



of Companies

47th Annual Report 2026

UMER GROUP OF COMPANIES

BHANERO TEXTILE MILLS LIMITED



Vision

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



Mission Statement

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

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Corporate Information

Governing Board

Mr. Mohammad Salim	Executive Director
Mr. Muhammad Shaheen	Non-Executive Director / Chairman
Mr. Hamza Shakeel	Non-Executive Director
Mr. Khurram Salim	Executive Director / CEO
Mr. Bilal Sharif	Non-Executive Director
Mr. Muhammad Amin	Non-Executive Director
Mrs. Saba Yousaf	Non-Executive Director
Mr. Tauqeer Ahmed Sheikh	Independent Director
Mr. Asif Elahi	Independent Director
Mr. Mustafa Tanvir	Independent Director

Chief Financial Officer

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

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

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

Human Resource Committee

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

Sustainability Committee

Mr. Asif Elahi	Chairman
Mr. Muhammad Amin	Member
Mr. Bilal Sharif	Member

Statutory Auditors

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

Legal Advisor

Mr. Imran Iqbal Khan - Advocate Sindh High Court

Bankers

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

Share Registrar

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

Registered Office

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

Liaison / Correspondence Office

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

Manufacturing Units

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

Spinning Unit - II and Weaving Unit - III are located at:
Ferozewatwan, 18-KM Sheikhpura, Punjab. Tel: 056 3731723

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

BHANERO TEXTILE MILLS LIMITED
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 47th Annual General Meeting of the members of **Bhanero Textile Mills Limited** will be held on Tuesday, 27th October 2026 at 03:00 pm at the registered office of the company i.e. Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi, to transact the following business:

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

Ordinary Business:

1. To confirm the minutes of the extra ordinary general meeting held on 15th June, 2026.
2. To receive, consider and adopt the audited financial statements of the company for the year ended 30th June, 2026 together with the chairman review, independent auditor's report, director's report and all other disclosures, statements and reports forming the part of the annual report for 2026.

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



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

3. To appoint the auditors for the next term i.e. year 2026-2027 and fix their remuneration at PKR 2,600,000 (FY 2025-26: PKR 2,600,000). The retiring auditor Messer's Mushtaq and Company, Chartered Accountants, being eligible, offer themselves for reappointment.

4. Special Business:

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

(i) "Resolved That Related Parties Transactions carried out during the year as disclosed in the financial statements for the year ended June 30, 2026, be and are hereby ratified, approved and confirmed."

(ii) "Resolved That the Board of Directors of the Company be and are hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis during the financial year ending June 30, 2027.

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

5. Any Other Business:

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

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

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

In compliance with section 223(6) of the Act read with SRO 452(1)/2025 of 2025 issued by Securities and Exchange Commission of Pakistan on March 17, 2025, the Company has electronically transmitted the notice of annual general meeting and annual report for June 2026 through email to its shareholders whose email addresses are available with the Company's Share Registrar.

Karachi:

Dated: 29th September, 2026

(By the order of the Board)

**Mohammad Ahmed
Company Secretary**

Notes:

1. For attending the meeting electronically

The shareholders can also attend the meeting remotely through video link facility, "Zoom" which is available on Google Play and Apple App Store to transact the following business:

Join Zoom Meeting

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

Meeting ID: 339 728 6733

Passcode: btmcorp

2. The Shares Transfer Books of the Company will remain closed from 20th October 2026 to 27th October, 2026 (both days inclusive). Transfers received in order at the registered office of the company situated at Umer House, 23/I, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi by 19th October 2026 will be treated in time for the purpose of entitlement of dividend (if any) and to attend the Annual General Meeting of the company.
3. Members interested to attend the virtual meeting through some other member as proxy are requested to send their proxy form (Enclosed) via email at btm.corporate@umergroup.com or at the registered office of the company not later than 48 hours before the time of holding the meeting.
4. Pursuant to section 132(2) of Companies Act, 2017 the company shall facilitate its members to attend the annual general meeting through video-link by providing video-conference facility, if available, in the city where 10% or more shareholders of the company reside, provided that the Company receives their demand to participate in annual general meeting through video-link at least seven (07) days prior to the date of meeting.

In this regard, it is requested to fill the following Form and submit at the registered address of the Company at least 10 days before holding of the Annual General Meeting:

*"I/We, _____ being a member of **Bhanero Textile Mills Limited**, holder of _____ Ordinary Shares vide folio _____ hereby opt for video conference facility at _____."*

Signature of Member

5. In compliance of SRO 1013(1)/2017 dated 6th September, 2017 the claimant wise details of unclaimed shares and dividends as on June 30, 2026 have been uploaded on our website: www.umergroup.com. In this regard, the said shareholders are requested to approach the Company Registered Office or Share Registrar Office regarding any unclaimed dividend, shares or modarba certificates. In case of failure to lodge the claim for unclaimed dividends that were overdue for more than 3 years within 90 days of this notice, the amount of such unclaimed dividends shall be deposited to the credit of Federal Government in accordance with the requirement of the Companies Act, 2017.
6. Members are requested to immediately inform of any change in their addresses and bank details to our share Registrar, Hameed Majeed Associates (Private) Limited.
7. Section 242 of Companies Act 2017 which states that, "Any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders". In compliance of section 242 SECP issued a circular CLD/CCD/PR(11)/2017 No.18/2017 dated 1-Aug-17 requiring listed companies to obtain electronic dividend mandate from the Shareholders and in this regard a notice had already been sent to all the shareholders.

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

8. Under the provision of S.R.O.452(I)/2025 issued by SECP the distribution of gifts, giveaways or complimentary items are strictly prohibited at the general meeting.
9. Under the provision of S.R.O.451(I)/2025 issued by SECP to be read in conjunction with section 134 of the Companies Act 2017 , for all businesses classified as "Special Business", the voting by the members of the listed company shall only be through postal ballot and for the purpose of this there shall be no voting by show of hands by members of the listed company who attend the general meeting physically.

Further, the members who did not cast their vote through electronic voting facility and by post prior to the date of the general meeting, shall be allowed to cast his/her vote on the day of the general meeting by way of ballot paper only.

10. E-Voting and Postal Ballot

The schedule and procedure of postal ballot / E-Voting will be placed on the company's website i.e., www.umergroup.com before seven (7) days of the meeting. Members can exercise their right

to demand a poll subject to meeting requirements of Section 143 -145 of the Act and applicable clauses of Companies (Postal Ballot) Regulations 2018 issued vide amended SRO 254(1)/2018.

a) E-Voting

- i) The procedure for e-voting facility will be shared through email with those members of the company who have valid cell numbers/email addresses (Registered email ID) available in the register of members by the end of 19th October, 2026. Thus, those members who intends to exercise their right to vote through E-Voting shall provide their valid cell numbers and email on or before 19th October, 2026 with the registrar of the company or email us at: ["btm.corporate@umergroup.com"](mailto:btm.corporate@umergroup.com).
- ii) The web address, login details and security codes will be communicated to members via email by Hameed Majeed Associates (being the e-voting service provider).
- iii) Identity of the Members intending to cast vote through e-Voting shall be authenticated through authentication for email login.
- iv) E-Voting lines will start from October 24, 2026, 9:00 a.m. and shall close on October 26, 2026 at 5:00 p.m. Members can cast their votes any time in this period. Once the vote on a resolution is casted by a Member, he / she shall not be allowed to change it subsequently.

b) Postal Ballot

- i) Members may alternatively opt for voting through postal ballot and for their convenience, Ballot Paper is annexed to this notice and the same is also be downloaded from the Company's website www.umergroup.com.
- ii) The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi (Attention of the Company Secretary/ Chairman) by Monday, October 26, 2026 before 5:00 p.m. The signature on the ballot paper shall match with the signature on CNIC/record of the Company. A postal ballot received after this time / date shall not be considered for voting.
- c) The board of directors under the clause 5 of SRO 254(1)/2018 have appointed the share registrar of the company M/s Hameed Majeed & Associates (Pvt) Ltd to conduct the e-Voting services. They have their own secured web portal system to perform the services adequately in a smooth manner.

11. Under the provision of Section 72 of the Act, the shareholders are now required to replace their physical shares with book-entry form at earliest. Accordingly, the physical shares are now required to be converted into Book-Entry Form and kept by Shareholders in their Central Depository System (CDS) Accounts. The CDS Account can be opened and maintained by any CDC Participant {Stock Broker or CDC Investor Account Services Department (CDC IAS) of Central Depository Company of Pakistan Limited situated at Karachi, Lahore and Islamabad.

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

- Book-Entry shares cannot be lost, stolen or spoiled.
- No need for issuance of duplicate shares.
- Book-Entry shares can instantly be traded (Sell/Purchase) in Stock Market.
- No requirement of transfer deed for transfer/sale of Book-Entry shares.
- Book-Entry shares can be pledged for availing of any financing facility.
- Instant credit of Bonus and Right shares entitlements in Book-Entry form.

- 24/07 online access of CDS Accounts for reviewing portfolio information.
- Easy access of periodic Account statements of CDS Accounts.

12. Notice under regulation 19A of the Companies (General Provisions and Forms) Regulations, 2018

Under the aforesaid provisions, the Form-16 is sent to every shareholder to whom notice of the annual general meeting has been sent by the company. The above provision requires information from every member of the company who is not the ultimate beneficial owner and who directly holds at least 5% shares or voting rights in the company to submit a declaration to the company providing information and particulars of the ultimate beneficial owner(s), as defined in Regulations. The sub-regulation (7) of regulation 19A defines an ultimate beneficial owner as a natural person who ultimately owns or controls a company, whether directly or indirectly, through at five percent of shares or voting rights or by exercising effective control in that company through other means. Exercise of control through other means may be exercised through a chain of ownership or through close relatives or associates having significant influence or control over the finances or decisions of the company. Kindly send your reply at the registered office of the company.

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

Items pertaining to 5(A)(i) of the notice for ratification and approval of the related party transactions during the year ended June 30, 2026.

The related party transactions (RPT) were carried out at arm's length during the normal course of business activity during the year ended June 30, 2026 with its associated undertaking and related parties in accordance with its corporate policy, applicable laws and regulations in compliance with the provisions of IAS 24. All the RPT reviewed and approved by the board of directors were duly placed before head of internal audit for approval, followed by the approval of audit committee

However, since common directorship exists between the related parties (by virtue of being the shareholder or common directorship), these transactions are being placed for the approval by shareholders in the Annual General Meeting. All transactions with related parties to be ratified have been disclosed in the financial statements for the year ended June 30, 2026.

The transactions entered with the related parties include, but are not limited to, sale & purchase of goods, dividends paid and received, investments and divestment made (in accordance with the approval of shareholders and board where applicable). The nature of relationship with these related parties has also been stated in the financial statements for the year ended June 30, 2026.

TRANSACTIONS WITH RELATED PARTIES

The associated undertaking and related parties comprise associated companies, directors and key management personnel. Names, basis of relationship and transaction with associated undertakings and related parties, other than remuneration and benefits to key management personnel under the term of their employment as disclosed in note 42 are as follow:

Name	Basis of relationship	Percentage of shareholding		
Faisal Spinning Mills Limited	Common directorship	N/A		
Blessed Textiles Limited	Common directorship	N/A		
Bhanero Energy Limited	Common directorship	N/A		
Admiral (Private) Limited	Directors' close family member	N/A		
Yasmin Begum	Directors' close family member	1.00%		
Khurram Salim	Director	2.06%		
Farrukh Salim	Directors' close family member	2.02%		
Yousuf Salim	Directors' close family member	1.67%		
Saqib Salim	Directors' close family member	1.71%		
Amna Khurram	Directors' close family member	2.44%		
Muhammad Umer	Directors' close family member	0.02%		
Yahyaa Farrukh	Directors' close family member	2.44%		
Saba Yousaf	Director	2.72%		
Saba Saqib	Directors' close family member	2.76%		
Samia Bilal	Directors' close family member	11.06%		

Nature of relationship	Nature of transactions	June 30, 2026 Rupees	June 30, 2025 Rupees
Associated undertaking	Sales of fabric	529,511,497	241,003,082
	Sales of Cotton	22,484,084	64,586,798
	Sales of yarn	1,081,523,011	753,478,968
	Purchase of yarn	431,980,426	547,587,905
	Purchase of cotton	23,203,508	14,900,199
	Purchase of fabric	59,999,366	138,106,391
	Services received	618,000	618,000
	Electricity purchased	1,613,088	10,387,053
	Loan received from directors and sponsors	-	2,500,000

Items pertaining to 5(A)(ii) of the notice for board authorization to approve related party transactions that will be conducted during the period July 1, 2026 to June 30, 2027.

The Company shall be entering into transactions with its related parties during the year ending June 30, 2027 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business activity. Since, there has been common directorship in the related party transactions, the Board seeks member's consent to approve such transactions with the related parties from time-to-time on case to case basis for the fiscal year ending June 30, 2027 and such transactions shall be deemed to be approved by the shareholders. The nature and scope of such related party transactions is explained above and these transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

Chairman Review Report

In compliance with Section 192(4) of the Companies Act, 2017, the Chairman's Review Report for the financial year ended June 30, 2026 is enclosed herewith. The report presents the Chairman's assessment of the overall performance and effectiveness of the Board of Directors of **Bhanero Textile Mills Limited** ("BTML") in achieving its strategic objectives and fulfilling its governance responsibilities.

The Board has carried out its duties in accordance with the applicable regulatory framework, including the provisions of the Companies Act, 2017, directives issued by the Securities and Exchange Commission of Pakistan (SECP), listing requirements of the Pakistan Stock Exchange (PSX), and the Code of Corporate Governance Regulations, 2019. Throughout the year, the Board has demonstrated a strong commitment to sound governance practices, ensuring accountability, transparency, and the long-term sustainability of the Company.

The Pakistan Bureau of Statistics data reveals that textile exports in 2025-26 rose slightly by 0.26 percent, reaching \$17.932 billion compared to \$17.887 billion in 2024-25. While the overall growth is modest, certain categories. The textile commodities that contributed to trade growth included cotton yarn, the exports of which grew by 12.40 percent to \$765,124 million from \$680,700 million, while readymade garments exports increased by 3.87 percent to \$4,288 million from \$4,128 million.

The textile sector remains the largest export engine, with incremental growth driven by garments and yarn. The industry's future hinges on policy continuity, energy reforms and diversification into higher-value products.

The outlook of textile sector remains prudently positive where analysts show caution due to certain risk and challenges that will affect the global demand conditions and influence export performance of the country:

Risks & challenges

- Global demand uncertainty due to slowing economies.
- Middle East crisis asserting pressure on energy prices.
- Energy shortages and tariffs affecting competitiveness.
- Currency stability, though depreciation could raise costs but also improve export competitiveness.
- Compliance pressures from EU GSP+ and sustainability standards.

