of Companies

39th Annual Report 2018

UMER GROUP OF COMPANIES

BHANERO TEXTILE MILLS LIMITED

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

Vision

A Premier Quality Company, Providing Quality Products

And Maintaining An Excellent Level Of Ethical

And Professional Standards.

BHANERO TEXTILE of Companies MILLS LIMITED

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

Index

CONTENTS	*PAGE*
Corporate Information	1
Notice of the Annual General Meeting	2-3
Chairman's Review Report	4
Directors' Report	5-10
Statement of Compliance with the Best Practice	11-12
Review Report to the Members	13
Auditors' Report to the Members	14-16
Statement of Financial Position	17-18
Statement of Profit or Loss	19
Statement of Comprehensive Income	20
Statement of Changes in Equity	21
Statement of Cash Flows	22
Notes to the Financial Statements	23-54
Categories of Shareholders	55
List of Shareholders	56-57
Pattern of Shareholding	58
Year wise Operating Data	59
Directors' Report (Urdu)	61-67
Proxy Form	68
Proxy Form (Urdu)	69

BHANERO TEXTILE of Companies MILLS LIMITED

CORPORATE INFORMATION

Board of Directors	Mr. Khurrum Salim	Chief Executive / Director
	Mr. Bilal Sharif	Non Executive Director
	Mr. Mohammad Amin	Non Executive Director
	Mr. Adil Shakeel	Non Executive Director
	Mr. Mohammad Salim	Executive Director
	Mr. Mohammad Sharif	Non Executive Director
	Mr. Mohammad Shaheen	Non Executive Director / Chairman
	Mr. Hamza Shakeel	Non Executive Director
	Mr. Iqbal Mehboob	Independent Director
Chief Financial Officer	Asim Mirza, ACMA, CPA(Aust), MBA	
Company Secretary	Mr. Mohammad Ahmed (M.Econ)	
Audit Committee	Mr. Iqbal Mehboob	Chairman
	Mr. Hamza Shakeel	Member
	Mr. Bilal Sharif	Member
Human Resource and Remuneration Committee	Mr. Iqbal Mehboob	Chairman
	Mr. Mohammad Amin	Member
	Mr. Hamza Shakeel	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 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: http://www.umergroup.com	
Liaison / Correspondence office	9th Floor, City Towers, 6-K, Main Boulevard Gulberg - II, Lahore, Pakistan Tel : 042 111 130 130 ; Fax: 042 -35770015 Email: lhroff@umergroup.com Website: http://www.umergroup.com	
Mills At:	Unit I is situated at: Kotri Distric Dadu, Sindh. Tel : 0223 870013 Unit II and Unit III are situated at: Feroz Watwan, Sheikhupura, Punjab. Tel: 056 3731723	

BHANERO TEXTILE of Companies MILLS LIMITED

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 39th Annual General Meeting of the members of **Bhanero Textile Mills Limited** will be held on Thursday 25th October 2018 at 3:30 PM., at the registered office of the company i.e. Umer House, 23/I, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi, to transact the following business:

Ordinary Business

1. To confirm the minutes of the last Annual General Meeting held on 27th October 2017.
2. To receive, consider and adopt the audited financial statements of the company for the year ended 30th June, 2018 together with the Auditors' and Directors' Report thereon.
3. To approve the cash dividend @ 643% (i.e. PKR 64.30 per share) for the year ended 30th June, 2018, as recommended by the Board of Directors.
4. To appoint the auditors for the next term i.e. year 2018-2019 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.

(By the order of the Board)

Karachi:
Date: 27th September 2018

Mohammad Ahmed
Company Secretary

Notes:

1. The Shares Transfer Books of the Company will remain closed from 17th October 2018 to 25th October, 2018 (both days inclusive). Transfers received in order at the registered office of the company i.e. Umer House, 23/I, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi by 15th October 2018 will be treated in time for the purpose of entitlement of dividend in respect of the period ended 30th June, 2018.
2. Members are requested to attend in person along with Computerized National Identity Card ("CNIC") or appoint some other member as proxy and send their proxy duly witnessed so as to reach the registered office of the company not later than 48 hours before the time of holding the meeting.
3. Pursuant to section 132(2) of Companies Act, 2017 the company shall facilitate its members to attend the annual general meeting through video-link by providing video-conference facility, if available, in the city where 10% or more shareholders of the company reside, provided that the Company receives their demand to participate in annual general meeting through video-link at least seven (07) days prior to the date of meeting.
   In this regard, it is requested to fill the following Form and submit at the registered address of the Company at least 10 days before holding of the Annual General Meeting:
   "I/We, _____ being a member of Bhanero Textile Mills Limited, holder of _____ Ordinary Shares vide folio _____ hereby opt for video conference facility at _____."
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.
5. Section 242 of Companies Act 2017 which states that, "Any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders". In compliance of section 242 SECP issued a circular CLD/CCD/PR(11)/2017 No.18/2017 dated 1-Aug-17 requiring listed companies to obtain electronic dividend mandate from the Shareholders and in this regard a notice had already been sent to all the shareholders.

NOTICE OF THE ANNUAL GENERAL MEETING

Further, Securities and Exchange Commission of Pakistan (SECP) vide notification No. SRO 1145(1)2017 dated November 6, 2017 in terms of provision of section 242 of the Companies Act,2017 issued regulations for distribution of dividends by the listed companies requiring entitled shareholders to provide valid information pertaining to designated bank account including name of bank , title of account , address of bank branch and international bank account number.

In this regard we request all registered shareholders to provide the bank details in order to credit their cash dividends directly to their bank account, if declared. Also provide us verification of bank detail with your concern bank and submit to in case of book-entry securities in CDS, to CDS participants and in case of physical securities to the Company's Share Registrar.

6. In compliance of section 244 of Companies Act 2017 and SECP circular No. CLD/CCD/PR(11)/2017 Direction No.16 of 2017 dated 7-July -2017 regarding dividends, shares or modaraba certificates remains unclaimed or unpaid for a period of three years from the date it is due or payable shall be vested with Federal Government after complying the requirements of Companies Act 2017.

   In compliance of SRO 1013(1)/2017 dated 6th September, 2017 the claimant wise details of unclaimed shares, dividend or modarba certificates as on June 30, 2018 have been uploaded on our website: www.umergroup.com.

   In this regard, the said shareholders are requested to approach the Company Registered Office or Share Registrar Office with regard to any unclaimed dividend, shares or modarba certificates.
7. Members are requested to immediately inform of any change in their addresses and bank details to our share Registrar, Hameed Majeed Associates (Private) Limited.

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

9. Pursuant to the provisions of the Finance Act 2018 effective July 1, 2018, the rates of deduction of income tax from dividend payments under section 150 of the Income Tax Ordinance, 2001 have been revised as follows:
   a. For filer of income tax return 15%
   b. For non-filers of income tax return 20%

   To enable the Company to make tax deduction on the amount of cash dividend @ 15% 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 15%.

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

   Further, according to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint holder(s) based on their shareholding proportions, in case of joint accounts.

   In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them (only if not already provided) to our Share Registrar, in writing. In the event of non-receipt of the information by 23rd October 2018, each shareholder will be assumed to have equal proportion of shares and the tax will be deducted accordingly.

10. E-Voting, members can exercise their right to demand a poll subject to meeting requirements of Section 143 -145 of Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations 2018.

BHANERO TEXTILE of Companies MILLS LIMITED

CHAIRMAN'S REVIEW REPORT

As required under section 192(4) of Companies Act 2017 attached herewith a review report by the chairman on overall performance and effectiveness of the board of **Bhanero Textile Mills Limited** (Board)in achieving its objectives.

The company has an effective governance framework which ensures success of the company and during the year under review the board has played an effective and active role in achieving its goals.The board has opted to carry out the evaluation process internally under the regulation 10(V) of Code of Corporate Governance 2017.

The Board has performed and discharge its duties as per provisions of Companies Act 2017, regulations under Code of Corporate Governance 2017 (CCG 2017), guidelines issued by Securities and Exchange Commission of Pakistan (SECP) and regulatory compliance required for listed companies by Pakistan Stock Exchange (PSX).

The Board continues to pursue high standards of governance by adoption of a disciplined process which continues to ensure a culture of openness and transparency where the strengths of the Board are identified and areas for improvement clearly highlighted. The board is aware of risk management techniques, methods and tools for managing different types for which organization may exposed in future. The existing system in place is fully capable of identifying what could go wrong, evaluating which risks should be dealt with and implementing strategies to deal with those risks in a cost-effective way to safeguard its assets and repute of the company.

Following the changes to the Code of Corporate Governance 2017, the board is completely in compliance with regulatory compliance. The board members have clear vision what organization would like to achieve and what is expected from them in attaining those goals. The board and committee members are keen and quite regular in attending meetings. The members convene at the meeting with thorough study of working paper file circulated to members by making notes of points for further discussion and clarification required from the Chairman, Chief Executive Officer , Chief Financial Officer, Company Secretary or Head of Internal Audit . There exist a proper succession planning in the board seen by appointments of young and energetic CEO and members on board and committee. All the board members have attended and acquired the certification under Directors Training Program and fully acquainted with the requirement of applicable laws and regulation of Securities and Exchange Commission of Pakistan (SECP), Pakistan Stock Exchange (PSX), Companies Act 2017 and Code of Corporate Governance 2017 (CCG 2017). The members have complete trust in the decision taken by the Chief Executive Officer aimed at achieving the organization goals and ultimate benefits for the shareholders of the company. The members always stand up with the Chief Executive Officer by delivering in-time feedbacks and suggestion for strategic decisions.

Karachi:
Date: September 27th, 2018

Mohammad Shaheen
Chairman

BHANERO TEXTILE of Companies MILLS LIMITED

Directors' Report

The Directorsof Bhanero Textile Mills Limited have pleasure in presenting before you annual report together with auditors' report on the financial statements of the company for the year ended 30th June, 2018.

Financial Results

Financial results of company for the year ended to June 30, 2018 are as under;

	2018 Rupees	2017 Rupees
Sales	8,073,845,411	6,837,254,892
Cost of sales	7,205,449,439	6,082,970,918
Gross profit	868,395,972	754,283,974
Profit before taxation	542,159,753	369,244,572
Taxation		
Current year	27,378,416	72,619,736
Prior year	3,594,287	(1,159,756)
Deferred	29,150,541	22,048,062
	60,123,244	93,508,042
Profit after taxation	**482,036,509**	**275,736,530**
Basic and diluted earnings per share	160.68	91.91

Financial Performance

By the blessing of Allah Al Mighty, the Company earned profit after tax of PKR 482.036 million during the year ended 30 June, 2018 (2017:PKR 275.736 million).

Despite global and domestic challenging economic condition attributable to increasing prices of cotton and yarn, the company sales increased from PKR 6,837.254 million to PKR8,073.845 million in current year. The increase in other income is mainly attributable to sale of land and machinery during the current year. The distribution and other operating cost to sales ratios remains almost same during current year however, the administration and finance cost to sales ratio has been decreased by 0.25% and 0.11% during the current year as compared to the corresponding year.

The Company earned gross profit of PKR 868.395 million during the current year ended June 30, 2018 as compared to PKR 754.283 in corresponding year. The growth in gross profit is mainly attributable to export rebates and foreign exchange gain on export sales.

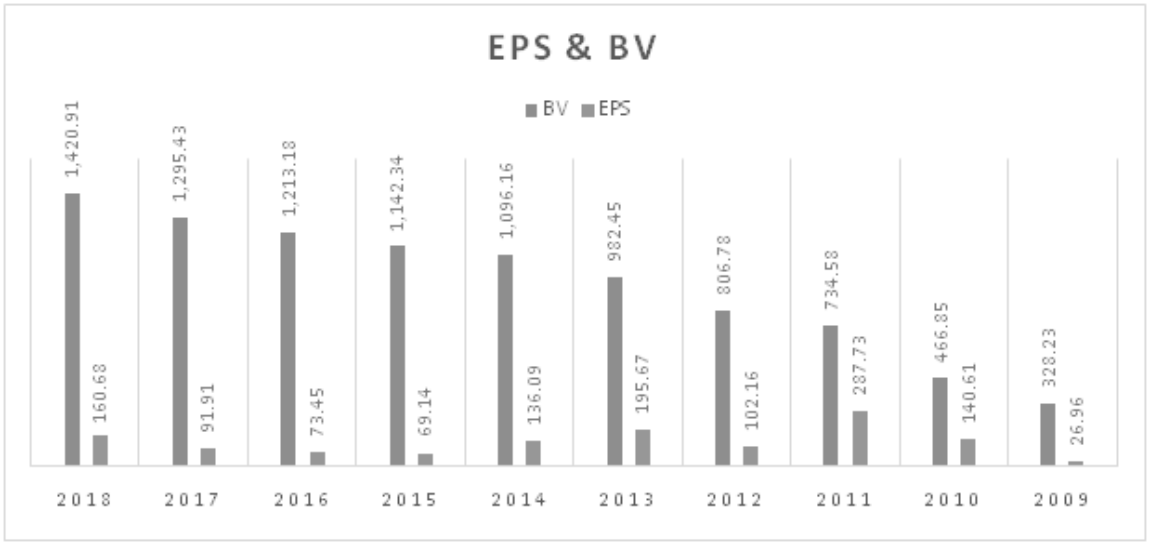
Dividends & Reserves Appropriation

In the preceding year 2017 the dividend at 368.00% i.e PKR 36.80 has been paid by the company whereas for the current year the board of directors are pleased to recommend a final cash dividend of 643.00% i.e PKR 64.30 per share in line with the recommendation of audit committee for the approval of shareholders in forthcoming annual general meeting scheduled on October 25, 2018.

Moreover, the directors proposed to transfer an amount of PKR 300 million to the general reserve to meet any unforeseen contingencies in future.

Earnings and Breakup Value per Share

The company has shown its firm commitment towards shareholders capital as reflected through the increase in both earnings per share from PKR 91.91 to PKR 160.68 and breakup value of share from 1,295.43 to PKR 1,420.91 during the current year thus enhancing the value to shareholders wealth.



Working Capital Management
The company closely monitors its working capital management by utilizing the two components i.e current assets and current liabilities, to ensure the most financially efficient operation that assures sufficient cash flows to meet its short-term operating costs and short debts term debt.

The company has invested PKR 1,002.437 million in 2018 (2017: PKR 315.308 million) towards capital expenditure for achieving the maximum efficiency and maintain the leading edge in the industry.

The repayments amounting to PKR 77.464 million on account of long term loans have been made during the year 2018 whereas PKR 110.250 million been paid towards dividend to the shareholders.

Capital Structure
The company utilizes the optimal combination of debt and equity to enhance the shareholders' value and generates healthy returns on invested capital.

The company is financed by mix of equity and debt in such a way that will maximize the wealth of its shareholders. The financial strength of company may be gauged with the fact that shareholder equity stood at PKR 4,262.737 million as on 30th June, 2018 (Year 2017: PKR 3,886.302 million) showing a growth of 9.69% (6.78% in year 2017) in total equity during the year June 2018. The gearing ratio of 0.28 showed improvement during the current year as compared to corresponding year where it stood at 0.3.
The short term liquidity of company is quite stable as reflected by current ratio of 3.48 during the year under review.

Expansion Plans & BMR
The expanded capacity of 10,800 spindles in Unit-II has been successfully added to commercial production during the year which will eventually contribute to boost revenues and cater additional customer base.

Further, the board has approved the BMR for import of four high-tech engines amounting to PKR 325.00 million to be installed at unit I and III for increasing the efficiency of its power generation facility.

Credit Rating
The final rating of A+/A1 (Single A Plus / A One)has been assigned to the company by the rating company Messer's JCR-VIS. The outlook on the assigned rating is "Stable".

Financial Statements
As required under Companies Act,2017, listing regulations of PSX and directives issued by the SECP the Chief Executive Officer and Chief Financial Officer present the financial statements, duly endorsed under their respective signatures, for consideration and approval of the board of directors and 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 & Company, Chartered Accountants and the auditors have issued clean audit report on the financial statements for the year ended 30th June 2018 and clean review report on Statement of Code of Corporate Governance. These reports are attached with the financial statements.

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

Overview of Textile Sector in Pakistan
Cotton crop had been cultivated over 2.69 million hectares of land across the crop producing areas of the country to produce approximately 10.80 million cotton bales fixed during the current sowing season to fulfill the domestic requirements as well as for exporting for the crop season 2018-19.

The Pakistan textile industry contributes more than 60 percent to the country's total exports however, currently this industry is facing great decline in its growth rate. The major reasons for this decline can be the global recession, internal security concerns, the high cost of production due to increase in the energy costs etc. Significant depreciation of Pakistani rupee enhanced the cost of imported inputs, rise in inflation rate, and high cost of financing has also effected seriously the growth in the textile industry.

As a result neither the buyers are able to visit frequently Pakistan nor are the exporters able to travel abroad for effectively marketing their products. With an in-depth investigation it was found that the Pakistan's textile industry can once again be brought back on winning track if government takes serious actions in removing or normalizing the above mentioned hurdles. Additionally, the government should provide subsidy to the textile industry, ensure uninterrupted and subsidized gas and power supply withdrawal of taxes, supports technological advancements through research and development related activitiesfor increasing the overall industrial growth of the country.

Future Challenges & Recommendation
Domestic debt increased by five times and external debt by 1.4 times in between 2009 and 2018 and servicing of debt is an overarching theme of the Pakistani economy. Despite the government's self-congratulatory claims, the fact remains that the entire paradigm of economic development continues to be underpinned by debts and subsidies.

CPEC is very much going to perpetuate the paradigm, as well as the defense budget, which weighs heavily as ever on the public exchequer. Earlier, Pakistan was awarded GSP Plus status which raised hopes that it would help increase our exports. However, that too proved to be wishful thinking.

Pakistan's textile industry has also generally been targeting low value-added markets in Europe and North America, failing to move into better-value added products, which could have meant more revenues for the country.

The following measures are suggested for the newly elected government for revival of textile industry:

First, general inefficiencies in operations need to be identified and rooted out to reduce operating costs. Government should provide incentives to firms which remove their operational inefficiencies as efficacy and conducive work environment contributes to productivity.

Second, productivity needs to be improved through modernization by acquiring latest equipment from abroad, which requires monetary resources and trained human resource to operate it. To this end, the government would have to enter into a public-private partnership with the textile industry and abolishing all types of duties and taxes on import of machinery.

Third, industry needs to identify at macro level, higher value-added products which it can manufacture in a competitive manner at international level. Industry representatives should sit with government and identify the resources and capabilities required in producing higher value-added products. These resources and capabilities may be locally generated or imported through public-private partnership.

Fourth, and most importantly, continuous government support is required but in a holistic manner which incorporates measuring performance at industry and firm level. Level playing field should be provided which provides equal opportunities. Similarly, monetary assistance should be given to tackle manufacturing inefficiencies and for the production of better value-added products.

A concerted effort is required to make our textile industry competitive again which is major source of employment for the masses.

