Date: 27<sup>th</sup> September 2016

  
**Khurram Salim**  
Chief Executive

# MUSHTAQ & CO.

## CHARTERED ACCOUNTANTS

407-Commerce Centre Hasrat Mohani Road Karachi-74200 Tel: 32638521-4 Fax: 32639843  
**Branch Office:** 501-B, City Towers, Gulberg-II, Lahore. Tel: 35788637 Fax: 35788626  
Email: Address: mustaq\_vohra@hotmail.com



**leading edge alliance**  
innovation • quality • excellence

### AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of **Bhanero Textile Mills Limited** ("the Company") as at June 30, 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement, and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 purpose of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by the management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verifications, we report that;

- (a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion;
  - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
  - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
  - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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, 2016 and of the profit, comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion 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.

**MUSHTAQ & COMPANY**  
Chartered Accountants

**Engagement Partner:**  
Mushtaq Ahmed Vohra,  
FCA

**Karachi:**  
Date: 27<sup>th</sup> September 2016



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Balance Sheet As At June 30, 2016

	Note	30 <sup>th</sup> June, 2016 Rupees	30 <sup>th</sup> June, 2015 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized capital</b>			
6,000,000 (2015: 6,000,000) ordinary shares of Rs.10 each		<u>60,000,000</u>	<u>60,000,000</u>
Issued, subscribed and paid up capital	5	30,000,000	30,000,000
Reserves	6	3,500,000,000	3,300,000,000
Unappropriated profit		109,552,719	97,026,374
		<u>3,639,552,719</u>	<u>3,427,026,374</u>
<b>NON CURRENT LIABILITIES</b>			
Long term financing - secured	7	348,587,741	583,099,224
<b>DEFERRED LIABILITIES</b>			
	8	223,970,193	213,427,733
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	408,214,348	417,410,922
Accrued markup / interest	10	7,426,523	13,344,295
Short term borrowings - secured	11	-	-
Current portion of long term financing	12	77,463,948	67,141,478
		493,104,819	497,896,695
<b>CONTINGENCIES AND COMMITMENTS</b>			
	13		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>4,705,215,472</u>	<u>4,721,450,026</u>

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

Karachi:  
Date: 27<sup>th</sup> September 2016

Khurram Salim  
Chief Executive



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Balance Sheet As At June 30, 2016

	Note	30 <sup>th</sup> June, 2016 Rupees	30 <sup>th</sup> June, 2015 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	14	1,957,647,010	2,080,121,779
Capital work in progress	15	719,555	3,292,745
Long term deposit	16	26,205,436	26,205,436
		<b>1,984,572,001</b>	<b>2,109,619,960</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	17	66,372,037	65,908,993
Stock in trade	18	1,742,764,490	1,511,681,396
Trade debts	19	413,601,508	472,306,913
Loans and advances	20	91,805,586	151,047,533
Trade deposits and short term prepayments	21	68,002,935	41,412,783
Other receivables	22	17,221,232	14,344,759
Income tax refundable	23	109,065,600	127,574,767
Sales tax refundable	24	146,524,408	50,481,895
Cash and bank balances	25	65,285,675	177,071,027
		<b>2,720,643,471</b>	<b>2,611,830,066</b>
<b>TOTAL ASSETS</b>		<b>4,705,215,472</b>	<b>4,721,450,026</b>

Mohammad Shakeel  
Director



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Profit and Loss Account For The Year Ended June 30, 2016

	Note	30 <sup>th</sup> June, 2016 Rupees	30 <sup>th</sup> June, 2015 Rupees
Sales	26	6,637,411,409	7,350,098,065
Cost of sales	27	5,953,046,999	6,708,564,222
Gross profit		684,364,410	641,533,843
Other income	28	4,316,027	8,765,771
		688,680,437	650,299,614
Distribution cost	29	140,890,674	161,773,289
Administrative expenses	30	130,835,628	118,511,391
Other operating expenses	31	25,930,132	18,043,491
Finance cost	32	69,828,738	115,128,118
		367,485,172	413,456,289
Profit before tax		321,195,265	236,843,325
Provision for taxation	33		
Current tax - current year		86,842,509	12,439,185
Current tax - prior year		-	(5,099,670)
Deferred		14,002,812	22,093,295
		100,845,321	29,432,810
Profit after taxation for the year		220,349,944	207,410,515
Earnings per share - basic and diluted	34	73.45	69.14

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

**Khurram Salim**  
Chief Executive

**Mohammad Shakeel**  
Director

**Karachi:**

Date: 27<sup>th</sup> September 2016

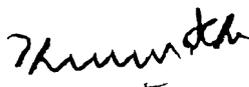
  
**BHANERO TEXTILE *of Companies* MILLS LIMITED**

**Statement of Changes in Equity  
For The Year Ended June 30, 2016**

	Share capital	General reserve	Unappropriated profits	Total
<b>Rupees</b>				
<b>Balance as at June 30, 2014</b>	30,000,000	3,150,000,000	108,487,652	3,288,487,652
Total comprehensive income for the year	-	-	198,538,722	198,538,722
Transfer to general reserve	-	150,000,000	(150,000,000)	-
Final dividend paid for the year ended June 30, 2014 at the rate of PKR 20.0 per share	-	-	(60,000,000)	(60,000,000)
<b>Balance as at June 30, 2015</b>	30,000,000	3,300,000,000	97,026,374	3,427,026,374
Total comprehensive income for the year	-	-	242,526,345	242,526,345
Final dividend paid for the year ended June 30, 2015 at the rate of PKR 10.0 per share	-	-	(30,000,000)	(30,000,000)
Transfer to general reserve	-	200,000,000	(200,000,000)	-
<b>Balance as at June 30, 2016</b>	<b>30,000,000</b>	<b>3,500,000,000</b>	<b>109,552,719</b>	<b>3,639,552,719</b>

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

Karachi:  
Date: 27<sup>th</sup> September 2016

  
Khurram Salim  
Chief Executive

  
Mohammad Shakeel  
Director

**Statement of Comprehensive Income  
For The Year Ended June 30, 2016**

	Note	30 <sup>th</sup> June, 2016 Rupees	30 <sup>th</sup> June, 2015 Restated Rupees
Profit after taxation for the year		220,349,944	207,410,515
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit and loss</b>		-	-
<b>Items that will not be reclassified subsequently to profit and loss</b>			
Actuarial gain / (loss) on remeasurement of employees retirement benefits - gratuity	8.1.2	25,991,525	(9,931,102)
Related deferred tax on remeasurement of employees retirement benefits - gratuity		(3,815,124)	1,059,309
		22,176,401	(8,871,793)
<b>Total comprehensive Income for the year</b>		<b>242,526,345</b>	<b>198,538,722</b>

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

Karachi:  
Date: 27<sup>th</sup> September 2016

  
Khurram Salim  
Chief Executive

  
Mohammad Shakeel  
Director



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Cash Flow Statement For The Year Ended June 30, 2016

	30 <sup>th</sup> June, 2016 Rupees	30 <sup>th</sup> June, 2015 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	321,195,265	236,843,325
<b>Adjustments for:</b>		
Depreciation on property, plant and equipment	195,400,169	197,585,433
Provision for staff retirement benefits - gratuity	44,008,890	39,941,777
Provision for bad debts	2,148,876	356,000
Infrastructure fee	10,340,469	5,717,558
(Gain) on disposal of property, plant and equipment	(611,037)	(4,597,450)
Finance cost	69,828,738	115,128,118
<b>Operating cash flows before changes in working capital</b>	<b>642,311,370</b>	<b>590,974,761</b>
<b>Working capital changes</b>		
(Increase)/decrease in current assets		
Inventories	(231,546,138)	649,211,679
Trade debts	56,556,529	28,270,003
Loans and advances	59,241,947	(98,459,786)
Trade deposits	(26,590,152)	(998,843)
Other receivables	(2,876,473)	(10,560,879)
Sales tax refundable	(96,042,513)	71,289,367
	(241,256,800)	638,751,541
Increase in trade and other payables	(9,238,144)	(9,438,138)
<b>Cash generated by operations</b>	<b>391,816,426</b>	<b>1,220,288,164</b>
Finance cost paid	(75,746,510)	(123,242,012)
Staff retirement benefits - gratuity paid	(35,633,310)	(21,308,409)
Income taxes paid	(68,333,342)	(58,097,095)
Long term deposits	-	(14,985,000)
	(179,713,162)	(217,632,516)
<b>Net cash generated from operating activities</b>	<b>212,103,264</b>	<b>1,002,655,648</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	1,807,487	43,573,504
Purchase of property, plant and equipment	(71,548,660)	(67,449,028)
<b>Net cash used in investing activities</b>	<b>(69,741,173)</b>	<b>(23,875,524)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of long term loans	(224,189,013)	-
Proceeds from long term loans	-	30,000,000
Short term borrowings - net	-	(802,212,479)
Dividend paid	(29,958,430)	(59,931,209)
<b>Net cash (used in) / from financing activities</b>	<b>(254,147,443)</b>	<b>(832,143,688)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(111,785,352)</b>	<b>146,636,436</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>177,071,027</b>	<b>30,434,591</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>65,285,675</b>	<b>177,071,027</b>

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

Karachi:

Date: 27<sup>th</sup> September 2016

  
Khurram Salim  
Chief Executive

  
Mohammad Shakeel  
Director



# **BHANERO TEXTILE *of Companies* MILLS LIMITED**

## **Notes to the financial statements For the year ended June 30, 2016**

### **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 Companies Ordinance, 1984 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 Feroz Watwan, District Sheikhpura in the province of Punjab.

### **2 BASIS OF PREPARATION**

#### **2.1 Statement of compliance**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of and directives of the Companies Ordinance, 1984 shall prevail.

#### **2.2 Basis of measurement**

These financial statements have been prepared on the historical cost basis except for derivative financial instruments that are stated at fair value.

#### **2.3 Functional and presentation currency**

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

#### **2.4 Use Of Estimates And Judgments**

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

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

Judgments made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 44 to these financial statements.

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

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

Following standards, amendments and interpretations are effective for the year ended June 30, 2016. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.



# **BHANERO TEXTILE *of Companies* MILLS LIMITED**

## **Notes to the financial statements For the year ended June 30, 2016**

### **Standards, interpretations and amendments**

▣ IFRS 10 'Consolidated Financial Statements'

### **Description**

IFRS 10 'Consolidated Financial Statements'– (effective for annual periods beginning on or after 1 January 2015) replaces the part of IAS 27 'Consolidated and Separate Financial Statements'. IFRS 10 does not have any impact on the financial statements of the company.

▣ IFRS 11 – Joint Arrangements

IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2015) replaces IAS 31 'Interests in Joint Ventures'. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has now been named 'Investment in Associates and Joint Ventures'. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after 1 January 2016. The adoption of this standard does not have an impact on Company's financial statements.

▣ IFRS 12 – Disclosure of Interests in Other Entities

IFRS 12 'Disclosure of Interest in Other Entities' (effective for annual periods beginning on or after 1 January 2015) combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, into one place. The adoption of this standard does not have material impact on Company's financial statements.

▣ IFRS 13 – Fair Value Measurement

IFRS 13 'Fair Value Measurement' effective for annual periods beginning on or after 1 January 2015) defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains how to measure fair value when it is required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The adoption of this standard does not have material impact on Company's financial statements except for some disclosures.

### **2.5.2 Approved accounting standards, interpretations and amendments thereto issued but not effective as at the reporting date**

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date. Their impact on the Company's financial statements cannot be ascertained as at the reporting date.



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

### Standards, interpretations and amendments

- Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions

- Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture

### Description

Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions (effective for annual periods beginning on or after 1 January 2018) The amendments relate to the following areas:

- The accounting for the effects of vesting conditions on cash-settled share-based payment transactions;
- The classification of share-based payment transactions with net settlement features for withholding tax obligations; and
- The accounting for a modification to the terms and conditions of a share-based payment that changes the transactions from cash-settled to equity-settled.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture ('Effective date is deferred indefinitely. Earlier adoption is permitted.) The amendments relate to the following areas :

The amendments deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. IAS 28 and IFRS 10 are amended, as follows:

IAS 28 has been amended to reflect the following:

- Gains and losses resulting from transactions involving assets that do not constitute a business between an investor and its associate or joint venture are recognised to the extent of unrelated investors' interests in the associate or joint venture.

- Gains or losses from downstream transactions involving assets that constitute a business between an investor and its associate or joint venture should be recognised in full in the investor's financial statements.

IFRS 10 has been amended to reflect the following:

- Gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associated or joint venture.

The amendments apply prospectively to transactions occurring in annual periods beginning on or after 1 January 2016 with earlier application permitted. The amendments are not likely to have significant impact on Company's financial statements.



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

### Standards, interpretations and amendments

- Amendments to IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 'Investments in Associates and Joint Ventures' - Investment Entities: Applying the consolidation exception

### Description

Amendments to IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 'Investments in Associates and Joint Ventures' - Investment Entities: Applying the consolidation exception (effective for annual periods beginning on or after 1 January 2016):

The amendments clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. Consequential amendments have also been made to IAS 28 to clarify that the exemption from applying the equity method is also applicable to an investor in an associate or joint venture if that investor is a subsidiary of an investment entity that measures all its subsidiaries at fair value.

The amendments further clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves.

Moreover, the amendments clarify that in applying the equity method of accounting to an associate or a joint venture that is an investment entity, an investor may retain the fair value measurements that the associate or joint venture used for its subsidiaries.

Lastly, clarification is also made that an investment entity that measures all its subsidiaries at fair value should provide the disclosures required by IFRS 12 Disclosures of Interests in Other Entities. The amendments apply retrospectively. The amendments are not likely to have impact on Company's financial statements."

- Amendments to IFRS 11 'Joint Arrangements' - Accounting for acquisitions of interests in joint operations

Amendments to IFRS 11 'Joint Arrangements' - Accounting for acquisitions of interests in joint operations (effective for annual periods beginning on or after 1 January 2016):

The amendments to IFRS 11 provide guidance on how to account for the acquisition of an interest in a joint operation in which activities constitute a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 12 Income Taxes regarding recognition of deferred taxes at the time of acquisition and IAS 36 Impairment of Assets regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation. A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations. Entities should apply the amendments prospectively. The amendments are not likely to have impact on Company's financial statements.



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

### Standards, interpretations and amendments

▫ Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure initiative

### Description

Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure initiative (effective for annual periods beginning on or after 1 January 2016):

The amendments were a response to comments that there were difficulties in applying the concept of materiality in practice as the wording of some of the requirements in IAS 1 had in some cases been read to prevent the use of judgment. Certain key highlights in the amendments are as follows:

- An entity should not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

- An entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material.

- In the other comprehensive income, section of a statement of profit or loss and other comprehensive income, the amendments require separate disclosures for the following terms:

- the share of other comprehensive income of associates and joint ventures accounted for using the equity method that will not be reclassified subsequently to profit or loss; and

- the share of other comprehensive income of associates and joint ventures accounted for using the equity method that will be reclassified subsequently to profit or loss.