Pakistan's textile industry continues to play a central role in the country's export earnings and employment generation and sustained growth in textile exports will remain critical for strengthening the external account, stabilizing foreign exchange inflows and supporting broader economic recovery.

Pakistan's economy in FY2026 showed signs of recovery, with GDP growth reaching between 3.5 to 3.7 percent and inflation moderating to inflation stood at 7.05 percent, though risks from global energy prices and geopolitical tensions remain.

The outlook for FY2027 is cautiously optimistic, with growth projected at 3.7 percent by ADB. The inflation expected to remain within the 8 percent to 9 percent target range if oil prices remain steady. Given the ongoing geopolitical tensions, particularly the conflict in the Middle East, could exert upward pressure on global oil prices.

Since we're the net importer of energy, a sustained increase in global oil prices may lead to higher domestic inflation and pose risks to the inflation outlook. If inflationary pressures intensify and become more persistent, the State Bank of Pakistan (SBP) may consider a modest increase in the policy rate to help maintain price stability and keep inflation within its target range. Any increase in the policy rate would pose an additional challenge for Pakistan's already struggling textile sector.

The Board of BTML remains focused on expanding into value-added textiles and diversifying product lines, strengthening compliance with international sustainability standards, enhancing operational efficiency through technology adoption and safeguarding long-term shareholder value by maintaining prudent financial discipline.

The Board of Directors of BTML has upheld its fiduciary responsibilities with diligence and foresight. With continued emphasis on governance, sustainability and innovation, the Company is well-positioned to navigate challenges and capitalize on emerging opportunities in FY 2027.

The company demonstrated signs of recovery during the year ended June 2026 compared with the corresponding period of the previous year. Gross profit margin increased to 8.81 percent during the current year, compared to 7.86 percent in the year ended June 2025. Furthermore, the company reported a profit after tax of PKR 700.269 million, significantly higher than the profit after tax of PKR 114.230 million recorded in the previous year.

Risk Management and Mitigation

The Board of Directors of Bhanero Textile Mills Limited ("BTML") recognizes that effective risk management is integral to safeguarding shareholder value and ensuring long-term sustainability. During FY 2026, the Board, through its committees, continued to oversee the identification, assessment and mitigation of key risks across the company's entire operations. The Board, supported by the Audit Committee that ensured that risk management practices are embedded across all levels of the organization. Regular risk reviews, internal audits and compliance monitoring have strengthened BTML's ability to anticipate and respond to emerging challenges.

The Board assures that:

- Risk governance processes are embedded across all levels of the organization, with clear accountability and reporting lines.
- Internal controls and compliance mechanisms remain robust and aligned with SECP directives, PSX listing requirements and the Code of Corporate Governance Regulations, 2019.

- Operational resilience has been strengthened through contingency planning, energy efficiency initiatives and supply chain diversification.
- Financial risk management practices, including foreign exchange monitoring and cost optimization, have been effectively implemented.
- Sustainability and climate risk considerations are integrated into long-term planning to safeguard the Company's future.

Board Performance Assessment

At BTML, the performance evaluation process is a critical tool for enhancing the effectiveness of the board, its committees, and individual directors. This structured assessment helps identify both strengths and areas for improvement, fostering a culture of continuous development and accountability.

The internal evaluation process is led by the chairman in collaboration with the company secretary and is conducted on a regular basis. It promotes constructive communication, encourages collaborative decision-making and strengthens the overall governance framework. By reducing potential conflicts and reinforcing team cohesion, the process contributes to a more unified and purpose-driven Board.

The evaluation primarily focuses on key areas of corporate governance, including:

- Board structure and composition
- Effectiveness of board committees
- Strategic oversight and decision-making
- Risk management and internal controls
- Director engagement and contribution
- Compliance with regulatory and ethical standards

This ongoing commitment to self-assessment ensures that the Board remains aligned with the company's strategic objectives and continues to uphold the highest standards of governance.

Stakeholder Management and Communication

At BTML, stakeholder-centricity remains a core principle of our governance and operational philosophy. The company proactively evaluates the needs of all stakeholders both internal and external then tailors its communication strategies to ensure timely and effective information dissemination.

A key contributor to BTML sustained success is the board commitment to fostering regular and meaningful engagement with stakeholders. This is achieved through a variety of communication channels, including investor briefings via annual CBS, regulatory disclosures on PSX portal PUCARS and direct outreach initiatives, all designed to promote transparency and trust.

To further strengthen stakeholder confidence, BTML has implemented a responsive and streamlined mechanism for addressing shareholder concerns, including complaints, inquiries and matters related to

unclaimed dividends. This system ensures that all issues are resolved promptly and in accordance with best practices in corporate governance.

The BTML maintains a functional and regularly updated corporate website to facilitate transparent communication with shareholders and stakeholders.

The website provides access to:

- Financial statements and annual reports
- Corporate announcements and disclosures
- Notices of general meetings and elections
- Investor contact information
- Governance policies and board composition
- Regulatory filings via PUCARS

This digital platform ensures that shareholders can easily access timely and relevant information in compliance with the Companies Act, 2017 and PSX regulations.

Commitment for Best Governance Standards

The BTML remains steadfast in its commitment to upholding the highest standards of corporate governance. The Board recognizes that strong governance is fundamental to building stakeholder trust, ensuring regulatory compliance, and driving long-term value creation. Throughout the year, BTML continued to refine its governance framework in line with evolving best practices, regulatory developments, and stakeholder expectations. The company adheres to the principles outlined in the Companies Act, 2017 and the Code of Corporate Governance Regulations, 2019, ensuring transparency, accountability, and ethical conduct across all levels of the organization.

At BTML key governance initiatives during the year included:

- Regular and structured Board and committee meetings with active participation.
- Clear segregation of roles between the Chairman and Chief Executive Officer.
- Ongoing director training and performance evaluations.
- Strengthened oversight of risk management, internal controls, and compliance.

This unwavering commitment to governance excellence enables BTML to navigate complex challenges while remaining aligned with its strategic vision and corporate.

Governing Board and Committees Structure

BTML affirms that in today's increasingly complex and dynamic economic environment, board diversity serves as a fundamental pillar of sound governance and effective strategic oversight. The Company views

diversity as a strategic advantage, fostering collaboration by integrating a wide range of perspectives, experiences, and competencies to address both present challenges and future opportunities.

The Board of Directors is composed of ten members, comprising:

- Four non-executive directors
- Two executive directors
- Three independent directors
- One female non-executive director

This composition reflects a deliberate balance of age, gender, professional background, and governance expertise, aligning with evolving global expectations on board diversity. All directors have successfully completed certification under the Directors' Training Program (DTP), as required under the Code of Corporate Governance, thereby reinforcing their ability to discharge fiduciary and strategic responsibilities effectively.

The Board has constituted two key committees:

- **Audit Committee**
Chaired by an independent director and comprised exclusively of non-executive directors, ensuring objectivity in oversight of financial reporting, internal controls, and risk management.
- **Human Resource Committee**
Likewise audit committee, it's also chaired by an independent director and remaining members as non-executive directors. This committee ensures that the remuneration framework for executive directors and the Chief Executive Officer is aligned with their skills, responsibilities, and contributions, while safeguarding independence and governance integrity.

Through this structure, BTML continues to uphold its commitment to good governance, accountability, and transparency, thereby strengthening stakeholder confidence and supporting the Company's long-term sustainability.



Muhammad Shaheen

(Chairman)

29th September 2026, Karachi.

Directors Report

The Board of Directors of Bhanero Textile Mills Limited are pleased to present Annual Report along with the audited financial statements of company together with auditors' report thereon for the year ended June 30, 2026.

Financial Recitals

The Board of Directors presents financial results for the year ended June 30, 2026 as under:

Statement of Profit or Loss

For The Year Ended June 30, 2026

	June 30, 2026 Rupees	June 30, 2025 Rupees
Sales - Net	33,721,521,532	32,907,546,738
Cost of sales	(30,749,166,204)	(30,319,406,416)
Gross profit	2,972,355,328	2,588,140,322
Other income	442,136,929	193,598,624
	3,414,492,257	2,781,738,946
Distribution cost	(764,539,402)	(691,835,314)
Administrative expenses	(392,336,161)	(381,672,868)
Other operating expenses	(86,370,640)	(24,656,283)
Finance cost	(980,933,765)	(1,160,308,271)
	(2,224,179,968)	(2,258,472,736)
Profit before Levies and taxation	1,190,312,289	523,266,210
Levies	(428,354,575)	(411,344,334)
Profit before taxation	761,957,714	111,921,876
Taxation	(61,688,263)	2,307,177
Profit after taxation	700,269,451	114,229,053
Earnings per share - basic & diluted	230.28	37.56

The Company posted a profit after tax of PKR 700.269 million for the year ended 30 June 2026, reflecting a significant improvement compared to the profit after tax of PKR 114.230 million recorded in the preceding year ended 30 June 2025. Despite a modest increase of 2.47 percent in sales revenue during the year, the company achieved notable growth in profitability through improved operational performance and cost management.

The gross profit margin improved from 7.86 percent in the previous year to 8.81 percent in the current year, demonstrating enhanced efficiency in operations. Similarly, the net profit margin increased from 0.35 percent to 2.08 percent, reflecting the company's strengthened financial performance and improved earnings generation during the year.

The Company successfully reduced its short term borrowings by more than 44 percent and lowered its inventory levels by 32 percent during the current year ending June 30, 2026. The reduction in borrowings was primarily driven by improved cash flow management, efficient working capital utilization and a stronger liquidity position, resulting in reduced dependence on short-term financing facilities. At the same time, the Company maintained optimal inventory levels to effectively support operational requirements and ensure continuity of production and business operations without disruption.

While energy costs continued to exert pressure on profitability, energy expenses as a percentage of cost of sales improved from 11 percent in the preceding year to 10 percent in the current year. The Board remains hopeful that continued improvements in the energy sector will further strengthen the competitiveness of the textile sector and encouraged by the Company's improved profitability during the current year.

Dividends & Reserves Appropriation

The company demonstrated a strong recovery and reported a profit after tax of PKR 700.269 million during the fiscal year ending June 30, 2026 from profit after tax of PKR 114.229 million during the preceding year ending June 30, 2025.

Accordingly, on the recommendation of the Audit Committee, the Board of Directors have decided not to recommend any final dividend for the year ended 30 June 2026 and to retain earnings to strengthen the Company's financial position, support future growth initiatives and maintain financial flexibility in light of prevailing economic uncertainties.

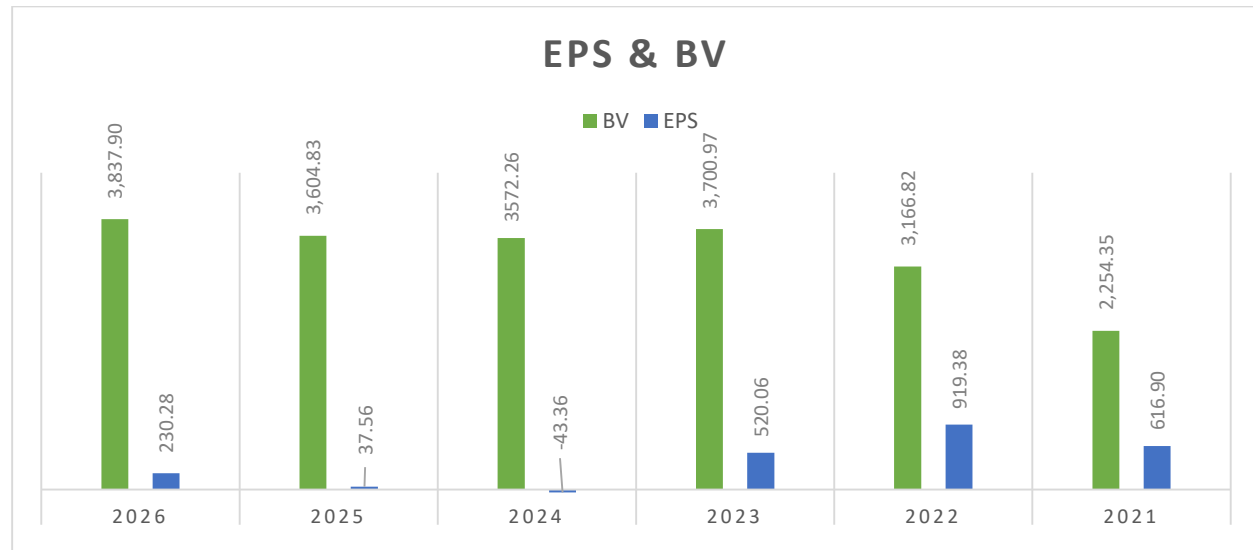
Nevertheless, the Board will keep the matter under review and may consider the declaration of interim dividend(s) during the year, subject to the Company's profitability, cash flows, working capital requirements and overall economic conditions.

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

The Earnings per share (EPS) and book value (BVS) per share are important indicators of shareholder value. EPS reflects the profit attributable to each ordinary share and serves as a measure of the Company's profitability whereas BVS represents the net asset value attributable to each share, providing insight into the Company's underlying financial strength and asset backing.

The basic and diluted EPS is PKR 230.28 during the current year ending June 30, 2026 as compared to corresponding year 2025 where basic and diluted EPS was PKR 37.56.

The BVS of share is PKR 3,837.90 (Year 2025: PKR 3,604.83) during the current year ending June 30, 2026.



Working Capital Management

The company has implemented a vigilant monitoring framework for an effective working capital management to efficiently utilize its short-term resources, maintain liquidity and generate sustainable returns, thereby enhancing shareholder value.

The repayments amounting to PKR 719.587 million and PKR 939.525 million on account of long-term loans and debt servicing respectively have been made during the year ended June 30, 2026. The Company's short-term liquidity position improved during the year, with the current ratio increasing to 1.88 as in June 2026 compared to 1.50 in June 2025. This improvement reflects the Company's strengthened working capital position and its continued ability to comfortably meet short-term obligations through its current assets.

Capital Structure

The Company adopts a balanced approach to debt and equity financing, ensuring adequate funding for operations and future growth opportunities. This strategy promotes financial stability, prudent risk management and sustainable value creation for shareholders.

The shareholder equity at PKR 11,670.920 million during the current fiscal year ending June 30, 2026 (2025: PKR 10,962.155 million) reflecting the company's financial firmness and commitment to long-term stability.