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

Statement on Corporate and Financial Reporting Framework:
The Directors of your company are aware of their responsibilities under Companies Act 2017, Code of Corporate Governance regulations, listing rules of the Pakistan Stock Exchange Limited and directives issued by Securities & Exchange Commission of Pakistan. As a part of the compliance to the regulators we confirm the following:

- These financial statements, prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control was sound in design and has been effectively implemented and monitored.
- There were no significant doubts upon the company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- We have prepared and circulated a Code of Conduct and business strategy among directors and employees.
- The Board of Directors has adopted a vision and mission statement and a statement of overall corporate strategy.
- All the directors have attended its general meeting unless preclude due to reasonable reason.
- All the directors are assigned with their responsibilities, roles, remuneration, powers and obligation at the commencement of their terms in accordance with Code of Corporate Governance, Companies Act and Article of Association.
- All the directors of the Company are accredited / exempted under Directors Training Program (DTP) as required by the Code of Corporate Governance regulation.
- There's a formal policy duly approved by the board on director's remuneration, anti-money laundering and risk management.
- 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.
- The company strictly follow the guidelines issued by SECP on prohibition of insider trading for listed companies and no trading in the Company's shares was carried by its Directors, CEO, CFO, Company Secretary, Head of Internal Audit and their spouses and minor children except as disclosed in pattern of shareholding.

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

Related Party
There is a robust policy in place for all related party transactions (RPT) in pursuant to the notification issued by Securities and Exchange Commission of Pakistan vide SRO 768(1)2018 and the guidelineshave been duly incorporated in the company policy with regard to transactions and maintenance of records.

Board Evaluation
The company has opted to conduct evaluation process of the board internally in compliance of the regulation 10(3)(v) of code of corporate governance 2017 for assessing the board performance, members of the board and its committee members.

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

Board Composition

As required under regulation 36 of CCG 2017 the board of nine directors is comprised as follows;

Sr No	Category	Gender	Total
(i)	Independent Director	Male	1
(ii)	Executive Directors	Male	2
(ii)	Non- Executive Directors	Male	6

Board and Audit Committee Meetings

- Following are the number of meeting held and attended by board of directors, audit committee and human resource & remuneration committee during 2017-18 :

Name of Directors	Board of Directors		Committees			
			Audit		Human Resource and Remuneration	
	Meetings held	Attended	Meetings held	Attended	Meetings held	Attended
Mr. Mohammad Salim	4	4	-	-	-	-
Mr. Mohammad Sharif	4	4	-	-	-	-
Mr. Mohammad Shaheen	4	4	-	-	-	-
Mr. Khurrum Salim	4	4	-	-	-	-
Mr. Bilal Sharif	4	4	6	6	-	-
Mr. Mohammad Amin	4	4	-	-	2	2
Mr. Adil Shakeel	4	4	-	-	-	-
Mr. Hamza Shakeel	4	4	6	6	2	2
Mr. Iqbal Mehboob	4	4	6	6	2	2

Audit Committee

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

Besides meeting every quarter for the approval financial results, the committee also meets once a year with external auditors without the CFO and once with the internal auditor without the presence of the CFO and external auditor as required under code of corporate governance regulation.

The audit committee constituted to provide oversight of the financial reporting process, the audit process, the system of internal controls and compliance with laws and regulations. The committee reviews the results of the audit with management and external auditors, including matters required to be communicated by the audit committee as required by the code of corporate governance.

The audit committee has established robust internal audit system to monitor and review the adequacy and implementation of internal control at each level. The meetings of audit committee were held at regular intervals 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.

Human Resource and Remuneration Committee

The human resource and remuneration committee (HRRC) is comprised of three members of which all are non-executive directors whereas chairman is an independent director. The committee has established sound and effective employees' development program that ensures that all federal and provincial laws and regulations that affect employment must be fully complied. HRRC evaluates performance against set of goals and objectives assigned to the senior executive officers and chief executive

officer. The committee operates under terms of reference assigned by the Board of directors which includes recommendation of remuneration for directors and senior personnel, evaluation process of the board and committee members.

Corporate Social Responsibility Policy
The company through CSR policy, engages itself in several programs at different forum like philanthropic contribution for the benefit of the society and the community as a whole. This eventually creates a stronger bond between employee and corporation which boost up the morale of employees and they feel more connected with the world around them.

Health, Safety and Environment Policy
The company is fully determined for the health and safety measures that aims to ensure that all work activates are done safely. It has made every possible effort to remove or reduce the risks to the health, safety of all workers, contractors and visitors, and anyone else who may be affected by business operations. Moreover, adherence to environmental management standards assures minimizing the environmental impacts of production processes and improving the efficiency of processes.

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

The remuneration of the executive directors is determined by considering the market competitiveness which is identical in akin companies, whilst also considering level of competencies, experience, scope of the board assignments and yearly meetings. The executive directors entitled for the fixed monthly remuneration recommended by HRRC which is approved in the board meeting, followed by the approval of members in General Meeting.

No fee or remuneration shall be payable either to non-executive or independent directors.

Statutory Auditors
The present auditors M/s Mushtaq & Co., Chartered Accountants shall retire on the conclusion of the annual general meeting scheduled on October 25, 2018 however, being eligible they have offered themselves for re-appointment. The audit committee has suggested the appointment of M/s Mushtaq & Co., Chartered Accountants, as external auditor for the year ended 30th June 2019. The external auditors M/s Mushtaq & Co., Chartered Accountants have been given satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and the firm and all its partner are in compliance with the International Federation of Accountants' Guidelines on the Code of Ethics as adopted by Institute of Chartered Accountants of Pakistan. The Board of Directors also recommended the appointment of M/s Mushtaq & Co., Chartered Accountants, as external auditor for the year ended 30th June 2019.

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

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

For and on behalf of the Board of Directors

Khurrum Salim
Chief Executive

Mohammad Salim
Director

Karachi:
Date: 27th September 2018

BHANERO TEXTILE of Companies MILLS LIMITED

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30TH JUNE, 2018

The statement is being presented to comply with the requirement of regulation 40 contained in Code of Corporate Governance, 2017 for the purpose of establishing a framework of good corporate governance, whereby a company quoted at Pakistan Stock Exchange Limited is managed in compliance with best practices of corporate governance.

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

1. The total number of directors are 09 as per the following:
a. Male: 09
b. Female: Nil

2. The composition of board is as follows:

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

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. All the directors on the Board are accredited / exempted from directors training programs.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

BHANERO TEXTILE of Companies MILLS LIMITED

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30TH JUNE, 2018

Audit Committee

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

Human Resource & Remuneration Committee

Mr. Iqbal Mehboob	Chairman - Independent Director
Mr. Mohammad Amin	Member - Non- Executive Director
Mr. Hamza Shakeel	Member - Non- Executive Director

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the audit and human resource committees were as per following:

a) Audit Committee - Quarterly
b) HR and Remuneration Committee -Half Yearly

15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, 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.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with.

On and on behalf of the Board of Directors

Karachi:
Date: 27th September 2018

MOHAMMAD SHAHEEN
Chairman

MUSHTAQ & CO.

CHARTERED ACCOUNTANTS

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REVIEW REPORT TO THE MEMBERS

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

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of **Bhanero Textile Mills Limited** for the year ended June 30, 2018 in accordance with the requirements of regulation 40 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2018.

MUSHTAQ & COMPANY
Chartered Accountants

Karachi:
Date: 27th September 2018

Engagement Partner:
Mushtaq Ahmed Vohra, (FCA)

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Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statementsof **Bhanero Textile Spinning Mills Limited** (the Company), which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2018 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matter(s):

Key audit matter(s)	How the matter was addressed in our audit
1 Preparation of Financial Statements Under Companies Act, 2017 As referred in note 2.6 to the annexed financial statements, the Companies Act, 2017 (the Act), had been promulgated on May 30, 2017. financial statements for year ended as on June 30, 2018 are prepared under first time application of the Act, 2017. The Act, and 4th schedule has revised the disclosure requirements of repealed Companies Ordinance 1984 and 4th Schedule. Some disclosures which are duplicative to the IFRS disclosures requirements are eliminated and some additional significant disclosures are required. Management performed the comparison of old and new disclosure requirements of 4th schedule in order to identify the changes in new reporting framework and assessed the impacts of such changes. This transition to new reporting framework is considered as key audit matter because of their significant impacts in the financial statements.	Our audit procedures in respect of this area included: - We obtained an understanding of the related provisions and schedules of the Act, applicable to the Company and prepared a checklist to assess the Company's compliance with the disclosure requirement of the Act, and 4th schedule. - Discussed with the management and those charged with governance about how the Company is in compliance with all such changes. We ensured that the financial statements have been prepared in accordance with the approved accounting standards and the Act. We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory and provisions by:

Report on the Audit of the Financial Statements

Key audit matter(s)

2 Valuation of Inventory

We refer to accounting policies, note 18 & 19.

The total value of inventory consisting of Stocks and Stores as of June 30, 2018, is amounted to Rs. 2.415 billion representing 36.34 % of the total assets (2017: Rs. 2.783 billion, 47.21 % of the total assets). Inventories are measured the lower of cost and net realizable value. As a result, the management apply judgement in determining the appropriate values for slow-moving or obsolete items.

The inventory is material to our audit because the inventory is exposed to price fluctuation due to market factors. The valuation of Finished Goods also involves complex methods of allocation of factory overheads to inventory.

Due to above said factors, inventory costing was considered a significant risk of inventory overvaluation.

- assessing the Company's accounting policies over recognizing inventory in compliance with applicable accounting standards;
- attending inventory counts and reconciling the count results to the inventory listings to test the completeness of data;
- evaluating the design and implementation of key inventory controls;
- testing the costing of the inventory and performed net realizable value testing to assess whether the cost of the inventory exceeds net realizable value,obtained through a detailed review of sales subsequent to the year-end;
- assessing whether bases of allocation of the variable and fixed costs are reasonable; and
- an analytic review was also performed on inventory.

We assessed the Company's disclosures in the financial statements in respect of inventory.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

MUSHTAQ & CO.

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Report on the Audit of the Financial Statements

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

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

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mushtaq Ahmed Vohra, (FCA).

Karachi:
Date: 27th September 2018

MUSHTAQ & COMPANY
Chartered Accountants

BHANERO TEXTILE of Companies MILLS LIMITED

Statement of Financial Position
As At June 30, 2018

	Note	30th June, 2018	30th June, 2017
		Rupees	Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
6,000,000 (2017: 6,000,000) ordinary shares of Rs.10 each		**60,000,000**	60,000,000
Issued, subscribed and paid up capital	5	**30,000,000**	30,000,000
Reserves	6	**4,000,000,000**	3,700,000,000
Unappropriated profit		**232,737,034**	156,302,336
		4,262,737,034	3,886,302,336
NON CURRENT LIABILITIES			
Long term financing - secured	7	**885,233,720**	428,761,793
DEFERRED LIABILITIES	8	**408,166,202**	323,426,159
CURRENT LIABILITIES			
Trade and other payables	9	**771,694,591**	487,764,877
Unclaimed dividend	10	**758,605**	608,803
Accrued markup / interest	11	**15,177,821**	14,259,426
Short term borrowings - secured	12	**220,457,778**	676,558,383
Current portion of long term financing	13	**81,367,073**	77,463,948
		1,089,455,868	1,256,655,437
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		**6,645,592,824**	5,895,145,725

The annexed notes from 1 to 51 form an integral part of these financial statements.

Karachi:
Date: 27th September 2018

Khurrum Salim
Chief Executive

BHANERO TEXTILE of Companies MILLS LIMITED

Statement of Financial Position
As At June 30, 2018

	Note	30th June, 2018	30th June, 2017
		Rupees	Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	15	**2,794,870,715**	2,029,939,532
Capital work in progress	16	**31,454,693**	54,912,334
Long term deposits	17	**28,532,816**	26,205,436
		2,854,858,224	2,111,057,302
CURRENT ASSETS			
Stores, spares and loose tools	18	**68,013,768**	69,783,783
Stock in trade	19	**2,347,207,583**	2,713,408,274
Trade debts	20	**841,493,842**	544,451,299
Loans and advances	21	**28,699,627**	31,620,577
Trade deposits and short term prepayments	22	**83,460,335**	67,443,307
Other receivables	23	**17,447,274**	2,976,269
Income tax refundable	24	**206,106,353**	120,557,596
Sales tax refundable	25	**130,039,795**	194,061,359
Cash and bank balances	26	**68,266,023**	39,785,959
		3,790,734,600	3,784,088,423
TOTAL ASSETS		**6,645,592,824**	5,895,145,725

Asim Mirza
Chief Financial Officer

Mohammad Salim
Director

BHANERO TEXTILE of Companies MILLS LIMITED

Statement of Profit or Loss
For The Year Ended June 30, 2018

	Note	30th June, 2018	30th June, 2017
		Rupees	Rupees
Sales	27	**8,073,845,411**	6,837,254,892
Cost of sales	28	**7,205,449,439**	6,082,970,918
Gross profit		**868,395,972**	754,283,974
Other income	29	**111,986,664**	5,782,592
		980,382,636	760,066,566
Distribution cost	30	**184,654,595**	155,460,123
Administrative expenses	31	**126,889,297**	124,305,833
Other operating expenses	32	**32,707,628**	23,992,355
Finance cost	33	**93,971,363**	87,063,683
		438,222,883	390,821,994
Profit before tax		**542,159,753**	369,244,572
Provision for taxation	34		
Current tax - current year		**27,378,416**	72,619,736
Current tax - prior year		**3,594,287**	(1,159,756)
Deferred		**29,150,541**	22,048,062
		60,123,244	93,508,042
Profit after taxation for the year		**482,036,509**	275,736,530
Earnings per share - basic and diluted	35	**160.68**	91.91

The annexed notes from 1 to 51 form an integral part of these financial statements.

Khurrum Salim
Chief Executive

Mohammad Salim
Director

Asim Mirza
Chief Financial Officer

Karachi:
Date: 27th September 2018

Statement of Comprehensive Income
For The Year Ended June 30, 2018

	Note	30th June, 2018 Rupees	30th June, 2017 Rupees
Profit after taxation for the year		**482,036,509**	275,736,530
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
Items that will not be reclassified subsequently to profit and loss			
Actuarial gain on remeasurement of employees retirement benefits - gratuity	8.1.2	**5,902,811**	1,254,616
Related deferred tax on remeasurement of employees retirement benefits - gratuity		**(1,104,580)**	(241,529)
		4,798,231	1,013,087
Total comprehensive Income for the year		**486,834,740**	276,749,617

The annexed notes from 1 to 51 form an integral part of these financial statements.

Khurrum Salim
Chief Executive

Mohammad Salim
Director

Asim Mirza
Chief Financial Officer

Karachi:
Date: 27th September 2018

Statement of Changes in Equity
For The Year Ended June 30, 2018

	Share capital	Revenue Reserves		Total
		General reserve	Unappropriated profits	
	Rupees			
Balance as at June 30, 2016	30,000,000	3,500,000,000	109,552,719	3,639,552,719
Total comprehensive income for the year	-	-	276,749,617	276,749,617
Transfer to general reserve	-	200,000,000	(200,000,000)	-
Final dividend paid for the year ended June 30, 2016 at the rate of PKR 10.0 per share	-	-	(30,000,000)	(30,000,000)
Balance as at June 30, 2017	30,000,000	3,700,000,000	156,302,336	3,886,302,336
Total comprehensive income for the year	**-**	**-**	**486,834,740**	**486,834,740**
Final dividend paid for the year ended June 30, 2017 at the rate of PKR 36.80 per share	**-**	**-**	**(110,400,042)**	**(110,400,042)**
Transfer to general reserve	**-**	**300,000,000**	**(300,000,000)**	**-**
Balance as at June 30, 2018	**30,000,000**	**4,000,000,000**	**232,737,034**	**4,262,737,034**

The annexed notes from 1 to 51 form an integral part of these financial statements.

Khurrum Salim
Chief Executive

Mohammad Salim
Director

Asim Mirza
Chief Financial Officer

Karachi:
Date: 27th September 2018

BHANERO TEXTILE of Companies MILLS LIMITED

Statement of Cash Flows
For The Year Ended June 30, 2018

	30th June, 2018 Rupees	30th June, 2017 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**542,159,753**	369,244,572
Adjustments for:		
Depreciation on property, plant and equipment	**223,452,139**	185,752,115
Provision for staff retirement benefits - gratuity	**53,736,070**	59,583,839
Provision for bad debts	**-**	119,747
Infrastructure fee ETO	**14,899,340**	15,428,117
Infrastructure fee - Gas	**21,880,288**	-
(Gain) on disposal of property, plant and equipment	**(107,594,412)**	(1,521,562)
Finance cost	**93,971,363**	87,063,683
Operating cash flows before changes in working capital	**842,504,541**	715,670,511
Working capital changes		
(Increase)/decrease in current assets		
Inventories	**367,970,706**	(974,055,530)
Trade debts	**(297,042,543)**	(130,969,538)
Loans and advances	**2,920,950**	60,185,009
Trade deposits	**(16,017,028)**	559,628
Other receivables	**(14,471,005)**	14,244,963
Sales tax refundable	**64,021,564**	(47,536,951)
	107,382,644	(1,077,572,419)
Increase in trade and other payables	**283,929,714**	124,570,247
Cash generated by operations	**1,233,816,899**	(237,331,661)
Finance cost paid	**(93,052,968)**	(80,230,780)
Staff retirement benefits - gratuity paid	**(30,127,965)**	(41,037,795)
Income taxes paid	**(116,521,460)**	(82,951,976)
Long term deposits	**(2,327,380)**	-
	(242,029,773)	(204,220,551)
Net cash generated from / (used in) operating activities	**991,787,126**	(441,552,212)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	**145,106,008**	4,591,890
Additions of property, plant and equipment	**(1,002,437,277)**	(315,307,744)
Net cash used in investing activities	**(857,331,269)**	(310,715,854)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of long term financing	**(77,463,948)**	(77,463,948)
Proceeds from long term financing	**537,839,000**	157,638,000
Short term borrowings - net	**(456,100,605)**	676,558,383
Dividend paid	**(110,250,240)**	(29,964,085)
Net cash / (used in) generated from financing activities	**(105,975,793)**	726,768,350
Net increase / (decrease) in cash and cash equivalents	**28,480,064**	(25,499,716)
Cash and cash equivalents at the beginning of the year	**39,785,959**	65,285,675
Cash and cash equivalents at the end of the year	**68,266,023**	39,785,959

The annexed notes from 1 to 51 form an integral part of these financial statements.

Karachi:
Date: 27th September 2018

Khurrum Salim
Chief Executive

Mohammad Salim
Director

Asim Mirza
Chief Financial Officer

Notes to the financial statements
For the year ended June 30, 2018

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 Feroze Wattwan, District Sheikhupura in the province of Punjab.

1.3 Summary of significant events and transactions in the current reporting period

The Company's financial position and performance were particularly affected by the following events and transactions during the reporting period:

The Company added 10,800 new spindles (10 Ring Frames) to its production capacity. The frames are fully automated through linked coner machines. This upgraded technology is expected to help the Company achieve better production quality whilst remaining cost effective in labour and production volumes alongwith ability to produce value added products such as compact yarn and fine counts.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for derivative financial instruments that are stated at fair value and employees retirement benefits at present 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 45 to these financial statements.

2.5 Standards, interpretations and amendments to published approved accounting standards

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

Following standards, amendments and interpretations are effective for the year begining on or after January 1, 2017. 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.

- Amendments to IAS 12, 'Income taxes' are applicable for annual periods beginning on or after January 1, 2017. The amendment clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments are not likely to have a material impact on the Company's financial statements.

- Amendments to IAS 7, 'Statement of cash flows' are applicable for annual periods beginning on or after January 1, 2017. The amendment requires disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments are not likely to have a material impact on the Company's financial statements.

- The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on January 1, 2017 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

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

- IFRS 9, 'Financial instruments' (effective for periods beginning on or after January 01, 2018). IASB has published the complete version of IFRS 9, 'Financial instruments', which replaces the guidance in IAS 39. This final version includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the incurred loss impairment model used today. The Company has yet to assess the impact of these changes on its financial statements.