▫ Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative

Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative (effective for annual periods beginning on or after 1 January 2017):

The amendments are part of the IASB's Disclosure Initiative project and introduce additional disclosure requirements intended to address investors' concerns that financial statements do not currently enable them to understand the entity's cash flows; particularly in respect of the management of financing activities.

The amendments require disclosure of information enabling users financial statements to evaluate changes in liabilities arising from financing activities. The amendments do not define financing activities, instead they clarify that financing activities are based on the existing definition used in IAS 7.

Although there is no specific format required to comply with the new requirements, the amendments include illustrative examples to show how an entity can meet the objective to these amendments.

The amendments are to be applied prospectively. Entities are not required to present comparative information for earlier periods.



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

Standards, interpretations and amendments

- Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses

### Description

Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses (effective for annual periods beginning on or after 1 January 2017):

The amendments clarify that unrealised losses on debt instruments measured at fair value in the financial statements but at cost for tax purposes can give rise to deductible temporary differences.

The amendments also clarify that:

- The carrying amount of an assets does not limit the estimation of probable future taxable profits; and that
- when comparing deductible temporary differences with future taxable profits, the future taxable profits exclude tax deductions resulting from the reversal of those deductible temporary differences.

The amendments are to be applied retrospectively.

- Amendments to IAS 16 and IAS 38 Clarification of acceptable methods of depreciation and amortization

Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have significant impact on Company's financial statements.

- Amendments to IAS 16 and IAS 41 Agriculture: Bearer plants

Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; are accounted for in the same way as self-constructed items of property, plant and equipment during construction.

- IAS 27 (Revised 2011) – Separate Financial Statements

Amendment to IAS 27 'Separate Financial Statement' (effective for annual periods beginning on or after 1 January 2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

**2.5.3** Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan till 30th June 2016:



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

Standards or interpretation	Effective date - Annual period beginning on
- IFRS 9 – Financial Instruments	1 <sup>st</sup> January 2018
- IFRS 14 – Regulatory Deferral Accounts	1 <sup>st</sup> January 2016
- IFRS 15 – Revenue from Contracts with Customers	1 <sup>st</sup> January 2018
- IFRS 16 – Leases	1 <sup>st</sup> January 2019

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Borrowings

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

#### 3.2 Employee benefits

##### Short term employees benefits

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

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

##### Post retirement benefits

##### Defined benefit plans

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

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

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

#### 3.3 Taxation

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

##### Current

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

##### Deferred

Deferred tax is accounted for using the balance sheet liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. In this regard, the effects on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the requirement of "Technical Release - 27" of the Institute of Chartered Accountants of Pakistan.



# **BHANERO TEXTILE *of Companies* MILLS LIMITED**

## **Notes to the financial statements For the year ended June 30, 2016**

Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

### **3.4 Provisions**

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

### **3.5 Trade and other payables**

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

### **3.6 Dividend**

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

### **3.7 Property, plant and equipment and depreciation**

#### **Owned assets**

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

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

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

#### **Impairment**

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



# **BHANERO TEXTILE *of Companies* MILLS LIMITED**

## **Notes to the financial statements For the year ended June 30, 2016**

### **Leased assets**

Leases in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance lease. Asset acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of minimum lease payments at the inception of the lease less accumulated depreciation and impairment losses, if any. Depreciation is charged on the same basis as used for owned assets.

Financial charges are allocated to accounting period in a manner so as to provide a constant rate of charge on outstanding liability.

### **3.8 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.

### **3.9 Investments**

#### **Investment available for sale**

Investment available for sale are initially recognized at fair value plus attributable transactions costs. Subsequent to initial recognition these are measured at fair value, with any resultant gain or loss being recognized in equity through comprehensive income. Gains or losses on available-for-sale investments are recognized in equity through comprehensive income until the investments are sold or disposed off, or until the investments are determined to be impaired, at that time cumulative gain or loss previously reported in the equity is included in current year's profit and loss account.

### **3.10 Derivative financial instruments**

The Company enters into derivative financial instruments, which include future contracts. Derivatives are initially recorded at cost and are remeasured to fair value on subsequent reporting dates. The fair value of a derivative is the equivalent of the unrealized gain or loss from marking to market the derivative using prevailing market rates. Derivatives with positive market values (unrealized gains) are included in other receivables and derivatives with negative market values (unrealized losses) are included in other liabilities in the balance sheet. The resultant gains and losses from derivatives held for trading purposes are included in income currently. No derivative is designated as hedging instrument by the Company.

### **3.11 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.

### **3.12 Stock-in-trade**

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

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

Valuation of raw material, work in process and finished goods as on 30th June 2016 have been valued at lower of cost and net realizable value as per the requirement of IAS 2.

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

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



# **BHANERO TEXTILE *of Companies* MILLS LIMITED**

## **Notes to the financial statements For the year ended June 30, 2016**

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

### **3.13 Trade debts and other receivables**

These are carried at original invoice amount less provisions for any uncollectible amount. An estimate is made for doubtful receivables when collection of the amount is no longer probable. Debts considered irrecoverable are written off.

### **3.14 Cash and cash equivalents**

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

### **3.15 Revenue recognition**

Revenue from sales is recognized when significant risks and rewards of ownership are transferred to the buyer.

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.

### **3.16 Borrowing costs**

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

### **3.17 Impairment**

All company's assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the assets' recoverable amount is estimated. Impairment losses are recognized in the profit and loss account currently.

### **3.18 Foreign currency translation**

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

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

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

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

### **3.20 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 Ordinance 1984.

### **3.21 Segment reporting**

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.



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

### 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 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

30-Jun-16	30-Jun-15		30-Jun-16	30-Jun-15
Number of shares			Rupees	Rupees
1,762,500	1,762,500	Ordinary shares of PKR 10 each allotted for consideration'- 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
<b>3,000,000</b>	<b>3,000,000</b>		<b>30,000,000</b>	30,000,000

5.1 Associated company holds 500,600 (2015: 500,600) ordinary shares of Rs. 10 each in the company.

### 6 RESERVES

General reserve	3,500,000,000	3,300,000,000
	<b>3,500,000,000</b>	<b>3,300,000,000</b>

### 7 LONG TERM FINANCING - SECURED From Financial Institutions

	Note	LTFE Loans	Non - LTFE Loans	30-Jun-16 Rupees	30-Jun-15 Rupees
Bank Al Habib Limited - Term Loan	7.1	-	-	-	128,073,559
Bank Al Habib Limited - Term Loan	7.2	-	-	-	27,383,480
Meezan Bank Limited - Term Finance Loan	7.3	-	112,390,666	112,390,666	122,608,000
Meezan Bank Limited - Term Finance Loan	7.4	-	12,114,781	12,114,781	13,216,125
Meezan Bank Limited - Term Finance Loan	7.5	-	86,229,696	86,229,696	94,068,760
Meezan Bank Limited - Term Finance Loan	7.6	-	215,316,546	215,316,546	234,890,778
Bank Al-Habib Limited - Term Finance Loan	7.7	-	-	-	30,000,000
		-	<b>426,051,689</b>	<b>426,051,689</b>	650,240,702
Less: current maturity					
Bank Al Habib Limited - Term Loan	7.1	-	-	-	21,345,592
Bank Al Habib Limited - Term Loan	7.2	-	-	-	4,563,912
Meezan Bank Limited - Term Loan	7.3	-	20,434,668	20,434,668	10,217,334
Meezan Bank Limited - Term Loan	7.4	-	2,202,688	2,202,688	1,101,344
Meezan Bank Limited - Term Loan	7.5	-	15,678,128	15,678,128	7,839,064
Meezan Bank Limited - Term Loan	7.6	-	39,148,464	39,148,464	19,574,232
Bank Al-Habib Limited - Term Finance Loan	7.7	-	-	-	2,500,000
		-	<b>77,463,948</b>	<b>77,463,948</b>	67,141,478
		-	<b>348,587,741</b>	<b>348,587,741</b>	583,099,224



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

Security	Repayment	Markup on LTF	Markup Rates on NON-LTF
7.1 Hypothecation charge on plant and machinery of PKR 267.0 million of unit III located at Ferrozwatton, Sheikhpura-Faisalabad Road, Sheikhpura.	It was repayable in twenty four quarterly installments, commencing from August 20, 2015.	8.85% (2015: 8.85%)	-
7.2 Covered under securities for term finance 7.1	It was repayable in twenty four quarterly installments, commencing from August 28, 2015.	8.85% (2015: 8.85%)	-
7.3 Hypothecation charge on plant and machinery of PKR 666.7 million of unit II located at Ferrozwatton, Sheikhpura-Faisalabad Road, Sheikhpura.	Repayable in twenty four quarterly installments, commencing from January 15, 2016.	-	3 Months KIBOR + 0.65% ( 2015: 3 Months KIBOR + 0.65%)
7.4 Covered under securities for term finance 7.3	Repayable in twenty four quarterly installments, commencing from January 15, 2016.	-	3 Months KIBOR + 0.65% ( 2015: 3 Months KIBOR + 0.65%)
7.5 Covered under securities for term finance 7.3	Repayable in twenty four quarterly installments, commencing from January 15, 2016.	-	3 Months KIBOR + 0.65% ( 2015: 3 Months KIBOR + 0.65%)
7.6 Covered under securities for term finance 7.3	Repayable in twenty four quarterly installments, commencing from January 15, 2016.	-	3 Months KIBOR + 0.65% ( 2015: 3 Months KIBOR + 0.65%)
7.7 Covered under securities for term finance 7.1	It was repayable in twenty four quarterly installments, commencing from December 31, 2015.	-	3 Months KIBOR + 0.45% ( 2015: 3 Months KIBOR + 0.45%)
<b>8 DEFERRED LIABILITIES</b>		<b>Note</b>	<b>30-Jun-16</b> <b>30-Jun-15</b>
Staff retirement benefits - gratuity		<b>8.1</b>	<b>Rupees</b> <b>Rupees</b>
Deferred taxation		<b>8.2</b>	<b>114,569,919</b> 132,185,864
Infrastructure fee payable		<b>8.3</b>	<b>58,756,647</b> 40,938,711
			<b>50,643,627</b> 40,303,158
			<b>223,970,193</b> <b>213,427,733</b>
<b>8.1 Staff retirement benefits - gratuity</b>			
<b>8.1.1 Movement in net liability recognized in the balance sheet</b>			
Present value of defined benefits obligation - at the beginning of the year			<b>132,185,864</b> 103,621,394
Charged to profit and loss account and comprehensive income		<b>8.1.2</b>	<b>18,017,365</b> 49,872,879
Benefits paid during the year			<b>(35,633,310)</b> (21,308,409)
Present value of defined benefits obligation - at the end of the year			<b>114,569,919</b> <b>132,185,864</b>
<b>8.1.2 Amount charged to profit and loss account / other comprehensive income</b>			
Current service cost			<b>32,000,123</b> 25,637,757
Interest cost			<b>12,008,767</b> 14,304,020
Remeasurement charged to other comprehensive income			<b>(25,991,525)</b> 9,931,102
			<b>18,017,365</b> <b>49,872,879</b>



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

**8.1.3** The company operates an unfunded gratuity scheme (defined benefit plan) for all its permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Provisions are made annually to cover the obligation under the scheme on the basis of actuarial valuation and are charged to income. Actuarial valuation has been carried out by independent valuer as at June 30, 2016 using the projected unit credit method assuming a discount rate of 9% (2015: 10.5%) per annum and expected rate of increase in salaries at 8% (2015: 10.5%) per annum. Withdrawal rate is moderate (2015: low). Average duration of the defined benefit obligation is 12.3 years.

**8.1.4** There is no unrecognized actuarial loss / gain.

	2016 Rupees	2015 Rupees	2014 Rupees	2013 Rupees	2012 Rupees
<b>8.1.5 Historical information</b>					
Present value of defined benefits obligation	114,569,919	132,185,864	103,621,394	92,004,945	78,963,739
Experience adjustments on plan liabilities	(25,991,525)	9,931,102	8,235,989	7,670,252	3,103,547

### 8.1.6 Sensitivity analysis of actuarial assumptions

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

	2016		2015	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	(12,616,553)	15,639,061	(13,858,149)	(14,525,509)
Expected rate of increase in future salary	16,039,522	(13,150,585)	15,016,309	14,483,019

**8.1.7** The expected gratuity expense comprising of service cost and net interest for the year ending 30th June 2017 works out to PKR 40,981,926.

8.2 Deferred taxation	30-Jun-16 Rupees	30-Jun-15 Rupees
<b>Deferred tax liability / (assets) arising in respect of:</b>		
<b>Taxable temporary differences</b>		
Accelerated tax depreciation on owned assets	86,399,640	62,794,345
<b>Deductible temporary differences</b>		
Provision for employee benefit	(16,816,962)	(14,099,709)
Provision for doubtful debts	(10,826,031)	(7,755,925)
	<u>(27,642,993)</u>	<u>(21,855,634)</u>
	<u>58,756,647</u>	<u>40,938,711</u>

### 8.2.1 Deferred taxation has been recognized as follows

Recognized in profit and loss account	14,002,812	22,093,295
Recognized in equity	3,815,124	(1,059,309)
	<u>17,817,936</u>	<u>21,033,986</u>

**8.2.2** Revenue from export sales of the Company is subject to taxation under the final tax regime, while the remaining portion of revenue attracts assessment under normal provisions of the Ordinance. Deferred tax is provided for only that portion of timing differences that represent income taxable under normal provisions of the Ordinance. These differences are calculated at that proportion of total timing differences that the local sales, other than the indirect exports taxable under section 154 (3) of the Ordinance, bear to the total sales revenue based on historical and future trends. Deferred tax has been calculated at 30% of the timing differences so determined based on tax rates notified by the Government of Pakistan for future tax years.



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

**8.3** This represents amount payable to Excise and Taxation Department, Government of Sindh in respect of infrastructure fee levied through fifth version of law (i.e. Sindh Finance (Amendment) Ordinance 2006). The Supreme Court in his judgment dated 17th May 2011 has decided that fifth version of law (i.e. Sindh Finance (Amendment) Ordinance 2006) is valid and hence the levy imposed and collected from the effective date of the fifth version i.e. 28th December 2006 is valid and all imposition and collection before 28th December 2006 are declared to be invalid. The company has now filed petition in Sindh High Court, challenging fifth version of law (i.e. Sindh Finance (Amendment) Ordinance 2006) regarding levy of infrastructure fee from the 28th December 2006. During the pendency of decision on fifth version of law, Sindh High Court has directed on 31st May 2011 to pay 50% of liability to Excise and Taxation Department, Government of Sindh, and provide bank guarantee of the remaining amount as calculated in accordance with the decision of Supreme Court of Pakistan. Subsequent imports of the company be released against 50% payment infrastructure fee to Excise and Taxation Department, Government of Sindh and furnishing bank guarantee of balance 50% amount. The company has provided bank guarantees amounting to PKR 50.994 Million (June 30, 2015: PKR 40.594 Million) in respect of unpaid infrastructure fee. The company has accrued unpaid infrastructure fee.