The Company's gearing ratio decreased from 1.13 to 0.76 during the corresponding year ending June 30, 2026, indicating lower financial leverage. This level is considered reasonable and reflects low risk for a financially stable company.

Renewable Energy Initiatives

So far, the company has taken renewable energy initiatives for the installation of around 13.67 mega-watt solar energy at Karachi and Punjab Units.

Credit Rating

The entity's rating reaffirmed at A+/A-1 (Single A Plus / Single A One) with 'Stable' outlook on given ratings is based on assessment by Messer's VIS Credit Rating Company Limited on May 20, 2026.

Financial Statements

The Chief Executive Officer and Chief Financial Officer presented the financial statements of the company for the year ended June 30, 2026, duly endorsed under their respective signatures, for consideration, approval, and authorization by the board of directors for issuance and circulation as required under Companies Act of 2017, listing regulations of PSX, and directives issued by the SECP.

The company's auditors, Mushtaq & Company, Chartered Accountants, have duly audited the financial statements, and they have issued a clean audit report on the financial statements for the year that ended on June 30, 2026, as well as a clean review report on the Statement of Code of Corporate Governance Regulations, 2019 ("Code"). The financial statements are annexed with these reports.

Accounting Standards

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

Outlook of Textile Sector

The global and domestic textile industry continues to navigate a challenging economic cycle characterized by margin compression, volatile commodity pricing and evolving regulatory frameworks.

Global cotton production is expected to decline by 2 percent driven by a 1 percent contraction in worldwide acreage. This tightening supply is fueling raw material price volatility, disrupting manufacturing supply chains which will directly impacting textile and apparel producers who depend on stable input costs. Given its heavy reliance on imported cotton, the contraction has sharp consequences for us, since country cotton output has already fallen drastically over the past decades.

The conflict in middle-east is disrupting across global supply chains, while delays at major hubs amplify shipping backlogs. These challenges raise freight costs, delay shipments of both imported cotton and exported textiles for Pakistan. The cargo passing through high-risk zones, insurance premiums rise sharply, eroding the competitiveness of Pakistan's textile exports in Europe and North America.

Energy price volatility triggered by Gulf disruptions significantly inflates production costs, particularly for energy-intensive textile mills reliant on imported fuel. This dual pressure higher logistics costs and rising input expenses undermines Pakistan's ability to maintain delivery commitments and sustain price competitiveness in global markets.

Pakistan's cotton collapse is no longer merely an agricultural problem in fact it has become a recurring economic penalty. According to reports, the cotton output for the 2025-26 season reached 5.6 million bales represents a 45 percent shortfall compared to the official production target set for the season this year. This depicts crisis is no longer merely a story of declining crop production rather reflects the gradual weakening of the country's entire cotton value chain, encompassing institutional capacity, economic viability, technological advancement and policy coherence.

As per data released by Pakistan Bureau of Statistics (PBS), the country textile exports rose marginally by 0.26 percent during July-June 2025-26, reaching USD17.93 billion compared to USD17.88 billion in 2024-25.

Pakistan's textile export competitiveness is increasingly constrained by a combination of fiscal, structural and external pressures. The complex taxation and policy uncertainty including advance taxes, turnover levies and delayed refunds ties up working capital, raises borrowing costs and erodes investor confidence.

The decline in cotton production, coupled with high and volatile energy costs and weak global demand, has undermined Pakistan's ability to sustain growth in textile exports. These challenges are compounded by deep-rooted structural weaknesses in the cotton value chain including persistently low yields, limited technology adoption and fragmented policy frameworks which have driven production costs upward.

Accordingly, despite being globally recognized textile base, our exporters struggle to maintain delivery commitments and price competitiveness in international markets, leaving the sector vulnerable to losing ground against regional competitors.

Compliance with Code of Corporate Governance

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

Statement on Corporate and Financial Reporting Framework:

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

- These financial statements, prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control was sound in design and has been effectively implemented and monitored.
- There were no significant doubts upon the company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- We have prepared and circulated a Code of Conduct and business strategy among directors and employees.
- The Board of Directors has adopted a vision and mission statement and a statement of overall corporate strategy.
- All the directors have attended its board and general meeting either physically or through video conference unless preclude due to reasonable reason.
- All the directors are assigned with their responsibilities, roles, remuneration, powers and obligation at the commencement of their terms in accordance with Code of Corporate Governance, Companies Act and Article of Association.
- All the directors of the Company are accredited / exempted under Directors Training Program (DTP) as required by the Code of Corporate Governance Regulations, 2019.
- There has been a proper updated record of the significant policies duly approved by the board of directors on human resource, whistle blower, procurement, communication mechanism with stakeholders, related party, environment, health and safety, director's remuneration, anti-money laundering and risk management, environmental, social & governance, anti-harassment for employees duly updated by incorporating the mechanism prescribed under protection against harassment of women at workplace Act 2010 etc.

- The company has made the disclosure of gender pay gap in annual report for year ending June 30, 2026 as required under circular 10 of 2024 dated April 17, 2024.
- As required under Code of Corporate Governance Regulations, 2019 and Companies Act 2017 (Act), we have included the following information in this report:
 - Statement of pattern of shareholding has been given separately.
 - Statement of shares held by associated undertakings and related persons.
 - Statement of the board meetings and annual general meeting held during the year and attendance by each director has been given separately.
 - Chairman review report under the provisions of section 192(4) of the Act.
 - Statement of compliance duly signed by the chairman under regulation 36 of the Code.
- Key operating and financial statistics for last six years along with information for taxes and levies have been adequately disclosed in the annexed audited financial statements.
- The company strictly follow the guidelines issued by SECP on prohibition of insider trading for listed companies and no trading in the Company's shares was carried by its Directors, CEO, CFO, Company Secretary, Head of Internal Audit and their spouses and minor children except as disclosed in pattern of shareholding.

Pattern of Shareholding

The pattern of shareholding and relevant information thereon is annexed accordingly.

Related Party Transactions

The company adheres to the disclosure requirement under IAS 24 for Related Party Transactions (RPT) and their status are adequately disclosed in the financial statements of the company. Moreover, there is a robust policy in place for all in pursuant to the notification issued by Securities and Exchange Commission of Pakistan vide SRO 768(1)2019 and the guidelines have been duly incorporated in the company policy regarding transactions and maintenance of records.

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

All the RPT's during the current fiscal year ending June 30, 2026 will be presented before the general meeting of the company for member's approval. Similarly, the board has also decided to avail the approval of members in the general meeting of the company for the transactions to be carried during the fiscal year ending June 30, 2027 and same shall be placed before the shareholders in the next annual general meeting for their formal ratification/approval.

Board Evaluation

In accordance with Regulation 10(3)(v) of the Code of Corporate Governance, the Company undertakes an annual performance evaluation of the board, its committees and individual directors through a structured internal assessment process. The evaluation provides valuable insights into the effectiveness of the board's oversight and governance practices, identifies opportunities for continuous improvement, promote constructive engagement among directors.

The process further encourages the board to leverage the diverse expertise, experience and perspectives of its members to enhance overall board effectiveness and support the achievement of the company's strategic objectives.

Board Composition

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

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

Board and Audit Committee Meetings

- All the directors, eligible to attend the meeting have attended the general meetings of the company through physically / virtually under Regulation 10(6) of the Code unless precluded from doing so due to any reasonable cause.
- Following are the number of meetings held and attended by board of directors, audit committee and human resource & remuneration committee during 2025-26:

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

Audit Committee

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

The Audit Committee ("AC") comprised of three members including an independent director serving as chairman and two non-executive directors. The committee operates under the terms of reference approved by the board and discharges its responsibilities in accordance with Regulation 27 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

In compliance with Regulation 27(1)(iii), the committee includes a member possessing the requisite financial literacy and expertise. The AC met regularly throughout the year to review the quarterly, half-

yearly and annual financial statements prior to their submission to the Board for approval. In accordance with Regulation 27(2), the Committee also held a separate meeting with the external auditors without the presence of the Chief Financial Officer and a separate meeting with the internal auditors without the presence of the Chief Financial Officer and external auditors.

The AC provides independent oversight of the company's financial reporting process, internal control framework and compliance with applicable laws, regulations and reporting standards. In carrying out its responsibilities, the committee works closely with management, internal auditors and external auditors to review the adequacy and effectiveness of internal controls, accounting policies, risk management practices and governance processes.

The committee also oversees the company's fraud risk management framework by ensuring that appropriate policies, procedures and controls are in place to prevent, detect and respond to instances of financial statement fraud, asset misappropriation and unethical conduct. Furthermore, it promotes a culture of integrity and accountability, monitors significant compliance matters and remains informed of investigations, corrective actions and other matters relevant to the company's control environment and overall governance framework.

Human Resource and Remuneration Committee

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

The Human Resource and Remuneration Committee comprises of three non-executive directors, including an independent director serving as chairman. The committee assists the board in overseeing the company's human capital management framework and provides recommendations on key matters relating to the appointment, performance evaluation, remuneration, benefits and succession planning of the Chief Executive Officer, Chief Financial Officer and Company Secretary.

In addition, the committee reviews and advises on policies and practices relating to talent acquisition, leadership development, employee training, performance management and succession planning across the organization. Through its oversight role, the committee seeks to ensure that the company's remuneration and human resource practices are aligned with its strategic objectives, promote the effective utilization of human capital and support sustainable organizational performance and sound corporate governance.

Sustainability Committee - SC

Sr	Name	Designation	Category
i	Asif Elahi	Chairman	Independent Director
li	Muhammad Amin	Member	Non- Executive Director
lii	Bilal Sharif	Member	Non- Executive Director

The SC comprises three non-executive directors, with an independent director serving as chairman. The SC is created as a dedicated governance body within an organization, tasked with embedding environmental, social and governance priorities into corporate strategy and operations.

Its role is to ensure that sustainability is not treated as a peripheral initiative but integrated into decision-making at every level. By actively monitoring ESG risks, setting clear strategic objectives, and aligning practices with evolving regulatory compliance frameworks.

The committee is responsible to safeguards long-term resilience to strengthen investor confidence, enhances stakeholder accountability and positions the organization to adapt effectively to climate, social, and governance challenges while maintaining competitiveness in global markets.

Corporate Social Responsibility Policy - CSR

The Company is committed to conducting its business in a socially responsible and sustainable manner. Through its Corporate Social Responsibility (CSR) Policy, the Company seeks to create positive and lasting value for stakeholders by contributing to the social, economic and environmental well-being of the communities in which it operates.

The policy provides a framework for undertaking initiatives in areas such as education, healthcare, community development, environmental sustainability, employee welfare and charitable activities.

The board and management remain committed to ensuring that CSR considerations are integrated into the company's business practices, reflecting its commitment to ethical conduct, responsible corporate citizenship, and sustainable development while fostering long-term value creation for society and shareholders.

The Company remains committed to supporting the welfare of underprivileged communities through its CSR initiatives. As part of this commitment, free medical consultation and healthcare services are provided at Karachi for individuals with limited access to essential healthcare facilities. This initiative underscores the company's dedication to community well-being and responsible corporate citizenship.

Health, Safety and Environment Policy - HSE

The company is committed to maintaining a safe, healthy, and environmentally responsible workplace through the effective implementation of its Health, Safety and Environment (HSE) Policy. The policy is aimed at identifying and mitigating risks that may affect employees, communities and environment.

To support employee well-being, the company maintains a Group Life Insurance Policy for its employees and provides medical coverage to eligible administrative staff. Environmental stewardship remains a key priority, with a focus on pollution prevention, resource conservation, water quality and environmental protection. The company continues to strengthen its HSE practices to support sustainable operations and long-term value creation.

Sustainability Report (Environmental, Social and Governance - ESG)

The Sustainability Report in compliance with IFRS S1, IFRS S2 and SECP ESG Guidelines is enclosed in the annual report of the company.

Addressing Sustainability Risks

The Company recognizes that the effective management of sustainability risks is essential to ensuring long-term business resilience and value creation. As part of its risk management framework, the Company continually assesses and monitors environmental, social, and governance (ESG) factors that may impact its operations, reputation and strategic objectives.

Appropriate policies, controls, and mitigation measures are implemented to address emerging risks, enhance operational efficiency and ensure compliance with applicable regulatory requirements. The Company remains committed to responsible business practices, prudent resource utilization and stakeholder engagement, while promoting a culture of sustainability across its operations. Through proactive risk management and continuous improvement initiatives, the company seeks to strengthen its long-term sustainability and support sustainable growth for the benefit of all stakeholders.

A comprehensive overview of the company's sustainability initiatives, risks, governance practices and performance are provided in the annexed Sustainability Report in annual report.

Supporting the Diversity, Equity and Inclusion - DEI

The company is committed to fostering a workplace culture that values diversity, promotes equity and embraces inclusion as key drivers of sustainable business success. The company provides equal employment opportunities to all individuals and makes employment-related decisions based on merit, qualifications, performance, and business requirements, without discrimination on the basis of gender, age, ethnicity, religion, disability, or other protected characteristics.

The Company strives to maintain a work environment that respects individual differences, encourages collaboration and promotes mutual respect and professional development. Through fair recruitment, training, performance management, and career advancement practices, the Company seeks to attract, develop, and retain a diverse and talented workforce.

The Board and management remain committed to creating an inclusive culture where employees feel valued, empowered, and able to contribute their unique perspectives. This commitment enhances employee engagement, strengthens organizational effectiveness, supports innovation, and contributes to the Company's long-term growth and value creation objectives.

A comprehensive overview of how company encourages DEI in the annexed Sustainability Report in annual report.

Directors Remuneration Policy

The Company's Directors' Remuneration Policy is designed to provide fair, competitive and performance-oriented remuneration that aligns the interests of Directors with those of shareholders and other stakeholders. The policy aims to attract, motivate and retain individuals with the requisite skills, experience and expertise while ensuring that remuneration is linked to the achievement of strategic objectives and the creation of sustainable long-term value.

The remuneration framework seeks to reward individual performance and contribution appropriately, while promoting accountability, sound decision-making and prudent risk management. The policy is structured to support the Company's long-term success and discourage excessive risk-taking that may be inconsistent with the Company's business strategy, risk appetite and governance standards.

The policy is formulated based on the recommendations of the Human Resource and Remuneration Committee ("HRRC") and is approved by the Board in accordance with the provisions of the Companies Act, 2017, the Company's Articles of Association and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Executive Directors are entitled to receive fixed monthly remuneration and other benefits as recommended by the HRRC and approved by the Board. Such remuneration arrangements are submitted for approval by the shareholders in a general meeting, where required under applicable laws and regulatory requirements.