- IFRS 15, 'Revenue from contracts with customers' is applicable to accounting periods beginning on or after January 1, 2018. The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entity will recognize transitional adjustments in retained earnings on the date of initial application, i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. The Company has yet to assess the impact of this standard on its financial statements.

- IFRS 16, 'Leases' is applicable to accounting periods beginning on or after January 1, 2019. IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all the leases on the balance sheet date. This standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The accounting by lessor will not significantly change. Some differences may arise as a result of the new guidance on the definition of lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has yet to assess the impact of this standard on its financial statements.

- IFRIC 23, 'Uncertainty over income tax treatments': (effective for periods beginning on or after January 01, 2019). This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The IFRIC explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. The IFRIC applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The Company is yet to assess the full impact of the interpretation.

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

2.6 New disclosure requirements due to adoption of Companies Act, 2017

Due to adoption of the Companies Act, 2017 certain new and enhanced disclosures have become applicable, which are in addition to those required by the international financial reporting standards. The relevant notes have been updated accordingly.

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. 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.

Notes to the financial statements
For the year ended June 30, 2018

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

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

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

Leased assets
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

Notes to the financial statements
For the year ended June 30, 2018

Valuation of raw material, work in process and finished goods as on 30th June 2018 have been valued at lower of cost and net realizable value as per the requirement of IAS 2.

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

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

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

3.13 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 Act 2017.

Notes to the financial statements
For the year ended June 30, 2018

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.

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-18	30-Jun-17		**30-Jun-18**	30-Jun-17
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
3,000,000	**3,000,000**		**30,000,000**	30,000,000

5.1 Associated company holds 500,600 (2017: 500,600) ordinary shares of Rs. 10 each in the company.

6 RESERVES

	30-Jun-18	30-Jun-17
General reserve - Revenue reserve	**4,000,000,000**	3,700,000,000
	4,000,000,000	3,700,000,000

7 LONG TERM FINANCING - SECURED

From Financial Institutions

	Note	**LTFF Loans**	**Non - LTFF Loans**	**30-Jun-18 Rupees**	30-Jun-17 Rupees
Bank Al Habib Limited - Term Finance	**7.01**	16,100,000	-	**16,100,000**	16,100,000
Bank Al Habib Limited - Term Finance	**7.02**	11,500,000	-	**11,500,000**	11,500,000
MCB Bank Limited - Term Finance	**7.03**	81,200,000	-	**81,200,000**	81,200,000
MCB Bank Limited - Term Finance	**7.04**	10,970,000	-	**10,970,000**	10,970,000
MCB Bank Limited - Term Finance	**7.05**	20,621,000	-	**20,621,000**	20,621,000
MCB Bank Limited - Term Finance	**7.06**	-	17,247,000	**17,247,000**	17,247,000
Meezan Bank Limited - Term Finance	**7.07**	-	71,521,330	**71,521,330**	91,955,998
Meezan Bank Limited - Term Finance	**7.08**	-	7,709,405	**7,709,405**	9,912,093
Meezan Bank Limited - Term Finance	**7.09**	-	54,873,440	**54,873,440**	70,551,568
Meezan Bank Limited - Term Finance	**7.10**	-	137,019,618	**137,019,618**	176,168,082
MCB Bank Limited - Term Finance	**7.11**	98,316,000	-	**98,316,000**	-
MCB Bank Limited - Term Finance	**7.12**	72,138,000	-	**72,138,000**	-
MCB Bank Limited - Term Finance	**7.13**	105,548,000	-	**105,548,000**	-
MCB Bank Limited - Term Finance	**7.14**	4,223,000	-	**4,223,000**	-
MCB Bank Limited - Term Finance	**7.15**	-	4,665,000	**4,665,000**	-

Notes to the financial statements
For the year ended June 30, 2018

	Note	LTFF Loans	Non - LTFF Loans	30-Jun-18 Rupees	30-Jun-17 Rupees
MCB Bank Limited - Term Finance	**7.16**	-	8,242,000	**8,242,000**	-
MCB Bank Limited - Term Finance	**7.17**	-	7,638,000	**7,638,000**	-
MCB Bank Limited - Term Finance	**7.18**	232,848,000	-	**232,848,000**	-
MCB Bank Limited - Term Finance	**7.19**	4,221,000	-	**4,221,000**	-
		657,685,000	**308,915,793**	**966,600,793**	506,225,741
Less: current maturity					
Bank Al Habib Limited - Term Finance	**7.01**	1,006,250	-	**1,006,250**	-
Bank Al Habib Limited - Term Finance	**7.02**	359,375	-	**359,375**	-
MCB Bank Limited - Term Finance	**7.03**	2,537,500	-	**2,537,500**	-
Meezan Bank Limited - Term Finance Loan	**7.07**	-	20,434,668	**20,434,668**	20,434,668
Meezan Bank Limited - Term Finance Loan	**7.08**	-	2,202,688	**2,202,688**	2,202,688
Meezan Bank Limited - Term Finance Loan	**7.09**	-	15,678,128	**15,678,128**	15,678,128
Meezan Bank Limited - Term Finance Loan	**7.10**	-	39,148,464	**39,148,464**	39,148,464
		3,903,125	**77,463,948**	**81,367,073**	77,463,948
		653,781,875	**231,451,845**	**885,233,720**	428,761,793

	Security	Repayment	Markup on LTF	Markup Rates on NON- LTF
7.01	Hypothecation charge on plant and machinery of PKR 267.0 million of unit III located at Ferrozwatton, Sheikhupura-Faisalabad Road, Sheikhupura.	Repayable in thirty two quarterly installments, commencing from February 22, 2019.	2.4% (2017: 2.4%)	-
7.02	Covered under securities for term finance 7.01	Repayable in thirty two quarterly installments, commencing from April 20, 2019.	2.4% (2017: 2.4%)	-
7.03	Hypothecation charge on plant and machinery of PKR 1,200.0 million of unit II located at Ferrozwatton, Sheikhupura-Faisalabad Road, Sheikhupura.	Repayable in thirty two quarterly installments, commencing from April 30, 2019.	2.4% (2017: 2.4%)	-
7.04	Covered under securities for term finance 7.03	Repayable in thirty two quarterly installments, commencing from July 07, 2019.	2.4% (2017: 2.4%)	-
7.05	Covered under securities for term finance 7.03	Repayable in thirty two quarterly installments, commencing from July 26, 2019.	2.4% (2017: 2.4%)	-
7.06	Covered under securities for term finance 7.03	Repayable in thirty two quarterly installments, commencing from August 31, 2019.	-	3 Months KIBOR + 0.4% (2017: 3 Months KIBOR + 0.4%)
7.07	Hypothecation charge on plant and machinery of PKR 666.7 million of unit II located at Ferrozwatton, Sheikhupura-Faisalabad Road, Sheikhupura.	Repayable in twenty four quarterly installments, commencing from January 15, 2016.	-	3 Months KIBOR + 0.65% (2017: 3 Months KIBOR + 0.65%)

Notes to the financial statements
For the year ended June 30, 2018

	Security	Repayment	Markup on LTF	Markup Rates on NON- LTF
7.08	Covered under securities for term finance 7.07	Repayable in twenty four quarterly installments, commencing from January 15, 2016.	-	3 Months KIBOR + 0.65% (2017: 3 Months KIBOR + 0.65%)
7.09	Covered under securities for term finance 7.07	Repayable in twenty four quarterly installments, commencing from January 15, 2016.	-	3 Months KIBOR + 0.65% (2017: 3 Months KIBOR + 0.65%)
7.10	Covered under securities for term finance 7.07	Repayable in twenty four quarterly installments, commencing from January 15, 2016.	-	3 Months KIBOR + 0.65% (2017: 3 Months KIBOR + 0.65%)
7.11	Hypothecation charge on plant and machinery of PKR 1,200 million of unit II located at Ferrozwatton, Sheikhupura-Faisalabad Road, Sheikhupura.	Repayable in Thirty two quarterly installments, commencing from October 14, 2019.	2.4% (2017: Nil)	-
7.12	Hypothecation charge on plant and machinery of PKR 1,200 million of unit II located at Ferrozwatton, Sheikhupura-Faisalabad Road, Sheikhupura.	Repayable in Thirty two quarterly installments, commencing from November 17, 2019.	2.4% (2017: Nil)	-
7.13	Hypothecation charge on plant and machinery of PKR 1,200 million of unit II located at Ferrozwatton, Sheikhupura-Faisalabad Road, Sheikhupura.	Repayable in Thirty two quarterly installments, commencing from December 11, 2019.	2.4% (2017: Nil)	-
7.14	Hypothecation charge on plant and machinery of PKR 1,200 million of unit II located at Ferrozwatton, Sheikhupura-Faisalabad Road, Sheikhupura.	Repayable in Thirty two quarterly installments, commencing from December 27, 2019.	2.4% (2017: Nil)	-
7.15	Hypothecation charge on plant and machinery of PKR 1,200 million of unit II located at Ferrozwatton, Sheikhupura-Faisalabad Road, Sheikhupura.	Repayable in Thirty two quarterly installments, commencing from October 28, 2019.	2.4% (2017: Nil)	3 Months KIBOR + 0.4% (2017: Nil)
7.16	Hypothecation charge on plant and machinery of PKR 1,200 million of unit II located at Ferrozwatton, Sheikhupura-Faisalabad Road, Sheikhupura.	Repayable in Thirty two quarterly installments, commencing from October 28, 2019.	2.4% (2017: Nil)	3 Months KIBOR + 0.4% (2017: Nil)
7.17	Hypothecation charge on plant and machinery of PKR 1,200 million of unit II located at Ferrozwatton, Sheikhupura-Faisalabad Road, Sheikhupura.	Repayable in Thirty two quarterly installments, commencing from October 28, 2019.	-	3 Months KIBOR + 0.4% (2017: Nil)
7.18	Hypothecation charge on plant and machinery of PKR 1,200 million of unit II located at Ferrozwatton, Sheikhupura-Faisalabad Road, Sheikhupura.	Repayable in Thirty two quarterly installments, commencing from January 06, 2020.	2.4% (2017: Nil)	-
7.19	Hypothecation charge on plant and machinery of PKR 1,200 million of unit II located at Ferrozwatton, Sheikhupura-Faisalabad Road, Sheikhupura.	Repayable in Thirty two quarterly installments, commencing from January 10, 2020.	2.4% (2017: Nil)	-

Notes to the financial statements
For the year ended June 30, 2018

	Note	30-Jun-18 Rupees	30-Jun-17 Rupees
8 DEFERRED LIABILITIES			
Staff retirement benefits - gratuity	**8.1**	**149,566,641**	131,861,347
Deferred taxation	**8.2**	**111,301,359**	81,046,238
Infrastructure fee payable - ETO	**8.3**	**80,971,084**	66,071,744
Infrastructure fee payable - Gas	**8.4**	**66,327,118**	44,446,830
		408,166,202	323,426,159

8.1 Staff retirement benefits - gratuity

8.1.1 Movement in net liability recognized in the balance sheet

Present value of defined benefits obligation - at the beginning of the year	**8.1.2**	**131,861,347**	114,569,919
Charged to profit and loss account and comprehensive income		**47,833,259**	58,329,223
Benefits paid during the year		**(30,127,965)**	(41,037,795)
Present value of defined benefits obligation - at the end of the year		**149,566,641**	131,861,347

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

Current service cost	**42,932,314**	50,884,119
Interest cost	**10,803,756**	8,699,720
Remeasurement charged to other comprehensive income	**(5,902,811)**	(1,254,616)
	47,833,259	58,329,223

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, 2018 using the projected unit credit method assuming a discount rate of 10% (2017: 9.25%) per annum and expected rate of increase in salaries at 10% (2017: 9.25%) per annum.

8.1.4 There is no unrecognized actuarial loss / gain.

8.1.5 Historical information

	2018 Rupees	2017 Rupees	2016 Rupees	2015 Rupees	2014 Rupees
Present value of defined benefits obligation	149,566,641	131,861,347	114,569,919	132,185,864	103,621,394
Experience adjustments on plan liabilities	(5,902,811)	(1,254,616)	(25,991,525)	9,931,102	8,235,989

8.1.6 Sensitivity analysis of actuarial assumptions

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

	Increase in assumption	Decrease in assumption
Discount rate	**(16,164,912)**	**19,759,185**
Expected rate of increase in future salary	**20,327,315**	**(16,904,125)**

8.1.7 The expected gratuity expense comprising of service cost and net interest for the year ending 30th June 2019 works out to PKR 53,073,921.

8.1.8 The average duration of defined benefit obligation is 12.05 years.

Notes to the financial statements
For the year ended June 30, 2018

		30-Jun-18	30-Jun-17
		Rupees	Rupees
8.2	**Deferred taxation**		
	Deferred tax liability / (assets) arising in respect of:		
	Taxable temporary differences		
	Accelerated tax depreciation on owned assets	**153,042,901**	120,580,421
	Deductible temporary differences		
	Provision for employee benefit	**(27,988,087)**	(25,384,966)
	Provision for doubtful debts and advances	**(13,753,455)**	(14,149,217)
		(41,741,542)	(39,534,183)
		111,301,359	81,046,238
8.2.1	**Deferred taxation has been recognized as follows**		
	Recognized in profit and loss account	29,150,541	22,048,062
	Recognized in equity	1,104,580	241,529
		30,255,121	22,289,591

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

8.3 This represents amount payable to Excise and Taxation Department, Government of Sindh in respect of infrastructure fee levied through fifth version of law (i.e. Sindh Finance (Amendment) Ordinance 2006). The Supreme Court in his judgment dated 17th May 2011 has decided that fifth version of law (i.e. Sindh Finance (Amendment) Ordinance 2006) is valid and hence the levy imposed and collected from the effective date of the fifth version i.e. 28th December 2006 is valid and all imposition and collection before 28th December 2006 are declared to be invalid. The company has now filed petition in Sindh High Court, challenging fifth version of law (i.e. Sindh Finance (Amendment) Ordinance 2006 regarding levy of infrastructure fee from the 28th December 2006. During the pendency of decision on fifth version of law, Sindh High Court has directed on 31st May 2011 to pay 50% of liability to Excise and Taxation Department, Government of Sindh, and provide bank guarantee of the remaining amount as calculated in accordance with the decision of Supreme Court of Pakistan. Subsequent imports of the company be released against 50% payment infrastructure fee to Excise and Taxation Department, Government of Sindh and furnishing bank guarantee of balance 50% amount. This also includes an amount payable to Excise and Taxation Department, Government of Punjab in respect of Infrastructure Development Cess. The company had filed WP No. 25754-16 in Lahore High Court, and during the pendency of the decision, Lahore High Court has directed to pay 50% of liability to Excise and Taxation Department, Government of Punjab and provide bank guarantee of the balance 50% amount.The company has provided bank guarantees amounting to PKR 75.094 Million (June 30, 2017: PKR 66.07 Million) in respect of unpaid infrastructure fee. The company has accrued unpaid infrastructure fee.

8.4 This represents the Gas Infrastructure Development Cess (GIDC) levied by the Sui Northern Gas Pipelines Limited (SNGPL). This Company and others have filed Suits before the Lahore High Court (LHC) challenging the said undue levy. The LHC has granted the Stay Orders, in favour of the Company and have directed the SNGPL, in the respective cases, not to demand the said Cess. The liability thus represents the amount of GIDC, payable, against which the Company has got the Stay orders, in its favour.

Notes to the financial statements
For the year ended June 30, 2018

		Note	30-Jun-18 Rupees	30-Jun-17 Rupees
9	**TRADE AND OTHER PAYABLES**			
	Creditors	**9.1**	**224,378,515**	169,267,489
	Advance from customers & others		**285,729,728**	150,480,498
	Accrued liabilities		**170,251,169**	91,334,877
	Workers' Profit Participation Fund	**9.2**	**29,007,844**	19,773,556
	Workers Welfare Fund	**32**	**57,361,801**	53,662,017
	Others		**4,965,534**	3,246,440
			771,694,591	487,764,877

9.1 No balance with associated undertaking is outstanding at year end.

9.2 Workers' profit participation fund

Opening balance		**19,773,556**	17,379,052
Interest on funds utilized in the Company's business	**9.2.1**	**5,289,478**	2,353,942
		25,063,034	19,732,994
Paid to the fund		**(25,063,034)**	(19,732,994)
		-	-
Allocation for the year	**32**	**29,007,844**	19,773,556
		29,007,844	19,773,556

9.2.1 Interest on workers' profit participation fund has been provided @ 276% (2017: 75%) per annum.

10	**UNCLAIMED DIVIDEND**		
	Unclaimed dividend	**758,605**	608,803
		758,605	**608,803**
11	**ACCRUED MARKUP / INTEREST**		
	Mark-up accrued on secured:		
	- long-term financing	**8,616,863**	6,003,835
	- short-term borrowings	**6,560,958**	8,255,591
		15,177,821	14,259,426
12	**SHORT TERM BORROWINGS - SECURED**		
	From banking companies		
	Short term loan **12.2**	**220,457,778**	676,558,383
		220,457,778	676,558,383

12.1 The aggregate approved short term borrowing facilities amounting to PKR 5.115 billion (2017: PKR 5.115 billion).

12.2 These facilities are subject to mark-up ranging from 1 to 3 month KIBOR + spread between 0.05% to 2% (2017: 1 to 3 month KIBOR + spreads between 0.05% to 2%) per annum payable quarterly. These are secured against joint hypothecation charge on stocks and receivables.

		Note	30-Jun-18 Rupees	30-Jun-17 Rupees
13	**CURRENT PORTION OF LONG TERM BORROWINGS**			
	Long-term financing	**7**	**81,367,073**	77,463,948
			81,367,073	77,463,948

Notes to the financial statements
For the year ended June 30, 2018

14 CONTINGENCIES AND COMMITMENTS

Contingencies

14.1 The Company has issued post dated cheques amounting to PKR 341,896,954 (2017: PKR 306,762,370) 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.

14.2 Bank guarantee issued to Sui Northern Gas Pipeline Company Limited amounting to PKR 121.168 Million (2017: PKR 43.759 million) and Pakistan State Oil PKR 2.25 million (2017: PKR 2.25 million).