<b>9 TRADE AND OTHER PAYABLES</b>	<b>Note</b>	<b>30-Jun-16 Rupees</b>	30-Jun-15 Rupees
Creditors	<b>9.1</b>	<b>215,563,013</b>	201,107,770
Accrued liabilities		<b>122,636,434</b>	157,478,058
Workers' Profit Participation Fund	<b>9.2</b>	<b>17,379,052</b>	12,950,625
Workers Welfare Fund	<b>31.1</b>	<b>49,562,965</b>	43,139,060
Unclaimed dividend		<b>572,888</b>	531,318
Others		<b>2,499,996</b>	2,204,091
		<b><u>408,214,348</u></b>	<u>417,410,922</u>

**9.1** The outstanding balance of associated undertaking as at year end is Rs. Nil (June 2015: 28.032 Million).

<b>9.2 Workers' profit participation fund</b>	<b>Note</b>	<b>30-Jun-16 Rupees</b>	30-Jun-15 Rupees
Opening balance		<b>12,950,625</b>	27,599,662
Interest on funds utilized in the Company's business	<b>9.2.1</b>	<b>2,170,495</b>	4,481,705
		<b>15,121,120</b>	32,081,367
Paid to the fund		<b>(15,099,419)</b>	(32,081,367)
		<b>21,701</b>	-
Allocation for the year		<b>17,357,351</b>	12,950,625
		<b><u>17,379,052</u></b>	<u>12,950,625</u>

**9.2.1** Interest on workers' profit participation fund has been provided @ 75% (2015: 150%) per annum.

## **10 ACCRUED MARKUP / INTEREST**

Mark-up accrued on secured:			
- long-term financing		<b>6,291,558</b>	12,539,686
- short-term borrowings		<b>1,134,965</b>	804,609
		<b><u>7,426,523</u></b>	<u>13,344,295</u>

## **11 SHORT TERM BORROWINGS - SECURED**

### **From banking companies**

Short term loan	<b>11.2</b>	-	-
		<u>-</u>	<u>-</u>



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

11.1 The aggregate approved short term borrowing facilities amounting to PKR 5.540 billion (2015: PKR 5.540 billion).

11.2 These facilities are subject to mark-up ranging from 1 to 3 month KIBOR + spread between 0.1% to 2% (2015: 1 to 3 month KIBOR + spreads between 0.1% to 2%) per annum payable quarterly. These are secured against joint hypothecation charge on stock and receivables.

	Note	30-Jun-16 Rupees	30-Jun-15 Rupees
<b>12 CURRENT PORTION OF LONG TERM BORROWINGS</b>			
Long-term financing	7	<b>77,463,948</b>	67,141,478
		<b>77,463,948</b>	<b>67,141,478</b>

## 13 CONTINGENCIES AND COMMITMENTS

### Contingencies

13.1 The Company has issued post dated cheques amounting to PKR 195,524,563 (2015: PKR 103,451,866) in favor 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 fulfillment of term of related SROs.

13.2 Bank guarantee issued to Sui Northern Gas Pipeline Company Limited amounting to PKR 94.754 Million (2015: PKR 43.759 million).

13.3 Bills discounted **522,200,573** 556,774,845

### Commitments

Letter of credit (for store, raw material and machinery) **489,656,907** 343,425,263  
Capital work in progress **-** 1,500,000

## Year Ended June 30, 2016

## 14 PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	COST				DEPRECIATION				Book value as at June 30, 2016	Rate
	As at July 01, 2015	Additions / (disposals)	Transfers	As at June 30, 2016	As at July 01, 2015	For the year	Transfers / (disposal)	As at June 30, 2016		
	Rupees									
<b>Company owned</b>										
Leasehold land	433,414	-	-	433,414	-	-	-	-	433,414	-
Freehold land	254,945,882	19,554,344	-	274,500,226	-	-	-	-	274,500,226	-
Building on leasehold land	136,730,293	4,728,044	-	141,458,337	85,976,646	5,275,764	-	91,252,410	50,205,927	10%
Building on freehold land	320,707,695	-	-	320,707,695	201,565,757	11,914,195	-	213,479,952	107,227,743	10%
Office premises on leasehold land	30,044,675	-	-	30,044,675	14,951,024	754,683	-	15,705,707	14,338,968	5%
Office premises on freehold land	84,248,571	-	-	84,248,571	34,694,958	2,477,680	-	37,172,638	47,075,933	5%
Plant and machinery	2,978,563,507	30,364,885	-	3,006,838,695	1,531,724,943	145,656,926	-	1,675,508,381	1,331,330,314	10%
		(2,089,697)	-				(1,873,488)			Three years
Equipments and other assets	69,628,698	10,676,537	-	80,305,235	45,079,827	13,000,102	-	58,079,929	22,225,306	10%
Electric Installation	73,346,075	1,157,700	-	74,503,775	16,654,227	5,662,914	-	22,317,141	52,186,634	10%
Gas Line & Pipe	7,180,289	-	-	7,180,289	4,436,255	274,403	-	4,710,658	2,469,631	10%
Cooling towers	5,223,570	-	-	5,223,570	3,159,029	206,454	-	3,365,483	1,858,087	10%
Ventilation system	1,461,897	-	-	1,461,897	869,307	59,259	-	928,566	533,331	10%
Boiler	18,244,925	-	-	18,244,925	10,857,936	738,699	-	11,596,635	6,648,290	10%
Factory equipments	13,757,029	-	-	13,757,029	11,943,805	178,270	-	12,122,075	1,634,954	10%
Furniture and fixtures - Factory	5,318,108	-	-	5,318,108	4,169,961	114,815	-	4,284,776	1,033,332	10%
Office equipments	20,245,336	-	-	20,245,336	15,832,140	441,319	-	16,273,459	3,971,877	10%
Furniture and fixtures - Office	872,972	-	-	872,972	695,935	17,704	-	713,639	159,333	10%
Vehicles	96,778,772	7,640,340	-	99,079,694	54,998,179	8,626,982	-	59,265,984	39,813,710	20%
		(5,339,418)	-				(4,359,177)			
<b>June 30, 2016</b>	<b>4,117,731,708</b>	<b>74,121,850</b>	<b>-</b>	<b>4,184,424,443</b>	<b>2,037,609,929</b>	<b>195,400,169</b>	<b>(6,232,665)</b>	<b>2,226,777,433</b>	<b>1,957,647,010</b>	
	<b>-</b>	<b>(7,429,115)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

### Year Ended June 30, 2015

#### PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	COST			DEPRECIATION				Book value as at June 30, 2015	Rate	
	As at July 01, 2014	Additions / (disposals)	Transfers	As at June 30, 2015	As at July 01, 2014	For the year	Transfers / (disposal)			As at June 30, 2015
Rupees										
<b>Company owned</b>										
Leasehold land	433,414	-	-	433,414	-	-	-	-	433,414	-
Freehold land	244,751,057	10,194,825	-	254,945,882	-	-	-	-	254,945,882	-
Building on leasehold land	129,391,895	7,338,398	-	136,730,293	84,421,838	5,116,318	(3,561,510)	85,976,646	50,753,647	10%
Building on freehold land	292,624,875	28,082,820	-	320,707,695	186,066,383	11,937,864	3,561,510	201,565,757	119,141,938	10%
Office premises on leasehold land	30,044,675	-	-	30,044,675	14,156,621	794,403	-	14,951,024	15,093,651	5%
Office premises on freehold land	84,248,571	-	-	84,248,571	32,086,873	2,608,085	-	34,694,958	49,553,613	5%
Plant and machinery	2,482,401,374	660,353,392	-	2,978,563,507	1,510,287,449	148,599,055	(127,161,561)	1,531,724,943	1,446,838,564	10%
	-	(164,191,259)	-	-	-	-	-	-	-	Three years
Equipments and other assets	60,592,824	9,035,874	-	69,628,698	32,812,169	12,267,658	-	45,079,827	24,548,871	10%
Electric Installation	21,749,872	51,596,203	-	73,346,075	12,791,681	3,862,546	-	16,654,227	56,691,848	10%
Gas line and pipe	7,180,289	-	-	7,180,289	4,131,362	304,893	-	4,436,255	2,744,034	10%
Cooling towers	5,223,570	-	-	5,223,570	2,929,636	229,393	-	3,159,029	2,064,541	10%
Ventilation system	1,461,897	-	-	1,461,897	803,464	65,843	-	869,307	592,590	10%
Boiler	18,244,925	-	-	18,244,925	8,647,167	820,777	1,389,992	10,857,936	7,386,989	10%
Factory equipment	13,607,029	150,000	-	13,757,029	11,829,557	184,190	(69,942)	11,943,805	1,813,224	10%
Furniture and fixtures - Factory	5,318,108	-	-	5,318,108	3,994,548	127,572	47,841	4,169,961	1,148,147	10%
Office equipments	20,245,336	-	-	20,245,336	15,319,684	490,355	22,101	15,832,140	4,413,196	10%
Furniture and fixtures - Office	872,972	-	-	872,972	676,264	19,671	-	695,935	177,037	10%
Vehicles	91,112,555	8,956,487	-	96,778,772	47,575,275	10,156,810	-	54,998,179	41,780,593	20%
	-	(3,290,270)	-	-	-	-	(2,733,906)	-	-	
<b>June 30, 2015</b>	<b>3,509,505,238</b>	<b>775,707,999</b>	<b>-</b>	<b>4,117,731,708</b>	<b>1,968,529,971</b>	<b>197,585,433</b>	<b>(125,771,569)</b>	<b>2,037,609,929</b>	<b>2,080,121,779</b>	
	-	(167,481,529)	-	-	-	-	(2,733,906)	-	-	

14.1 Equipment and other assets includes assets amounting to PKR 15,710,241 (2015: PKR 15,710,241) which has been fully depreciated.

	Note	June 30, 2016 Rupees	June 30, 2015 Rupees
14.2 The depreciation charge for the year has been allocated as follows:			
Cost of sales	27	186,272,448	186,872,246
Administrative expenses	30	9,127,721	10,713,187
		<u>195,400,169</u>	<u>197,585,433</u>

#### 14.3 DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

##### Year Ended June 30, 2016

Description	Cost	Accumulated depreciation	Written down value	Proceeds from disposal of property, plant and equipment	Gain / (loss) on disposal of property, plant and equipment	Mode of disposal	Particulars of buyer
Rupees							
<b>Machinery</b>							
Crad	1,406,030	1,216,564	189,466	191,176	1,710	Negotiation	Mr. Sajjad Ahmad; House no. 38, Street no. 1, Al Masoom Town Faisalabad
Ring Frame	683,667	656,924	26,743	27,311	568	Negotiation	Mr. Sajjad Ahmad; House no. 38, Street no. 1, Al Masoom Town Faisalabad
	<b>2,089,697</b>	<b>1,873,488</b>	<b>216,209</b>	<b>218,487</b>	<b>2,278</b>		
<b>Vehicles</b>							
Toyota Corolla - AFB-931	860,890	814,795	46,095	70,000	23,905	Negotiation	Mr. Israr Ahmed, Dahle Post Office, Khas, Tehsil and District Bagh.
Vechile no. LEA 5237	45,087	25,696	19,391	15,000	(4,391)	Negotiation	Mr. Ahmed Ghazali; House No 211, Muhallah Sitara Colony, Lahore.
Vechile no. LEW 5347	930,060	812,901	117,159	300,000	182,841	Negotiation	Mr. M. Javed Sheikh; House No. 83, Muhallah Arif Jan Road Lahore Cantt, Lahore.
Motor Cycle - KAY-7135	66,586	63,215	3,371	4,000	629	Negotiation	Mr. Mohammad Noor Alam; House no. C-532, Shah Faisal Colony no. 5, Karachi
Toyota Corolla - LEA-10-6265	1,443,630	1,081,748	361,882	500,000	138,118	Negotiation	Toyota Township, Lahore
Honda City - LEC-10-6021	1,432,465	1,055,519	376,946	600,000	223,054	Negotiation	Toyota Township, Lahore



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

### Year Ended June 30, 2016

Description	Cost	Accumulated depreciation	Written down value	Proceeds from disposal of property, plant and equipment	Gain / (loss) on disposal of property, plant and equipment	Mode of disposal	Particulars of buyer
Suzuki Cultus - LWL-2587	560,700	505,303	55,397	100,000	44,603	Negotiation	Mr. Waqas shahzada; House no.574, Block 2, Sector A-II, Township, Lahore
	<b>5,339,418</b>	<b>4,359,177</b>	<b>980,241</b>	<b>1,589,000</b>	<b>608,759</b>		
<b>30-Jun-16</b>	<b>7,429,115</b>	<b>6,232,665</b>	<b>1,196,450</b>	<b>1,807,487</b>	<b>611,037</b>		

### Year Ended June 30, 2015

Description	Cost	Accumulated depreciation	Written down value	Proceeds from disposal of property, plant and equipment	Gain / (loss) on disposal of property, plant and equipment	Mode of disposal	Particulars of buyer
<b>Machinery</b>							
Generator	7,397,503	3,204,870	4,192,633	4,273,504	80,871	Negotiation	M/s Masco Spinning Mills (Pvt) Limited
Ring Frames (Five sets)	36,982,256	28,152,747	8,829,509	9,500,000	670,491	Negotiation	M/s Blessed Textiles Limited
Auto Coner (Three sets)	21,488,564	19,072,007	2,416,557	2,100,000	(316,557)	Negotiation	Mr. Zain Ul Asif, House no. 73 Street no. 4 Gulbahar Colony, Faisalabad
Ring Frames (Six sets)	42,000,000	32,207,144	9,792,856	11,400,000	1,607,144	Negotiation	M/s Blessed Textiles Limited
Ring Frames (Three sets)	22,924,016	17,479,380	5,444,636	5,700,000	255,364	Negotiation	M/s Blessed Textiles Limited
Ring Frames (One set)	7,641,338	5,826,460	1,814,878	1,900,000	85,122	Negotiation	M/s Faisal Spinning Mills Limited
Auto Coner	800,000	541,978	258,022	200,000	(58,022)	Negotiation	Mr. Zulfiqar Ali, House no. B-842, Sir Syed Town, Faisalabad.
Ring Frames (Seven sets)	8,130,120	7,208,604	921,516	1,600,000	678,484	Negotiation	M/s Crescent Cotton Mills Limited
Ring Frames (Twenty sets)	16,827,462	12,078,379	4,749,083	6,150,000	1,400,917	Negotiation	Mr. Anwar Pervaiz, Faisalabad
	<b>164,191,259</b>	<b>125,771,569</b>	<b>38,419,690</b>	<b>42,823,504</b>	<b>4,403,814</b>		
<b>Vehicles</b>							
Suzuki Mehran LXF-9639	270,270	264,020	6,250	100,000	93,750	Negotiation	Mr. Shaikh Naveed Mazhar, House no. 7-A, Phase 3, Azam Garden, Lahore
Suzuki - APV - CN - 9350	1,022,000	903,119	118,881	150,000	31,119	Negotiation	Mr. Sami Ullah Khan, House no. 209, Pak Colony, Karachi
Honda City - LEB-08-1682	1,998,000	1,566,767	431,233	500,000	68,767	Negotiation	Mr. Nouman Khan, House no. 4, Prem Nagar, Block 7, Lahore.
	<b>3,290,270</b>	<b>2,733,906</b>	<b>556,364</b>	<b>750,000</b>	<b>193,636</b>		
<b>30-Jun-15</b>	<b>167,481,529</b>	<b>128,505,475</b>	<b>38,976,054</b>	<b>43,573,504</b>	<b>4,597,450</b>		