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

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

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

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

Statutory Auditors

The present auditor's M/s Mushtaq & Company, Chartered Accountants shall retire on the conclusion of the annual general meeting scheduled for October 27, 2026 however, being eligible they have offered themselves for re-appointment. The audit committee has suggested the appointment of

M/s Mushtaq & Company, Chartered Accountants, as external auditor for the year ended 30th June 2027. The external auditor M/s Mushtaq & Company, Chartered Accountants have been given satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan. The firm and all its partner are fully complied with the International Federation of Accountants' Guidelines on the Code of Ethics as adopted by Institute of Chartered Accountants of Pakistan and they are registered with Audit Oversight Board under section 36I of SECP Act, 1997.

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

The Board of Directors also recommended the appointment of M/s Mushtaq & Company, Chartered Accountants, as external auditor for the year ended 30th June 2027 and the remuneration of the auditors has been fixed at PKR 2,600,000 (Year 2025-26: PKR 2,600,000) for the year 2026-27 as recommended by the audit committee to the board under regulation 32(3) of the Code. The assignments include statutory audit, half yearly review and code of corporate governance review.

Material Changes and Commitments

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

Acknowledgement

I extend my sincere gratitude to the governing board, esteemed shareholders, valued customers, lenders, suppliers, and all stakeholders for their continued encouragement, confidence, and unwavering support. I also express heartfelt appreciation to every employee for their dedication, resilience, and hard work in serving the organization and contributing meaningfully to its success.

For and on behalf of the Board



Khurram Salim
(Chief Executive Officer)



Mohammad Salim
(Director)

Karachi: September 29, 2026

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

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

Bhanero Textile Mills Limited Year Ending June 30, 2026

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

1. The total number of directors are ten (10) as per the following,-

- a. Male : Nine (9)
- b. Female : One (1)

2. The composition of the Board is as follows:

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

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

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

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;

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

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;

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

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

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

9. The Board has arranged Directors' Training program for the following:

The entire board is accredited under directors training program.

(Name of Executive & Designation - (N/A);

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

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

(a) Audit Committee

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

(b) Human Resource & Remuneration Committee

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

c) Nomination Committee

The explanation stated below for not forming the nomination committee.

d) Risk Management Committee

The explanation stated below for not forming the risk management committee.

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

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following, -

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

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

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

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

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr	Requirement	Explanation for Non-Compliance	Reg No
1	Disclosure of Significant Policies on Website	<i>The requirement to disclose significant policies on the website is non-mandatory in regulation No. 35(1) however, company posts all such information adequately that promotes transparency and serves the interests of all the stakeholders. The company may consider the uploading of key elements on its website if approved by the board.</i>	35
2	Significant Policies	<i>The aspects of workplace harassment for the employees are covered under the company's code of conduct. Nevertheless, the requirements introduced recently by SECP through its notification dated June 12, 2024 are being incorporated in an independent anti-harassment policy as prescribe under Protection against Harassment of Women at the Workplace Act 2010.</i>	10(4)(xvi)
3	Role of board and its members to address Sustainability Risks and Opportunities	<i>Through its notification dated June 12, 2024, the Securities and Exchange Commission of Pakistan announced several amendments to Regulation 10 in Chapter III of the Listed Companies (Code of Corporate Governance) Regulations, 2019. The amendments encourage boards to adopt Environmental, Social and Governance (ESG) practices. Accordingly, the Company has issued its first Sustainability Report, outlining its ESG performance and commitment to sustainable business practices.</i>	10(A)
4	Formation of the Nomination Committee	<i>As the formation of Nomination Committee (NC) is not mandatory under regulation 29 of the Code, the functions and responsibilities of NC are performed by the Human Resources & Remuneration Committee. The board may consider the formation of NC at the reconstitution of the board.</i>	29(1)
5	Formation of the Risk Management Committee	<i>As the formation of Risk Management Committee (RMC) is not mandatory under regulation 30 of the Code, the functions and responsibilities of RMC are performed by the Audit Committee. The board may consider the formation of RMC at the reconstitution of the board.</i>	30(1)
6	Annual Evaluation of the Board	<i>The company conducts formal and comprehensive boards and committees evaluation internally under the provision of Code of Corporate Governance Regulations, 2019 (CCG 2019). The independent evaluation may be considered by the board before expiry of three years as required under amendment made to CCG vide SRO 454(1)/2025.</i>	10(3)(5)

For and on behalf of the Board



MUHAMMAD SHAHEEN

(Chairman)

September 29, 2026, Karachi

Independent Auditor's Review Report

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Bhanero Textile Mills Limited** ("the Company") for the year ended June 30, 2026 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2026.

Place: Lahore
Dated: September 30, 2026
UDIN: CR202610724aJ6nBu9Ow

Mushtaq & Co


MUSHTAQ & CO.
Chartered Accountants

Engagement Partner:
Nouman Arshad, ACA

Independent auditor's report to the members of Bhanero Textile Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Bhanero Textile Mills Limited (the Company)**, which comprise the statement of financial position as at June 30, 2026 and the statement of profit or loss, the statements of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2026 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matter(s)

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

We have determined the matters described below to be the key audit matters to be communicated in our report:

S. No.	Key audit matter	How the matter was addressed in our audit
1.	Stock in Trade Refer to note 3.14 & 22 to the financial statements.	Our key audit procedures in this area amongst others included the following;
	We identified this area as a key	- Observed physical inventory count procedures and

audit matter because inventories constitute significant portion of total assets of the Company. Further, determining an appropriate write down as a result of net realizable value (NRV) and provision for slow moving inventories involves management judgment and estimation.	compared on a sample basis, physical count with inventory sheets. - Compared on sample basis specific purchases and directly attributable cost with underlying supporting documents. - Checked overhead absorption rates at different stages of production to ascertain valuation of work in process and finished goods. - Compared the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards. - Assessed the provision for slow moving stock as at the year end and assessed whether it is in accordance with the Company's policies and relevant accounting and reporting standards. - Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and financial reporting.
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Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in annual report but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be



communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Nouman Arshad, ACA**.

Mushtaq & Co.

MUSHTAQ & CO.
Chartered Accountants



Lahore.

Dated: September 30, 2026

UDIN: AR2026107245RLouCWai

**Statement of Financial Position
As at June 30, 2026**

		June 30, 2026	June 30, 2025			June 30, 2026	June 30, 2025
EQUITY AND LIABILITIES	Note	Rupees	Rupees	ASSETS	Note	Rupees	Rupees
SHARE CAPITAL AND RESERVES				NON CURRENT ASSETS			
Authorized capital				Property, plant and equipment	19	8,671,549,537	8,857,084,233
6,000,000 (2025: 6,000,000) ordinary shares of Rs.10 each		60,000,000	60,000,000	Long term deposits	20	51,436,392	65,237,929
						8,722,985,929	8,922,322,162
Issued, subscribed and paid up capital	5	30,409,640	30,409,640				
Reserves	6	9,108,598,461	9,108,598,461				
Loan from directors and sponsors	7	183,118,200	183,118,200				
Unappropriated profit		2,348,793,594	1,640,029,176				
		11,670,919,895	10,962,155,477				
NON CURRENT LIABILITIES				CURRENT ASSETS			
Long term financing - secured	8	3,001,008,680	2,988,011,357	Stores, spares and loose tools	21	307,115,633	284,877,976
Long term payables	9	363,043,266	-	Stock in trade	22	8,083,926,796	12,016,094,917
Staff retirement benefits	10	441,726,819	413,323,013	Trade debts	23	3,804,384,930	3,635,024,902
Deferred taxation	11	46,776,238	-	Loans and advances	24	34,945,848	79,291,143
Deferred government grant	12	407,068,247	558,708,185	Trade deposits and prepayments	25	27,671,092	901,656,182
		4,259,623,250	3,960,042,555	Other receivables	26	215,050,150	67,621,057
CURRENT LIABILITIES				Short term investment	27	389,501,100	-
Trade and other payables	13	2,517,246,340	3,117,714,669	Advance income tax	28	783,961,315	450,212,786
Unclaimed dividend	14	1,831,650	1,831,650	Sales tax refundable	29	807,887,723	396,074,692
Accrued markup / interest	15	123,763,711	82,354,892	Bank balances	30	907,540,440	171,836,812
Short term borrowings - secured	16	4,377,044,433	7,908,084,420			15,361,985,027	18,002,690,467
Current portion of long term financing	17	1,134,541,677	892,828,966				
		8,154,427,811	12,002,814,597				
CONTINGENCIES AND COMMITMENTS							
	18						
TOTAL EQUITY AND LIABILITIES		24,084,970,956	26,925,012,629	TOTAL ASSETS		24,084,970,956	26,925,012,629

The annexed notes from 1 to 54 form an integral part of these financial statements.



CHIEF EXECUTIVE

Annual Report 2026



DIRECTOR

Bhanero Textile Mills Ltd



CHIEF FINANCIAL OFFICER

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Statement of Profit or Loss
For The Year Ended June 30, 2026

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Sales - Net	31	33,721,521,532	32,907,546,738
Cost of sales	32	(30,749,166,204)	(30,319,406,416)
Gross profit		2,972,355,328	2,588,140,322
Other income	33	442,136,929	193,598,624
		3,414,492,257	2,781,738,946
Distribution cost	34	(764,539,402)	(691,835,314)
Administrative expenses	35	(392,336,161)	(381,672,868)
Other operating expenses	36	(86,370,640)	(24,656,283)
Finance cost	37	(980,933,765)	(1,160,308,271)
		(2,224,179,968)	(2,258,472,736)
Profit before Levies and taxation		1,190,312,289	523,266,210
Levies	38.1	(428,354,575)	(411,344,334)
Profit before taxation		761,957,714	111,921,876
Taxation	38.2	(61,688,263)	2,307,177
Profit after taxation		700,269,451	114,229,053
Earnings per share - basic & diluted	39	230.28	37.56

The annexed notes from 1 to 54 form an integral part of these financial statements.


CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

Statement of Comprehensive Income
For The Year Ended June 30, 2026

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Profit after taxation		700,269,451	114,229,053
Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit or loss		-	-
Items that will not be reclassified subsequently to profit or loss			
Actuarial gain / (loss) on remeasurement of employees retirement benefits - gratuity	10.3	8,646,500	(17,687,258)
Related deferred tax on remeasurement of employees retirement benefits - gratuity		(151,533)	-
		8,494,967	(17,687,258)
Total comprehensive Income for the year		708,764,418	96,541,795

The annexed notes from 1 to 54 form an integral part of these financial statements.


CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

**Statement of Changes in Equity
For The Year Ended June 30, 2026**

	Share capital	Capital Reserve		Revenue Reserves		Loan from directors and sponsors	Total
		Share Premium	Reserve for issue of shares	General reserve	Unappropriated profits		
Rupees							
Balance as at June 30, 2024	30,409,640	108,598,461	-	9,000,000,000	1,543,487,381	180,618,200	10,863,113,682
Total comprehensive income for the year							
Profit for the year	-	-	-	-	114,229,053	-	114,229,053
Other comprehensive loss	-	-	-	-	(17,687,258)	-	(17,687,258)
Loan from directors and sponsors received during the year	-	-	-	-	-	2,500,000	2,500,000
Balance as at June 30, 2025	30,409,640	108,598,461	-	9,000,000,000	1,640,029,176	183,118,200	10,962,155,477
Total comprehensive income for the year							
Profit for the year	-	-	-	-	700,269,451	-	700,269,451
Other comprehensive income	-	-	-	-	8,494,967	-	8,494,967
Balance as at June 30, 2026	30,409,640	108,598,461	-	9,000,000,000	2,348,793,594	183,118,200	11,670,919,895

The annexed notes from 1 to 54 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

**Statement of Cash Flows
For The Year Ended June 30, 2026**

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before Levies and taxation		1,190,312,289	523,266,210
Adjustments for:			
Depreciation on property, plant and equipment		885,212,940	862,160,149
Provision for staff retirement benefits - gratuity		122,770,029	117,870,142
Provision for expected credit losses		4,277,082	1,614,061
Changes in fair value of investments		(266,200)	-
Notional interest income		(322,319,195)	-
Gain on disposal of short term investments		(22,860,319)	-
Gain on disposal of property, plant and equipment		(536,438)	(2,268,208)
Finance cost		980,933,765	1,160,308,271
Operating cash flows before changes in working capital		2,837,523,953	2,662,950,625
Working capital changes			
(Increase) / decrease in current assets			
Inventories		3,909,930,464	(245,267,388)
Trade debts		(173,637,110)	(42,045,887)
Loans and advances		44,345,295	(2,368,928)
Trade deposits and prepayments		873,985,090	(595,185,555)
Other receivables		(147,429,093)	(34,800,735)
Sales tax refundable		(411,813,031)	62,162,229
		4,095,381,615	(857,506,264)
Increase in trade and other payables		401,481,219	655,050,275
Cash generated from operations		7,334,386,787	2,460,494,636
Finance cost paid		(939,524,946)	(1,409,377,269)
Staff retirement benefits - gratuity paid		(85,719,723)	(64,386,110)
Income taxes and levies paid		(777,166,662)	(572,131,585)
Long term deposits		13,801,537	-
		(1,788,609,794)	(2,045,894,964)
Net cash generated from operating activities		5,545,776,993	414,599,672
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		3,466,102	11,242,623
Additions in property, plant and equipment		(702,607,908)	(676,754,871)
Purchase of Short term investments		(389,234,900)	-
Net cash (used in) investing activities		(1,088,376,706)	(665,512,248)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(719,587,181)	(668,245,279)
Proceeds from long term financing		675,793,893	214,644,000
Proceeds of loan from directors and sponsors		-	2,500,000
Short term borrowings - net		(3,531,039,987)	137,478,390
Payment of long term payable		(146,863,384)	-
Net cash used in financing activities		(3,721,696,659)	(313,622,889)
Net increase / (decrease) in cash and cash equivalents		735,703,628	(564,535,465)
Cash and cash equivalents at the beginning of the year		171,836,812	736,372,277
Cash and cash equivalents at the end of the year	30	907,540,440	171,836,812

The annexed notes from 1 to 54 form an integral part of these financial statements.

**Notes to the financial statements
For the year ended June 30, 2026****1 THE COMPANY AND ITS OPERATIONS**

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

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

2 Basis of Preparation**2.1 Statement of compliance**

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

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

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- Computation of deferred tax and estimation of income tax provisions.
- Measurement of defined benefit obligation.
- Estimation of provisions and contingent liabilities.
- Useful lives, residual values and depreciation method of property, plant and equipment.
- Impairment of non-financial assets and financial assets.
- Provision for stores and spares and stock in trade.