14.3	Bills discounted	**410,782,583**	7,824,947
	Commitments		
	Letter of credit (for store, raw material and machinery)	**490,829,539**	553,734,194

Year Ended June 30, 2018

15 PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	COST				DEPRECIATION				Book value as at June 30, 2018	Rate
	As at July 01, 2017	Additions / (disposals)	Transfers	As at June 30, 2018	As at July 01, 2017	For the year	Transfers / (disposal)	As at June 30, 2018		
	Rupees									
Company owned										
Leasehold land	433,414	-	-	433,414	-	-	-	-	433,414	-
Freehold land	306,812,466	235,887,464	-	513,824,444	-	-	-	-	513,824,444	-
		(28,875,486)								
Building on leasehold land	142,689,749	8,624,206	-	151,313,955	96,139,323	4,644,576	-	100,783,899	50,530,056	10%
Building on freehold land	320,707,695	53,294,634	-	374,002,329	224,202,726	10,479,397	-	234,682,123	139,320,206	10%
Office premises on leasehold land	29,894,675	15,553,784	-	45,448,459	16,339,544	677,757	-	17,017,301	28,431,158	5%
Office premises on freehold land	84,248,571	27,031,120	-	111,279,691	39,526,435	3,249,774	-	42,776,209	68,503,482	5%
Plant and machinery	3,204,974,995	635,765,387	-	3,793,129,269	1,793,323,710	179,859,382	-	1,932,226,735	1,860,902,534	10%
		(47,611,113)	-			-	(40,956,357)			
Equipments and other assets	80,305,235	28,915,913	-	109,221,148	70,851,837	9,960,255	-	80,812,092	28,409,056	Three years
Electric Installation	74,503,775	-	-	74,503,775	27,462,000	4,630,374	-	32,092,374	42,411,401	10%
Gas Line & Pipe	7,180,289	-	-	7,180,289	4,957,621	222,267	-	5,179,888	2,000,401	10%
Cooling towers	5,223,570	-	-	5,223,570	3,551,292	167,228	-	3,718,520	1,505,050	10%
Ventilation system	1,461,897	-	-	1,461,897	981,899	48,000	-	1,029,899	431,998	10%
Boiler	18,244,925	-	-	18,244,925	12,261,464	598,346	-	12,859,810	5,385,115	10%
Factory equipments	13,757,029	-	-	13,757,029	12,282,518	144,857	-	12,427,375	1,329,654	10%
Furniture and fixtures - Factory	5,318,108	408,910	-	5,727,018	4,388,109	133,891	-	4,522,000	1,205,018	10%
Office equipments	23,308,336	62,650	-	23,370,986	16,766,172	655,782	-	17,421,954	5,949,032	10%
Furniture and fixtures - Office	872,972	1,785,000	-	2,657,972	729,572	133,340	-	862,912	1,795,060	10%
Vehicles	98,799,551	18,565,850	-	106,685,557	65,033,498	7,846,913	-	64,181,921	42,503,636	20%
		(10,679,844)				-	(8,698,490)			
June 30, 2018	4,418,737,252	1,025,894,918	-	5,357,465,727	2,388,797,720	223,452,139	(49,654,847)	2,562,595,012	2,794,870,715	
	-	(87,166,443)	-	-	-	-	-	-	-	

Year Ended June 30, 2017

PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	COST				DEPRECIATION				Book value as at June 30, 2018	Rate
	As at July 01, 2017	Additions / (disposals)	Transfers	As at June 30, 2018	As at July 01, 2017	For the year	Transfers / (disposal)	As at June 30, 2018		
	Rupees									
Company owned										
Leasehold land	433,414	-	-	433,414	-	-	-	-	433,414	-
Freehold land	274,500,226	32,312,240	-	306,812,466	-	-	-	-	306,812,466	-
Building on leasehold land	141,458,337	1,231,412	-	142,689,749	91,252,410	4,886,913	-	96,139,323	46,550,426	10%
Building on freehold land	320,707,695	-	-	320,707,695	213,479,952	10,722,774	-	224,202,726	96,504,969	10%

Notes to the financial statements
For the year ended June 30, 2018

PARTICULARS	COST				DEPRECIATION				Book value as at June 30, 2018	Rate
	As at July 01, 2017	Additions / (disposals)	Transfers	As at June 30, 2018	As at July 01, 2017	For the year	Transfers / (disposal)	As at June 30, 2018		
	Rupees									
Office premises on leasehold land	30,044,675	(150,000)	-	29,894,675	15,705,707	713,721	(79,884)	16,339,544	13,555,131	5%
Office premises on freehold land	84,248,571	-	-	84,248,571	37,172,638	2,353,797	-	39,526,435	44,722,136	5%
Plant and machinery	3,002,466,931	222,428,153	-	3,204,974,995	1,671,136,617	139,246,414	-	1,793,323,710	1,411,651,285	10%
	-	(19,920,089)	-	-	-	-	(17,059,321)	-	-	-
Equipments and other assets	80,305,235	-	-	80,305,235	58,079,929	12,771,908	-	70,851,837	9,453,398	Three years
Electric Installation	74,503,775	-	-	74,503,775	22,317,141	5,144,859	-	27,462,000	47,041,775	10%
Gas line and pipe	7,180,289	-	-	7,180,289	4,710,658	246,963	-	4,957,621	2,222,668	10%
Cooling towers	5,223,570	-	-	5,223,570	3,365,483	185,809	-	3,551,292	1,672,278	10%
Ventilation system	1,461,897	-	-	1,461,897	928,566	53,333	-	981,899	479,998	10%
Boiler	18,244,925	-	-	18,244,925	11,596,635	664,829	-	12,261,464	5,983,461	10%
Factory equipment	13,757,029	-	-	13,757,029	12,122,075	160,443	-	12,282,518	1,474,511	10%
Furniture and fixtures - Factory	5,318,108	-	-	5,318,108	4,284,776	103,333	-	4,388,109	929,999	10%
Office equipments	20,245,336	3,063,000	-	23,308,336	16,273,459	492,713	-	16,766,172	6,542,164	10%
Furniture and fixtures - Office	872,972	-	-	872,972	713,639	15,933	-	729,572	143,400	10%
Vehicles	99,079,694	2,080,160	-	98,799,551	59,265,984	7,988,373	-	65,033,498	33,766,053	10%
	-	(2,360,303)	-	-	-	-	(2,220,859)	-	-	10%
June 30, 2017	4,180,052,679	261,114,965	-	4,418,737,252	2,222,405,669	185,752,115	-	2,388,797,720	2,029,939,532	
	-	(22,430,393)	-	-	-	-	(19,360,064)	-	-	

15.1 Equipment and other assets includes assets amounting to PKR 15,710,241 (2017: PKR 15,710,241) which has been fully depreciated.

15.2 Transfer of PKR Nil (2017: PKR 4,371,764) in plant and machinery represents elemination of fully depreciated machinery.

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

	Note	30-Jun-18 Rupees	30-Jun-17 Rupees
Cost of sales	28	214,815,553	177,217,551
Administrative expenses	31	8,636,586	8,534,564
		223,452,139	185,752,115

15.4 Freehold lands of the Company are located at Feroze Wattoan Sheikhupura with an area of 785 Kanal 18 Marla, at Gajumata Kasur 48 Kanal, at Raiwind Kasur 766 Kanal and leasehold lands are located at Kotri with an area of 104 Kanal.

15.5 DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

Year Ended June 30, 2018

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						
Land	28,875,486	-	28,875,486	134,925,000	106,049,514	Negotiation	Naseem Export (pvt.) Limited, Suite # 613, 6 floor, progressive plaza, Beaumont Road, Karachi
	28,875,486	**-**	**28,875,486**	**134,925,000**	**106,049,514**		
Machinery							
Autoconer	4,558,775	3,404,202	1,154,573	1,200,000	45,427	Negotiation	Mr. Zain ul Asif, Faisalabad
Simplex	7,550,372	7,000,635	549,737	600,000	50,263	Negotiation	Mr. Abdul Hafeez, House No 538, Street 5, Sarfraz Colony, Faisalabad
Drawing	1,232,202	1,138,187	94,015	180,000	85,985	Negotiation	Mr. Abdul Hafeez, House No 538, Street 5, Sarfraz Colony, Faisalabad
Drawing	2,464,404	2,276,374	188,030	400,000	211,970	Negotiation	Mr. Abdul Hafeez, House No 538, Street 5, Sarfraz Colony, Faisalabad
Bale Breaker	1,108,395	808,395	300,000	350,000	50,000	Negotiation	Blessed Textiles Limited, 23/1, Sector 23, Korangi Industrial Area Karachi
Plucker	523,589	485,154	38,435	41,008	2,573	Negotiation	Mr. Abdul Hafeez, House No 538, Street 5, Sarfraz Colony, Faisalabad

Notes to the financial statements
For the year ended June 30, 2018

Year Ended June 30, 2018

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						
Sketcher	3,937,640	2,871,872	1,065,768	1,300,000	234,232	Negotiation	Mr. Abdul Hafeez, House No 538, Street 5, Sarfraz Colony, Faisalabad
Comber	1,053,097	958,951	94,146	100,000	5,854	Negotiation	Mr. Abdul Hafeez, House No 538, Street 5, Sarfraz Colony, Faisalabad
Comber	4,250,000	3,365,645	884,355	1,000,000	115,645	Negotiation	Mr. Abdul Hafeez, House No 538, Street 5, Sarfraz Colony, Faisalabad
Simplex	1,574,700	1,214,738	359,962	400,000	40,038	Negotiation	Mr. Abdul Hafeez, House No 538, Street 5, Sarfraz Colony, Faisalabad
Carding	8,750,536	7,938,677	811,859	900,000	88,141	Negotiation	Mr. Abdul Hafeez, House No 538, Street 5, Sarfraz Colony, Faisalabad
Carding	6,562,902	5,959,081	603,821	675,000	71,179	Negotiation	Mr. Abdul Hafeez, House No 538, Street 5, Sarfraz Colony, Faisalabad
Carding	4,044,501	3,534,446	510,055	550,000	39,945	Negotiation	Mr. Abdul Hafeez, House No 538, Street 5, Sarfraz Colony, Faisalabad
	47,611,113	**40,956,357**	**6,654,756**	**7,696,008**	**1,041,252**		
Vehicles							
Vehicle LED 10 - 7109	1,184,347	914,670	269,677	400,000	130,323	Negotiation	Mr. Imran Arif, House No. 49, Farooq Street, Ichra Lahore
Vehicle LED - 1995	2,062,167	1,536,599	525,568	610,000	84,432	Negotiation	Mr. Mohsin Bhutta, House No 62-D1, Nespak Colony, Lahore
Vehicle LEA - 8698	958,580	876,753	81,827	150,000	68,173	Negotiation	Mr. Irfan Parvez, House No. 199D, Sui Northern Housing Society, Lahore.
Vehicle VEH - 7648	2,012,010	1,594,456	417,554	475,000	57,446	Negotiation	Mr. Nadeem Akhter; House No. 104, Main Road Samanabad, Lahore.
Vehicle VEH - 9456	1,967,440	1,724,463	242,977	300,000	57,023	Negotiation	Mr. Nadeem Akhter; House No. 104, Main Road Samanabad, Lahore.
Vehicle ANB - 992	633,420	577,422	55,998	100,000	44,002	Negotiation	Mr. Manshad; House No 8169/70, Labour Colony, Landhi, Karachi
Vehicle AUX - 681	1,861,880	1,474,127	387,753	450,000	62,247	Negotiation	Mr. Muhammad Fahad; House No B-272, Block L, North Nazimabad, Karachi
	10,679,844	**8,698,490**	**1,981,354**	**2,485,000**	**503,646**		
30-Jun-18	**87,166,443**	**49,654,847**	**37,511,596**	**145,106,008**	**107,594,412**		

Year Ended June 30, 2017

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						
Office premises on lease hold land							
Sales office shop	150,000	79,884	70,116	615,000	544,884	Negotiation	Mr. Arif, Flat no. A-20, Mehran Heights, Block 8, Clifton, Karachi.
	150,000	**79,884**	**70,116**	**615,000**	**544,884**		
Machinery							
Auto Coner	10,000,000	8,222,474	1,777,526	2,226,890	449,364	Negotiation	Mr. Abdul Hafeez, House No 538, Street 5, Sarfraz Colony, Faisalabad
Card	9,920,089	8,836,847	1,083,242	1,200,000	116,758	Negotiation	Mr. Zain ul Asif, Faisalabad
	19,920,089	**17,059,321**	**2,860,768**	**3,426,890**	**566,122**		
Vehicles							
Vehicle LZX-1069 Tahir (Umer Farm)	560,550	514,473	46,077	150,000	103,923	Negotiation	Mr. Shafqat Ali; House No. 1170, Makkah Colony, Gulberg III, Lahore.
Vehicle LZG-8298	1,194,580	1,120,442	74,138	300,000	225,862	Negotiation	Mr. Nadeem Akhter; House No. 104, Main Road Samanabad, Lahore.
Vehicle VEH - 9456	605,173	585,944	19,229	100,000	80,771	Negotiation	Mr. Nadeem Akhter; House No. 104, Main Road Samanabad, Lahore.
	2,360,303	**2,220,859**	**139,444**	**550,000**	**410,556**		
30-Jun-17	**22,430,392**	**19,360,064**	**3,070,328**	**4,591,890**	**1,521,562**		

Notes to the financial statements
For the year ended June 30, 2018

	Note	30-Jun-18 Rupees	30-Jun-17 Rupees
16 CAPITAL WORK IN PROGRESS			
Building and other civil work		**31,296,578**	30,324,305
Machinery		**158,115**	24,588,029
		31,454,693	54,912,334
17 LONG TERM DEPOSITS			
Electricity		**28,107,540**	25,780,160
Telephone		**33,600**	33,600
Others		**391,676**	391,676
		28,532,816	26,205,436
18 STORES, SPARES AND LOOSE TOOLS			
Stores and spares		**63,205,697**	63,206,084
Packing material		**4,808,071**	6,577,699
		68,013,768	69,783,783

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

19 STOCK IN TRADE			
Raw material	**19.1**	**1,860,317,250**	2,184,922,836
Raw material in transit		**124,107,142**	-
Work in process		**137,316,094**	121,132,743
Finished goods		**223,726,333**	406,753,538
Waste		**1,740,764**	599,157
		2,347,207,583	2,713,408,274

19.1 Raw material stock cost PKR 275,063,931 (2017: PKR NIL) have been valued at PKR 137,531,965 (2017: PKR NIL) 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. 137,531,965 (2017: PKR NIL)

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

20 TRADE DEBTS			
Foreign - secured against letter of credit		**332,611,912**	137,489,832
Local - unsecured - considered good		**508,881,930**	406,961,467
Local - unsecured - considered doubtful		**68,336,616**	68,336,616
		909,830,458	612,787,915
Provision for doubtful debts.	**20.1**	**(68,336,616)**	(68,336,616)
		841,493,842	544,451,299
20.1 Particulars of Provision for doubtful receivables			
Provision for bad debts at the beginning of year		**68,336,616**	68,713,878
Bad debts provision provided during the year		**-**	-
Bad debts recovered during the year		**-**	(377,262)
Provision for bad debts at the end of year		**68,336,616**	68,336,616

Notes to the financial statements
For the year ended June 30, 2018

20.2 Total export sales to closing trade debts

	Rupees	Rupees
Region	**Contract**	**Letter of credit**
America	38,079,558	12,320,141
Asia	70,744,204	508,472,248
Europe	717,912,951	572,390,500
Total	**826,736,713**	**1,093,182,889**

	Note	30-Jun-18 Rupees	30-Jun-17 Rupees
21 LOANS AND ADVANCES			
Advances to :			
Suppliers - Unsecured (considered good)		**23,304,793**	22,055,345
Suppliers - Unsecured (considered doubtful)		**309,001**	309,001
Employees - Secured (considered good)		**5,394,834**	9,565,232
Employees - Un-secured (considered doubtful)		**1,165,000**	1,165,000
		30,173,628	33,094,578
Provision for doubtful advances	**21.1**	**(1,474,001)**	(1,474,001)
		28,699,627	31,620,577
21.1 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		**1,474,001**	1,474,001
22 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Trade deposits		**-**	10,000
Deposits against infrastructure fees	**22.1**	**81,750,126**	67,098,422
Prepaid expenses		**1,710,209**	334,885
		83,460,335	67,443,307

22.1 Effective mark up rate on these deposits range from 4.5% to 6% (June 30, 2017: 4.5% to 6%) per annum.

23 OTHER RECEIVABLES - UNSECURED		
KMC refundable - Considered doubtful	**680,624**	680,624
L/C in transit	**2,559,866**	-
Other receivables - Considered good	**14,887,408**	2,976,269
	18,127,898	3,656,893
Provision for doubtful receivables	**(680,624)**	(680,624)
	17,447,274	2,976,269
24 INCOME TAX REFUNDABLE		
Income tax refundable / adjustable	**237,079,056**	192,017,576
Provision for taxation - Current year	**(27,378,416)**	(72,619,736)
Provision for taxation - Prior years	**(3,594,287)**	1,159,756
	(30,972,703)	(71,459,980)
	206,106,353	120,557,596
25 SALES TAX REFUNDABLE		
Sales tax and federal excise duty refundable	**130,039,795**	194,061,359
Federal excise duty and 1% Special excise duty refundable - Considered doubtful	**3,006,390**	3,006,390
Provision for non refundable	**(3,006,390)**	(3,006,390)
	-	-
	130,039,795	194,061,359

Notes to the financial statements
For the year ended June 30, 2018

	Note	30-Jun-18 Rupees	30-Jun-17 Rupees
26 CASH AND BANK BALANCES			
Balances with banks on:			
Current accounts		**65,741,401**	34,860,694
Foreign currency account - current		**2,524,622**	4,925,265
		68,266,023	39,785,959
27 SALES - NET			
Export			
Yarn		**924,426,890**	753,103,986
Fabric		**1,912,191,474**	1,896,273,627
		2,836,618,364	2,649,377,613
Export Rebate		**44,407,434**	2,646,147
		2,881,025,798	2,652,023,760
Local			
Yarn		**4,116,939,372**	3,249,087,868
Fabric		**845,370,928**	865,019,583
Cotton and polyester		**163,545,164**	16,141,910
Scrap		**1,901,049**	308,307
Waste and others		**65,390,950**	55,336,875
		5,193,147,463	4,185,894,543
		8,074,173,261	6,837,918,303
Discount		**-**	(29,876)
Sales tax		**(327,850)**	(633,535)
		(327,850)	(663,411)
		8,073,845,411	6,837,254,892

27.1 Export sales includes exchange gain of PKR 104,060,562 (2017: PKR 25,679,861).

28 COST OF SALES			
Raw material consumed	**28.1**	**4,656,993,230**	4,075,421,588
Packing material consumed		**79,352,982**	71,755,627
Stores, spares and loose tools		**167,319,915**	164,545,704
Salaries, wages and benefits	**28.2**	**709,577,567**	637,815,058
Fees and subscription		**364,966**	349,480
Fuel .power and water		**988,909,791**	952,035,780
Insurance		**13,691,904**	18,589,409
Vehicle running and maintenance		**9,165,858**	8,826,019
Rent, rate and taxes		**632,673**	657,590
Repairs and maintenance		**10,258,430**	6,280,643
Communication		**773,416**	692,070
Traveling and conveyance		**2,070,922**	1,947,903
Depreciation	**15.3**	**214,815,553**	177,217,551
Others		**2,869,391**	2,608,661
		6,856,796,598	6,118,743,083
Work in process			
Opening stock		**121,132,743**	94,151,738
Closing stock		**(137,316,094)**	(121,132,743)
		(16,183,351)	(26,981,005)
Cost of goods manufactured		**6,840,613,247**	6,091,762,078

Notes to the financial statements
For the year ended June 30, 2018

	Note	30-Jun-18 Rupees	30-Jun-17 Rupees
Cost of raw material sold	28.3	**163,986,242**	15,900,495
Finished stocks			
Opening stock		**407,352,695**	302,556,787
Finished goods purchases		**18,964,352**	80,104,253
Closing stock		**(225,467,097)**	(407,352,695)
		200,849,950	(24,691,655)
		7,205,449,439	6,082,970,918

28.1 Raw material consumed

Opening stock	**2,184,922,836**	1,346,055,965
Purchases - net	**4,625,219,798**	4,935,827,018
	6,810,142,634	6,281,882,983
Cost of raw material sold	**(162,665,051)**	(21,538,559)
Raw material theft	**(6,059,961)**	-
Closing stock	**(1,984,424,392)**	(2,184,922,836)
	4,656,993,230	4,075,421,588

28.2 Salaries, wages and benefits includes employees benefits amounting to PKR 48,419,005 (June 30, 2017: PKR 32,895,965).