**30-Jun-16**      **30-Jun-15**  
**Rupees**      **Rupees**

## 15 CAPITAL WORK IN PROGRESS

Building and other civil work

Machinery

**196,281**      2,678,315

**523,274**      614,430

**719,555**      **3,292,745**

## 16 LONG TERM DEPOSITS

Electricity

Telephone

Others

**25,780,160**      25,780,160

**33,600**      33,600

**391,676**      391,676

**26,205,436**      **26,205,436**

## 17 STORES, SPARES AND LOOSE TOOLS

Stores and spares

Packing material

**60,346,866**      55,982,405

**6,025,171**      9,926,588

**66,372,037**      **65,908,993**

17.1 No item of stores, spares and loose tools is pledged as security as at reporting date.



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

	Note	30-Jun-16 Rupees	30-Jun-15 Rupees
<b>18 STOCK IN TRADE</b>			
Raw material	18.1	1,207,439,367	1,178,446,555
Raw material in transit		138,616,598	-
Work in process		94,151,738	96,356,620
Finished goods	18.2	301,878,988	236,412,589
Waste		677,799	465,632
		<u>1,742,764,490</u>	<u>1,511,681,396</u>

**18.1** Raw material stock cost PKR 417,830,055 (2015: PKR 505,714,041) have been valued at PKR 392,518,193 (2015: PKR 451,811,516) being the replacement cost of raw material. The amount charge to profit and loss in respect of raw material written down to net realizable value is Rs. 25,311,862 (2015: PKR 53,902,525)

**18.2** Finished goods stock cost PKR 49,564,249 (2015: PKR 39,619,468) has been valued at PKR 14,899,222 (2015: PKR 12,574,617) being the net realizable value of finished goods. The amount charge to profit and loss in respect of finished goods written down to net realizable value is PKR 34,665,027 (2015: PKR 27,044,851).

**18.3** No item of stock in trade is pledged as security as at reporting date.

	Note	30-Jun-16 Rupees	30-Jun-15 Rupees
<b>19 TRADE DEBTS</b>			
Foreign - secured against letter of credit		20,996,317	62,629,891
Local - unsecured - considered good		392,605,191	409,677,022
Local - unsecured - considered doubtful		68,713,878	68,175,549
		482,315,386	540,482,462
Provision for doubtful debts.	19.1	(68,713,878)	(68,175,549)
		<u>413,601,508</u>	<u>472,306,913</u>

### 19.1 Particulars of Provision for doubtful receivables

Provision for bad debts at the beginning of year		68,175,549	68,367,549
Bad debts provision provided during the year		1,644,450	356,000
Bad debts recovered during the year		(1,106,121)	(548,000)
Provision for bad debts at the end of year		<u>68,713,878</u>	<u>68,175,549</u>

## 20 LOANS AND ADVANCES

Advances to :

Suppliers - Unsecured (considered good)		80,272,145	140,980,989
Suppliers - Unsecured (considered doubtful)		309,001	309,001
Employees - Secured (considered good)		11,533,441	10,066,544
Employees - Un-secured (considered doubtful)		1,165,000	1,165,000
		93,279,587	152,521,534

Provision for doubtful supplier advances	20.1	(1,474,001)	(1,474,001)
		<u>91,805,586</u>	<u>151,047,533</u>

### 20.1 Particulars of Provision for doubtful receivables

Provision for bad debts at the beginning of year		1,474,001	1,474,001
Bad debts provision provided during the year		-	-
Bad debts recovered during the year		-	-
Provision for bad debts at the end of year		<u>1,474,001</u>	<u>1,474,001</u>



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

	Note	30-Jun-16 Rupees	30-Jun-15 Rupees
<b>21 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
Trade deposits		-	220,000
Deposits against infrastructure fees	21.1	50,994,654	40,594,654
Prepaid expenses		17,008,281	598,129
		68,002,935	41,412,783
21.1 Effective mark up rate on these deposits range from 4.5% to 6% (June 30, 2015: 5.5% to 8%) per annum.			
<b>22 OTHER RECEIVABLES - UNSECURED</b>			
L/C in transit		11,410,973	4,281,611
KMC refundable - Considered doubtful		680,624	680,624
Other receivables - Considered good		5,810,259	10,063,148
		17,901,856	15,025,383
Provision for doubtful receivables		(680,624)	(680,624)
		17,221,232	14,344,759
<b>23 INCOME TAX REFUNDABLE</b>			
Income tax refundable		65,942,032	40,386,879
Advance income tax		129,966,077	101,226,848
		195,908,109	141,613,727
Provision for taxation - Current year		(86,842,509)	(14,038,960)
		109,065,600	127,574,767
<b>24 SALES TAX REFUNDABLE</b>			
Sales tax and federal excise duty refundable		146,524,408	50,481,895
Federal excise duty and 1% Special excise duty refundable		2,886,643	2,382,217
Provision for non refundable		(2,886,643)	(2,382,217)
		-	-
		146,524,408	50,481,895
<b>25 CASH AND BANK BALANCES</b>			
Balances with banks on:			
Current accounts		60,158,623	172,088,434
Foreign currency account - current		5,127,052	4,982,593
		65,285,675	177,071,027
<b>26 SALES - NET</b>			
Export			
Yarn		763,867,863	1,098,758,214
Fabric		1,641,939,742	1,208,603,924
		2,405,807,605	2,307,362,138
Export Rebate		492,758	181,731
		2,406,300,363	2,307,543,869



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

	Note	30-Jun-16 Rupees	30-Jun-15 Rupees
Local			
Yarn		3,201,448,768	3,312,597,403
Fabric		897,083,012	1,428,884,051
Cotton and polyester		205,034,865	357,342,335
Scrape		946,932	-
Waste and others		48,175,945	53,115,673
		<b>4,352,689,522</b>	<b>5,151,939,462</b>
		<b>6,758,989,885</b>	<b>7,459,483,331</b>
Discount		(344,122)	(1,474,927)
Sales tax		(121,234,354)	(107,910,339)
		<b>(121,578,476)</b>	<b>(109,385,266)</b>
		<b>6,637,411,409</b>	<b>7,350,098,065</b>

26.1 Export sales includes exchange gain of PKR 46,112,402 (2015: PKR 51,205,715).

## 27 COST OF SALES

Raw material consumed	27.1	3,790,022,619	4,054,246,536
Packing material consumed		68,518,166	70,446,842
Stores, spares and loose tools		197,349,324	206,521,346
Salaries, wages and benefits	27.2	588,305,423	525,948,017
Fees and subscription		158,230	254,735
Fuel .power and water		918,512,706	1,059,812,194
Insurance		16,697,830	16,230,434
Vehicle running and maintenance		7,577,217	8,386,275
Rent, rate and taxes		668,835	670,326
Repairs and maintenance		8,677,789	8,655,826
Communication		786,764	797,720
Traveling and conveyance		2,022,314	1,974,002
Depreciation	14.2	186,272,448	186,872,246
Others		2,194,748	2,739,726
		<b>5,787,764,413</b>	<b>6,143,556,225</b>
Work in process			
Opening stock		96,356,620	104,974,775
Stock burnt during process		(5,729,909)	-
Closing stock		(94,151,738)	(96,356,620)
		<b>(3,525,027)</b>	<b>8,618,155</b>
Cost of goods manufactured		<b>5,784,239,386</b>	<b>6,152,174,380</b>
Cost of cotton and polyester sold	27.3	225,716,215	373,893,219
Finished stocks			
Opening stock		236,878,221	359,983,158
Finished goods purchases		8,769,964	59,404,299
Cost of finished goods loss by theft		-	(12,613)
Closing stock		(302,556,787)	(236,878,221)
		<b>(56,908,602)</b>	<b>182,496,623</b>
		<b>5,953,046,999</b>	<b>6,708,564,222</b>



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

	30-Jun-16 Rupees	30-Jun-15 Rupees
<b>27.1 Raw material consumed</b>		
Opening stock	1,178,446,555	1,699,180,899
Purchases - net	4,181,757,386	3,894,209,011
	<b>5,360,203,941</b>	5,593,389,910
Cost of raw material sold	<b>(224,125,357)</b>	(360,696,819)
Closing stock	<b>(1,346,055,965)</b>	(1,178,446,555)
	<b><u>3,790,022,619</u></b>	<b><u>4,054,246,536</u></b>
<b>27.2</b> Salaries, wages and benefits includes employees benefits amounting to PKR 32,644,319 (June 30, 2015: PKR 29,627,471).		
<b>27.3 Cost of cotton and polyester sold</b>		
Cost of purchases	222,943,952	360,696,819
Direct expenses	2,772,263	13,196,400
	<b><u>225,716,215</u></b>	<b><u>373,893,219</u></b>
<b>28 OTHER INCOME</b>		
<b>Income from financial assets</b>		
Interest income	1,627,084	2,495,262
Exchange gain on foreign currency accounts	256,481	422,604
Bad debts recovered	1,106,121	548,000
	<b>2,989,686</b>	3,465,866
<b>Income from other than financial assets</b>		
Gain on disposal of property, plant and equipment	611,037	4,597,450
Rental income	715,304	702,455
	<b>1,326,341</b>	5,299,905
	<b><u>4,316,027</u></b>	<b><u>8,765,771</u></b>
<b>29 DISTRIBUTION COST</b>		
<b>Export</b>		
Freight on export sales	29,137,688	41,104,145
Commission on export sales	25,491,462	26,027,134
Export development surcharge	2,849,056	3,402,355
Sales Promotion Expenses	18,163,316	17,667,305
Others	1,176,093	4,037,676
	<b>76,817,615</b>	92,238,615
<b>Local</b>		
Salaries and wages	1,140,856	1,044,269
Freight on local sales	14,511,826	15,734,919
Commission on local sales	46,457,572	51,739,552
Quality claim	1,213,791	148,609
Others	749,014	867,325
	<b>64,073,059</b>	69,534,674
	<b><u>140,890,674</u></b>	<b><u>161,773,289</u></b>



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

	Note	30-Jun-16 Rupees	30-Jun-15 Rupees
<b>30 ADMINISTRATIVE EXPENSES</b>			
Directors' remuneration	36	9,600,000	9,600,000
Staff salaries and benefits	30.1	68,136,098	62,878,456
Traveling, conveyance and entertainment		10,896,610	9,117,440
Printing and stationery		3,433,634	2,803,946
Communication		2,393,745	2,435,441
Vehicles running and maintenance		7,740,282	9,860,364
Legal and professional		4,568,140	811,650
Auditors' remuneration	30.2	1,547,000	1,531,000
Fee and subscription		4,466,048	3,053,069
Repair and maintenance		1,107,807	1,530,163
Depreciation	14.2	9,127,721	10,713,187
Rent, rates and utilities		1,471,005	1,405,043
Donation	30.3	4,900,000	1,710,000
Software license renewal and maintenance fee		-	294,141
Others		1,447,538	767,491
		<b>130,835,628</b>	<b>118,511,391</b>

**30.1** Salaries, wages and benefits includes employees benefits amounting to PKR 11,364,571 (June 30, 2015: PKR 10,314,306).

### 30.2 Auditors' remuneration

Annual statutory audit	1,331,000	1,331,000
Half yearly review	176,000	160,000
Code of Corporate Governance review	40,000	40,000
	<b>1,547,000</b>	<b>1,531,000</b>

**30.3** No director or his spouse had any interest in the donee

### 31 OTHER OPERATING EXPENSES

Workers' Profit Participation Fund	9.2	17,357,351	12,950,625
Workers' Welfare Fund	31.1	6,423,905	4,736,866
Provision for doubtful debts	19.1	2,148,876	356,000
		<b>25,930,132</b>	<b>18,043,491</b>

**31.1** It includes the provision for Workers' Welfare Fund. The company had accounted for all Workers' Welfare Fund liability in previous year. The company has filed the appeal before the Supreme Court of Pakistan against the decision of Sindh High Court. The case is pending before the Supreme Court of Pakistan.

### 32 FINANCE COST

Mark-up on:

- long-term financing		42,601,490	62,996,674
- short-term borrowings		9,245,466	29,961,593
- workers' profit participation fund	9.2	2,170,495	4,481,705
		<b>54,017,451</b>	<b>97,439,972</b>

Bank charges and commission		2,249,700	2,511,758
Letter of credits discounting		13,561,587	15,176,388
		<b>69,828,738</b>	<b>115,128,118</b>



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

	Note	30-Jun-16 Rupees	30-Jun-15 Rupees
<b>33 PROVISION FOR TAXATION</b>			
Current			
- for the year	33.1	86,842,509	12,439,185
- for prior years		-	(5,099,670)
		86,842,509	7,339,515
Deferred - current year	8.2	14,002,812	22,093,295
Deferred - Prior year - effect of tax rate change		100,845,321	29,432,810

**33.1** Provision for current tax for the year has been made in accordance with section 18 and section 154 of the Income Tax Ordinance 2001. Income tax assessment of company has been finalized upto tax year 2015. Tax credit under Section 65 B of Income Tax Ordinance 2001 amounting to PKR 3,036,489 (June 2015: PKR 66,035,339) has been deducted from tax payable.

**33.2** The Finance Act, 2015 introduced a new tax under Section 5A of the Income Tax Ordinance, 2001 on every public company other than a scheduled bank or modaraba, that derives profits for tax year and does not distribute cash dividend within six months of the end of said tax year or distribute dividends to such an extent that its reserves, after such distribution, are in excess of 100% of its paid up capital. However, this tax on undistributed reserves is not applicable to a public company which distributes profit equal to either 40 percent of its after tax profits or 50% of its paid up capital, whichever is less, within six months of the end of the tax year.

The Board of Directors in their meeting held on September 27, 2016 has distributed sufficient cash dividend for the year ended 30 June 2016 which complies with the above stated requirements. Accordingly, no provision for tax on undistributed reserves has been recognized in these financial statements for the year ended June 30, 2016.