Judgements made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

2.5 Standards, interpretations and amendments to published approved accounting standards

2.5.1 There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2025. However, these do not have any significant impact on the Company's financial statements except as disclosed in note 3 to these financial statements.

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

		Effective date (annual reporting periods beginning on or after)
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2026
IAS 21	The effects of changes in foreign exchange rates (Amendments)	January 1, 2027
IAS 28	Investments in Associates and Joint Ventures (Amendments)	January 1, 2027
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 9	Financial Instruments (Amendments)	January 1, 2026
IFRS 17	Insurance Contracts (Amendments)	January 1, 2027
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027

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

2.5.4 Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at 30 June 2026;

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRIC 12	Service concession arrangements
IFRS 20	Regulatory Assets and Regulatory Liabilities

3 Material Accounting Policy Information**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 statement of profit or loss over the period of the borrowings on an effective interest basis.

3.2 Employee benefits**Post retirement benefits****Defined benefit plans**

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

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

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

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

3.3 Taxation

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

Current

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

Deferred

Deferred tax is accounted for using the statement of financial position liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes after considering, the average effective rate of tax / enacted tax rate and the amounts used for tax purposes. The Company's policy is to measure deferred tax using the average effective tax rate rather than the enacted / notified tax rate. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

Levies

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

3.4 Provisions

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

3.5 Trade and other payables

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

3.6 Contingencies

The Company reviews all pending litigation and claims, taking into account the status of each matter and advice from its legal advisers. Where a present obligation exists, an outflow of resources is probable and the amount can be reliably estimated, the Company recognises a provision. Other matters are disclosed as contingent liabilities where required by IAS 37. The ultimate outcome may differ from management's assessment.

3.7 Dividend

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

3.8 Property, plant and equipment and depreciation**Owned assets**

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

Subsequent cost

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

Depreciation

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

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

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

Impairment

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

**Notes to the financial statements
For the year ended June 30, 2026****Leased assets****Recognition**

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

Initial measurement**Lease liability**

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

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

Right-of-use asset

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

Subsequent measurement**Lease liability**

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

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

Right-of-use asset

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

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

Ijarah contracts

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

3.9 Capital work in progress

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

3.10 Financial assets and liabilities**Financial assets**

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

Amortised Cost

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

Fair value through other comprehensive income

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

Fair value through profit or loss

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

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

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

Derecognition

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

Financial Liabilities

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

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

Derecognition

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

3.11 Impairment**Financial Assets**

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

**Notes to the financial statements
For the year ended June 30, 2026**

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

Non-Financial Assets

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

3.12 Offsetting of financial assets and financial liabilities

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

3.13 Stores and spares

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

3.14 Stock-in-trade

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

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

Valuation of raw material, work in process and finished goods as on 30th June 2026 have been valued at lower of cost and net realizable value as per the requirement of IAS 2.

Raw material in transit is stated at invoice price plus other charges paid thereon upto the statement of financial position date.

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

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

3.15 Trade debts and other receivables

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

3.16 Cash and cash equivalents

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

3.17 Revenue recognition

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

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

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

Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through other comprehensive income'

**Notes to the financial statements
For the year ended June 30, 2026**

are included in other comprehensive income in the period in which they arise.

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

3.18 Borrowing costs

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

3.19 Other Income

Other income is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Income and gains arising from financial and non-financial assets, are recognized in profit or loss in accordance with the requirements of applicable IFRS. Liabilities written back are recognized when the related obligation no longer exists.

3.20 Foreign currency translation

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

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

3.21 Transactions with related party

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

3.22 Segment reporting

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

Segment results that are reported to the CODM 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 and Weaving, which also reflects the management structure of company.

3.23 Deferred Government Grant

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

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.

Notes to the Financial Statements
For The Year Ended June 30, 2026

5 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

June 30, 2026	June 30, 2025		Note	June 30, 2026	June 30, 2025
Number of shares				Rupees	Rupees
1,762,500	1,762,500	Ordinary shares of PKR 10 each allotted for consideration'- fully paid in cash		17,625,000	17,625,000
1,237,500	1,237,500	Ordinary shares of Rs 10. each allotted as bonus shares		12,375,000	12,375,000
40,964	40,964	Ordinary shares of PKR 10 each allotted for scheme of arrangement		409,640	409,640
3,040,964	3,040,964			30,409,640	30,409,640

5.1 Associated company holds 500,600 (2025: 500,600) ordinary shares of Rs. 10 each in the company.

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

6 RESERVES

General reserve - Revenue reserve	6.1	9,000,000,000	9,000,000,000
Share premium - Capital reserve	6.2	108,598,461	108,598,461
		9,108,598,461	9,108,598,461

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

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

7 LOAN FROM DIRECTORS AND SPONSORS

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

8 LONG TERM FINANCING - SECURED

From Financial Institutions

	Limit	Rate	Repayments	Frequency	Security	June 30, 2026	June 30, 2025
						Rupees	Rupees
Bank Al Habib Limited							
LTFF	27.6 M	SBP LTFF rate + 0.4% (2025: SBP LTFF rate + 0.4%)	32 equal quarterly installments commenced from 20 February 2019 and ending on 20 January 2028.	Quarterly	Hypothecation charge over plant and machinery of PKR 54 million of unit III located at Feroz Watton, Sheikhpura-Faisalabad Road, Sheikhpura.	5,534,375	8,984,375
	17.5 M	SBP LTFF rate + 1.5% (2025: SBP LTFF rate + 1.5%)	32 equal quarterly installments commencing from 22 July 2022 and ending on 22 April 2030.	Quarterly		8,752,000	10,940,000
						14,286,375	19,924,375

MCB Bank Limited

LTFF	900 M	SBP LTFF rate + 0.40% (2025: SBP LTFF rate + 0.40%)	32 equal quarterly installments commenced from 30 April 2019 and ending on 05 February 2030.	Quarterly	Hypothecation charge on plant and machinery of PKR 1,351 million of unit II located at Feroz Watton, Sheikhpura-Faisalabad Road, Sheikhpura.	175,259,225	254,019,849
	400M	SBP LTFF rate + 0.40% (2025: SBP LTFF rate + 0.40%)	32 equal quarterly installments commenced from 06 May 2022 and ending on 07 February 2030.	Quarterly		166,412,341	211,300,577

Bhanero Textile Mills Limited
**Notes to the Financial Statements
For The Year Ended June 30, 2026**

	65 M	SBP LTFF rate + 0.40% (2025: SBP LTFF rate + 0.40%)	32 equal quarterly installments commenced from 19 February 2022 and ending on 07 November 2032.	Quarterly		20,767,046	26,700,486
	Limit	Rate	Repayments	Frequency	Security	June 30, 2026	June 30, 2025
						Rupees	Rupees

MCB Bank Limited

Demand Finance	182 M	3M Kibor rate + 0.40% (2025: 3M Kibor rate + 0.40%)	32 equal quarterly installments commenced from 28 November 2024 and ending on 07 November 2032.	Quarterly	Hypothecation charge on plant and machinery of PKR 1,351 million of unit II located at Feroz Watton, Sheikhupura-Faisalabad Road, Sheikhupura.	142,718,743	165,468,747
	325 M		16 equal quarterly installments commencing from 27 April 2026 and ending on 28 January 2030.	Quarterly		201,228,750	214,644,000
	250 M		20 equal quarterly installments commencing from 29 March 2027 and ending on 29 December 2031	Quarterly		129,392,071	-
						835,778,176	872,133,659

Bank Al Falah Limited

Renewable energy finance	87.04 M	SBP rate + 4% (2025: SBP rate + 4%)	39 equal quarterly installments commencing from 3 December 2024 and ending on 03 June 2034	Quarterly	Hypothecation charge over fixed assets of the Company amounting to PKR 118 million.	71,420,136	80,347,674
DF	400 M	6M Kibor rate + 0.5% (2025: Nil)	Bullet at the end of 3 years from date of drawdown	Single	Charge over fixed assets (excluding land & building) amounting to PKR 534 million.	381,000,000	-
						452,420,136	80,347,674

Faysal Bank Limited

TERF	1600 M	SBP TERF rate + 0.60% (2025: SBP TERF rate + 0.60%)	32 equal quarterly installments commencing from 06 October 2023 and ending on 22 November 2031.	Quarterly		904,343,899	1,041,870,903
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Notes to the Financial Statements
For The Year Ended June 30, 2026

LTFF	113 M	SBP LTFF rate + 0.60% (2025: SBP LTFF rate + 0.60%)	32 equal quarterly installments commencing from 14 April 2024 and ending on 14 January 2031.	Quarterly	Hypothecation charge over plant and machinery of PKR 2,294 million of unit III located at Feroz Watton, Sheikhpura-Faisalabad Road, Sheikhpura.	81,528,259	95,707,083
DF	200 M	3 Month KIBOR + 0.40% (2025: Nil)	20 equal quarterly installments commencing from 4 November 2027 and ending on 2 August 2032.	Quarterly		165,401,822	-
						1,151,273,980	1,137,577,986

Limit	Rate	Repayments	Frequency	Security	June 30, 2026	June 30, 2025
					Rupees	Rupees

National Bank Limited

National Bank Limited							
LTFF	2700 M	SBP LTFF rate + 1.25% (2025: SBP LTFF rate + 1.25%)	32 equal quarterly installments commencing from 7 July 2024 and ending on 27 July 2032.	Quarterly	Hypothecation charge over fixed assets of the Company amounting to PKR 3,600 million.	14,757,225	17,225,225
DF		3 Month KIBOR + 1.25% (2025: 3 Month KIBOR + 1.25%)	32 equal quarterly installments commencing from 21 September 2024 and ending on 31 December 2032.	Quarterly	Hypothecation charge over fixed assets of the Company amounting to PKR 3,600 million.	387,329,167	447,494,698
TERF		SBP TERF rate + 1.25% (2025: SBP TERF rate + 1.25%)	32 equal quarterly installments commencing from 08 December 2023 and ending on 23 February 2032.	Quarterly		919,326,069	1,058,124,559
						1,321,412,461	1,522,844,482

Allied Bank Limited

Renewable energy finance	100 M	SBP rate + 3% (2025: SBP rate + 3%)	27 equal quarterly installments commencing from 03 October 2024 and ending on 03 April 2031	Quarterly	Hypothecation charge over fixed assets of the Company amounting to PKR 134 million.	62,308,664	74,770,396
						62,308,664	74,770,396
						3,837,479,792	3,707,598,572
						(836,471,112)	(719,587,215)
						3,001,008,680	2,988,011,357

Less: current maturity shown under current liabilities

- 8.1 During the year, the Company obtained three financing facilities from Faysal Bank Limited. Two facilities, amounting to Rs. 64.03 million and Rs. 29.44 million, respectively, were obtained and repaid in full during the year before their contractual maturity dates. The third facility, also obtained during the year, had an outstanding balance of Rs. 57.13 million as at June 30, 2026, and was subsequent to year repaid in full.

9 LONG TERM PAYABLES

Infrastructure fee payable - ETO

Note

June 30, 2026
Rupees

June 30, 2025
Rupees

9.1

363,043,266

-

9.1 Movement in liability recognized in the statement of financial position

Balance at beginning of the year	-	-
Outstanding liability at date of settlement	979,089,229	-
Paid during the year	(146,863,384)	-
Notional Interest expense	11,083,126	-
Unamortized notional interest	(333,402,321)	-
	509,906,650	-
Current portion shown under current liabilities	(146,863,384)	-
	363,043,266	-

- 9.1.1 During the year, the Company entered into a Settlement Agreement dated April 20, 2026 with the Government of Sindh for settlement of its outstanding and/or disputed liability relating to Sindh Infrastructure Cess. The liability has been accounted for in accordance with the Accounting Guidance on Sindh Development and Maintenance of Infrastructure Cess issued by ICAP and applicable IFRS Accounting Standards.

Under the agreement, the liability is payable through three initial instalments of Rs. 146.86 million each annually, followed by 48 equal quarterly instalments of approximately Rs. 11.22 million each from July 15, 2028 to April 15, 2040. The liability has been recognized at present value and is subsequently measured using the effective interest method, with unwinding of discount recognized as finance cost. As at June 30, 2026, the liability is classified between current and non-current portions based on contractual payments due within and after twelve months, respectively.

10 STAFF RETIREMENT BENEFITS

Staff retirement benefits - gratuity	10.1	441,726,819	413,323,013
		441,726,819	413,323,013
10.1 Movement in net liability recognized in the statement of financial statement			
Present value of defined benefits obligation - at the beginning of the year		413,323,013	342,151,723
Charged to statement of profit or loss	10.2	122,770,029	117,870,142
Charged to statement of comprehensive income	10.3	(8,646,500)	17,687,258
Benefits paid during the year		(85,719,723)	(64,386,110)
Present value of defined benefits obligation - at the end of the year		441,726,819	413,323,013
10.2 Amount charged to statement of profit or loss			
Current service cost		108,862,641	83,154,431
Interest cost		13,907,388	34,715,711
		122,770,029	117,870,142
10.3 Amount charged to statement comprehensive income	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Due to change in financial assumptions		-	-
Due to change in demographic assumptions		-	-
Due to change in experience assumptions		(8,646,500)	17,687,258
Remeasurement (loss) / gain		(8,646,500)	17,687,258
10.4 Gratuity expenses have been allocated as follows:			
Cost of sales	32.2	109,122,260	105,994,857
Administrative expenses	35.1	13,647,769	11,875,285
		122,770,029	117,870,142
10.5	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, 2026 using the projected unit credit method assuming a discount rate of 11.75% (2025: 11.75%) per annum and expected rate of increase in salaries at 10.75% (2025: 10.75%) per annum.		
10.6	There is no unrecognized actuarial loss / gain.		
10.7 Historical information		2025 Rupees	2024 Rupees
Present value of defined benefits obligation		413,323,013	342,151,723
Experience adjustments on plan liabilities		17,687,258	32,602,984
			2023 Rupees
			263,229,037
			2022 Rupees
			208,934,489
			1,051,556
10.8 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		(32,336,980)	37,326,033
Expected rate of increase in future salary		37,326,033	(32,885,570)
10.9	The expected gratuity expense comprising of service cost and net interest for the year ending June 30, 2027 works out to Rs. 141.82 million.		
10.10	The average duration of defined benefit obligation is 5 years.		
11 DEFERRED TAXATION	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Deferred tax liability on taxable temporary differences	11.1	63,173,126	-
Deferred tax asset on deductible temporary differences	11.1	(16,396,888)	-
		46,776,238	-

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

Taxable temporary differences

Accelerated tax depreciation on owned assets
Long term payable

Deductible temporary differences

Provision for employee benefit
Provision for doubtful debts and advances
Unused tax losses and others

2026			
As at July 01 2025	Recognized in profit or loss	Recognized in other comprehensive income	As at June 30, 2026
Rupees			
-	57,524,368	-	57,524,368
-	5,648,758	-	5,648,758
-	63,173,126	-	63,173,126
-	(7,892,952)	151,533	(7,741,419)
-	(1,173,955)	-	(1,173,955)
-	(7,481,514)	-	(7,481,514)
-	(16,548,421)	151,533	(16,396,888)
-	46,624,705	151,533	46,776,238

Taxable temporary differences

Accelerated tax depreciation on owned assets

Deductible temporary differences

Provision for employee benefit
Provision for doubtful debts and advances

2025			
As at July 01 2024	Recognized in profit or loss	Recognized in other comprehensive income	As at June 30, 2025
Rupees			
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

12 DEFERRED GOVERNMENT GRANT

Deferred Government grant

Note	June 30, 2026 Rupees	June 30, 2025 Rupees
12.1	407,068,247	558,708,185
	407,068,247	558,708,185

12.1 Deferred Revenue - Government Grant

Balance at beginning of year
Amortization during the year

Less: current portion

Balance at the end of the year

Note	June 30, 2026 Rupees	June 30, 2025 Rupees
	731,949,936	924,836,706
	(173,674,508)	(192,886,770)
	558,275,428	731,949,936
	(151,207,181)	(173,241,751)
	407,068,247	558,708,185

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

13 TRADE AND OTHER PAYABLES

Creditors

Contract liabilities

Road Infrastructure cess payable

Gas Infrastructure cess payable

Accrued liabilities

Workers' Profit Participation Fund

Workers Welfare Fund

Others

	1,550,449,324	1,452,560,522
13.1	12,684,797	10,326,010
13.2	9,320,057	854,841,507
13.3	60,396,490	60,396,490
	705,227,591	652,019,483
13.4	62,489,535	23,042,222
13.5	7,502,683	-
	109,175,863	64,528,435
	2,517,246,340	3,117,714,669

13.1 Advance received from customer is recognised as revenue when the performance obligation in accordance with the policy is satisfied. Revenue for an amount of Rs. 7.63 million (2025: Rs. 24.67 million) has been recognised in current year in respect of advances from customers at the beginning of period.