28.3 Cost of raw material sold

Cost of purchases	**157,003,307**	14,983,075
Direct expenses	**6,982,935**	917,420
	163,986,242	15,900,495

29 OTHER INCOME

Income from financial assets		
Interest income	**3,346,048**	3,030,139
Exchange gain on foreign currency accounts	**364,425**	185,218
Bad debts recovered	**-**	377,262
	3,710,473	3,592,619
Income from other than financial assets		
Gain on disposal of property, plant and equipment	**107,594,412**	1,521,562
Rental income	**681,779**	668,411
	108,276,191	2,189,973
	111,986,664	5,782,592

30 DISTRIBUTION COST

Export		
Freight on export sales	**54,872,130**	52,167,041
Commission on export sales	**44,754,978**	31,913,527
Export development surcharge	**7,037,074**	6,558,644
Sales Promotion Expenses	**3,475,943**	1,309,826
Others	**1,951,633**	1,714,009
	112,091,758	93,663,047
Local		
Salaries and wages	**778,427**	1,134,336
Freight on local sales	**15,038,569**	12,087,774
Commission on local sales	**54,572,621**	46,885,431
Quality claim	**1,345,741**	1,012,020
Others	**827,479**	677,515
	72,562,837	61,797,076
	184,654,595	155,460,123

Notes to the financial statements
For the year ended June 30, 2018

	Note	30-Jun-18 Rupees	30-Jun-17 Rupees
31 ADMINISTRATIVE EXPENSES			
Directors' remuneration	37	**15,600,000**	13,600,000
Staff salaries and benefits	31.1	**67,459,624**	65,463,907
Traveling, conveyance and entertainment		**8,854,108**	9,504,428
Printing and stationery		**2,579,499**	2,922,465
Communication		**1,904,586**	2,378,100
Vehicles running and maintenance		**8,279,312**	8,605,049
Legal and professional		**1,818,500**	2,587,833
Auditors' remuneration	31.2	**1,611,000**	1,547,000
Fee and subscription		**3,936,736**	3,266,951
Repair and maintenance		**1,427,754**	971,113
Depreciation	15.3	**8,636,586**	8,534,564
Rent, rates and utilities		**1,372,162**	1,351,218
Donation	31.3	**500,000**	400,000
Software license renewal and maintenance fee		**482,400**	1,073,306
Others		**2,427,030**	2,099,899
		126,889,297	124,305,833

31.1 Salaries, wages and benefits includes employees benefits amounting to PKR 5,317,065 (June 30, 2017: PKR 25,433,258).

31.2 Auditors' remuneration

Annual statutory audit	**1,390,000**	1,331,000
Half yearly review	**181,000**	176,000
Code of Corporate Governance review	**40,000**	40,000
	1,611,000	1,547,000

31.3 No director or his spouse had any interest in the donee

32 OTHER OPERATING EXPENSES			
Workers' Profit Participation Fund	9.2	**29,007,844**	19,773,556
Workers' Welfare Fund	9	**3,699,784**	4,099,052
Provision for doubtful debts	20.1	**-**	119,747
		32,707,628	23,992,355
33 FINANCE COST			
Mark-up on:			
- long-term financing		**33,801,367**	26,743,990
- short-term borrowings		**36,678,536**	42,662,672
- workers' profit participation fund	9.2	**5,289,478**	2,353,942
		75,769,381	71,760,604
Bank charges and commission		**3,117,486**	2,307,230
Letter of credits discounting		**15,084,496**	12,995,849
		93,971,363	87,063,683
34 PROVISION FOR TAXATION			
Current			
- for the year	34.1	**27,378,416**	72,619,736
- for prior years		**3,594,287**	(1,159,756)
		30,972,703	71,459,980
Deferred - current year	8.2	**29,150,541**	22,048,062
		60,123,244	93,508,042

Notes to the financial statements
For the year ended June 30, 2018

34.1 Provision for current tax has been made in accordance with section 113 and section 169 (2017: section 113 and section 169) of the Income Tax Ordinance, 2001 ('the Ordinance'). As per management, the provision for tax made in the financial statements is sufficient. A comparison of last three years' of income tax provisions with tax assessment is presented below:

	2015	2016	2017
	Rupees		
Income tax provision as per financial	7,339,515	86,842,509	71,459,980
Income tax as per tax assessment	12,439,183	86,620,727	76,214,023

34.2 Assessments upto assessment year 2002-2003 have been finalized under the relevant provisions of the Repealed Income Tax Ordinance, 1979 where as asessments upto tax year 2017 have been finalized under relevant provisions of Income Tax Ordinance, 2001.

34.3 The Government of Pakistan notified a reduced tax rate of 30% for tax year 2018 as compared to 31% applicable to previous year for Companies.

34.4 Numerical reconciliation between the average tax rate and the applicable tax rate

	30-Jun-18	30-Jun-17
	%	%
Applicable tax rate	**30.00**	31.00
Tax effect of amounts that are:		
adjustment of the prior years	**0.66**	(0.30)
income chargeable to tax at different rate	**(13.24)**	(11.05)
deferred tax	**5.35**	0.06
tax credit	**(11.68)**	(0.04)
	(18.91)	(11.33)
Effective tax rate	**11.09**	19.67

		30-Jun-18	30-Jun-17
		Rupees	Rupees
35 EARNINGS PER SHARE - BASIC AND DILUTED		**160.68**	91.91
There is no dilutive effect on the basic earning per share of the company which is based on;			
Earnings			
Earnings for the purpose of basic earnings per share (net profit after tax for the year)		**482,036,509**	275,736,530
Number of shares		**30-Jun-18**	30-Jun-17
Weighted average number of ordinary shares for the purpose of basic earnings per share		**3,000,000**	3,000,000
Basic earnings per share have been computed by dividing earnings as stated above with weighted average number of ordinary shares.			
Basic earnings per share	**Rupees**	**160.68**	91.91

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

36 NON ADJUSTING EVENTS AFTER BALANCE SHEET DATE

In respect of current period, the board of directors in their meeting held on 27 September, 2018 has proposed to pay cash dividend of @ 643.00% i.e. PKR 64.30 per ordinary share of PKR 10 each. This dividend is subject to approval by the shareholders at the forthcoming annual general meeting.

Notes to the financial statements
For the year ended June 30, 2018

37 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTOR

	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	2018	**2018**	**2018**	2017	2017	2017
	Rupees	**Rupees**	**Rupees**	Rupees	Rupees	Rupees
Remuneration	**7,800,000**	**7,800,000**	**11,175,867**	6,800,000	6,800,000	**21,679,644**
Perquisites	**-**	**-**	**2,067,412**	**-**	**-**	**3,910,217**
Post employment benefits			**1,531,625**	**-**	**-**	**1,393,277**
	7,800,000	**7,800,000**	**14,774,904**	6,800,000	6,800,000	**26,983,138**
Number of persons	**1**	1	**6**	**1**	**1**	**22**

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

37.2 No remuneration to non executive directors has been paid.

38 Segment Analysis

The segment information for the reportable segments for the year ended 30th June 2018 is as follows:

38.1 Operating Results

	Spinning		Weaving		Total	
	30-Jun-18	**30-Jun-17**	**30-Jun-18**	**30-Jun-17**	**30-Jun-18**	**30-Jun-17**
Sales						
Export sales	924,426,890	753,103,986	1,912,191,474	1,896,273,627	2,836,618,364	2,649,377,613
Local sales	4,334,861,007	3,307,545,779	858,286,456	878,348,764	5,193,147,463	4,185,894,543
Custom rebate	11,137,704	379,071	33,269,730	2,267,076	44,407,434	2,646,147
Inter-segment sales	317,085,684	253,719,200	-	-	317,085,684	253,719,200
	5,587,511,285	4,314,748,036	2,803,747,660	2,776,889,476	8,391,258,945	7,091,637,503
Discount and sales tax						
Regularity Duty	-	-	-	-	-	-
Discount	-	(29,876)	-	-	-	(29,876)
Sales tax	(289,062)	(618,573)	(38,788)	(14,962)	(327,850)	(633,535)
	(289,062)	(648,449)	(38,788)	(14,962)	(327,850)	(663,411)
Net sales	5,587,222,223	4,314,099,587	2,803,708,872	2,776,874,505	8,390,931,095	7,090,974,092
Cost of sales	4,905,957,098	3,785,919,077	2,616,578,025	2,550,771,041	7,522,535,123	6,336,690,118
Gross profit	681,265,125	528,180,510	187,130,847	226,103,464	868,395,972	754,283,974
Other operating income	111,325,692	5,493,451	660,972	289,141	111,986,664	5,782,592
	792,590,817	533,673,961	187,791,819	226,392,605	980,382,636	760,066,566
Distribution cost	108,385,590	91,282,724	76,269,005	64,177,399	184,654,595	155,460,123
Administrative cost	100,076,018	97,741,464	26,813,279	26,564,369	126,889,297	124,305,833
	208,461,608	189,024,188	103,082,284	90,741,768	311,543,892	279,765,956
Operating result	584,129,209	344,649,773	84,709,535	135,650,837	668,838,744	480,300,610
Segment assets	5,008,303,431	4,331,443,803	1,189,150,090	1,155,434,224	6,197,453,521	5,486,878,027
38.2 Unallocated assets					448,139,299	408,267,698
					6,645,592,820	5,895,145,725
Segment liabilities	1,867,153,488	1,638,041,242	323,429,855	223,684,165	2,190,583,343	1,861,725,407
38.3 Unallocated liabilities					193,031,048	147,726,785
					2,383,614,391	2,009,452,192

Notes to the financial statements
For the year ended June 30, 2018

38.4 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.

39 Reconciliation of reportable segment turnover, cost of sales, assets and liabilities	2018 Rupees	2017 Rupees
39.1 Turnover		
Total turnover for reportable segments	8,390,931,095	7,090,974,092
Elimination of inter-segment turnover	(317,085,684)	(253,719,200)
Total turnover	8,073,845,411	6,837,254,892
39.2 Cost of sales		
Total cost of sales for reportable segments	7,522,535,123	6,336,690,118
Elimination of inter-segment revenue	(317,085,684)	(253,719,200)
Total cost of sales	7,205,449,439	6,082,970,918
39.3 Assets		
Total assets for reportable segments	6,197,453,521	5,486,878,027
Taxation recoverable	206,106,353	120,557,596
Sales tax refundable	130,039,795	194,061,359
Trade deposits	83,460,335	67,443,307
Long term deposit	28,532,816	26,205,436
Total assets	6,645,592,820	5,895,145,725
39.4 Liabilities		
Total liabilities for reportable segments	2,190,583,343	1,861,725,407
Unclaimed dividends	758,605	608,803
Infrastructure fee	80,971,084	66,071,744
Deferred taxation	111,301,359	81,046,238
Total liabilities	2,383,614,391	2,009,452,192

		Spinning		Weaving		Total	
40 Cost of sales	**Note**	**30-Jun-18**	**30-Jun-17**	**30-Jun-18**	**30-Jun-17**	**30-Jun-18**	**30-Jun-17**
Raw material consumed	**40.1**	2,945,374,755	2,461,419,292	2,028,704,159	1,867,721,496	4,974,078,914	4,329,140,788
Packing material consumed		71,925,338	63,799,427	7,427,644	7,956,200	79,352,982	71,755,627
Stores and spare parts		116,184,856	105,166,276	51,135,059	59,379,428	167,319,915	164,545,704
Salaries, wages and benefits		538,748,443	488,539,559	170,829,124	149,275,499	709,577,567	637,815,058
Fees and subscription		339,915	326,480	25,051	23,000	364,966	349,480
Fuel, power and water							
Inter-segment		-	-	-	-	-	-
Others		704,081,880	623,404,284	284,827,911	328,631,496	988,909,791	952,035,780
		4,550,848,053	3,873,942,278	2,623,034,229	2,498,520,005	7,173,882,282	6,372,462,283
Insurance		9,222,291	13,093,207	4,469,613	5,496,202	13,691,904	18,589,409
Vehicle running and maintenance		6,755,716	6,317,555	2,410,142	2,508,464	9,165,858	8,826,019
Rent, rates and taxes		598,173	631,390	34,500	26,200	632,673	657,590
Repair and maintenance		7,308,758	4,442,996	2,949,672	1,837,647	10,258,430	6,280,643
Communication		485,946	451,341	287,470	240,729	773,416	692,070
Travelling and conveyance and entertainment		1,498,381	1,490,374	572,541	457,529	2,070,922	1,947,903
Depreciation		146,964,398	103,501,712	67,851,155	73,715,839	214,815,553	177,217,551
Others		1,359,203	1,358,385	1,510,188	1,250,276	2,869,391	2,608,661
		4,550,848,053	3,873,942,278	2,623,034,229	2,498,520,005	7,713,882,282	6,345,481,278

Notes to the financial statements
For the year ended June 30, 2018

	Spinning		Weaving		Total	
	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17
Work in process						
Opening stock	47,115,994	54,151,130	74,016,749	40,000,608	121,132,743	94,151,738
Closing stock	(57,241,040)	(47,115,994)	(80,075,054)	(74,016,749)	(137,316,094)	(121,132,743)
	(10,125,046)	7,035,136	(6,058,305)	(34,016,141)	(16,183,351)	(26,981,005)
Cost of raw material sold	163,986,242	15,900,495	5,661,744	6,555,484	169,647,986	22,455,979
Finished stocks						
Opening stock	314,303,035	190,344,782	93,049,660	112,212,005	407,352,695	302,556,787
Finished goods purchased	12,075,400	12,999,421	1,227,208	60,549,348	13,302,608	73,548,769
Closing stock	(125,130,586)	(314,303,035)	(100,336,511)	(93,049,660)	(225,467,097)	(407,352,695)
	201,247,849	(110,958,832)	(6,059,643)	79,711,693	195,188,206	(31,247,139)
	4,905,957,098	3,785,919,077	2,616,578,025	2,550,771,041	7,522,535,123	6,336,690,118
40.1 Raw material consumed						
Opening stock	2,034,271,730	1,229,793,854	150,651,106	116,262,111	2,184,922,836	1,346,055,965
Purchases						
Inter-segment	-	-	317,085,684	253,719,200	317,085,684	253,719,200
Others	2,973,018,970	3,280,880,243	1,652,200,828	1,654,946,775	4,625,219,798	4,935,827,018
	2,973,018,970	3,280,880,243	1,969,286,512	1,908,665,975	4,942,305,482	5,189,546,218
Raw material sold - cotton	(157,003,307)	(14,983,075)	-	-	(157,003,307)	(14,983,075)
Raw material impaired	(6,059,961)	-	-	-	(6,059,961)	-
Raw material sold - yarn	-	-	(5,661,744)	(6,555,484)	(5,661,744)	(6,555,484)
Closing stock	(1,898,852,677)	(2,034,271,730)	(85,571,715)	(150,651,106)	(1,984,424,392)	(2,184,922,836)
	2,945,374,755	2,461,419,292	2,028,704,159	1,867,721,496	4,974,078,914	4,329,140,788
40.2 Cost of raw material sold						
Cost of purchase	157,003,307	14,983,075	5,661,744	6,555,484	162,665,051	21,538,559
Direct expenses	6,982,935	917,420	-	-	6,982,935	917,420
	163,986,242	15,900,495	5,661,744	6,555,484	169,647,986	22,455,979
41 Distribution cost						
Export						
Ocean freight and forwarding	22,022,189	17,618,818	32,849,941	34,548,223	54,872,130	52,167,041
Commission	17,988,781	16,515,612	26,766,197	15,397,915	44,754,978	31,913,527
Export development surcharge	2,293,669	1,846,750	4,743,405	4,711,894	7,037,074	6,558,644
Sales Promotion Expenses	838,443	843,088	2,637,500	466,738	3,475,943	1,309,826
Others	-	551,255	1,951,633	1,162,754	1,951,633	1,714,009
	43,143,082	37,375,523	68,948,676	56,287,524	112,091,758	93,663,047
Local						
Salaries and wages	778,427	1,134,336	-	-	778,427	1,134,336
Inland transportation	14,689,969	12,042,274	348,600	45,500	15,038,569	12,087,774
Commission	47,455,959	39,051,173	7,116,662	7,834,258	54,572,621	46,885,431
Quality claim	1,490,674	1,012,020	(144,933)	-	1,345,741	1,012,020
Others	827,479	667,398	-	10,117	827,479	677,515
	65,242,508	53,907,201	7,320,329	7,889,875	72,562,837	61,797,076
	108,385,590	91,282,724	76,269,005	64,177,399	184,654,595	155,460,123

Notes to the financial statements
For the year ended June 30, 2018

	Spinning		Weaving		Total	
	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17
42 Administrative cost						
Directors' remuneration	15,600,000	13,600,000	-	-	15,600,000	13,600,000
Staff salaries and benefits	50,004,772	48,570,421	17,454,852	16,893,486	67,459,624	65,463,907
Traveling, conveyance and entertainment	6,141,961	6,893,383	2,712,147	2,611,045	8,854,108	9,504,428
Printing and stationery	2,197,366	2,025,765	382,133	896,700	2,579,499	2,922,465
Communication	1,838,779	2,278,484	65,807	99,616	1,904,586	2,378,100
Vehicles running and maintenance	6,696,105	7,067,979	1,583,207	1,537,070	8,279,312	8,605,049
Legal and professional	1,151,500	2,290,333	667,000	297,500	1,818,500	2,587,833
Auditors' remuneration	1,074,000	1,032,000	537,000	515,000	1,611,000	1,547,000
Fee and subscription	3,520,224	2,681,612	416,512	585,339	3,936,736	3,266,951
Repair and maintenance	1,427,754	964,413	-	6,700	1,427,754	971,113
Depreciation	6,982,770	6,971,754	1,653,816	1,562,810	8,636,586	8,534,564
Rent, rates and utilities	1,372,162	1,351,218	-	-	1,372,162	1,351,218
Donation	250,000	250,000	250,000	150,000	500,000	400,000
Inadmissible input	515,375	194,898	-	26,413	515,375	221,311
Software license renewal and maintenance fee	-	-	482,400	1,073,306	482,400	1,073,306
Others	1,303,250	1,569,204	608,405	309,384	1,911,655	1,878,588
	100,076,018	97,741,464	26,813,279	26,564,369	126,889,297	124,305,833

43 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, 2018 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.