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

	30-Jun-16 %	30-Jun-15 %
Applicable tax rate	32.00	33.00
<b>Tax effect of amounts that are:</b>		
adjustment of the prior years	-	2.15
income chargeable to tax at different rate	0.34	8.33
deferred tax	(4.35)	(10.50)
others	(0.95)	(27.83)
	(4.96)	(27.85)
Effective tax rate	27.04	5.15

	30-Jun-16 Rupees	30-Jun-15 Rupees
<b>34 EARNINGS PER SHARE - BASIC AND DILUTED</b>	73.45	69.14
There is no dilutive effect on the basic earning per share of the company which is based on;		
<b>Earnings</b>		
Earnings for the purpose of basic earnings per share (net profit after tax for the year)	220,349,944	207,410,515



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

	30-Jun-16	30-Jun-15
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>3,000,000</u>	<u>3,000,000</u>
Basic earnings per share have been computed by dividing earnings as stated above with weighted average number of ordinary shares.		
<b>Basic earnings per share</b>	<b>Rupees</b> <u>73.45</u>	<u>69.14</u>

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

### 35 NON ADJUSTING EVENTS AFTER BALANCE SHEET DATE

In respect of current period, the board of directors in their meeting held on 27th September, 2016 has proposed to pay cash dividend of @ 100% i.e. PKR 10 per ordinary share of PKR 10 each. This dividend is subject to approval by the shareholders at the forthcoming annual general meeting.

### 36 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTOR

	Chief Executive		Director		Total	
	2016	2015	2016	2015	2016	2015
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Remuneration	<u>4,800,000</u>	<u>4,800,000</u>	<u>4,800,000</u>	<u>4,800,000</u>	<u>9,600,000</u>	<u>9,600,000</u>
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>

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

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

### 37 Segment Analysis

The segment information for the reportable segments for the year ended 30th June 2016 is as follows:

	Spinning		Weaving		Power Generation		Total	
	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15
<b>37.1 Operating Results</b>								
<b>Sales</b>								
Export sales	763,867,863	1,098,758,214	1,641,939,742	1,208,603,924	-	-	2,405,807,605	2,307,362,138
Local sales	3,448,349,546	3,704,142,566	904,339,976	1,447,796,896	-	-	4,352,689,522	5,151,939,462
Custom rebate	-	-	492,758	181,731	-	-	492,758	181,731
Inter-segment sales	283,973,800	133,718,586	-	-	51,874,200	67,676,150	335,848,000	201,394,736
	4,496,191,209	4,936,619,366	2,546,772,476	2,656,582,551	51,874,200	67,676,150	7,094,837,885	7,660,878,067
Discount and sales tax								
Discount	(344,122)	(1,474,927)	-	-	-	-	(344,122)	(1,474,927)
Sales tax	(94,805,190)	(65,888,921)	(26,429,164)	(42,021,418)	-	-	(121,234,354)	(107,910,339)
	(95,149,312)	(67,363,848)	(26,429,164)	(42,021,418)	-	-	(121,578,476)	(109,385,266)
Net sales	4,401,041,897	4,869,255,518	2,520,343,312	2,614,561,133	51,874,200	67,676,150	6,973,259,409	7,551,492,801
Cost of sales	3,875,595,573	4,315,485,327	2,335,388,759	2,494,531,000	26,036,467	89,901,960	6,288,894,999	6,909,958,958
Gross profit	525,446,324	553,770,191	184,954,553	120,030,133	25,837,733	(22,225,810)	684,364,410	641,533,843
Distribution cost	95,430,297	109,550,591	45,460,377	52,222,698	-	-	140,890,674	161,773,289
Administrative cost	107,376,749	97,016,231	23,448,693	21,839,842	10,186	11,318	130,835,628	118,867,391
	202,807,046	206,566,822	68,909,070	74,062,540	10,186	11,318	271,726,302	280,640,680
<b>Operating result</b>	<u>322,639,278</u>	<u>347,559,369</u>	<u>116,045,483</u>	<u>45,967,593</u>	<u>25,827,547</u>	<u>(22,237,128)</u>	<u>412,638,108</u>	<u>361,249,163</u>
<b>37.2 Segment assets</b>	3,240,831,537	3,332,656,623	1,038,484,220	1,058,929,412	76,101,336	84,189,110	4,355,417,093	4,475,775,145
<b>Unallocated assets</b>							<u>349,798,379</u>	<u>245,674,881</u>
							<u>4,705,215,472</u>	<u>4,721,450,026</u>
<b>37.3 Segment liabilities</b>	757,065,323	833,415,617	165,108,136	351,939,373	33,516,132	27,295,475	955,689,591	1,212,650,465
<b>Unallocated liabilities</b>							<u>109,973,162</u>	<u>81,773,187</u>
							<u>1,065,662,753</u>	<u>1,294,423,652</u>



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

### 37.4 Inter-segment pricing

Transactions among the business segments are recorded at arm's length prices using admissible valuation methods. There were no major customer of company which formed 10 percent or more of the company's revenue.

	2016 Rupees	2015 Rupees
<b>38 Reconciliation of reportable segment turnover, cost of sales, assets and liabilities</b>		
<b>38.1 Turnover</b>		
Total turnover for reportable segments	6,973,259,409	7,551,492,801
Elimination of inter-segment turnover	(335,848,000)	(201,394,736)
Total turnover	<u>6,637,411,409</u>	<u>7,350,098,065</u>
<b>38.2 Cost of sales</b>		
Total cost of sales for reportable segments	6,288,894,999	6,909,958,958
Elimination of inter-segment revenue	(335,848,000)	(201,394,736)
Total cost of sales	<u>5,953,046,999</u>	<u>6,708,564,222</u>
<b>38.3 Assets</b>		
Total assets for reportable segments	4,355,417,093	4,475,775,145
Taxation recoverable	109,065,600	127,574,767
Sales tax refundable	146,524,408	50,481,895
Trade deposits	68,002,935	41,412,783
Long term deposit	26,205,436	26,205,436
Total assets	<u>4,705,215,472</u>	<u>4,721,450,026</u>
<b>38.4 Liabilities</b>		
Total liabilities for reportable segments	955,689,591	1,212,650,465
Unclaimed dividends	572,888	531,318
Infrastructure fee	50,643,627	40,303,158
Deferred taxation	58,756,647	40,938,711
Total liabilities	<u>1,065,662,753</u>	<u>1,294,423,652</u>

	Spinning		Weaving		Power Generation		Total	
	Note 30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15
<b>39 Cost of sales</b>								
Raw material consumed <b>39.1</b>	2,313,729,511	2,311,231,887	1,760,266,908	1,876,733,235	-	-	4,073,996,419	4,187,965,122
Packing material consumed	59,938,605	61,257,716	8,579,561	9,189,126	-	-	68,518,166	70,446,842
Stores and spare parts	119,345,421	134,907,578	75,025,043	67,412,880	2,978,860	4,200,888	197,349,324	206,521,346
Salaries, wages and benefits	447,053,959	397,972,103	135,355,619	120,675,686	5,895,845	7,300,228	588,305,423	525,948,017
Processing charges	-	-	-	-	-	-	-	-
Fees and subscription	137,230	155,335	9,000	87,400	12,000	12,000	158,230	254,735
Fuel, power and water								
Inter-segment	-	9,695,015	51,874,200	57,981,135	-	-	518,742,000	67,676,150
Others	639,548,961	734,422,035	221,417,147	260,702,185	57,546,598	64,687,974	918,512,706	1,059,812,194
	<u>639,548,961</u>	<u>744,117,050</u>	<u>273,291,347</u>	<u>318,683,320</u>	<u>57,546,598</u>	<u>64,687,974</u>	<u>970,386,906</u>	<u>1,127,488,344</u>
Insurance	11,174,456	9,377,828	2,917,248	3,153,533	2,606,126	3,699,073	16,697,830	16,230,434
Vehicle running and maintenance	5,333,790	6,490,255	2,147,064	1,664,927	96,363	231,093	7,577,217	8,386,275
Rent, rates and taxes	627,275	635,716	39,740	32,790	1,820	1,820	668,835	670,326
Repair and maintenance	5,804,626	5,025,639	2,377,678	3,031,297	495,485	598,890	8,677,789	8,655,826
Communication	513,686	534,264	273,078	263,456	-	-	786,764	797,720
Travelling and conveyance and entertainment	1,593,279	1,640,141	320,130	239,739	108,905	94,122	2,022,314	1,974,002
Depreciation	105,997,585	111,397,388	72,121,325	66,415,370	8,153,538	9,059,488	186,272,448	186,872,246
Raw material impaired	-	-	-	-	-	-	-	-
Others	999,626	1,407,043	1,179,995	1,316,299	15,127	16,384	2,194,748	2,739,726
	<u>3,711,798,010</u>	<u>3,786,149,943</u>	<u>2,333,903,736</u>	<u>2,468,899,058</u>	<u>77,910,667</u>	<u>89,901,960</u>	<u>6,123,612,413</u>	<u>6,344,950,961</u>



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

	Spinning		Weaving		Power Generation		Total	
	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15
Work in process								
Opening stock	42,709,976	46,242,012	53,646,644	58,732,763	-	-	96,356,620	104,974,775
Work in process lost / brunt	(5,729,909)	-	-	-	-	-	(5,729,909)	-
Closing stock	(54,151,130)	(42,709,976)	(40,000,608)	(53,646,644)	-	-	(94,151,738)	(96,356,620)
	(17,171,063)	3,532,036	13,646,036	5,086,119	-	-	(3,525,027)	8,618,155
Cost of goods manufactured	3,694,626,947	3,789,681,979	2,347,549,772	2,473,985,177	77,910,667	89,901,960	6,120,087,386	6,353,569,116
Cost of raw material sold	225,716,215	363,852,548	-	-	-	-	225,716,215	363,852,548
Finished stocks								
Opening stock	145,200,365	257,928,094	91,677,856	102,055,064	-	-	236,878,221	359,983,158
Finished goods purchased	396,828	49,235,684	8,373,136	10,168,615	-	-	8,769,964	59,404,299
Finished goods theft	-	(12,613)	-	-	-	-	-	(12,613)
Closing stock	(190,344,782)	(145,200,365)	(112,212,005)	(91,677,856)	-	-	(302,556,787)	(236,878,221)
	(44,747,589)	161,950,800	(12,161,013)	20,545,823	-	-	(56,908,602)	182,496,623
	<u>3,591,621,773</u>	<u>4,181,766,741</u>	<u>2,335,388,759</u>	<u>2,494,531,000</u>	<u>77,910,667</u>	<u>89,901,960</u>	<u>6,288,894,999</u>	<u>6,909,958,958</u>
<b>39.1 Raw material consumed</b>								
Opening stock	1,115,992,587	1,564,283,549	62,453,968	134,897,350	-	-	1,178,446,555	1,699,180,899
Purchases								
Inter-segment	-	-	283,973,800	133,718,586	-	-	283,973,800	133,718,586
Others	2,650,474,730	2,213,597,073	1,531,282,656	1,680,611,938	-	-	4,181,757,386	3,894,209,011
	2,650,474,730	2,213,597,073	1,815,256,456	1,814,330,524	-	-	4,465,731,186	4,027,927,597
Raw material sold - cotton	(222,943,952)	(350,656,148)	-	-	-	-	(222,943,952)	(350,656,148)
Raw material impaired	-	-	-	-	-	-	-	-
Raw material sold - yarn	-	-	(1,181,405)	(10,040,671)	-	-	(1,181,405)	(10,040,671)
Closing stock	(1,229,793,854)	(1,115,992,587)	(116,262,111)	(62,453,968)	-	-	(1,346,055,965)	(1,178,446,555)
	<u>2,313,729,511</u>	<u>2,311,231,887</u>	<u>1,760,266,908</u>	<u>1,876,733,235</u>	<u>-</u>	<u>-</u>	<u>4,073,996,419</u>	<u>4,187,965,122</u>
<b>39.2 Cost of raw material sold</b>								
Cost of purchase	222,943,952	350,656,148	-	-	-	-	222,943,952	350,656,148
Direct expenses	2,772,263	13,196,400	-	-	-	-	2,772,263	13,196,400
	<u>225,716,215</u>	<u>363,852,548</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>225,716,215</u>	<u>363,852,548</u>
<b>40 Distribution cost</b>								
<b>Export</b>								
Ocean freight and forwarding	13,867,927	21,043,915	15,269,761	20,060,230	-	-	29,137,688	41,104,145
Export development surcharge	1,897,713	2,722,257	951,343	680,098	-	-	2,849,056	3,402,355
Commission	21,411,758	23,032,245	4,079,704	2,994,889	-	-	25,491,462	26,027,134
Sales Promotion Expenses	1,520,859	1,385,949	16,642,457	16,281,356	-	-	18,163,316	17,667,305
Others	228,642	3,636,945	947,451	400,731	-	-	1,176,093	4,037,676
	38,926,899	51,821,311	37,890,716	40,417,304	-	-	76,817,615	92,238,615
<b>Local</b>								
Salaries and wages	1,140,856	1,044,269	-	-	-	-	1,140,856	1,044,269
Inland transportation	14,384,226	15,666,719	127,600	68,200	-	-	14,511,826	15,734,919
Commission	39,015,711	40,002,358	7,441,861	11,737,194	-	-	46,457,572	51,739,552
Quality claim	1,213,791	148,609	-	-	-	-	1,213,791	148,609
Others	748,814	867,325	200	-	-	-	749,014	867,325
	56,503,398	57,729,280	7,569,661	11,805,394	-	-	64,073,059	69,534,674
	<u>95,430,297</u>	<u>109,550,591</u>	<u>45,460,377</u>	<u>52,222,698</u>	<u>-</u>	<u>-</u>	<u>140,890,674</u>	<u>161,773,289</u>



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

	Spinning		Weaving		Power Generation		Total	
	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15
<b>41 Administrative cost</b>								
Directors' remuneration	9,600,000	9,600,000	-	-	-	-	9,600,000	9,600,000
Staff salaries and benefits	57,670,845	52,863,881	10,465,253	10,014,575	-	-	68,136,098	62,878,456
Traveling, conveyance and entertainment	5,189,230	4,983,849	5,707,380	4,133,591	-	-	10,896,610	9,117,440
Printing and stationery	1,853,482	2,567,579	1,580,152	236,367	-	-	3,433,634	2,803,946
Communication	2,292,313	2,311,596	101,432	123,845	-	-	2,393,745	2,435,441
Vehicles running and maintenance	6,098,707	7,528,166	1,641,575	2,332,198	-	-	7,740,282	9,860,364
Legal and professional	4,115,196	516,150	452,944	295,500	-	-	4,568,140	811,650
Auditors' remuneration	1,032,000	1,021,000	515,000	510,000	-	-	1,547,000	1,531,000
Fee and subscription	3,919,246	2,186,852	546,802	866,217	-	-	4,466,048	3,053,069
Repair and maintenance	1,107,807	1,227,704	-	302,459	-	-	1,107,807	1,530,163
Depreciation	7,056,164	8,087,644	2,061,371	2,614,225	10,186	11,318	9,127,721	10,713,187
Rent, rates and utilities	1,471,005	1,405,043	-	-	-	-	1,471,005	1,405,043
Donation	4,900,000	1,510,000	-	200,000	-	-	4,900,000	1,710,000
Bad Debts	-	356,000	-	-	-	-	-	356,000
Software license renewal and maintenance fee	-	294,141	-	-	-	-	-	294,141
Others	1,070,754	556,626	376,784	210,865	-	-	1,447,538	767,491
	<u>107,376,749</u>	<u>97,016,231</u>	<u>23,448,693</u>	<u>21,839,842</u>	<u>10,186</u>	<u>11,318</u>	<u>130,835,628</u>	<u>118,867,391</u>