**Notes to the Financial Statements
For The Year Ended June 30, 2026**

- 13.2** Punjab Infrastructure Tax was levied by the Excise and Taxation Officer ("ETO"), Government of Punjab, on the movement of imported goods entering Punjab Province from outside Pakistan. The Company has challenged the levy before the Lahore High Court. Pending final adjudication of the matter, the Honorable Court has granted a stay against recovery of the levy, subject to the Company furnishing bank guarantees in favour of the ETO. Sindh Infrastructure Cess was levied by the Excise and Taxation Officer ("ETO"), Government of Sindh, on the movement of imported goods entering Sindh Province from outside Pakistan. During the year, the Company entered into a settlement with the Government of Sindh in respect of the levy. Details of the settlement are disclosed in Note 9 to these financial statements.

13.3 Movement in liability recognized in the statement of financial position

Balance at beginning of the year		60,396,490	60,396,490
Paid during the year		-	-
Balance at the end of the year		60,396,490	60,396,490

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

13.4 Workers' profit participation fund

Opening balance		23,042,222	10,269,699
Interest on funds utilized in the Company's business	13.4.1	1,252,803	139,093
		24,295,025	10,408,792
Paid to the fund		(24,295,025)	(10,408,792)
		-	-
Allocation for the year	36	62,489,535	23,042,222
		62,489,535	23,042,222

- 13.4.1** Interest on workers' profit participation fund has been provided @13.5% (2025: 22%) per annum.

13.5 Workers Welfare Fund

Opening balance		-	204,732,052
Payments / reversals during the year		-	(204,732,052)
		-	-
Allocation for the year	36	7,502,683	-
		7,502,683	-

- 13.5.1** After the decision of the Honorable High Court of Sindh, the provisions of the Workers' Welfare Fund Ordinance, 1971 have been applied to the Company as it qualifies as a trans-provincial entity. Accordingly, the previously recognized liabilities have been settled, and any excess amounts have been reversed to ensure alignment with the Workers' Welfare Fund Ordinance, 1971 in line with the decision of the Council of Common Interests (CCI) regarding trans-provincial companies.

14 UNCLAIMED DIVIDEND

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

Mark-up accrued on secured:			
- long term financing		37,309,645	38,818,222
- short term borrowings		86,454,066	43,536,670
		123,763,711	82,354,892

16 SHORT TERM BORROWINGS - SECURED
From banking companies

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Running finance/Running Musharika	16.1	378,388,095	503,084,420
Term loans - Money Market	16.2	3,817,000,000	7,405,000,000
Import finances	16.3	181,656,338	-
		4,377,044,433	7,908,084,420

- 16.1** The aggregate approved short term borrowing facilities amounting to PKR 20.47 billion (2025: PKR 16.83 billion). Out of total facilities, facilities of Rs. 16.10 billion (2025: Rs. 8.95 billion) are unavailed at the reporting date.

- 16.2** These facilities are subject to mark-up ranging from 1 to 3 month KIBOR plus spreads from 0.05% to 1% (2025: 1 to 3 month KIBOR minus 2.17% to KIBOR plus 2%) per annum payable quarterly. These are secured against hypothecation charge on current assets of the Company.

- 16.3** The Company had obtained facilities for short-term finance under FE-25 Import finance. The rates of mark-up on these facilities ranged from 3.50% to 4.75% (2025: 4.20% to 7.09%) per annum.

**Notes to the Financial Statements
For The Year Ended June 30, 2026**

17 CURRENT PORTION OF LONG TERM FINANCING

From financial institutions

Long-term financing	8	836,471,112	719,587,215
Deferred government grant	12.1	151,207,181	173,241,751
others			
Infrastructure Cess - ETO	9.1	146,863,384	-
		1,134,541,677	892,828,966

18 CONTINGENCIES AND COMMITMENTS

Contingencies

18.1 Various banking companies have issued guarantees on behalf of the Company and discounted receivables of the Company as detailed below:

Bills discounted	3,460,338,955	2,903,624,332
Bank guarantees	581,353,162	1,469,447,817

18.2 The Company has issued post dated cheques amounting to Rs. 3,921.55 million (2025: Rs. 3,169.31 million) in favour of Collector of Customs in lieu of custom levies and SSG levies against various statutory notifications. The post dated cheques furnished by the company are likely to be released after the fulfilment of term of related SROs.

18.3 The Government has levied Super Tax on high earning persons, which was levied by the Government for the tax year 2022 in addition to corporate tax rate of 29%. The Company together with other parties challenged it for tax year 2022 in the Sindh High Court who decided the matter in favour of the petitioners ultra vires to the Constitution of Pakistan.

The FBR challenged the said decision before the Supreme Court of Pakistan who, vide interim order dated February 2023, directed that the taxpayers shall pay super tax to Nazir on the direction of Sindh high court. The Company, complying with the directions, provided security of 100% super tax to the Nazir of High Court. 40% of which was encashed and deposited with the FBR. During the year 2026, the Federal Constitutional Court decided the matter in favour of FBR and against the Company. Accordingly, the Company has recognized the provision for super tax in its financial statements. However, the Company has filed a review petition against the said decision, which is currently pending adjudication.

18.4 The Company, along with other textile mills, is a respondent in C.P.L.A. No. 1017/2025 filed in the Supreme Court of Pakistan by the Federation of Pakistan against the judgment dated 3 February 2025, whereby the increase in natural gas tariffs for industrial consumers notified by OGRA through S.R.O. No. (1)/2016 was declared invalid.

As the matter is pending adjudication before the Federal Constitutional Court Pakistan, the ultimate outcome cannot presently be determined. However, based on the opinion of the Company's legal advisor, management believes that the case is likely to be decided in favour of the Company. Accordingly, no provision has been made in these financial statements.

18.5 The Company, along with other petitioners, has challenged before the Lahore High Court the retrospective determination and recovery of RLNG/gas tariff arrears for the respective periods under W.P. No. 1073 of 2026 (April 2015 to June 2022) and W.P. No. 21088 of 2026 (July 2022 to March 2024). The Company contends that the retrospective recovery is not supported by law. On January 12, 2026 and April 09, 2026, respectively, the Court suspended the impugned notifications and directed SNGPL to issue revised bills excluding the disputed amounts, against post-dated cheques provided by the Company. The matters remain pending before the Court.

18.6 The Company is contesting a demand for customs duty and taxes of Rs. 22.965 million, together with a penalty of Rs. 0.500 million, raised by the Customs authorities under Order-in-Original Nos. 486 to 510 of 2020–2021 dated November 11, 2020, in respect of alleged short payment of duties and taxes on imported cotton consignments. The Company has filed Appeal No. K-1881/2020 before the Customs Appellate Tribunal, Karachi, and Constitutional Petition No. D-6393 of 2020 before the High Court of Sindh. Through an interim order dated December 14, 2020, the High Court restrained the authorities from taking coercive measures against the Company. The matter remains pending adjudication.

Commitments

18.7 Letter of credit (for store, raw material and fixed assets)	4,095,444,804	1,705,489,514
Commitments for capital expenditure	-	49,500,499

18.8 The Company has entered into Ijarah arrangements for vehicles with Meezan Bank Limited. These arrangements have been made for the period of five years. Such arrangements carry Bench Mark Rate of 0.5% per annum over the 3 Month KIBOR. The rate would be fixed for the first three months on the last working day before the first disbursement date and subsequently on each last working day immediately preceding the beginning of next three months. Lease rentals shall be revised in accordance with the change in KIBOR to appropriately reflect the Bench Mark. Future Ijarah payments due under these arrangements at the period end are as follows:

Not later than one year	60,519,536	99,787,632
Later than one year & not later than five years	90,254,638	166,011,895
Later than five years	-	-
	150,774,174	265,799,527

19 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	19.1	8,671,549,537	8,457,907,078
Capital work in progress	19.6	-	399,177,155
		8,671,549,537	8,857,084,233

Bhanero Textile Mills Limited
**Notes to the Financial Statements
For The Year Ended June 30, 2026**
19.1 OPERATING FIXED ASSETS

Year Ended June 30, 2026										
PARTICULARS	COST				DEPRECIATION				Book value as at June 30, 2026	Rate
	As at July 01, 2025	Additions / (disposals)	Transfers	As at June 30, 2026	As at July 01, 2025	For the year	Transfers / (disposal)	As at June 30, 2026		
	Rupees									
Company owned										
Leasehold land	433,414	-	-	433,414	-	-	-	-	433,414	-
Freehold land	665,526,110	-	-	665,526,110	-	-	-	-	665,526,110	-
Factory building on leasehold land	174,574,262	-	-	174,574,262	139,188,093	3,624,549	-	142,812,642	31,761,620	10%
Factory building on freehold land	1,757,266,862	-	74,542,182	1,831,809,044	608,377,021	117,364,646	-	725,741,667	1,106,067,377	10%
Office premises on leasehold land	29,894,675	-	-	29,894,675	22,513,807	449,638	-	22,963,445	6,931,230	5%
Office premises on freehold land	309,511,250	-	23,343,018	332,854,268	80,691,110	11,457,675	-	92,148,785	240,705,483	5%
Plant and machinery	8,909,537,140	11,826,831	542,226,733	9,441,254,061	3,772,374,298	599,115,705	4,044,883	4,356,066,611	5,085,187,450	10%
		(22,336,643)					(19,468,275)			
Equipments and other assets	438,255,111	-	17,428,142	455,683,253	251,818,776	48,265,067	-	300,083,843	155,599,410	33.33%
Electric Installation	1,136,368,652	-	434,882,007	1,571,250,659	195,157,087	89,648,503	(610,872)	284,194,718	1,287,055,941	10%
Gas Line & Pipe	10,057,185	-	-	10,057,185	6,282,432	377,476	-	6,659,908	3,397,277	10%
Cooling towers	5,223,570	-	-	5,223,570	4,503,709	71,986	-	4,575,695	647,875	10%
Ventilation system	2,094,912	-	-	2,094,912	1,554,682	54,023	-	1,608,705	486,207	10%
Boiler	24,032,925	-	-	24,032,925	18,406,894	562,603	-	18,969,497	5,063,428	10%
Factory equipments	26,735,974	(11,826,831)	130,200	15,039,343	8,948,097	944,931	(3,434,011)	6,459,017	8,580,326	10%
Furniture and fixtures - Factory	17,440,760	-	-	17,440,760	8,090,524	935,025	-	9,025,549	8,415,211	10%
Office equipments	36,985,136	-	9,232,781	46,217,917	26,075,720	753,284	-	26,829,004	19,388,913	10%
Furniture and fixtures - Office	-	-	-	-	-	-	-	-	-	10%
Vehicles	146,608,306	-	-	144,750,026	88,656,916	11,587,829	-	98,447,761	46,302,265	20%
		(1,858,280)					(1,796,984)			
June 30, 2026	13,690,546,244	-	1,101,785,063	14,768,136,384	5,232,639,166	885,212,940	-	6,096,586,847	8,671,549,537	
	-	(24,194,923)	-	-	-	-	(21,265,259)	-	-	

Bhanero Textile Mills Limited
**Notes to the Financial Statements
For The Year Ended June 30, 2026**

Year Ended June 30, 2025										
PARTICULARS	COST				DEPRECIATION				Book value as at June 30, 2025	Rate
	As at July 01, 2024	Additions / (disposals)	Transfers	As at June 30, 2025	As at July 01, 2024	For the year	Transfers / (disposal)	As at June 30, 2025		
	Rupees									
Company owned										
Leasehold land	433,414	-	-	433,414	-	-	-	-	433,414	-
Freehold land	665,526,110	-	-	665,526,110	-	-	-	-	665,526,110	-
Factory Building on leasehold land	174,574,262	-	-	174,574,262	135,160,816	4,027,277	-	139,188,093	35,386,169	10%
Factory Building on freehold land	1,691,932,536	-	65,334,326	1,757,266,862	487,377,016	121,000,005	-	608,377,021	1,148,889,841	10%
Office premises on leasehold land	29,894,675	-	-	29,894,675	22,040,504	473,303	-	22,513,807	7,380,868	5%
Office premises on freehold land	309,511,250	-	-	309,511,250	68,732,781	11,958,329	-	80,691,110	228,820,140	5%
Plant and machinery	8,888,360,042	-	76,679,815	8,909,537,140	3,251,859,038	567,118,019	-	3,772,374,298	5,137,162,842	10%
		(55,502,717)					(46,602,759)			
Equipments and other assets	329,652,361	108,602,750	-	438,255,111	193,224,081	58,594,695	-	251,818,776	186,436,335	33.33%
Electric Installation	835,589,525	-	300,779,127	1,136,368,652	114,148,160	81,008,927	-	195,157,087	941,211,565	10%
Gas line and pipe	7,365,802	-	2,691,383	10,057,185	6,137,137	145,295	-	6,282,432	3,774,753	10%
Cooling towers	5,223,570	-	-	5,223,570	4,423,724	79,985	-	4,503,709	719,861	10%
Ventilation system	2,094,912	-	-	2,094,912	1,494,657	60,025	-	1,554,682	540,230	10%
Boiler	24,032,925	-	-	24,032,925	17,781,780	625,114	-	18,406,894	5,626,031	10%
Factory equipments	25,817,224	918,750	-	26,735,974	7,065,242	1,882,855	-	8,948,097	17,787,877	10%
Furniture and fixtures - Factory	13,515,228	2,657,972	1,267,560	17,440,760	5,476,709	909,811	1,704,004	8,090,524	9,350,236	10%
Office equipments	36,985,136	-	-	36,985,136	24,863,562	1,212,158	-	26,075,720	10,909,416	10%
Furniture and fixtures - Office	2,657,972	(2,657,972)	-	-	1,704,004	-	(1,704,004)	-	-	10%
Vehicles	131,561,325	17,718,506	-	146,608,306	78,189,633	13,064,351	-	88,656,916	57,951,390	20%
		(2,671,525)					(2,597,068)			
June 30, 2025	13,174,728,269	127,240,006	446,752,211	13,690,546,244	4,419,678,844	862,160,149	-	5,232,639,166	8,457,907,078	
	-	(58,174,242)	-	-	-	-	(49,199,827)	-	-	

19.2 Plant and machinery, Office equipments and Equipments and other assets includes assets amounting to Rs. 183.81 million (2025: Rs. 183.81 million) which has been fully depreciated.