Notes to the financial statements
For the year ended June 30, 2018

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

2018

	Interest / Markup bearing			Non Interest / Markup bearing				
	Maturity Upto One year Rupees	Maturity After One year Rupees	Subtotal Rupees	Maturity Upto One year Rupees	Maturity After One year Rupees	Subtotal Rupees	Total Rupees	Effective Interest Rate %
Financial assets								
Trade debts	-	-	-	841,493,842	-	841,493,842	841,493,842	
Loans and advances	-	-	-	6,559,834	-	6,559,834	6,559,834	
Trade deposits	81,750,126	-	81,750,126	-	-	-	81,750,126	4.5 to 6
Other receivables	-	-	-	17,447,274	-	17,447,274	17,447,274	
Cash and bank balances	-	-	-	68,266,023	-	68,266,023	68,266,023	
Long term deposits	-	-	-	-	28,532,816	28,532,816	28,532,816	
	81,750,126	-	81,750,126	933,766,973	28,532,816	962,299,789	1,044,049,915	
Financial liabilities								
Long-term financing	81,367,073	885,233,720	966,600,793	-	-	-	966,600,793	2.40 and KIBOR + 0.40 to 0.65
Trade and other payables	29,007,844	-	29,007,844	742,686,747	-	742,686,747	771,694,591	
Accrued markup / interest	-	-	-	15,177,821	-	15,177,821	15,177,821	
Short-term borrowings	220,457,778	-	220,457,778		-	-	220,457,778	KIBOR + 0.05 to 2
	330,832,695	885,233,720	1,216,066,415	757,864,568	-	757,864,568	1,973,930,983	
On balance sheet gap	(249,082,569)	(885,233,720)	(1,134,316,289)	175,902,405	28,532,816	204,435,221	(929,881,068)	
Contingencies and commitments								
Post dated cheques							341,896,954	
Bill discounted							410,782,583	
Guarantees (Note 8.3 and Note 14.2)							209,143,962	
Letters of credit							490,829,539	

2017

	Interest / Markup bearing			Non Interest / Markup bearing				
	Maturity Upto One year Rupees	Maturity After One year Rupees	Subtotal Rupees	Maturity Upto One year Rupees	Maturity After One year Rupees	Subtotal Rupees	Total Rupees	Effective Interest Rate %
Financial assets								
Trade debts	-	-	-	544,451,299	-	544,451,299	544,451,299	
Loans and advances	-	-	-	10,730,232	-	10,730,232	10,730,232	
Trade deposits	67,098,422	-	67,098,422	10,000	-	10,000	67,108,422	4.5 to 6
Other receivables	-	-	-	2,976,269	-	2,976,269	2,976,269	
Bank balances	-	-	-	39,785,959	-	39,785,959	39,785,959	
Long-term deposits	-	-	-	-	26,205,436	26,205,436	26,205,436	
	67,098,422	-	67,098,422	597,953,759	26,205,436	624,159,195	691,257,617	
Financial liabilities								
Long-term financing	77,463,948	428,761,793	506,225,741	-	-	-	506,225,741	8.85 to 15.3 and KIBOR + 0.65
Trade and other payables	19,773,556	-	19,773,556	513,046,954	-	513,046,954	532,820,510	
Mark-up accrued on loans	-	-	-	14,259,426	-	14,259,426	14,259,426	
Short-term borrowings	676,558,383	-	676,558,383	-	-	-	676,558,383	
	773,795,887	428,761,793	1,202,557,680	527,306,380	-	527,306,380	1,729,864,060	KIBOR + 0.1 to 2
On balance sheet gap	(706,697,465)	(428,761,793)	(1,135,459,258)	70,647,379	26,205,436	96,852,815	(1,038,606,443)	
Contingencies and commitments								
Post dated cheques							306,762,370	
Bill discounted							7,824,947	
Guarantees							110,858,097	
Letters of credit							553,734,194	

Notes to the financial statements
For the year ended June 30, 2018

43.1 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.

43.2 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted. Out of the total financial assets of PKR 1,044,049,915 (June 30, 2017: PKR 691,380,331), unsecured local trade debts, advances to suppliers, and other receivables amounting in aggregate to PKR 865,500,950 (June 30, 2017: PKR 558,280,514) are subject to credit risk. The Company manages its credit risk by; limiting significant exposure to any individual customers and obtaining advance against sales.

43.3 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.

43.4 Foreign exchange risk management

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. As at June 30, 2017, the total foreign currency risk exposure was PKR 335,136,534 (June 30, 2017: PKR 142,415,097) in respect of foreign trade debts.

43.5 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."

43.6 Credit risk

43.6.1 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:

	June 30,2018 Rupees	June 30,2017 Rupees
Long term deposits	**28,532,816**	26,205,436
Trade debts	**841,493,842**	544,451,299
Loan and advances	**4,229,834**	8,400,232
Refundable trade deposits	**81,750,126**	67,108,422
Other receivables	**17,447,274**	2,976,269
Cash at banks	**68,266,023**	39,785,959
	1,041,719,915	688,927,617

43.6.2 Concentration of credit risk

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

Domestic	**577,218,546**	475,298,083
Europe	**155,553,378**	86,068,116
United States of America	**19,010,972**	-
Asia and Middle East	**158,047,562**	51,421,716
	909,830,458	612,787,915
Impairment	**(68,336,616)**	(68,336,616)
	841,493,842	544,451,299

Notes to the financial statements
For the year ended June 30, 2018

	June 30,2018 Rupees	June 30,2017 Rupees
43.6.3 Aging and movement in Impairment losses		
The aging of receivables as at the reporting date is as follows:		
Not past due	**661,265,657**	327,378,020
Past due less than one year	**180,107,584**	217,073,279
Past due more than one year but less than three years	**120,601**	-
Past due more than three years	**68,336,616**	68,336,616
	909,830,458	612,787,915
Impairment	**(68,336,616)**	(68,336,616)
	841,493,842	544,451,299

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

As at beginning of the year	**68,336,616**	68,713,878
Impairment loss recognized	**-**	-
Impairment loss reversed	**-**	(377,262)
As at end of the year	**68,336,616**	68,336,616

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.

43.6.4 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.

43.7 Liquidity risk

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

	As at June 30, 2018				
	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	966,600,793	1,127,401,466	116,612,889	406,459,154	720,942,312
Short term borrowings	220,457,778	220,740,079	220,740,079	-	-
Accrued markup / interest	15,177,821	15,177,821	15,177,821	-	-
Trade creditors	224,378,515	224,378,515	224,378,515	-	-
Accrued liabilities	170,251,169	170,251,169	170,251,169	-	-
Unclaimed dividend	758,605	758,605	758,605	-	-
Other payables	33,973,378	33,973,378	33,973,378	-	-
	1,631,598,059	**1,792,681,033**	**781,892,456**	**406,459,154**	**720,942,312**

Notes to the financial statements
For the year ended June 30, 2018

	As at June 30, 2017				
	Carrying amount	Contractual cash flows	One year or less	One to five years	More than five years
	Rupees	Rupees	Rupees	Rupees	Rupees
Long term financing	506,225,741	594,264,069	104,993,521	492,109,874	102,154,195
Short term borrowings	676,558,383	747,597,013	747,597,013	-	-
Accrued markup / interest	14,259,426	14,259,426	14,259,426	-	-
Trade creditors	169,267,489	169,267,489	169,267,489	-	-
Accrued liabilities	91,334,877	91,334,877	91,334,877	-	-
Unclaimed dividend	608,803	608,803	608,803	-	-
Other payables	23,019,996	23,019,996	23,019,996	-	-
	1,481,274,715	1,640,351,673	1,151,081,125	492,109,874	102,154,195

43.8 Market risk

43.8.1 Currency risk

	June 30,2018	June 30,2017
	Rupees	Rupees
The Company's exposure to currency risk as at the reporting date is as follows:		
Trade receivables	**332,611,912**	137,489,832
Cash and cash equivalents	**2,524,622**	4,925,265
Total exposure	**335,136,534**	142,415,097

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 121.40 / USD (2017: PKR 104.80 / USD).

A ten percent appreciation in Rupee would have decreased profit or loss by PKR 33,513,653 (2017: PKR 14,241,510). 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.

43.8.2 Interest rate risk

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

	June 30,2018	June 30,2017
	Rupees	Rupees
Fixed rate instruments		
Financial assets	**-**	-
Financial liabilities	**637,064,000**	119,770,000
Variable rate instruments		
Financial assets	**81,750,126**	67,098,422
Financial liabilities	**529,449,571**	1,063,014,124

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 4,476,994 (2017: PKR 10,423,931). A 100 basis points increase in variable interest rate would have had an equal but opposite impact on profit or loss.

43.9 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.

Notes to the financial statements
For the year ended June 30, 2018

44 TRANSACTIONS WITH RELATED PARTIES

The associated undertaking and related parties comprise associated companies, directors and key management personnel. Names, basis of relationship and transaction with associated undertakings and related parties, other than remuneration and benefits to key management personnel under the term of their employment as disclosed in note 9.1 and 36 are as follow:

Name of the Company	Basis of relationship	Percentage of shareholding
Faisal Spinning Mills Limited	Common directorship	N/A
Blessed Textiles Limited	Common directorship	N/A
Bhanero Energy Limited	Common directorship	N/A
Admiral (Private) Limited	Directorship of close family relative	N/A
Umer Farms (Private) Limited	Common directorship	N/A

Nature of relationship	Nature of transactions	30-Jun-18 Rupees	30-Jun-17 Rupees
Associated undertaking	Sales of fabric	**17,415,271**	6,169,364
	Sales of Cotton	**142,455,718**	16,141,910
	Sales of yarn	**577,600,615**	473,443,568
	Purchase of yarn	**195,348,387**	121,503,794
	Purchase of cotton	**-**	45,158
	Purchase of fabrics	**1,227,205**	60,522,102
	Services rendered	**681,779**	668,411
	Services received	**309,000**	324,000
	Electricity purchased	**743,252,518**	900,055,652
	Purchase of machinery	**-**	73,593,000
Retirement benefits	Provision for gratuity	**47,833,259**	58,329,323
Key management	Remuneration	**15,600,000**	13,600,000
Associated undertaking	Balance with related party	**20,000**	20,000

45 Accounting Estimates and Judgments

45.1 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.

45.2 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.

45.3 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.

45.4 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.

45.5 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."

46 Reconciliation of movements of liabilities to cash flows arising from Financing activities.

Notes to the financial statements
For the year ended June 30, 2018

	2018			
	Liabilities			
	Longterm financing	Short term borrowings	Unclaimed dividend	Total
	Rupees			
Balance as at July 01, 2017	506,225,741	676,558,383	608,803	1,183,392,927
Receipts from long term finances	537,839,000	-	-	537,839,000
Repayment of long term finances	(77,463,948)	-	-	(77,463,948)
Short term borrowing repaid net of receipts	-	(456,100,605)	-	(456,100,605)
Exchange loss on repayment of loans	-	-	-	-
Dividend paid	-	-	(110,250,240)	(110,250,240)
Total changes from financing cash flows	**460,375,052**	**(456,100,605)**	**(110,250,240)**	**(105,975,793)**
Non cash changes	-	-	110,400,042	110,400,042
Balance as at June 30, 2018	**966,600,793**	**220,457,778**	**758,605**	**1,187,817,176**

47 PLANT CAPACITY AND ACTUAL PRODUCTION	**30-Jun-18**	30-Jun-17
Spinning & Weaving		
Number of spindles installed	**80,112**	69,312
Number of looms installed	**160**	160
Number of spindles worked	**80,112**	69,312
Number of looms worked	**160**	160
Number of working days	**364**	364
Number of shifts per day	**3**	3
Installed capacity of yarn (Kgs.)	**14,810,385**	13,954,119
Actual production of yarn (Kgs.)	**11,392,698**	10,621,496
Installed capacity of fabric - meters	**21,534,566**	21,534,566
Actual production of fabric - meters	**15,952,617**	15,100,469

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.

48 NUMBER OF EMPLOYEES	**30-Jun-18**	30-Jun-17
As at the reporting date		
Head office	**65**	65
Mills	**1,317**	1,326
	1,382	1,391
Average for the year		
Head office	**64**	66
Mills	**1,315**	1,314
	1,379	1,380

Notes to the financial statements
For the year ended June 30, 2018

49 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 2018.

50 CORRESPONDING FIGURES

50.1 Corresponding figures have been re-arranged where necessary to comply with requirements of Companies Act 2017 and to facilitate comparison. However, no significant reclassification has been made, except for the following:

GIDC / Rate difference payable to SNGP amounting to Rs 66,637,118 (June 30, 2017: 44,446,830) has been classified from current liabilities to non current liabilities owing to stay granted by court.

Unclaimed dividend' amounting to Rs. 758,605 (June 30, 2017: Rs. 608,803) previously presented under 'Trade and other payables' now separately presented on the face of the statement of financial position as per requirement of fourth schedule.

51 GENERAL

The figures have been rounded off to the nearest Rupee.

Khurrum Salim
Chief Executive

Mohammad Salim
Director

Asim Mirza
Chief Financial Officer

Karachi:
Date: 27th September 2018

CATEGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2018

SR #	CATEGORIES OF SHAREHOLDERS	NUMBERS OF SHAREHOLDERS	SHARES HELD	PERCENTAGE %
1	Directors Chief Executive Officer and their Spouses and Minor Children's	17	1,407,636	46.92
2	Associated Companies, Undertaking and Related Parties	12	1,439,864	48.00
3	NIT & ICP	-	-	-
4	Insurance Company	1	70,500	2.35
5	General Public / Individuals	352	75,244	2.50
6	Other Companies	3	6,756	0.23
		385	**3,000,000**	**100.00**

BHANERO TEXTILE of Companies MILLS LIMITED

List of Shareholders As At 30 June, 2018

Sr #	Shareholder Category	Percentage	No. of Shares
1	**ASSOCIATED COMPANIES UNDERTAKINGS AND RELATED PARTIES**		
	ADMIRAL (PVT) LTD	16.69	500,600
	MR. MOHAMMAD SHAKEEL	0.74	22,055
	MR. FARRUKH SALEEM	2.02	60,600
	MR. YOUSUF SALEEM	1.69	50,674
	MR. SAQIB SALEEM	1.68	50,490
	MR. MUHAMMAD QASIM	5.28	158,400
	MR. FAISAL SHAKEEL	8.32	249,676
	MR. ABDULLAH BILAL	1.96	58,787
	MRS. NAZLI BEGUM	1.68	50,482
	MRS. SABA YOUSUF	2.76	82,700
	MRS. SABA SAQIB	2.76	82,900
	MRS. SADAF FARRUKH	2.42	72,500
2	**CEO, DIRECTORS AND THEIR SPOUSES AND MINOR CHILDREN**		
	MR. MUHAMMAD SALEEM	0.73	21,929
	MR. MUHAMMAD SHARIF	0.02	500
	MR. MUHAMMAD SHAHEEN	1.43	42,780
	MR. HAMZA SHAKEEL	0.02	500
	MR. KHURRAM SALEEM	2.02	60,500
	MR. BILAL SHARIF	2.48	74,500
	MR. MUHAMMAD AMIN	5.32	159,500
	MR. ADIL SHAKEEL	8.93	267,825
	MR. IQBAL MEHBOOB VOHRA	0.02	500
	MRS. YASMIN BEGUM	1.01	30,372
	MRS. SEEMA BEGUM	1.78	53,292
	MRS. AMNA KHURRAM	2.45	73,400
	MRS. SAMIA BILAL	11.14	334,283
	MRS. FATIMA AMIN	5.68	170,400
	MASTER AZAAN BILAL	1.96	58,678
	MASTER ALI BILAL	1.96	58,677
3	**BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCE INSTITUTIONS AND INSURANCE COMPANIES**		
	STATE LIFE INSURANCE CORPORATION OF PAKISTAN	2.35	70,500
4	**INDIVIDUAL SHAREHOLDERS**	2.51	75,244
5	**OTHER COMPANIES**	0.23	6,756
	TOTAL	**100.00**	**3,000,000**

BHANERO TEXTILE of Companies MILLS LIMITED

List of Shareholders As At 30 June, 2018

Sr #	Shareholder Category	Percentage	No. of Shares
6	**DETAIL OF TRADING IN THE SHARES BY THE DIRECTORS, CEO COMPANY SECRETARY AND THEIR SPOUSES AND MINOR CHILDREN**	**NIL**	**NIL**
7	**SHAREHOLDERS HOLDING 05% OR MORE**		
	MR. MUHAMMAD QASIM	5.28	158,400
	MR. FAISAL SHAKEEL	8.32	249,676
	MR. MUHAMMAD 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, 2018

NUMBER OF SHAREHOLDERS	SHARE HOLDING		TOTAL SHARES HELD
	FROM	TO	
307	1	100	8,771
35	101	500	10,446
6	501	1000	5,600
8	1001	5000	22,482
2	5001	10000	16,501
3	20001	25000	64,184
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	245001	250000	249,676
1	265001	270000	267,825
1	330001	335000	334,283
1	500001	505000	500,600
385			3,000,000

* Note: There is no shareholding in the slab not mantioned

Year wise Operating Data

Year Ended 30th June 2018

	2018	2017	2016	2015	2014	2013
Spinning Unit						
Spindle installed	80,112	69,312	69,312	69,312	69,312	69,312
Spindle worked	80,112	69,312	69,312	69,312	69,312	69,312
Installed capacity after conversion into 20/s count - Kg	14,810,385	13,954,119	13,954,119	13,954,119	13,954,119	13,954,119
Actual production - Kg	11,392,698	10,621,496	10,008,485	9,832,682	10,138,381	10,115,200
Weaving Unit						
Air jet looms installed	160	160	160	160	140	140
Air jet looms worked	160	160	160	160	140	140
Installed capacity after conversion into 50 picks - Meter	21,534,566	21,534,566	21,534,566	21,534,566	20,206,406	20,206,406
Actual production - Meter	15,952,617	15,100,469	15,992,288	19,272,241	18,362,454	17,658,972

Year wise Financial Data 2018

Year Ended 30th June

	2018	2017	2016	2015	2014	2013
Profit and loass account				Rupees in Thousands		
Turnover (Net)	8,073,845	6,837,254	6,637,411	7,350,098	8,060,772	6,997,417
Gross profit	868,396	754,284	684,364	641,534	966,937	1,093,275
Operating profit	636,131	456,308	391,023	351,971	597,040	745,602
Financial expenses	93,971	87,063	69,828	115,128	126,836	124,896
Profit before tax	542,160	369,245	321,195	236,843	470,204	620,706
Profit after tax	482,037	275,737	220,349	207,410	408,263	586,996
Cash dividend	192,900	110,400	30,000	30,000	60,000	60,000
Balance Sheet						
Share Capital	30,000	30,000	30,000	30,000	30,000	30,000
Reserves	3,700,000	3,700,000	3,300,000	3,150,000	3,150,000	2,800,000
Shareholder equity	4,262,737	3,886,302	3,639,552	3,427,026	3,288,488	2,947,357
Long term liabilities	885,234	428,762	348,588	583,099	620,241	-
Short term loan	220,458	676,558	-	-	802,212	828,550
Current liabilities	1,089,456	1,256,655	493,105	497,897	1,250,451	1,303,307
Current portion of long term loans	81,367	77,464	77,464	67,141	-	1,699
Fixed assets	2,794,871	2,029,940	1,957,647	2,080,122	1,540,975	1,531,890
Current assets	3,790,735	3,784,088	2,720,643	2,597,798	3,039,511	2,822,476
Ratios						
Performance						
Sales growth percentage - Year to Year basis	18.09%	3.01%	-9.70%	-8.82%	15.20%	9.80%
Gross profit (%)	10.76%	11.03%	10.31%	8.73%	12.00%	15.62%
Profit before tax (%)	6.72%	5.40%	4.84%	3.22%	5.83%	8.87%
Profit after tax (%)	5.97%	4.03%	3.32%	2.82%	5.06%	8.39%
Breakup value per share - Rupees per share	1,421	1,295	1,213	1,142	1,096	982
Market value of share - at the year end - Rupees per share	807	900	680	474	526	330
Earnings per share - Rupees per share	91.91	91.91	73.45	69.14	136.09	195.67
Price earning ratio	8.79	9.79	9.26	6.86	3.86	1.69
Leverage						
Gearing ratio	0.28	0.30	0.12	0.19	0.43	0.28
Debt to equity (%)	20.77%	11.03%	9.58%	17.01%	18.86%	0.00%
Interest covering ratio	6.77	5.24	5.60	3.06	4.71	5.97
Liquidity ratio						
Current ratio	3.48	3.01	5.52	5.22	2.43	2.17