## 42 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

### Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arms length transaction. As at June 30, 2016 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:

	2016							Effective Interest Rate %
	Interest / Markup bearing			Non Interest / Markup bearing			Total	
	Maturity Upto One year Rupees	Maturity After One year Rupees	Subtotal Rupees	Maturity Upto One year Rupees	Maturity After One year Rupees	Subtotal Rupees		
<b>Financial assets</b>								
Trade debts	-	-	-	413,601,508	-	413,601,508	413,601,508	
Loans and advances	-	-	-	12,698,441	-	12,698,441	12,698,441	
Trade deposits	50,994,654	-	50,994,654	-	-	-	50,994,654	4.5 to 6
Other receivables	-	-	-	17,221,232	-	17,221,232	17,221,232	
Cash and bank balances	-	-	-	65,285,675	-	65,285,675	65,285,675	
Long term deposits	-	-	-	-	26,205,436	26,205,436	26,205,436	
	<u>50,994,654</u>	<u>-</u>	<u>50,994,654</u>	<u>508,806,856</u>	<u>26,205,436</u>	<u>535,012,292</u>	<u>586,006,946</u>	



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

2016

	Interest / Markup bearing			Non Interest / Markup bearing			Total Rupees	Effective Interest Rate %
	Maturity Upto One year Rupees	Maturity After One year Rupees	Subtotal Rupees	Maturity Upto One year Rupees	Maturity After One year Rupees	Subtotal Rupees		
<b>Financial liabilities</b>								
Long-term financing	77,463,948	348,587,741	426,051,689	-	-	-	426,051,689	8.85 to 15.3 and
Trade and other payables	17,379,052	-	17,379,052	390,835,296	-	390,835,296	408,214,348	
Accrued markup / interest	-	-	-	7,426,523	-	7,426,523	7,426,523	
Short-term borrowings	-	-	-	-	-	-	-	KIBOR + 0.1 to 2
	<u>94,843,000</u>	<u>348,587,741</u>	<u>443,430,741</u>	<u>398,261,819</u>	<u>-</u>	<u>398,261,819</u>	<u>841,692,560</u>	
<b>On balance sheet gap</b>	<u>(43,848,346)</u>	<u>(348,587,741)</u>	<u>(392,436,087)</u>	<u>110,545,037</u>	<u>26,205,436</u>	<u>136,750,473</u>	<u>(255,685,614)</u>	
<b>Contingencies and commitments</b>								
Post dated cheques							195,524,563	
Bill discounted							-	
Guarantees (Note 8.3 and Note 13.2)							94,754,329	
Letters of credit							489,656,907	
Civil work							-	

2015

	Interest / Markup bearing			Non Interest / Markup bearing			Total Rupees	Effective Interest Rate %
	Maturity Upto One year Rupees	Maturity After One year Rupees	Subtotal Rupees	Maturity Upto One year Rupees	Maturity After One year Rupees	Subtotal Rupees		
<b>Financial assets</b>								
Trade debts	-	-	-	472,306,913	-	472,306,913	472,306,913	
Loans and advances	-	-	-	11,231,544	-	11,231,544	11,231,544	
Trade deposits	40,594,654	-	40,594,654	220,000	-	220,000	40,814,654	5.5 to 8
Other receivables	-	-	-	14,344,759	-	14,344,759	14,344,759	
Bank balances	-	-	-	177,071,027	-	177,071,027	177,071,027	
Long-term deposits	-	-	-	-	26,205,436	26,205,436	26,205,436	
	<u>40,594,654</u>	<u>-</u>	<u>40,594,654</u>	<u>675,174,243</u>	<u>26,205,436</u>	<u>701,379,679</u>	<u>741,974,333</u>	
<b>Financial liabilities</b>								
Long-term financing	67,141,478	583,099,224	650,240,702	-	-	-	650,240,702	8.85 to 15.3 and KIBOR + 0.65
Trade and other payables	12,950,625	-	12,950,625	404,460,297	-	404,460,297	417,410,922	
Mark-up accrued on loans	-	-	-	13,344,295	-	13,344,295	13,344,295	
Short-term borrowings	-	-	-	-	-	-	-	KIBOR + 0.1 to 2
	<u>80,092,103</u>	<u>583,099,224</u>	<u>663,191,327</u>	<u>417,804,592</u>	<u>-</u>	<u>417,804,592</u>	<u>1,080,995,919</u>	
<b>On balance sheet gap</b>	<u>(39,497,449)</u>	<u>(583,099,224)</u>	<u>(622,596,673)</u>	<u>257,369,651</u>	<u>26,205,436</u>	<u>283,575,087</u>	<u>(339,021,586)</u>	
<b>Contingencies and commitments</b>								
Post dated cheques							103,451,866	
Bill discounted							556,774,845	
Guarantees (Note 8.3 and Note 13.2)							78,454,329	
Letters of credit							343,425,263	
Civil work							1,500,000	

### 42.1 Interest rate risk management

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



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

### 42.2 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted. Out of the total financial assets of PKR 586,006,946 (June 30, 2015: PKR 741,974,333), unsecured local trade debts, advances to suppliers, and other receivables amounting in aggregate to PKR 443,521,181 (June 30, 2015: PKR 497,883,216) are subject to credit risk. The Company manages its credit risk by; limiting significant exposure to any individual customers and obtaining advance against sales.

### 42.3 Liquidity risk

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

### 42.4 Foreign exchange risk management

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. As at June 30, 2016, the total foreign currency risk exposure was PKR 26,123,369 (June 30, 2015: PKR 67,612,484) in respect of foreign trade debts.

### 42.5 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.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

### 42.6 Credit risk

#### 42.6.1 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:

	30-Jun-16 Rupees	30-Jun-15 Rupees
Loans and receivables:		
Long term deposits	26,205,436	26,205,436
Trade debts	413,601,508	472,306,913
Loan and advances	10,368,441	8,901,544
Refundable trade deposits	50,994,654	40,814,654
Other receivables	17,221,232	14,344,759
Cash at banks	65,285,675	177,071,027
	<u>583,676,946</u>	<u>739,644,333</u>

#### 42.6.2 Concentration of credit risk

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

Domestic	461,319,069	477,852,571
Europe	13,777,763	8,994,492
United States of America	-	-
Asia and Middle East	7,218,554	41,029,469
Other regions	-	12,605,930
	<u>482,315,386</u>	<u>540,482,462</u>
Impairment	(68,713,878)	(68,175,549)
	<u>413,601,508</u>	<u>472,306,913</u>



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

	30-Jun-16 Rupees	30-Jun-15 Rupees
<b>42.6.3 Aging and movement in Impairment losses</b>		
The ageing of loans and receivables as at the reporting date is as follows:		
Not past due	455,693,111	357,417,403
Past due less than one year	2,051,395	56,929,262
Past due more than one year but less than three years	24,570,880	57,960,248
Past due more than three years	68,713,878	68,175,549
	<u>551,029,264</u>	<u>540,482,462</u>
Impairment	(68,713,878)	(68,175,549)
	<u>482,315,386</u>	<u>472,306,913</u>

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

As at beginning of the year	68,175,549	68,367,549
Impairment loss recognized	1,644,450	356,000
Impairment loss reversed	(1,106,121)	(548,000)
As at end of the year	<u>68,713,878</u>	<u>68,175,549</u>

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

### 42.6.4 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.

### 42.7 Liquidity risk

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

	As at June 30, 2016				
	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	426,051,689	511,849,369	105,259,709	472,099,778	39,749,591
Accrued markup / interest	7,426,523	7,426,523	7,426,523	-	-
Trade creditors	215,563,013	215,563,013	215,563,013	-	-
Accrued liabilities	122,636,434	122,636,434	122,636,434	-	-
Unclaimed dividend	572,888	572,888	572,888	-	-
Other payables	19,879,048	19,879,048	19,879,048	-	-
	<u>792,129,595</u>	<u>877,927,275</u>	<u>471,337,615</u>	<u>472,099,778</u>	<u>39,749,591</u>



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

	As at June 30, 2015				
	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	650,240,702	832,978,193	67,141,478	<b>583,099,224</b>	-
Accrued markup / interest	13,344,295	13,344,295	13,344,295	-	-
Trade creditors	201,107,770	201,107,770	201,107,770	-	-
Accrued liabilities	157,478,058	157,478,058	157,478,058	-	-
Unclaimed dividend	531,318	531,318	531,318	-	-
Other payables	15,154,716	15,154,716	15,154,716	-	-
	<u>1,037,856,859</u>	<u>1,220,594,350</u>	<u>454,757,635</u>	<u><b>583,099,224</b></u>	<u>-</u>

**June 30, 2016**      June 30, 2015  
**Rupees**              Rupees

### 42.8 Market risk

#### 42.8.1 Currency risk

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

Trade receivables	<b>20,996,317</b>	62,629,891
Cash and cash equivalents	<b>5,127,052</b>	4,982,593
Total exposure	<u><b>26,123,369</b></u>	<u>67,612,484</u>

All foreign currency balances are denominated in USD. Average exchange rate used during the year and spot exchange rate applied at the reporting date was PKR 104.80 / USD (2015: PKR 101.75 / USD ).

A ten percent appreciation in Rupee would have decreased profit or loss by PKR 2,612,337 (2015: PKR 6,768,463). A ten percent depreciation would have had the equal but opposite effect on profit or loss. This sensitivity analysis based on assumption that all variables, with the exception of foreign exchange rates, remain unchanged.

#### 42.8.2 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

Financial assets	-	-
Financial liabilities	-	155,457,039

##### Variable rate instruments

Financial assets	<b>50,994,654</b>	40,594,654
Financial liabilities	<b>426,051,689</b>	494,783,663

The Company is not exposed to interest rate risk in respect of its fixed rate instruments. A 100 basis points increase in variable interest rates would have decreased profit or loss by PKR 4,260,517 (2015: PKR 4,947,837). A 100 basis points increase in variable interest rate would have had an equal but opposite impact on profit or loss.

### 42.9 Fair values

Fair value is the amount for which an asset could be exchanged or a liability be settled between knowledgeable willing parties, in an arm's length transaction. As at the reporting date, the fair values of all financial instruments are considered to approximate their book values.



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

### 43 TRANSACTIONS WITH RELATED PARTIES

The associated undertaking and related parties comprise associated companies, directors and key management personnel. 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 9.1 and 36 are as follow :

<b>Nature of relationship</b>	<b>Nature of transactions</b>	<b>June 30, 2016 Rupees</b>	<b>June 30, 2015 Rupees</b>
Associated undertaking	Sales of yarn	<b>514,585,291</b>	563,422,975
	Sales of cotton	<b>45,575,651</b>	-
	Sales of machinery, stores, spare parts and loose tools	-	33,345,000
	Services rendered	<b>715,304</b>	702,455
	Purchase of yarn	<b>179,831,153</b>	248,424,419
	Purchase of fabrics	<b>7,407,483</b>	10,473,674
	Purchase of cotton	<b>6,198,920</b>	595,475
	Purchase electricity	<b>832,928,319</b>	543,397,870
	Purchase of machinery, stores, spare parts and loose tools	-	9,910,140
Retirement benefits	Services received	<b>318,000</b>	300,000
Key management	Provision for gratuity	<b>18,017,365</b>	49,872,879
	Remuneration	<b>9,600,000</b>	9,600,000

### 44 Accounting Estimates and Judgments

#### 44.1 Income taxes

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

#### 44.2 Investment stated at fair value

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

#### 44.3 Property, plant and equipment

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

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

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

#### 44.5 Interest rate and cross currency swap

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



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Notes to the financial statements For the year ended June 30, 2016

45 PLANT CAPACITY AND ACTUAL PRODUCTION	30-Jun-16	30-Jun-15
<b>Spinning</b>		
Number of spindles installed	69,312	69,312
Number of looms installed	160	160
Number of spindles worked	69,312	69,312
Number of looms worked	160	160
Number of working days	364	364
Number of shifts per day	3	3
<b>Installed capacity of yarn (Kgs.)</b>	<b>13,954,119</b>	13,954,119
<b>Actual production of yarn (Kgs.)</b>	<b>10,008,485</b>	9,832,682
<b>Installed capacity of fabric - meters</b>	<b>21,534,566</b>	21,534,566
<b>Actual production of fabric - meters</b>	<b>15,992,288</b>	19,272,241

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

46 NUMBER OF EMPLOYEES	30-Jun-16	30-Jun-15
The average number of employees for the year ended	<u>1,446</u>	<u>1,430</u>
Number of employees worked as on 30th June	<u>1,404</u>	<u>1,369</u>

### 47 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on 27th September 2016.

### 48 CORRESPONDING FIGURES

48.1 Corresponding figures have not been rearranged and reclassified to reflect more appropriate presentation of event and transaction for the purpose of comparison. Following reclassification have been made in these financial statements.

Note	From	To	Reasons	Amount
15	Capital work in progress - Electric installation	Loan and advances - Suppliers - Unsecured - Considered good	Better classification	14,032,177
29	Distribution cost -Export Others	Distribution cost - Frieght on export sales	Better classification	4,353,886

### 49 GENERAL

The figures have been rounded off to the nearest Rupee.