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

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Cost of sales	32	871,936,802	846,973,828
Administrative expenses	35	13,276,138	15,186,321
		885,212,940	862,160,149

19.4 Freehold lands of the Company are located at Feroze Wattwan Sheikhpura with an area of 883 kanal 01 marla (2025: 883 kanal 01 marla), at Gajumata Kasur 48 Kanal (2025: 48 Kanal) and Leasehold land are located at Kotri with an area of 104 Kanal (2025: 104 Kanal).

Bhanero Textile Mills Limited
Notes to the Financial Statements
For The Year Ended June 30, 2026
19.5 DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

Year Ended June 30, 2026							
Description	Cost	Accumulated depreciation	Written down value	Proceeds from disposal of property, plant and equipment	Gain on disposal of property, plant and equipment	Mode of disposal	Particulars of buyer
Rupees							

Machinery

Generator	22,336,643	19,468,275	2,868,368	2,966,102	97,734	Negotiation	M/S Brite Enigneering Services & Traders, Iqbal Town Lahore
	22,336,643	19,468,275	2,868,368	2,966,102	97,734		

Vehicles

Honda Civic	1,858,280	1,796,984	61,296	500,000	438,704	Negotiation	Mr. Wahid Hashim s/o Muhammad Hashim, Gulshan-e-Iqbal, Karachi
	1,858,280	1,796,984	61,296	500,000	438,704		
30-Jun-26	24,194,923	21,265,259	2,929,664	3,466,102	536,438		
30-Jun-25	58,174,242	49,199,827	8,974,415	11,242,623	2,268,208		

19.6 CAPITAL WORK IN PROGRESS

	June 30, 2026			
	As at July 01, 2025	Additions	Transfers	As at June 30, 2026
	Rupees			
Building and civil works	76,407,666	21,477,534	97,885,200	-
Plant and machinery	235,534,729	306,692,004	542,226,733	-
Electric installation	87,234,760	347,647,247	434,882,007	-
Equipment and other Assets	-	26,791,123	26,791,123	-
	399,177,155	702,607,908	1,101,785,063	-
	June 30, 2025			
	As at July 01, 2024	Additions	Transfers	As at June 30, 2025
	Rupees			
Building and civil works	115,514,501	26,227,491	65,334,326	76,407,666
Plant and machinery	18,611	314,887,316	79,371,198	235,534,729
Electric installation	180,881,389	207,132,498	300,779,127	87,234,760
Equipment and other Assets	-	1,267,560	1,267,560	-
	296,414,501	549,514,865	446,752,211	399,177,155

	Note	June 30, 2026	June 30, 2025
		Rupees	Rupees
20 LONG TERM DEPOSITS			
Ijarah deposits		19,016,323	33,995,860
Electricity		30,367,293	30,163,293
Telephone		34,600	34,600
Others	20.1	2,018,176	1,044,176
		51,436,392	65,237,929

20.1 It includes security deposit amounting to Rs. 0.02 million (2025: Rs. 0.02 million) given to Admiral (Private) Limited, an associated company, against rent of building.

21 STORES, SPARES AND LOOSE TOOLS

Stores, spares and packing material	307,115,633	284,877,976
	307,115,633	284,877,976

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

22 STOCK IN TRADE

Raw material	4,159,806,625	4,928,153,479
Raw material in transit	632,339,941	1,997,885,684
Work in process	376,983,278	396,857,224
Finished goods	2,914,796,952	4,693,198,530
	8,083,926,796	12,016,094,917

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

22.2 Stock of finished goods includes stock amounting to Rs. 17.96 million (2025: Rs. 394.37 million) that is valued at net realizable value.

23 TRADE DEBTS

Foreign - secured against letter of credit	562,572,359	541,171,823
Local - unsecured - considered good	3,241,812,571	3,093,853,079
Local - unsecured - considered doubtful	65,140,439	62,477,418
	3,869,525,369	3,697,502,320
Allowance for ECL on trade debts	(65,140,439)	(62,477,418)
	3,804,384,930	3,635,024,902
23.1 Particulars of allowance for ECL on trade debts		
Balance at beginning of the year	62,477,418	65,651,619
Charge during the year	4,277,082	1,614,061
Allowance no longer required / recovered	(1,614,061)	(4,788,262)
Balance at the end of the year	65,140,439	62,477,418

24 LOANS AND ADVANCES

Advances to :		
Suppliers - Unsecured (considered good)	25,157,145	72,372,908
Employees - Secured (considered good)	8,551,094	6,734,594
Employees - Unsecured (considered doubtful)	1,165,000	1,165,000
L/C in transit	1,237,609	183,641
	36,110,848	80,456,143
Provision for doubtful advances	(1,165,000)	(1,165,000)
	34,945,848	79,291,143

**Notes to the Financial Statements
For The Year Ended June 30, 2026**

24.1		These represent advances to employees against future salaries and post employment benefits in accordance with the company policy.		
24.2 Provision for doubtful advances				
	Balance at beginning of the year		1,165,000	1,165,000
	Charge during the year		-	-
	Provision no longer required/ recovered		-	-
	Balance at the end of the year		1,165,000	1,165,000
25 TRADE DEPOSITS AND PREPAYMENTS				
	Deposits against infrastructure fees	25.1	8,850,207	896,944,861
	Ijarah deposits		13,022,800	-
	Prepaid expenses		5,798,085	4,711,321
			27,671,092	901,656,182
25.1 This represents deposits against a bank guarantee submitted to ETO Punjab. Effective mark up rate on these deposits range from 8.75% to 10% per annum (2025: 9.9% to 19% per annum).				
		Note	June 30, 2026 Rupees	June 30, 2025 Rupees
26 OTHER RECEIVABLES - UNSECURED				
	KMC refundable - Considered doubtful		680,624	680,624
	Claims receivable - Considered good		215,050,150	67,621,057
			215,730,774	68,301,681
	Provision for doubtful receivables		(680,624)	(680,624)
			215,050,150	67,621,057
27 SHORT TERM INVESTMENTS				
	Equity instruments	27.1	14,501,100	-
	Investment in debt instrument	27.2	375,000,000	-
			389,501,100	-
27.1 Equity instruments - at FVTPL				
Quoted				
Fauji Fertilizer Company Limited				
	10,000 (2025: Nil) ordinary shares of Rs 10 each - cost		5,414,900	-
	Adjustment arising from re-measurement to fair value		319,900	-
			5,734,800	-
Habib Bank Limited				
	30,000 (2025: Nil) ordinary shares of Rs 10 each - cost		8,820,000	-
	Adjustment arising from re-measurement to fair value		(53,700)	-
			8,766,300	-
			14,501,100	-
27.2 Investment in debt instrument - at FVTPL				
	Cost of investment 75,000 TFCs (2025: Nil)		375,000,000	-
	Adjustment arising from re-measurement to fair value		-	-
			375,000,000	-
28 ADVANCE INCOME TAX				
	Income tax/ levies refundable/ adjustable		1,233,176,535	859,249,943
	Prepaid levies adjustable		-	-
			1,233,176,535	859,249,943
	Provision for taxation		(20,860,645)	2,307,177
	Provision for levies	38	(428,354,575)	(411,344,334)
			(449,215,220)	(409,037,157)
			783,961,315	450,212,786
29 SALES TAX REFUNDABLE				
	Sales tax and federal excise duty refundable		807,887,723	396,074,692
	Excise duty refundable - considered doubtful		3,006,390	3,006,390
	Provision for excise duty refundable		(3,006,390)	(3,006,390)
			-	-
			807,887,723	396,074,692
30 BANK BALANCES				
Balances with banks:				
	Current accounts		900,602,790	153,763,722
	Foreign currency account - current		6,937,650	18,073,090
			907,540,440	171,836,812

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
31 SALES - NET			
Export			
Yarn		10,310,650,853	10,264,711,821
Fabric		5,818,157,081	4,879,053,930
		16,128,807,934	15,143,765,751
Export Rebate		2,108,941	402,054
		16,130,916,875	15,144,167,805
Local			
Yarn		16,441,850,955	15,027,340,043
Fabric		3,820,465,845	5,398,322,098
Cotton and polyester		22,484,085	64,592,963
Scrap		33,297,490	23,508,998
Waste and others		439,896,224	460,146,718
		20,757,994,599	20,973,910,820
		36,888,911,474	36,118,078,625
Discount		-	-
Sales tax		(3,167,389,942)	(3,210,531,887)
		(3,167,389,942)	(3,210,531,887)
		33,721,521,532	32,907,546,738

31.1 Export sales includes Rs. Nil exclusive of sales tax (2025: Rs. 57.81 million) in respect of indirect export sales.

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
32 COST OF SALES			
Raw material consumed	32.1	22,276,328,817	24,432,683,352
Packing material consumed		266,493,854	259,767,888
Stores, spares and loose tools		448,977,367	445,828,359
Salaries, wages and benefits	32.2	1,863,671,134	1,743,754,486
Fees and subscription		2,350,757	3,754,385
Fuel, power and water		3,015,905,329	3,484,032,368
Insurance		86,062,506	99,148,300
Vehicle running and maintenance		25,605,325	22,054,730
Rent, rate and taxes		1,855,401	1,290,625
Repairs and maintenance		16,246,544	17,423,420
Communication		1,511,047	1,470,406
Traveling and conveyance		7,804,345	6,855,313
Depreciation	19.3	871,936,802	846,973,828
Others		4,813,283	4,515,856
		28,889,562,511	31,369,553,316
Work in process			
Opening stock		396,857,224	347,196,263
Closing stock		(376,983,278)	(396,857,224)
		19,873,946	(49,660,961)
Cost of goods manufactured		28,909,436,457	31,319,892,355
Cost of raw material sold		18,482,271	52,082,495
Finished stocks			
Opening stock		4,693,198,530	3,622,574,859
Finished goods purchases		42,845,898	18,055,237
Closing stock		(2,914,796,952)	(4,693,198,530)
		1,821,247,476	(1,052,568,434)
		30,749,166,204	30,319,406,416
32.1 Raw material consumed			
Opening stock		6,926,039,163	7,777,561,766
Purchases - net		20,166,175,188	23,650,396,811
		27,092,214,351	31,427,958,577
Cost of raw material sold		(23,738,968)	(69,236,062)
Closing stock		(4,792,146,566)	(6,926,039,163)
		22,276,328,817	24,432,683,352

32.2 Salaries, wages and benefits includes staff retirement benefits amounting to Rs. 109.12 million (2025: Rs. 105.99 million).

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
33 OTHER INCOME			
Income from financial assets / liabilities			
Interest income		85,685,000	102,422,994
Dividend Income		205,000	-
Notional interest income		322,319,195	-
Exchange gain on foreign currency accounts		8,650,716	784,291
Liabilities written back		-	83,334,869
Changes in fair value of investments		266,200	-
Margin on disposal of short term investments		22,860,319	-
Reversal of provision for ECL		1,614,061	4,788,262
		441,600,491	191,330,416
Income from other than financial assets / liabilities			
Gain on disposal of property, plant and equipment	19.5	536,438	2,268,208
		442,136,929	193,598,624
34 DISTRIBUTION COST			
Export			
Freight on export sales		292,921,847	310,215,427
Commission on export sales		150,660,780	136,412,960
Export development surcharge		15,495,031	37,399,315
Sales Promotion Expenses		-	2,779,523
Others		28,003,493	16,823,389
		487,081,151	503,630,614
Local			
Salaries, wages and benefits		2,762,633	2,153,539
Freight on local sales		56,200,006	44,422,573
Commission on local sales		218,140,411	141,235,858
Quality claim		285,000	-
Others		70,201	392,730
		277,458,251	188,204,700
		764,539,402	691,835,314
35 ADMINISTRATIVE EXPENSES			
Directors' remuneration		21,600,000	21,600,000
Staff salaries and benefits	35.1	175,760,477	161,040,131
Travelling, conveyance and entertainment		24,731,452	21,455,101
Printing and stationery		6,540,990	5,818,343
Communication		3,208,183	2,641,006
Vehicles running and maintenance		28,554,355	17,854,299
Legal and professional		4,390,887	7,040,512
Auditors' remuneration	35.2	2,600,000	2,275,000
Fee and subscription		15,316,367	16,279,389
Repair and maintenance		1,484,846	1,518,315
Depreciation	19.3	13,276,138	15,186,321
Rent, rates and utilities		2,614,059	1,815,396
Donation	35.3	500,000	500,000
Ijarah lease rentals		79,102,295	98,163,416
Others		12,656,112	8,485,639
		392,336,161	381,672,868
35.1 Salaries, wages and benefits includes staff retirement benefits amounting to Rs. 13.65 million (2025: Rs. 11.8 million).			
35.2 Auditors' remuneration			
Annual statutory audit		2,361,000	2,046,000
Half yearly review		189,000	189,000
Code of Corporate Governance review		50,000	40,000
		2,600,000	2,275,000
35.3 Donation to any single party does not exceed to Rs. 1 million. No director or his spouse had any interest in the donee.			