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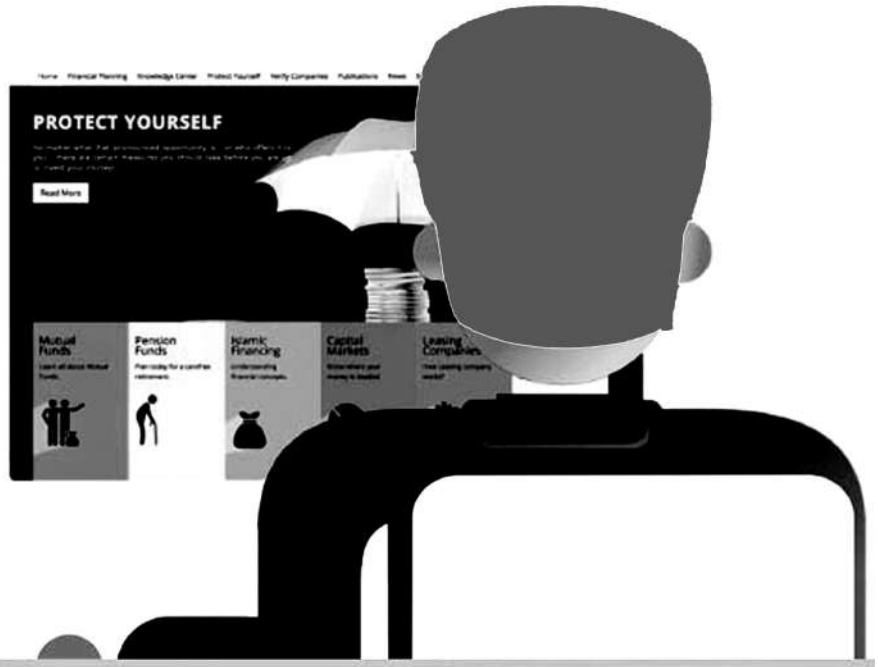

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صحت، سیفٹی اور ماحولیات کی پالیسی

کمپنی کو مکمل طور پر صحت کے لئے طے کیا ہے اور سب کام عمل میں لاتا ہے کہ بات کو یقینی بنانے کا مقصد ہے کہ حفاظتی اقدامات کو محفوظ طریقے سے کیا جاتا ہے۔ اسے ہٹایا خطرہ کم صحت، تمام ملازمین، ٹھیکیداروں اور زائرین اور جو کاروباری امور کی طرف سے متاثر ہوسکتا ہے کسی اور کی حفاظت کے لیے ہر ممکن کوشش بنا دیا ہے۔ اس کے علاوہ، عنائت ماحولیاتی مینجمنٹ کے معیارات پیداوار کے عمل کے ماحولیاتی اثرات کو کم سے کم اور عمل کی کارکردگی کو بہتر بنانے کی یقین دہانی۔

ڈائریکٹر کا صلہ

ایگزیکٹو ڈائریکٹر کی اجرت پالیسی کی خوبی تیار اور کمپنیاں ایکٹ 2017، کمپنیوں کی ایسوسی ایشن کے مضمون اور کارپوریٹ کوڈ کی دفعات کا بوآرڈ سبجیکٹ کے لئے انسانی وسائل اور صلہ کمیٹی) ہر رک (کی طرف سے سفارش کی جاتی ہے گورنانسر یگولاٹاوہے۔

ایگزیکٹو ڈائریکٹرز کے معاوضے کے طور مارکیٹ مسابقت میں یکساں کمپنیاں ایک جیسی ہے جس کو سامنے رکھتے ہوئے کی طرف سے متعین کی جاتی ہے، کی حالت میں بھی مہارت کی سطح کو سامنے رکھتے ہوئے، تجربہ، بورڈ اسائنمنٹس اور سالانہ اجلاسوں کی گنجائش ہے۔
ہر رک جو بورڈ کی ملاقات میں منظور کیا ہے کی طرف سے تجویز کردہ مقررہ ماہانہ تنخواہ کی پیروی کے لئے منظوری کے ارکان کی طرف سے عام طور پر مستحق ایگزیکٹو ڈائریکٹرز سے ملاقات۔

کوئی فیس یا مزدوری واجب ہوگا یا تو کرنے کے لئے غیر ایگزیکٹو یا آزاد ڈائریکٹرز ہیں۔

قانونی کارکردگیوں

تاہم اکتوبر ,25 سیڈنی کو کی میقات بندی کی سالانہ جنرل میٹنگ کے اختتام پر موجود کارکردگیوں ہٹھگ یف رٹیمولک مشتاق اینڈ کمپنی، چارٹرڈ اکانٹنٹس ریٹائر ہونگے، اہل ہونے کی وجہ وہ خود کو دوبارہ ملاقات کے لئے پیش کر رہے ہیں۔ کمیٹی نے آڈٹ ملاقات اوفم s/مشتاق کمپنی، اینڈ چارٹرڈ اکانٹنٹس، بیرونی آڈیٹر سال 30 جون 2019 کے خاتمے کے لئے کے طور پر تجویز دی ہے۔ خارجی کارکردگیوں ہٹھگ یف رٹیمولک مشتاق & کمپنی، چارٹرڈ اکانٹنٹس تسلی بخش درجہ بندی نے انسٹی ٹیوٹ کی چارٹرڈ اکانٹنٹس آف پاکستان کے معیار کا جائزہ پروگرام کے تحت دی گئی ہے اور فرم اور اس کے سب ساتھی کے بموجب کارروائی بین الاقوامی فیڈریشن کے اکانٹنٹس کی ہدایات پر ہیں کوڈ کے انسٹی ٹیوٹ آف چارٹرڈ اکانٹنٹس کے پاکستان کی طرف سے اپنایا اس اخلاقیات۔ بورڈ آف ڈائریکٹرز بھی جس میں 30 جون 2019 ختم ہوئی سال کے لئے بیرونی آڈیٹر ہٹھگ یف رٹیمولک مشتاق اینڈ کمپنی، چارٹرڈ اکانٹنٹس، کی تقرری کی سفارش کی جاتی ہے۔

مواد میں تبدیلیاں اور وعدے

کوئی مواد میں تبدیلیاں اور کمپنی کی مالی پوزیشن کو متاثر کرنے والے وعدوں کو کمپنی کی طرف سے مالی سال کے اختتام کے درمیان واقع ہوا ہے جو بیلنس شیٹ سے متعلق اور ڈائریکٹرز کی رپورٹ کی رپورٹ کی تاریخ ہے۔

شکریہ

میں بورڈ آف ڈائریکٹرز، قابل قدر شاریہولڈرس، گاہکوں، بینکاروں، سپلائرز اور دیگر اسٹیک ہولڈرز کے لئے اپنی حمایت، اعتبار اور اعتماد انتہائی مقروض ہوں۔ میں بھی ان کی وفاداری لگن اور سخت محنت جو کمپنی اپنے مقاصد کے حصول کے لئے اہل کے لئے تمام ملازمین کی تعریف۔

بحکم بورڈ

محمد سلیم	خرم سلیم
ڈائریکٹر	چیف ایگزیکٹو

کراچی 27 ستمبر 2018ء

بورڈ اور آڈٹ کمیٹی اجلاس

درج ذیل منعقد اور 18-2017 کے دوران بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی اور انسانی وسائل & صلہ کمیٹی کی طرف سے شرکت کی ملاقات کی تعداد ہیں:

	بورڈ آف ڈائریکٹر		کمیٹیاں آڈٹ		افرادی قوت اور مشاہیرہ	
ڈائریکٹر کا نام	شرکت کے اہل	شریک	شرکت کے اہل	شریک	شرکت کے اہل	شریک
جناب محمد سلیم	4	4	-	-	-	-
جناب محمد شریف	4	4	-	-	-	-
جناب محمد شاہین	4	4	-	-	-	-
جناب خرم سلیم	4	4	-	-	-	-
جناب بلال شریف	4	4	6	6	-	-
جناب محمد امین	4	4	-	-	2	2
جناب عادل شکیل	4	4	-	-	-	-
جناب حمزہ شکیل	4	4	6	6	2	2
جناب اقبال محبوب	4	4	6	6	2	2

آڈٹ کمیٹی

آڈٹ کمیٹی کے تین اراکین کو جس کے چیئرمین ایک آزاد ڈائریکٹر ہے جبکہ تمام دوسرے غیر - پر مشتمل ہے۔

ایگزیکٹو ڈائریکٹرز اور پان کے بورڈ آف ڈائریکٹرز کی طرف سے حوالے کی شرائط کے تحت اپنی ذمہ داریاں تفویض کیا جاتا ہے۔

ہر سہ ماہی کے مالی نتائج کی منظوری کے لیے ملاقات کے علاوہ، کمیٹی بھی سال میں ایک بار کفا اور ایک بار بغیر بیرونی کارکردگیوں کے ساتھ داخلی آڈیٹر کارپوریٹ کی ضرورت کے تحت ضابطہ طور پر کفا اور بیرونی آڈیٹر کی موجودگی کے بغیر کے ساتھ ملاقات اسلوبِ حکمرانی ضابطہ ہے۔

آڈٹ کمیٹی مالی رپورٹنگ عمل، آڈٹ عمل،، نظام کی اندرونی کنٹرول اور قوانین اور ضوابط کی تعمیل کی نگرانی فراہم کرنے کے لئے تشکیل دیا ہے۔ کمیٹی نے آڈٹ مینجمنٹ اور کارپوریٹ گورنس کے کوڈ کی ضرورت کے طور پر کمیٹی کو مطلع کیا کرنے کے لئے ضروری معاملات سمیت بیرونی کارکردگیوں کے ساتھ کے نتائج کا جائزہ۔

کمیٹی نے آڈٹ کو غنیمت اور ہر سطح پر اندرونی کنٹرول پر عمل درآمد کا جائزہ کے لئے مضبوط اندرونی آڈٹ نظام قائم کیا ہے۔ آڈٹ کمیٹی کے اجلاس میں باقاعدہ وقفوں کے ساتھ کارپوریٹ گورنس کے ضابطہ اخلاق کے تقاضوں کی تعمیل میں منعقد ہوئیں۔ عبوری اور سالانہ مالی گوشوارے آڈٹ کمیٹی کی منظوری کے بورڈ آف ڈائریکٹرز سے پہلے جائزہ لیا گیا۔

انسانی وسائل اور صلہ کمیٹی

انسانی وسائل اور صلہ کمیٹی) ہر رک (جبکہ چیئرمین ایک آزاد ڈائریکٹر ہے جس کے سب غیر ایگزیکٹو ڈائریکٹرز ہیں تین ارکان پر مشتمل ہے۔ آواز اور مثر ملازمین کے ترقیاتی پروگرام جو تمام وفاقی اور صوبائی قوانین اور ضوابط روزگار متاثر مکمل طور پر خری ہونا چاہیے کہ بات کو یقینی بناتی کمیٹی قائم کی ہے۔

ہر رک کے اہداف اور مقاصد کی سینئر ایگزیکٹو افسر اور چیف ایگزیکٹو کو تفویض کیے سیٹ کے خلاف کارکردگی کا جائزہ

افسر ہے۔ کمیٹی کو جو مزدوری ڈائریکٹرز اور سینئر اہلکاروں کے لئے بورڈ اور کمیٹی کے ارکان کا تشخیص عمل کی سفارش بھی شامل ہے بورڈ آف ڈائریکٹرز کی طرف سے تفویض کردہ حوالہ کی شرائط کے تحت چلاتا ہے۔

کاروباری سماجی ذمہ داری کی پالیسی

اس کمپنی کو CSR کی پالیسی کے ذریعے مصروف رہتے بذات خود مجموعی طور پر فائدے کے معاشرے اور کمیونٹی کے لیے فلاحی خدمات کی طرح مختلف فورم پر کئی پروگراموں میں۔ یہ آخر کار کارپوریشن جو ملازمین کے حوصلے اپ کو فروغ دینے اور ملازم کے درمیان ایک مضبوط تعلق پیدا کرتا ہے اور وہ دنیا بھر کے ان کے ساتھ زیادہ منسلک محسوس کرتے ہیں۔

کمپنی کے تمام ڈائریکٹرز منظوری /ڈائریکٹرز ٹریننگ پروگرام DTP) کے تحت (جیسا کہ کارپوریٹ گورننس کے کوڈ ضابطہ کا مستثنی ہیں۔
وہاں ایک رسمی پالیسی کما حقہ ڈائریکٹر کے پھل، انسداد منی لانڈرنگ اور رسک مینجمنٹ کے بورڈ کی طرف سے منظوری دے دی ہے۔
ضرورت کے طور پر کوڈ کے کارپوریٹ گورننس کی طرف سے، ہم مندرجہ ذیل معلومات اس رپورٹ میں شامل ہیں:
اے شاریہولڈانگ کے رجحان کا بیان الگ الگ دی گئی ہے۔
اے حصص کا بیان سے وابستہ عزائم کی طرف سے منعقد کیا اور افراد سے متعلق ہے۔
اے سال اور حاضری کے دوران ہر ڈائریکٹر کی طرف سے منعقد بورڈ کے اجلاسوں کا بیان الگ الگ دی گئی ہے۔Y
کلید آپریٹنگ اور مالیاتی اعداد و شمار گزشتہ چھ سالوں کے لئے۔ٹیکس اور لیویز کے بارے میں معلومات پورے طور پر داسکیلعث میں مقبوضہ شدہ مالی اسٹیٹمنٹ رہا تھا۔
کمپنی سختی سے مندرج فہرست کمپنیوں کے لئے کانفرنسز کی ممانعت پر ایس ای سی پی کی طرف سے جاری کردہ ہدایات پر عمل کریں اور کوئی ٹریڈنگ کمپنی کے حصص میں کیا اس کے ہدایت کار، سی ای او، کفا، کمپنی سیکرٹری، اندرونی آڈٹ کے سربراہ اور ان میاں بیوی کی طرف سے اور معمولی تھا۔سوائے ایک بچے کے طور پر شاریہولڈانگ کے اسلوب میں انکشاف کیا۔

شاریہولڈانگ کا نمونہ
شاریہولڈانگ اور شاریہولڈانگ کے اسلوب کے بارے میں اضافی معلومات کا نمونہ علیحدہ علیحدہ سے منسلک ہے۔

پارٹی اس جگہ میں ایک سخت پالیسی تمام پارٹی لین دین (RPT) میں تمسکات کی طرف سے جاری ہونے والے نوٹیفکیشن کے بموجب سے متعلق ہے اور ایکسچینج کمیشن آف پاکستان دیکھو ایس آر او (1) 768 سیڈنی سے متعلق ہے اور گواڈیلانیشوی کمپنی کی پالیسی میں برابر شامل کیا گیا لین دین اور دیکھ بھال کے ریکارڈ کے حوالے۔

بورڈ کی تشخیص

کمپنی بورڈ کے جائزے کے عمل اندرونی ریگولیشن (v)(3)10 کے ضابطہ کا بورڈ کی کارکردگی، بورڈ کے ارکان اور اس کمیٹی کے ممبران کا اندازہ کے لئے کارپوریٹ گورننس 2017 کی تعمیل میں منعقد کرنے کی چالیں ہیں۔

ایک جامع جائزہ لینے عمل ہو رہا ہے، قانونی دستاویزات منٹ بورڈ اور کمیٹی میٹنگوں، جگہ اور دیگر ضمنی دستاویزات میں پالیسیاں اس وقت باہر انتالانگquestionnaires، بورڈ اور کمیٹیوں کے ارکان سے بات چیت۔
ایک جامع جائزہ لینے عمل ہو رہا ہے، قانونی دستاویزات منٹ بورڈ اور کمیٹی میٹنگوں، جگہ اور دیگر ضمنی دستاویزات میں پالیسیاں اس وقت باہر انتالانگquestionnaires، بورڈ اور کمیٹیوں کے ارکان سے بات چیت۔
بورڈ کی تشکیل کی نگرانی کنگ 2017 نو ڈائریکٹرز کی بورڈ کے تحت 36 کی ضرورت کے طور پر مندرجہ ذیل پر مشتمل ہے۔

بزرگ کوئی زمرہ صنفی کل آزاد (i) ڈائریکٹر مرد1
(ii) ایگزیکٹو ڈائریکٹرز مرد2
() غیر-ایگزیکٹو ڈائریکٹرز مرد6

برآمدات بڑھانے میں مدد ملے گی کہ دیا گیا ہے۔تاہم ، یہ بہت پرایمان ثابت ہوئی۔

پاکستان میں ٹیکسٹائل کی صنعت بھی عام طور پر یورپ اور شمالی امریکہ، جو زیادہ آمدنی کے لئے ملک کا مطلب یہ ہوتا سکا بہتر قدر شامل کی مصنوعات، میں منتقل کرنے کے لئے ناکامی کم ویلیوایڈڈ مارکیٹوں کو ہدف بنارہے ہیں۔

ٹیکسٹائل صنعت کی بحالی کے لیے نومنتخب حکومت کے لیے درج ذیل اقدامات تجویز پیش ہیں: آپریشن میں سب سے پہلے، جنرل خامیوں کی نشاندہی کی اور آپریٹنگ اخراجات کم کرنے کے لئے سے نکلی جا کرنے کی ضرورت ہے۔حکومت اپنی آپریشنل خامیوں قوت کے طور پر ہٹانے کے دوران فرموں کے لئے مراعات فراہم کرے اور پیداواری کے لئے ماحول سازگار کام کرتی ہے۔

دوسری بات یہ کہ پیداواری صلاحیت کے ذریعے مذہبی جدیدیت نے تازہ ترین سامان بیرون ملک، جو مالی وسائل اور یہ کام کرنے کے لئے تربیت یافتہ انسانی وسائل کی ضرورت ہے سے حاصل کررہا ہے کی طرف سے بہتر بنایا جا کرنے کی ضرورت ہے۔اس مقصد کے لئے حکومت کو عوامی - میں داخل کرنا ہوگا
ٹیکسٹائل صنعت اور فرائض اور مشینری کی درآمد پر ٹیکس کی تمام اقسام کے خاتمے کے ساتھ نجی شراکت داری ہے۔

تیسری بات، صنعت میکرو کی سطح پر، جو اس میں بین الاقوامی سطح پر مسابقتی انداز میں تیار کرسکتے ہیں اعلی ویلیوایڈڈ مصنوعات کی شناخت کے لئے کی ضرورت ہے۔صنعت کے نمائندوں نے حکومت کے ساتھ بیٹھ کر اور وسائل اور اعلی ویلیوایڈڈ مصنوعات کی پیداوار میں درکار صلاحیتوں کی شناخت کرنا چاہیے۔ان وسائل اور صلاحیتوں ہو مقامی طور پر پیدا کرنا یا سرکاری- نجی شراکت داری سے درآمد کیا۔

چوتھا اور سب سے اہم بات یہ ہے کہ مسلسل حکومت کی حمایت کی ضرورت ہے مگر ایک مجموعی انداز میں جو صنعت اور فرم کی سطح پر مابنے کارکردگی شامل ہے۔سطح میدان جو یکساں مواقع فراہم کرتا ہے فراہم کی جائے چاہئے .اسی طرح مالی امداد مینوفیکچرنگ خامیوں سے نمٹنے کے لیے اور بہتر ویلیوایڈڈ مصنوعات کی پیداوار کے لئے دیا جانا چاہیے۔
کی متفقہ کوشش ہماری ٹیکسٹائل صنعت کو مسابقتی پھر جو عوام کے لئے روزگار کا اہم ذریعہ ہے بنانے کے لئے کی ضرورت ہے۔

کارپوریٹ سیلف گورننس کے کوڈ کے ساتھ تعمیل
کارپوریٹ گورننس کے کوڈ کے ساتھ تعمیل کے بیان کو شامل کرلیا ہے۔

کارپوریٹ اور مالی رپورٹنگ کے فریم ورک پر بیان:

آپ کی کمپنی کے ڈائریکٹرز نے پاکستان سٹاک ایکسچینج لمیٹڈ اور تمسکات &ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ ہدایات کے قواعد کی فہرست اپنی ذمہ داریوں کی کمپنیاں 2017ایکٹ کے تحت ضابطہ کارپوریٹ گورننس ضوابط، آگاہ ہیں۔لیکن ریگولیٹروں کی تعمیل کا ایک حصہ کے طور پر ہم مندرجہ ذیل کی تصدیق کریں:
ان مالی بیانات تیار کمپنی، موجودہ کے انتظام کی طرف سے کافی اس ریاست کے معاملات، آپریشن، نقد کا بہا اور مساوات میں تبدیلیوں کا نتیجہ ہے۔
موزوں کتابیں کمپنی کے اکانٹ سے برقرار رکھا گیا ہے۔ مناسب اکاؤنٹنگ پالیسیاں مسلسل مالی بیانات کی تیاری میں لگائے گئے ہیں اور اکاؤنٹنگ اندازوں کے مطابق معقول اور محتاط عدالت پر مبنی ہیں۔
بین الاقوامی مالیاتی رپورٹنگ کے معیار، پاکستان میں قابل اطلاق کے طور پر مالی کے بیانات کی تیاری میں کے بعد کیا گیا ہے۔
اندرونی کنٹرول کے نظام ڈیزائن میں آواز تھی اور ہے گئی مؤثر طریقے سے نافذ اور نگرانی کی جاتی ہے۔
ایسی ایک مسلسل تشویش کے طور پر جاری رکھنے کے لیے کمپنی کی صلاحیت پر کوئی اہم شکوک وشبہات تھے۔
وہاں کوئی مادی روانگی لسٹنگ ریگولیشنز میں تفصیلی طور پر کارپوریٹ گورننس کے بہترین طور طریقوں سے رہا ہے۔
ہم تیار اور ایک ضابطہ اخلاق کے زریعے اور ڈائریکٹرز اور ملازمین کے درمیان تجارتی حکمت عملی میں تقسیم کیا ہے۔
بورڈ آف ڈائریکٹرز ایک وژن اور مشن کے بیان اور مجموعی طور پر کاروباری حکمت عملی کا ایک بیان اختیار کیا ہے۔
تمام ڈائریکٹرز اس عمومی اجلاس تک شرکت کی ہے معقول وجہ سے روکنا ہے۔
ان ذمہ داریوں، کردار، اجرت، طاقتوں اور یم کوڈ کارپوریٹ گورننس، کمپنیوں ایکٹ اور مضمون کی ایسوسی ایشن کے مطابق ان شرائط پر ذمہ داری کے ساتھ تمام ڈائریکٹرز تفویض کی جاتی ہیں۔

ادا کرے گا کہ سال کے دوران کمرشل کی پیداوار کے لئے شامل کیا گیا ہے۔

مزید یہ کہ بورڈ بمرانچارج یونٹ پر تنصیب کے لیے روپے 325.00 ملین کے لیے میں نے اور سوم طاقت اس جنریشن کی سہولت کی کارکردگی بڑھانے کے لئے چار ہائی ٹیک انجن کی درآمد کے لئے منظوری دے دی ہے۔

کریڈٹ ریٹنگ

ایک کھوکھل کے آخری درجہ بندی/اوڈوڈمدرز) A1واحدایک پلس /ایک ایک (کوکمپنی کی طرف ریٹنگ کمپنی میسار کے جکر .VIS- کی طرف سے تفویض کیا گیا ہے اشعر تفویض کردہ ریٹنگ "مستحکم "ہے۔

مالی کے بیانات

2017 کمپنیوں ایکٹ کے تحت مطلوبہ بطور پس اور سیکورٹیز چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر کی طرف سے جاری کردہ ہدایات کی لسٹنگ ریگولیشنز کما حقہ توثیق غور کیلئے اپنے متعلقہ دستخطوں کے تحت مالی بیانات پیش اور ڈائریکٹرز کی بورڈ کے بورڈ کی منظوری کے بعد غور اور منظوری، مجاز مالی بیانات کے اجرا اور گردش کے لیے دستخط بنائیں۔
کمپنی کے مالی بیانات کما حقہ کمپنی کی کارکردگیوں کی کا آڈٹ کیا گیا ہے، مشتاق & کمپنی، چارٹرڈ اکاؤنٹنٹس اور کارکردگیوں مالی بیانات پر پاک آڈٹ رپورٹ 30 جون سیڈنی ختم ہوئی سال کے لیے جاری کیا ہے اور صاف نظر ثانی بیان کے کوڈ کے کارپوریٹ گورننس پر اطلاع دیں۔ یہ رپورٹیں مالی بیانات کے ساتھ منسلک ہیں۔

اکاؤنٹنگ کے معیارات

کمپنی کے اکاؤنٹنگ پالیسیاں مکمل طور پر کمپنیوں ایکٹ، 2017 اور اس طرح منظور شدہ بین الاقوامی حساب کتاب معیارات اور بین الاقوامی مالیاتی رپورٹنگ کے معیار کی ضروریات اس ایکٹ کے تحت ہی کے ذریعے مطلع کیا گیا ہے کے طور پر عکاسی سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ ہدایات۔

پاکستان کپاس کی فصل رہی تھی میں ٹیکسٹائل سیکٹر کا جائزہ ذرخیز 2.69 ملین ہیکٹر زمین کے زیادہ مقرر کرانا موجودہ بونے موسم کے دوران تقریبا 10.80 ملین کپاس بیلز پیدا کرنے کے لئے ملک کے علاقوں کی پیداوار فصل کے پار فصل کی برآمد کے لئے گھریلو ضروریات کو بھی سیڈنی 19- موسم۔

پاکستان کی ٹیکسٹائل کی صنعت ملک کی کل برآمدات کے لیے 60 فیصد سے زیادہ تاہم اخراج، فی الحال اس صنعت کو اس کی ترقی کی شرح میں بڑی کمی کا سامنا ہے۔ اس زوال کے لئے اہم وجوہات کی بنا پر عالمی کساد بازاری، داخلی سلامتی کے خدشات، اعلی قیمت کی وجہ سے پیداوار کی توانائی اخراجات وغیرہ میں اضافہ کرنے کے لئے ہوسکتا ہے۔ نمایاں تخفیف پاکستانی روپیہ کی قیمت بہتر درآمد پٹ کی افراط زر کی شرح میں اضافے اور مالی امداد کی اعلی قیمت ہے بھی متاثرین کو سنجیدگی سے ٹیکسٹائل صنعت میں ترقی ہے۔

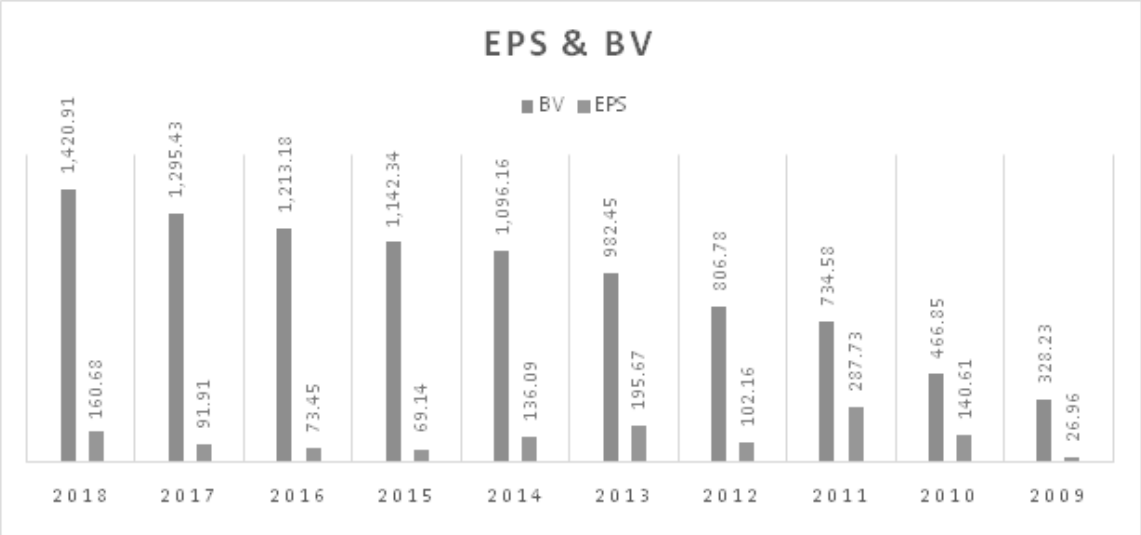
نتیجے کے طور پر نہ خریداروں کا بار بار پاکستان کا دورہ کر رہے ہیں اور نہ ہی بیرون ملک کے لئے مؤثر طریقے سے سفر کرنے کے قابل برآمد کنندگان اپنی مصنوعات مارکیٹنگ کی ہیں۔ تفصیلی تحقیقات کے ساتھ یہ ملا تو حکومت سنجیدہ اقدامات کو ہٹا رہا ہے یا بالا رکاوٹوں کو نارمل کر رہا میں پاکستان میں ٹیکسٹائل کی صنعت ایک بار پھر واپس جیتنے والے ٹریک پر لایا جاسکتا کہ۔ اس کے علاوہ، حکومت نے ٹیکسٹائل صنعت کو سبسڈی فراہم کرنا چاہئے، خلل سے پاک اور امدادی گیس کو یقینی بنانے اور بجلی کی فراہمی، ٹیکس کی واپسی کی حمایت کرتا ہے، تحقیق اور ترقی سے متعلق تکنیکی ترقی اکٹا واٹیسفا ور ملک کی مجموعی طور پر صنعتی ترقی میں اضافہ ہے۔

مستقبل کے چیلنجوں اینڈ سفارش

گھریلو قرض پانچ مرتبہ اور بیرونی قرضہ کی طرف سے 2009 اور سیڈنی کے درمیان 1.4 ٹائمز کی طرف سے اضافہ ہوا اور قرض کی سروسنگ پاکستانی معیشت کی ایک وجہ موضوع ہے۔ حکومت کی self-congratulatory کے دعووں کے باوجود، حقیقت یہ ہے کہ اقتصادی ترقی کے تمام نمونے قرضوں اور زراعانت کی طرف سے انڈر پانن کے لئے جاری ہے ابھی باقی ہے۔
کیپک المہدی منی یقضوا، اسی طرح دفاعی بجٹ، جس پر عوامی کہیقو رطور پر ہمیشہ بھاری وزن کو توڑنے کے لئے بہت زیادہ جا رہا ہے۔ اس سے پہلے پاکستان GSPپلس حیثیت جو امیدیں یہ ہماری

آمدنی اور رجیم قدر فی شیئر

کمپنی شاریہولڈرس کے سرمایہ کی طرف اپنے پختہ عزم روپے160.68اینڈ سے 91.91روپے کا حصہ فی دونوں آمدنی میں اضافے کے ذریعے اس کی عکاسی کرتے دکھایا گیا ہے رجیم کی قدر کے روپے، 1420.91during نے موجودہ سال اس طرح کے لئے قدر کو بڑھانے کے لئے 1,295.43 سے حصہ شاریہولڈرس مال و دولت ہے۔



ورکنگ کیپیٹل منیجمنٹ

کمپنی قریبی اس ورکنگ کیپیٹل منیجمنٹ کے دونوں اجزا یعنی موجودہ اثاثوں اور بہا اس قلیل مدتی آپریٹنگ اخراجات کو پورا کرنے کے لئے کافی نقد کی یقین دہانی دی مالی طور پر سب سے زیادہ موثر آپریشن کو یقینی بنانے کے لیے موجودہ وجوبات، کے استعمال سے پر نظر رکھتا ہے اور قرضوں کے مختصر مدتی قرض ہے۔

کمپنی 1,002.437 ملین روپے سیڈنی میں سرمایہ کاری کی ہے 315.308 :2017) ملین روپے (خرچ زیادہ سے زیادہ کارکردگی کے حصول کے لئے دارالحکومت کی طرف اور صنعت میں تشریح کی برتری کو برقرار رکھنے.

طویل مدتی قرضوں کے باعث 77.464 ملین روپے کے انچارج آفرینوں سیڈنی سال کے دوران 110.250 ملین روپے منافع کی طرف شاریہولڈرس کو دی جاتی ہے جبکہ کیے گئے۔

دارالحکومت کی ساخت

کمپنی کا قرض اور مساوات کو شاریہولڈرس کی قدر کو بڑھانے کے لئے زیادہ سے زیادہ مجموعہ استعمال اور سرمایہ کاری پر صحت مند واپس پیدا کرتا ہے۔

کمپنی مساوات اور قرض جو اس شاریہولڈرس کے مال کو زیادہ سے زیادہ کرے گا اس طرح سے خانقاہی ہیں۔ کمپنی کی مالی قوت شیئر دارک مساوات 4,262.737 ملین روپے میں 30 جون، سیڈنی طور پر کھڑا ہوا کہ حقیقت کے ساتھ گاوگاد کیا جاسکتا ہے) روپے 3,886.302 ملین: (2017 ایک نمو 9.69 فیصد) سال 2017 میں 6.78 فیصد (کی کل مساوات میں سال کے دوران جون سیڈنی دکھا۔ ریجنز کا تناسب 0.28 دکھایا بہتری کے طور پر متعلقہ سال جہاں اس پر 0.3 کھڑا ہوا تھا کہ موجودہ سال کے دوران۔

قلیل مدتی اثاثوں کی کمپنی 3.48 کے موجودہ شرح کی طرف سے تبصرہ کے تحت سال کے دوران اس کی عکاسی کرتے بہت مستحکم ہے۔

توسیع منصوبے &بمر کے 10,800 سپانڈلاس یونٹ II- میں توسیع کی گنجائش کامیابی سے جو بالآخر حاصل ہونے والی آمدنی کو بڑھانے اور اضافی گاہکوں کی ضروریات کو پورا کرنے میں اہم کردار

BHANERO TEXTILE of Companies MILLS LIMITED

ڈائریکٹرز کی رپورٹ

دار یکٹرسف بھانرو ٹیکسٹائل ملز لمیٹڈ آپ سالانہ رپورٹ کارکردگیوں کی رپورٹ پر کمپنی کے مالی بیانات کے ساتھ مل کر سال 30 جون، 2018 ختم ہونے سے پہلے پیش کرنے میں خوشی ہے۔

مالیاتی نتائج

جون 30، 2018 کو ختم سال کمپنی کے مالی نتائج کچھ اس طرح ہیں۔

	2018 روپے	2017 روپے
فروخت	8,073,845,411	6,837,254,892
قیمت فروخت کے	7,205,449,439	6,082,970,918
مجموعی منافع	868,395,972	754,283,974
ٹیکس کی وصولی سے پہلے نفع	542,159,753	369,244,572
ٹیکس کی وصولی		
موجودہ سال	27,378,416	72,619,736
گزشتہ سال	3,594,287	(1,159,756)
ملتوی	29,150,541	22,048,062
	60,123,244	93,508,042
ٹیکس کی وصولی کے بعد ملتوی منافع	**482,036,509**	**275,736,530**
فی شیئر آمدنی بنیادی اور کم ہوگئی	160.68	91.91

30 جون، 2018 (2017:PKR 275.736) سال کے دوران 482.036 ملین روپے کے ٹیکس ختم ہونے کے بعد مالیاتی کارکردگی کی طرف میں کمپنی نے منافع کمایا ہے۔

عالمی اور مقامی سطح مشکل معاشی حالت کے باوجود منسوبی کپاس اور سوت کی قیمتوں میں اضافہ کے لیے، کمپنی کی فروخت 6,837.254 ملین روپے سے PKR8، موجودہ سال میں 073.845 ملین سے بڑھ گیا۔ دیگر آمدنی میں اضافے نے موجودہ سال کے دوران مشینری اور زمین کی فروخت کے لئے بنیادی منسوبی ہے۔ تقسیم اور فروخت کے تناسب سے دوسرے آپریٹنگ لاگت رہتا ہے تقریبا ایک ہی رواں سال کے دوران تاہم، انتظامیہ اور مالیات کی قیمت فروخت تناسب کو 0.25 فیصد اور 0.11 کی طرف سے کمی واقع ہوئی کیا گیا ہے۔ اسی سال کے مقابلے رواں سال کے دوران 11 فیصد ہے۔

کمپنی جون 30، 2018 754.283 روپے کے مقابلے میں متعلقہ سال ختم ہوگیا کہ موجودہ سال کے دوران 868.395 ملین روپے کا مجموعی منافع کمایا ہے۔ مجموعی منافع میں اضافے کی بنیادی منسوبی برآمد ریباٹیس اور برآمدی فروخت پر غیر ملکی زرمبادلہ کے نفع کے لئے ہے۔

مہیز اینڈ ذخائر ہیت

موجودہ سال کے ڈائریکٹرز کی بورڈ کے ایک حتمی نقد منافع 322.00 فیصد یعنی روپے 32 کی سفارش کرنے کے لئے خوش ہیں جبکہ گزشتہ سال 2017 میں منافع 634.00 فیصد یعنی پر روپے 64.30 کمپنی کی طرف سے دی جاتی۔ آڈٹ کمیٹی کی منظوری شاریہولڈرس اکتوبر ,25، اکتوبر 2018 کو کی میقات بندی آئندہ سالانہ عام اجلاس میں کے لئے سفارش کے مطابق ہے۔
اس کے علاوہ، ڈائریکٹرز روپے کی ایک رقم منتقل کرنے کی تجویز دی 300.00 ملین جنرل ریزرو کے مستقبل میں کسی بھی ناگہانی مصیبت ناگہانی سے ملاقات کرنے کے لیے۔

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 39th Annual General Meeting of the Company to be held on Thursday 25th October 2018 at 15:30 at Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. and/or at any adjournment thereof.

WITNESS

Signature

Name

Address

Affix
Rs. 5/-
Revenue
Stamp

CNIC/Passport #

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

Signed this_____ day of _____ 2018

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

پراکسی فارم

میں ----------کے----------
کے رکن اور عام شیئر کے حامل کی حیثیت کے----------(شیئر کی تعداد)
رجسٹر کا فولیو نمبر----------اور/یا سی ڈی سی فولیو کا آئی ڈی نمبر----------اور ذیلی اکاؤنٹ نمبر----------کے
----------یا----------کے----------
کو کمپنی کے سالانہ اجلاسِ جو 25 اکتوبر 2018 کو منعقد ہوگا، میں میرے/ہمارے لئے اور میری/ہماری طرف سے بحیثیت اپنا پراکسی، ووٹ دینے کے لئے نامزد کرتا ہوں/کرتے ہیں۔

دستخط---------- بروز---------- بتاریخ----------/----------2018۔

گواہان:

دستخط: ----------

نام: ----------

پتہ: ----------

کمپیوٹرائز قومی شناختی کارڈ نمبر: ----------

پاسپورٹ نمبر: ----------

دستخط شیئر ہولڈر

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

دستخط: ----------

نام: ----------

پتہ: ----------

کمپیوٹرائز قومی شناختی کارڈ نمبر: ----------

پاسپورٹ نمبر: ----------

نوٹ: نمائندے کو فعال بنانے کے لئے نامزدگی کا فارم میٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کو موصول ہو جانا چاہیے۔ نمائندے کو کمپنی کا رکن ہونا ضروری نہیں۔
سی ڈی سی شیئر ہولڈرز اور ان کے نمائندوں سے فرداً فرداً درخواست ہے کہ وہ اپنے کمپیوٹرائز ڈ قومی شناختی کارڈ تصدیق شدہ نقل یا پاسپورٹ، پراکسی 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
Website : www.umergroup.com