**Khurram Salim**  
Chief Executive

Karachi:

Date: 27<sup>th</sup> September 2016

**Mohammad Shakeel**  
Director



**BHANERO TEXTILE *of Companies* MILLS LIMITED**

**CATEGORIES OF SHAREHOLDERS  
AS AT JUNE 30, 2016**

<b>SR #</b>	<b>CATEGORIES OF SHAREHOLDERS</b>	<b>NUMBERS OF SHAREHOLDERS</b>	<b>SHARES HELD</b>	<b>PERCENTAGE %</b>
1	Directors Chief Executive Officer and their Spouses and Minor Childrens	19	1,538,460	51.28
2	Associated Companies, Undertaking and Related Parties	9	1,309,040	43.63
3	NIT & ICP	-	-	-
4	Insurance Companies	1	70,500	2.35
5	General Public / Individuals	308	81,394	2.71
6	Joint Stock Companies	1	600	0.02
7	Other Companies	2	6	0.00
		<b>340</b>	<b>3,000,000</b>	<b>100.00</b>



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## List of Shareholders As At 30 June, 2016

Sr #	Shareholder Category	Percentage	No. of Shares
<b>1</b>	<b>ASSOCIATED COMPANIES UNDERTAKINGS AND RELATED PARTIES</b>		
	Admiral (Pvt) Ltd	16.69	500,600
	Mr. Farrukh Salim	2.02	60,600
	Mr. Yousuf Salim	1.68	50,674
	Mr. Saqib Salim	1.68	50,490
	Mr. Mohammad Qasim	5.28	158,400
	Mr. Faisal Shakeel	8.33	250,176
	Mrs. Saba Yousuf	2.76	82,700
	Mrs. Saba Saqib	2.76	82,900
	Mrs. Sadaf Farrukh	2.43	72,500
<b>2</b>	<b>CEO, DIRECTORS AND THEIR SPOUSES AND MINOR CHILDREN</b>		
	Mr. Mohammad Salim	0.73	21,929
	Mr. Mohammad Sharif	0.02	500
	Mr. Mohammad Shaheen	1.43	42,780
	Mr. Mohammad Shakeel	0.74	22,055
	Mr. Khurram Salim	2.02	60,500
	Mr. Bilal Sharif	2.48	74,500
	Mr. Mohammad Amin	5.32	159,500
	Mr. Adil Shakeel	8.93	267,825
	Mr. Iqbal Mehboob	0.02	500
	Mrs. Yasmin Begum	1.01	30,372
	Mrs. Seema Begum	1.78	53,292
	Mrs. Nazli Begum	1.68	50,482
	Mrs. Amna Khurram	2.45	73,400
	Mrs. Samia Bilal	11.14	334,283
	Mrs. Fatima Amin	5.68	170,400
	Master Abdullah Bilal	1.96	58,787
	Master Azaan Bilal	1.96	58,678
	Master Ali Bilal	1.96	58,677
<b>3</b>	<b>BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS AND INSURANCE COMPANIES</b>		
	State Life Insurance Corporation Of Pakistan	2.35	70,500
<b>4</b>	<b>JOINT STOCK COMPANIES</b>		
	S.S. Corporation (Pvt) Ltd.	0.02	600
<b>5</b>	<b>INDIVIDUAL SHAREHOLDERS</b>	2.71	81,394
<b>6</b>	<b>OTHER COMPANIES</b>	0.00	6
	<b>TOTAL</b>	<b>100.00</b>	<b>3,000,000</b>



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## List of Shareholders As At 30 June, 2016

Sr #	Shareholder Category	Percentage	No. of Shares
<b>7</b>	<b>DETAIL OF TRADING IN THE SHARES BY THE DIRECTORS, CEO COMPANY SECRETARY AND THEIR SPOUSES AND MINOR CHILDREN</b>	-	-
	Shares purchased by Mr. Mohammad Sharif	0.01	500
	Shares purchased by Mr. Bilal Sharif	0.47	14,000
	Shares sold by Mr. Mohammad Sharif	0.47	14,000
<b>8</b>	<b>SHAREHOLDERS HOLDING 5% OR MORE</b>		
	Mr. Mohammad Qasim	5.28	158,400
	Mr. Faisal Shakeel	8.34	250,176
	Mr. Mohammad Amin	5.32	159,500
	Mr. Adil Shakeel	8.93	267,825
	Mrs. Samia Bilal	11.14	334,283
	Mrs. Fatima Amin	5.68	170,400
	Admiral (Pvt) Ltd	16.69	500,600

## PATTERN OF SHAREHOLDING AS AT JUNE 30, 2016

NUMBER OF SHAREHOLDERS	SHARE HOLDING		TOTAL SHARES HELD
	FROM	TO	
255	1	100	8,921
35	101	500	10,700
12	501	1000	10,098
10	1001	5000	24,800
1	10001	15000	12,450
1	15001	20000	16,531
2	20001	25000	43,984
1	25001	30000	29,872
1	40001	45000	42,780
4	50001	55000	204,938
3	55001	60000	176,142
2	60001	65000	121,100
4	70001	75000	290,900
2	80001	85000	165,600
2	155001	160000	317,900
1	170001	175000	170,400
1	250001	255000	250,176
1	265001	270000	267,825
1	330001	335000	334,283
1	500001	505000	500,600
<b>340</b>			<b>3,000,000</b>

\* Note: There is no shareholding in the slab not mentioned



# BHANERO TEXTILE *of Companies* MILLS LIMITED

## Year wise Operating Data

Year Ended 30<sup>th</sup> June

	2016	2015	2014	2013	2012	2011
<b>Spinning Unit</b>						
Spindle installed	69,312	69,312	69,312	69,312	68,736	68,736
Spindle worked	69,312	69,312	69,312	69,312	68,736	68,736
Installed capacity after conversion in to 20/s count (Kgs)	13,954,119	13,954,119	13,954,119	13,954,119	13,838,157	13,838,157
Actual production after conversion in to 20/s count (Kgs)	10,008,485	9,832,682	10,138,381	10,115,200	9,790,478	7,913,789
<b>Weaving Unit</b>						
Air jet looms installed	160	160	140	140	140	140
Air jet looms worked	160	160	140	140	140	140
Installed capacity after conversion into 50 picks - (meters)	21,534,566	21,534,566	20,206,406	20,206,406	20,206,406	20,206,406
Actual production after conversion into 50 picks - (meters)	15,992,288	19,272,241	18,362,454	17,658,972	16,129,946	17,897,582

## Year wise Financial Data

Year Ended 30<sup>th</sup> June

	2016	2015	2014	2013	2012	2011
<b>Profit and loss account</b>						
	<b>Rupees in Thousands</b>					
Turnover (Net)	6,637,411	7,350,098	8,060,772	6,997,417	6,372,946	7,545,581
Gross profit	684,364	641,534	966,937	1,093,275	810,253	1,477,484
Operating profit	391,023	351,971	597,040	745,602	510,744	1,157,360
Financial expenses	69,828	115,128	126,836	124,896	144,613	224,088
Profit before tax	321,195	236,843	470,204	620,706	366,131	933,272
Profit after tax	220,349	207,410	408,263	586,996	306,488	863,199
Cash dividend	30,000	30,000	60,000	60,000	90,000	60,000
<b>Balance Sheet</b>						
Share Capital	30,000	30,000	30,000	30,000	30,000	30,000
Reserves	3,500,000	3,300,000	3,150,000	2,800,000	2,300,000	2,000,000
Shareholder equity	3,639,552	3,427,026	3,288,488	2,947,357	2,420,340	2,203,752
Long term liabilities	348,588	583,099	620,241	-	1,681	6,728
Short term loan	-	-	802,212	828,550	696,500	897,607
Current liabilities	493,105	497,897	1,250,451	1,303,307	1,043,490	1,430,481
Current portion of long term loans	77,464	67,141	-	1,699	5,042	188,259
Fixed assets	1,957,647	2,080,122	1,540,975	1,531,890	1,530,549	1,534,156
Current assets	2,720,643	2,597,798	3,039,511	2,822,476	1,970,559	2,202,001
<b>Ratios</b>						
<b>Performance</b>						
Sales growth percentage - Year to Year basis	-9.70%	-8.82%	15.20%	9.80%	-15.54%	117.00%
Gross profit (%)	10.31%	8.73%	12.00%	15.62%	12.71%	19.58%
Profit before tax (%)	4.84%	3.22%	5.83%	8.87%	5.75%	12.37%
Profit after tax (%)	3.32%	2.82%	5.06%	8.39%	4.81%	11.44%
<b>Leverage</b>						
Gearing ratio	0.12	0.19	0.43	0.28	0.29	0.50
Debt to equity (%)	9.58%	17.01%	18.86%	0.00%	0.07%	0.31%
Interest covering ratio	5.60	3.06	4.71	5.97	3.53	5.16
<b>Liquidity ratio</b>						
Current ratio	5.52	5.22	2.43	2.17	1.89	1.54

# JamaPunji

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### ڈائریکٹرز کی رپورٹ

بھنیر وٹیکسٹائل ملز لمیٹڈ کے ڈائریکٹرز نے 30 جون 2016ء کو مکمل ہونے والے سال کیلئے سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے بخوشی پیش کئے ہیں۔

مالی کارکردگی کا سرسری جائزہ

اللہ تعالیٰ کی مہربانی سے کمپنی نے 30 جون 2016ء کو مکمل ہونے والے سال کے دوران ٹیکس کی ادائیگی کے بعد 220.350 ملین روپے منافع (30 جون 2015ء کو 207.410 ملین روپے تھا) چیلنجنگ کاروباری ماحول میں کمایا ہے۔

30 جون 2016ء کو مکمل ہونے والے سال کے دوران گزشتہ سال کے مقابلے میں فروخت 7,350.098 ملین روپے سے 6.637.411 ملین روپے تک کم ہو گئی تھی جس کی اہم وجہ کپاس اور دھاکے کی قیمتوں اور طلب میں کمی تھی۔

کمپنی کو گزشتہ سال کے 641.533 ملین روپے کے مقابلے میں اس سال 684.364 ملین روپے مجموعی منافع ہوا۔ رواں سال کے دوران گزشتہ سال کے مقابلے میں مجموعی منافع میں اضافے کی وجہ خام مال کی قیمتوں پر کنٹرول اور ایندھن اور بجلی کے نرخوں میں کمی ہے۔

رواں سال کے دوران کمپنی کو 220.349 ملین روپے کا منافع حاصل ہوا نتیجتاً گزشتہ سال کے منافع 207.410 ملین روپے اور فی حصص آمدنی 69.14 روپے کے مقابلے میں فی حصص آمدنی 73.45 روپے ہوئی۔ ٹیکس کی ادائیگی کے بعد منافع میں گزشتہ سال کے مقابلے میں اضافہ مالی لاگت اور ڈسٹری بیوٹن کی مالیت میں تخفیف کے باعث ہوا۔ انتظامی لاگت میں اضافہ سوشل کارپوریٹ ذمہ داریوں اور ملازمین سے متعلق اخراجات کے باعث ہوا۔

کارکردگی کے نتائج اور منافع کا تصرف:

30 جون 2016ء کو مکمل ہونے والے سال کیلئے کارکردگی کے نتائج اور منافع کا تصرف مختصر حسب ذیل ہے:

2015ء روپے	2016ء روپے	
7,350,098,065	6,637,411,409	فروخت
641,533,843	684,364,410	مجموعی منافع
236,843,325	321,195,265	منافع قبل از محصولات
		محصولات:
12,439,185	86,842,509	رواں سال
(5,099,670)	-	گزشتہ سال
22,093,295	14,002,812	موخر کردہ
29,432,810	100,845,321	
207,410,515	220,349,944	منافع بعد از ٹیکس



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2015 روپے	2016 روپے
(9,931,102)	25,991,525
1,059,309	(3,815,124)
(8,871,793)	22,176,401
198,538,722	242,526,345
108,487,652	97,026,374
307,026,374	339,552,719
(60,000,000)	(30,000,000)
247,026,374	309,552,719
(150,000,000)	(200,000,000)
97,026,374	109,552,719
=====	=====
69.14	73.45
=====	=====

کپیری ہینسو آمدنی (جامع آمدنی):

ملازمین کے ریٹائرمنٹ کی مراعات

قرضے۔ اصل منافع/ (نقصان)

موخر کردہ محصولات

مجموعی جامع آمدنی

غیر مخصوص منافع آگے لایا گیا

ادا کردہ منافع منقسمہ

تصرت کیلئے دستیاب منافع

تصرفات:

جنرل ریزرو کو منتقل کیا گیا

غیر مخصوص کردہ منافع آگے

لایا گیا

فی حصص بنیادی اور ڈائبلوٹیڈ

آمدنی

منافع منقسمہ:

بورڈ آف ڈائریکٹرز نے متوقع سالانہ اجلاس میں 100 فیصد نقد منافع منقسمہ یعنی 10/ روپے فی حصص (جون 2015ء میں 100 فیصد یعنی 10/ روپے فی حصص ادا کیا گیا) کی شرح سے ادا ہوگی کیلئے شیئرز ہولڈرز کے روبرو منظوری کیلئے پیش کرنے کی سفارش کی ہے۔

ٹیکسٹائل سیکٹر اور اقتصادی جائزہ:

پاکستان کی معیشت کو سال رواں کے دوران مسلسل چیلنجز کا سامنا رہا تو انائی (بجلی) کی کمی، امن و امان کی صورتحال اور اسٹرکچرل رکاوٹوں نے ملک میں سرمایہ کاری اور ترقی کو مفلوج کر رکھا تھا۔ پاکستان کی ٹیکسٹائل انڈسٹری مصنوعات کی تیاری اور عالمی مارکیٹ میں مروج مصنوعات میں اپنی خوبیوں کے باعث برآمد کیلئے بہترین کارکردگی کی حامل ہے لیکن ماضی قریب میں پاکستان کی ٹیکسٹائل انڈسٹری عالمی مارکیٹ میں پیداواری لاگت میں اضافہ، ٹیکسٹائل لوجسٹکس کو اپ گریڈ کرنے میں ناکامی اور حکومت کی جانب سے تعاون کم ہونے کے باعث مقابلہ نہ کر سکی۔ تاہم اپنی پوزیشن کو بہتر بنانے اور اعلیٰ معیاری مصنوعات تیار کرنے اور مارکیٹ میں اپنی شرکت میں اضافے کیلئے مشینری آلات اور نئی ٹیکنالوجی لازمی ہے۔ کارکنوں کی تربیت، افرادی قوت کی اہلیت میں بہتری، تحقیق اور ترقی، پیداوار کا رخ بدلنے اور برانڈنگ کمپنیوں کیلئے فوری غور و خوض کے شعبے ہیں۔

حکومت پاکستان نے پلانٹ اور مشینری کی درآمد کیلئے ایکسپورٹ اور اینڈ یونٹس کے مارک اپ کی شرح میں تخفیف کردی ہے۔ حکومت کو ورکنگ کیپٹل فنانس کے مارک اپ کی شرح میں بھی تخفیف کرنی

چاہئے۔



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کیپٹل اسٹریکچر اور حالیہ تناسب:

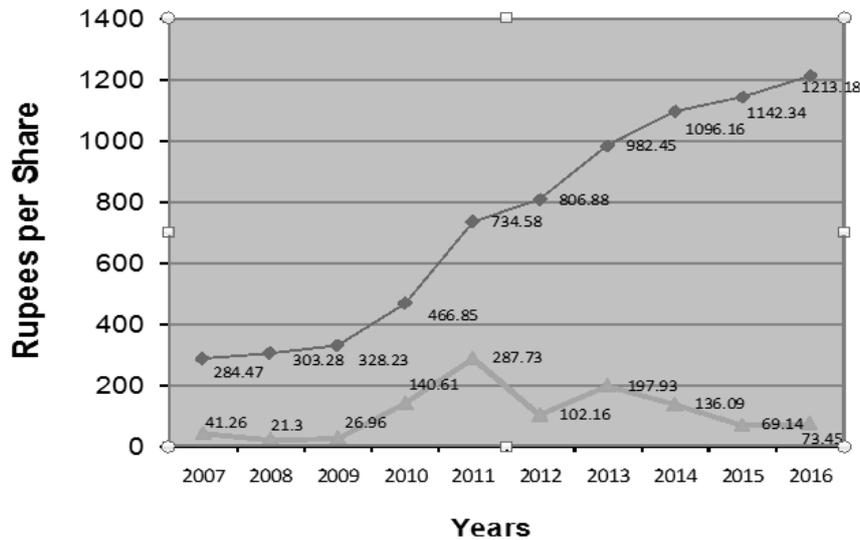
اللہ تعالیٰ کی مہربانی سے حصص یافتگان کی ایکویٹی 30 جون 2016ء پر 3.639 بلین روپے ہے (2015ء کو 3.427 بلین روپے تھی)۔ 30 جون 2016ء کو گینرنگ تناسب 0.11 جبکہ 30 جون 2015ء کو 0.19 تھی۔ کمپنی کی لکویڈیٹیڈ صورت حال 30 جون 2016ء کو 5.52 کے حالیہ تناسب کے ساتھ مستحکم ہے (جون 2015ء میں یہ 5.22 تھی)۔

کیش فلو مینجمنٹ:

کمپنی کا کیش فلو سسٹم کے تحت باقاعدگی سے ان فلو اور آؤٹ فلو انجام دیئے جاتے ہیں اور روزانہ کی بنیاد پر کیش کی صورت حال کا جائزہ لیا جاتا ہے۔ کمپنی اپنے ورکنگ کیپٹل کی ضروریات، شارٹ ٹرم جاری مالی سہولیات اور دیگر مختصر المدتی قرضوں کے ذریعے پوری کرتی ہے۔ رواں سال کے دوران عملدرآمدی سرگرمی سے 212.103 بلین روپے حاصل کئے گئے۔ کمپنی طویل المدتی اور مختصر المدتی قرضوں کے سلسلے میں اپنے معاہدوں میں بہتر مقام رکھتی ہے۔ کمپنی نے اپنے طویل المدتی قرضوں کی مد میں 224.189 بلین روپے کی ادائیگی کر دی ہے۔ حصص یافتگان کو منافع منقسمہ کی مد میں 29.958 بلین روپے ادا کئے گئے ہیں۔

نی حصص آمدنی اور بریک آپ ویلیو:

کمپنی کی نی حصص آمدنی 73.45 روپے ہے (30 جون 2015ء کو 69.14 روپے فی حصص تھی) نتیجتاً شیئرز ہولڈرز ایکویٹی ویلیو زیادہ ہے۔ 30 جون 2016ء کو شیئرز بریک آپ ویلیو 213.18 روپے ہے (30 جون 2015ء پر 1,142.34 روپے فی حصص تھی)۔ گزشتہ سالوں کی نی حصص بریک آپ ویلیو اور آمدنی حسب ذیل ہیں:



کوڈ آف کارپوریشن گورننس کی تعمیل:

کوڈ آف کارپوریشن گورننس کی تعمیل کا گوشوارہ منسلک ہے:

کارپوریشن اور فنانشل رپورٹنگ فریم ورک پر گوشوارہ:

○..... کمپنی کے ڈائریکٹرز، سٹاک ایکس چینج لمیٹڈ میں سیکورٹیز اینڈ ایکس چینج کمیشن آف پاکستان کی ہدایات کے مطابق شامل کوڈ آف کارپوریشن گورننس کے تحت اپنی ذمہ داریوں سے واقف ہیں۔ کوڈ کی تعمیل کے حصو کے طور پر ہم مندرجہ ذیل توثیق کرتے ہیں۔





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### آڈٹ کمیٹی

کمپنی کی آڈٹ کمیٹی کوڈ آف کارپوریٹ گورننس کے مطابق کام کر رہی ہے۔ آڈٹ کمیٹی نے ہر سطح پر انٹرنل کنٹرول پر عملدرآمد موزونیت کے جائزہ اور نگرانی کیلئے انٹرنل آڈٹ سسٹم قائم کیا ہے۔ آڈٹ کمیٹی کے اجلاس کوڈ آف کارپوریٹ گورننس کے مطابق منعقد کئے گئے ہیں۔ بورڈ آف ڈائریکٹرز کی منظوری سے قبل انٹریم اور سالانہ مالیاتی گوشواروں کا آڈٹ کمیٹی نے جائزہ لیا ہے۔

### مالیاتی گوشوارے

اسٹاک ایکس چینج کے لسٹنگ ریگولیشنز کے مطابق چیف ایگزیکٹو آفیسر اور چیف فنانس آفیسر نے مالیاتی گوشوارے اپنے دستخطوں کے ہمراہ غور و خوض اور منظوری کیلئے بورڈ آف ڈائریکٹرز اور بورڈ کے روبرو پیش کئے۔ غور و خوض اور منظوری کے بعد مالیاتی گوشواروں کے اجراء اور تقسیم کا اختیار دیا گیا۔

کمپنی کے آڈٹرز مشتاق اینڈ چارٹرڈ اکاؤنٹینٹس نے کمپنی کے مالیاتی گوشواروں کا آڈٹ کیا اور آڈٹرز نے 30 جون 2016ء کو مکمل ہونے والے سال کیلئے مالیاتی گوشواروں پر واضح آڈٹ رپورٹ جاری کی اور کوڈ آف کارپوریٹ گورننس کے اسٹیٹمنٹ پر واضح جائزہ رپورٹ دی۔ مذکورہ رپورٹس مالیاتی گوشواروں کے ہمراہ منسلک ہیں۔

### میرٹل چیئرمین اور معاہدہ

ڈائریکٹرز کی رپورٹ کی تاریخ اور بیننس شیٹ سے متعلق کمپنی کے مالی سال کے اختتام کے درمیان کمپنی کی مالی صورتحال پر اثر انداز ہونے والی کوئی ٹھوس تبدیلی معاہدوں یا اتفاقی صورتحال میں ظہور پذیر نہیں ہوئی۔

### بورڈ اور آڈٹ کمیٹی کے اجلاس

2015-16 کے دوران بورڈ اور آڈٹ کمیٹی کے منعقدہ ہونے والے اجلاس کی تعداد چار تھی، ڈائریکٹرز اور میران حاضری حسب ذیل ہے۔

### کمیشیاں

#### افراد کی قوت اور مشاہیرہ

#### آڈٹ

#### بورڈ آف ڈائریکٹرز

ڈائریکٹر کا نام	شرکت کے اہل	شریک	شرکت کے اہل	شریک	شرکت کے اہل	شریک
جناب محمد سلیم	4	-	-	-	-	-
جناب محمد شریف	4	-	-	-	-	-
جناب محمد شاہین	4	-	-	-	-	-
جناب محمد شکیل	4	4	4	4	2	2
جناب خرم سلیم	4	-	-	-	-	-
جناب بلال شریف	4	4	4	4	2	2
جناب محمد امین	4	-	-	-	2	2
جناب عادل شکیل	4	-	-	-	-	-
جناب اقبال محبوب	4	4	4	4	-	-

### شیئرز ہولڈنگ کا طریقہ کار (پیٹرین)

شیئرز ہولڈنگ کے پیٹرین سے متعلق اضافی معلومات کے ہمراہ شیئرز ہولڈنگ پیٹرین علیحدہ منسلک ہے۔



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آڈیٹرز

موجودہ آڈیٹرز میسرز مشتاق اینڈ کمپنی چارٹرڈ اکاؤنٹینٹس سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے۔ اہلیت کی بنیاد پر انہوں نے دوبارہ تقرری کے لئے اپنی خدمات پیش کی ہیں۔ آڈٹ کمیٹی نے مذکورہ بالا میسرز مشتاق اینڈ کمپنی چارٹرڈ اکاؤنٹینٹس کی 30 جون 2017ء کو مکمل ہونے والے سال کیلئے بطور ایکسٹرنل آڈیٹرز تقرری کیلئے تجویز پیش کی ہے۔ ایکسٹرنل آڈیٹرز میسرز مشتاق اینڈ کمپنی چارٹرڈ اکاؤنٹینٹس کو انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹینٹس آف پاکستان کے کوالٹی ریویو پروگرام کے تحت اطمینان بخش درجہ دیا گیا ہے اور فرم اور اس کے تمام پارٹنرز انٹرنیشنل فیڈریشن آف اکاؤنٹینٹس کی ہدایت کے مطابق انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹینٹس آف پاکستان کے وضع کردہ ضابطہ اخلاق (کوڈ آف آئیٹھلس) پر عمل پیرا ہیں۔

یورڈ آف ڈائریکٹرز نے بھی میسرز مشتاق اینڈ کمپنی چارٹرڈ اکاؤنٹینٹس کی 30 جون 2017ء کو مکمل ہونے والے سال کیلئے بطور ایکسٹرنل آڈیٹرز تقرری کی سفارش کی ہے۔

### صحت، تحفظ اور ماحولیاتی تحفظ

کمپنی ہمیشہ ماحولیاتی تحفظ کو یقینی بناتی ہے اور ماحولیاتی تحفظ کیلئے تمام ممکنہ اقدامات کرتی ہے۔ ہم اپنے پلانٹ اور پروڈکشن لائینز سے مٹی، دھول اور دیگر اخراج کو کم کرنے کیلئے مختلف اقدامات کرتے ہیں اور ہماری پروڈکشن لائینز آلودگی کو اور دھول اور دیگر اخراج کو کنٹرول کرنے کے سسٹم کے ساتھ نصب کی گئی ہیں۔

داخلہ سے برنس یونٹس تک تحفظ کے اقدامات کمپنی کی اولین ترجیحات میں شامل ہے۔ اپنے ملازمین کی صحت اور تحفظ اور اپنے اثاثوں کی حفاظت اور اپنی کارکردگی کی سیکورٹی ہمیشہ کمپنی کی ترجیحات میں رہی ہیں۔ ان حفاظتی اقدامات کے باعث اللہ تعالیٰ کے کرم سے ہمارے برنس یونٹس میں کوئی بڑا حادثہ یا واقعہ رونما نہیں ہوا۔

### کارپوریٹ سوشل ذمہ داری

کمپنی نے ملک میں تعلیمی، صحت اور ماحولیاتی معیار کو عموماً اور مقامی کمیونٹی میں خصوصاً بلند کرنے میں سرگرم کردار ادا کیا ہے جس کیلئے حکومت پاکستان سے معروف این جی او کی خدمات حاصل کی گئی ہیں۔ سال رواں کے دوران سوشل معاہدوں پر 4.9 ملین روپے خرچ کئے ہیں۔ کمپنی صحت، تعلیم اور سماجی و معاشی مواقع افراد اور خواتین کو فراہم کرنے کیلئے این جی او سے مکمل تعاون کر رہی ہے ان کے پروگرام کی حمایت کرتی ہے۔

### کاروباری خدمات، چیلنجز اور توقعات

حکومت کو توانائی کے بحران، امن و امان کی صورتحال اور انفراسٹرکچر کے مسائل پر قابو پانا چاہئے جو موزوں جی ڈی جی کے حصول میں اہم رکاوٹ ہیں۔

نی الوقت کپاس کی قیمت 6,250 روپے فی من ہے اور مسلسل بڑھ رہی ہے۔ توقع ہے آئندہ سہ ماہیوں میں کپاس کی قیمت بڑھ جائے گی۔ آئندہ مالی سال کی پہلی سہ ماہی کے نتائج کپاس کے نرخوں کی سمت دھاگہ کی طلب پر مبنی ہوں گے۔ انتظامیہ کو مذکورہ مدت میں نرخوں میں اعتدال کی توقع ہے۔

### اکٹالینجٹ (اعتراف/رسید)

ہم اپنی مصنوعات پر اعتماد کیلئے اپنے کسٹمرز کا شکریہ ادا کرتے ہیں۔ ہم اپنے شیئر ہولڈرز، بینکرز اور سپلائرز اور ملازمین کے مسلسل تعاون اور کمپنی کی بے لوث خدمت کا اعتراف کرتے ہیں۔

بحکم بورڈ

خرم سلیم

چیف ایگزیکٹو

کراچی 27 ستمبر 2016ء



# **BHANERO TEXTILE *of Companies* MILLS LIMITED**

## **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 37<sup>th</sup> Annual General Meeting of the Company to be held on  
Friday 28<sup>th</sup> October 2016 at 4:00 p.m. at Umer House, 23/1, Sector 23, S.M. Farooq  
Road, Korangi Industrial Area, Karachi. and/or at any adjournment thereof.

WITNESS

Signature

Name

Address

Affix  
Rs. 5/-  
Revenue  
Stamp

CNIC/Passport #

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

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

### Notes:

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

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



# BHANERO TEXTILE of Companies MILLS LIMITED

## پرکسی فارم

میں کے \_\_\_\_\_ کے رکن اور عام شیئر کے حامل کی حیثیت کے \_\_\_\_\_ (شیئرز کی تعداد) \_\_\_\_\_ کے رجسٹرڈ کارپوریٹ نمبر \_\_\_\_\_ اور / یا سی ڈی سی فوئیو کا آئی ڈی نمبر \_\_\_\_\_ اور ذیلی اکاؤنٹ نمبر \_\_\_\_\_ کے \_\_\_\_\_ یا \_\_\_\_\_ کے \_\_\_\_\_ کو کمپنی کے سالانہ اجلاس جو 28 اکتوبر 2016 کو منعقد ہوگا، میں میرے / ہمارے لئے اور میری / ہماری طرف سے بحیثیت اپنا پرکسی، ووٹ دینے کے لئے نامزد کرتا ہوں / کرتے ہیں۔

دستخط \_\_\_\_\_ بروز \_\_\_\_\_ تاریخ \_\_\_\_\_ / \_\_\_\_\_ 2016۔

گواہان:

دستخط: \_\_\_\_\_

نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

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

پاسپورٹ نمبر: \_\_\_\_\_

دستخط شیئر ہولڈر

(دستخط کا کچھتی 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 بینکنگ سے کم از کم 48 گھنٹے قبل کمپنی کو موصول ہو جانا چاہیے۔ نمائندے کو کمپنی کارکن ہونا ضروری نہیں۔ سی ڈی سی شیئر ہولڈرز اور ان کے نمائندوں سے فرد افراد درخواست ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ تصدیق شدہ نقل یا پاسپورٹ، پرکسی فارم داخل کرنے سے قبل اس کے ساتھ منسلک کریں۔

**REGISTERED OFFICE**

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

Phones : 021 - 35115177 - 80

Fax No. : 021 - 35063002 - 3

E-mail : [khioff@umergroup.com](mailto:khioff@umergroup.com)

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