Notes to the Financial Statements
For The Year Ended June 30, 2026

36 OTHER OPERATING EXPENSES

Workers' Profit Participation Fund	13.4	62,489,535	23,042,222
Workers' Welfare Fund	13.5	7,502,683	-
Allowance for ECL on trade debts	23.1	4,277,082	1,614,061
Exchange loss on foreign currency		12,101,340	-
		86,370,640	24,656,283

37 FINANCE COST

Mark-up on:

- long-term financing		115,303,504	192,358,676
- short-term borrowings		738,626,040	881,503,734
- workers' profit participation fund	13.4	1,252,803	139,093
		855,182,347	1,074,001,503

Bank charges and commission		21,325,267	17,050,137
Letter of credits discounting		104,426,151	69,256,631
		980,933,765	1,160,308,271

37.1 During the year company has capitalized markup of Rs. 24.22 million (2025: Rs. 10.37 million).

37.2 Capitalization rates used to determine the amount of borrowing cost eligible for capitalization is 11.44% to 12.50% (2025: 12.10% to 12.50%).

38 LEVIES AND TAXATION

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Levies	38.1	428,354,575	411,344,334
Taxation	38.2	61,688,263	(2,307,177)
		490,042,838	409,037,157
38.1 Levies			
Final taxes	38.1.1	5,745,830	-
Minimum taxes	38.1.2	422,608,745	411,344,334
		428,354,575	411,344,334

38.1.1 These represent capital gains tax and tax on dividend income arising under sections 37A and 5, respectively, of the Income Tax Ordinance, 2001, and are classified as levies in accordance with IFRIC 21, IAS 37 and ICAP's guidance on the application of IAS 12.

38.1.2 This represents minimum tax provision under section 113 of the income tax ordinance, 2001. The provision for minimum tax has been recognized as levies in these financial statements as per the requirements of IFRIC 21/IAS37 and guidance on IAS 12 issued by ICAP.

38.2 Taxation

Current			
- for the year	38.2.1	20,860,645	-
- for prior years		(5,797,087)	(2,307,177)
		15,063,558	(2,307,177)
Deferred			
- for the year	11.1	46,624,705	-
- for prior years		-	-
		46,624,705	-
		61,688,263	(2,307,177)

38.2.1 Provision for current tax for the year has been made in accordance with section 18 and 4C of the Income Tax Ordinance 2001. Income tax assessment of company has been finalized up to tax year 2025.

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

Applicable tax rate	%	29.00	%	-
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Tax effect of amounts that are:

adjustment of the prior years	(0.49)	-
tax levies	35.99	-
income chargeable to tax at different rate	(0.48)	-
deferred tax	3.92	-
Tax effect of permanent differences and Other adjustments	(26.77)	-
	12.17	-
	41.17	-

39 EARNINGS PER SHARE - BASIC & DILUTED

39.1 Earnings per share - basic & diluted	Rupees	230.28	37.56
The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.			

Earnings			
Earnings for the purpose of basic and diluted earnings per share		700,269,451	114,229,053
Number of shares			
Weighted average number of ordinary shares outstanding for the purpose of basic earnings per share		3,040,964	3,040,964
	Rupees	230.28	37.56
40 SHARIAH DISCLOSURES UNDER CLAUSE VII OF PART 1 OF SCHEDULE IV OF THE COMPANIES ACT, 2017	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Statement of Financial Position			
<i>Liabilities</i>			
Long term financing-Islamic mode		1,151,273,983	2,570,020,586
Short term financing-Islamic mode		350,108,377	2,500,025,176
Accrued Markup-Islamic Financing		24,446,571	24,690,621
Accrued Markup-Conventional		99,317,140	57,664,271
<i>Assets</i>			
Sharia-Compliant bank deposits, bank balances		14,501,100	91,664,623
Sharia-Compliant TDR		-	120,100,000
Statement of Profit or Loss			
Revenue earned from Sharia-Compliant business segment		33,721,521,532	32,907,546,738
Profit earned from Sharia-Compliant bank deposits, bank balances		-	-
Revenue earned from a shariah compliant business segment		-	-
Late payments charges or liquidated damages		-	-
Changes in fair value of shariah compliant investments		-	-
Profit earned from Sharia-Compliant TDR		276,712	15,706,550
Profit Accrued Sharia-Compliant TDR and subsequent received		-	2,961,370
Exchange gain earned from actual currency		8,650,716	78,291
Exchange gains earned using conventional derivative financial instruments		-	-
Markup paid on Islamic mode of financing		272,715,295	280,736,391
Markup paid on Conventional mode		650,006,717	787,319,191
Interest earned on any conventional advance		-	-
Breakup of Other income			
Shariah Compliant Income			
Income from financial assets / liabilities			
Interest Income		18,365,971	-
Fair value gain on re-measurement of investments at FVTPL		319,900	-
Dividends from short term investments		85,000	-
Income from non financial assets / liabilities			
Gain on disposal of fixed assets		-	-
Non-Shariah Compliant Income			
Income from financial assets / liabilities			
Interest income		67,319,029	82,171,643
Reversal of ECL		1,614,061	4,788,262
Exchange gain on foreign currency translation		8,650,716	78,291
Fair value loss on re-measurement of investments at FVTPL		(53,700)	-
Dividends from short term investments		120,000	-
Gain on disposal of short term investments		22,860,319	-
Notional interest income		322,319,195	-
Income from non financial assets / liabilities			
Gain on disposal of fixed assets		536,438	-
40.1 Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc.:			
Name	Relationship		
Askari bank limited	Bank balance and short term borrowing		
Bank Islamic Pakistan Limited	Bank balance and short term borrowing		
Al-Baraka Bank	Bank balance and short term borrowing		
Faysal Bank Limited	Bank balance, Long term financing and short term borrowing		
Meezan Bank Limited	Bank balance and short term borrowing		
Dubai Islamic Bank Limited	Bank balance and Short term borrowing		

41 NON ADJUSTING EVENTS AFTER THE REPORTING PERIOD

In respect of current period, the board of directors in their meeting held on September 29, 2026 has proposed to pay cash dividend @ Nil% i.e. Rs. Nil per ordinary share of Rs. 10 each.

42 CHANGES FROM FINANCING CASH FLOWS

	June 30, 2026		
	Long term finances Rupees	Short term borrowings Rupees	Unclaimed Dividend Rupees
As at beginning of the year	3,707,598,572	7,908,084,420	1,831,650
Long term finances obtained	675,793,893	-	-
Repayment of long term finances	(719,587,181)	-	-
Loan accretion	173,674,508	-	-
Net increase in short term borrowings	-	(3,531,039,987)	-
Dividend declared	-	-	-
Dividend paid	-	-	-
As at end of the year	3,837,479,792	4,377,044,433	1,831,650

	June 30, 2025		
	Long term finances Rupees	Short term borrowings Rupees	Unclaimed Dividend Rupees
As at beginning of the year	3,968,313,081	7,770,606,030	1,831,650
Long term finances obtained	214,644,000	-	-
Repayment of long term finances	(668,245,279)	-	-
Loan accretion	192,886,770	-	-
Net decrease in short term borrowings	-	137,478,390	-
Dividend declared	-	-	-
Dividend paid	-	-	-
As at end of the year	3,707,598,572	7,908,084,420	1,831,650

43 REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

	Chief Executive 2026 Rupees	Director 2026 Rupees	Executives 2026 Rupees	Chief Executive 2025 Rupees	Director 2025 Rupees	Executives 2025 Rupees
Remuneration	9,600,000	12,000,000	98,005,968	9,600,000	12,000,000	80,295,000
Perquisites	-	-	15,738,910	-	-	14,990,722
Post employment benefits	-	-	12,371,169	-	-	10,944,337
	9,600,000	12,000,000	126,116,047	9,600,000	12,000,000	106,230,059
Number of persons	1	1	34	1	1	27

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

43.2 No remuneration to non executive directors has been paid.

44 SEGMENT INFORMATION
44.1 Products and services from which reportable segments derive their revenues

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

Segment

Spinning

Weaving

Information regarding Company's reportable segments is presented below:

44.2 Information about reportable segments

	June-2026		
	Spinning Rupees	Weaving Rupees	Total Rupees
Revenue from external customers	24,636,812,748	9,084,708,784	33,721,521,532
Intersegment revenues	858,755,255	-	858,755,255
Depreciation	634,656,415	250,556,525	885,212,940
Segment results	1,074,371,882	729,006,543	1,803,378,425
Segment assets	17,550,087,080	4,474,426,254	22,024,513,334
Segment liabilities	9,011,288,319	2,844,248,204	11,855,536,523
Interest income	84,502,969	1,182,031	85,685,000
Additions to non-current assets	712,565,245	389,219,818	1,101,785,063
Disposals of property, plant and equipment	61,296	2,868,368	2,929,664
	June-2025		
	Spinning Rupees	Weaving Rupees	Total Rupees
Revenue from external customers	23,303,286,243	9,604,260,495	32,907,546,738
Intersegment revenues	547,618,850	-	547,618,850
Depreciation	612,843,715	249,316,434	862,160,149
Segment results	914,434,914	769,139,567	1,683,574,481
Segment assets	20,831,177,424	4,280,653,616	25,111,831,040
Segment liabilities	15,045,787,505	2,900,105,100	17,945,892,605
Interest income	100,941,666	1,481,328	102,422,994
Additions to non-current assets	543,916,215	132,838,656	676,754,871
Disposals of property, plant and equipment	5,923,539	3,050,876	8,974,415

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

44.3 Reconciliations of reportable segment information
44.3.1 Segment revenues and profits

	June-2026		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	25,495,568,003	9,084,708,784	34,580,276,787
Inter-segment revenues	(858,755,255)	-	(858,755,255)
Total for the Company	24,636,812,748	9,084,708,784	33,721,521,532
	June-2025		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	23,850,905,093	9,604,260,495	33,455,165,588
Inter-segment revenues	(547,618,850)	-	(547,618,850)
Total for the Company	23,303,286,243	9,604,260,495	32,907,546,738

Bhanero Textile Mills Limited**Notes to the financial statements****For The Year Ended June 30, 2026**

	June-2026		
	Spinning Rupees	Weaving Rupees	Total Rupees
Operating Profit	1,074,371,882	729,006,543	1,803,378,425
Unallocated expenses			
Other income			442,136,929
Other operating expenses			(74,269,300)
Finance cost			(980,933,765)
Levies			(428,354,575)
Total for the Company	1,074,371,882	729,006,543	761,957,714

	June-2025		
	Spinning Rupees	Weaving Rupees	Total Rupees
Operating Profit	903,238,460	804,992,304	1,708,230,764
Unallocated expenses			
Other income			-
Other operating expenses			(24,656,283)
Finance cost			(1,160,308,271)
Levies			(411,344,334)
Total for the Company	903,238,460	804,992,304	111,921,876

44.3.2 Segment assets

	June-2026		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	17,550,087,080	4,474,426,254	22,024,513,334
Unallocated assets			
Advance Taxation			783,961,315
Sales tax refundable			807,887,723
Trade deposits and prepayments			27,671,092
Short term investments			389,501,100
Long term deposit			51,436,392
Total for the Company	17,550,087,080	4,474,426,254	24,084,970,956

	June-2025		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	20,831,177,424	4,280,653,616	25,111,831,040
Unallocated assets			
Advance Taxation			450,212,786
Sales tax refundable			396,074,692
Trade deposits and prepayments			901,656,182
Long term deposit			65,237,929
Total for the Company	20,831,177,424	4,280,653,616	26,925,012,629

44.3.3 Segment liabilities

	June-2026		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	9,011,288,319	2,844,248,204	11,855,536,523
Un-allocated liabilities			
Unclaimed dividends			1,831,650
Long term payable			509,906,650
Deferred taxation			46,776,238
Total for the Company	9,011,288,319	2,844,248,204	12,414,051,061

Bhanero Textile Mills Limited**Notes to the financial statements****For The Year Ended June 30, 2026**

	June-2025		
	Spinning <i>Rupees</i>	Weaving <i>Rupees</i>	Total <i>Rupees</i>
Total for reportable segments	12,145,682,405	2,900,105,100	15,045,787,505
Un-allocated liabilities			
Unclaimed dividends			1,831,650
Long term payable			915,237,997
Total for the Company	12,145,682,405	2,900,105,100	15,962,857,152

44.4 Geographical information

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

	June 30, 2026 <i>Rupees</i>	June 30, 2025 <i>Rupees</i>
China	8,837,175,398	9,936,838,731
Portugal	1,673,284,787	748,349,516
Korea	868,310,564	512,030,168
Japan	958,262,197	478,345,051
Italy	1,062,315,394	705,626,849
Belgium	103,563,766	19,370,592
Spain	812,585,722	1,398,181,658
Bangladesh	3,003,676	158,753,539
Other Countries	1,810,306,430	1,118,055,971
Pakistan	20,757,994,599	21,042,124,496
	36,886,802,533	36,117,676,571
Export Rebate	2,108,941	402,054
Sales tax	(3,167,389,942)	(3,210,531,887)
	33,721,521,532	32,907,546,738

44.5 Information about significant customers

During the year sales amounting to Rs. Nil (2025: Rs. 3,703.66 million) were made to one single significant external customers which accounts for more than 10% of the Company's total sales were made.

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

45 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, 2026 the net fair value of all financial instruments has been based on the valuation methodology outlined below;

Long-term deposits

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

Non-current liabilities

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

Other financial instruments

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

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

2026							
Interest / Markup bearing			Non Interest / Markup bearing			Total	Effective Interest Rate %
Maturity Upto	Maturity After	Subtotal	Maturity Upto	Maturity After	Subtotal		
One year	One year		One year	One year			
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees		
Financial assets							
Trade debts	-	-	-	3,804,384,930	-	3,804,384,930	3,804,384,930
Loans and advances	-	-	-	10,953,703	-	10,953,703	10,953,703
Trade deposits & prepayments	8,850,207	-	8,850,207	18,820,885	-	18,820,885	27,671,092
Short term investments	375,000,000	-	375,000,000	14,501,100	-	14,501,100	389,501,100
Other receivables	-	-	-	215,050,150	-	215,050,150	215,050,150
Bank balances	-	-	-	907,540,440	-	907,540,440	907,540,440
Long term deposits	-	-	-	-	51,436,392	51,436,392	51,436,392
	383,850,207	-	383,850,207	4,971,251,208	51,436,392	5,022,687,600	5,406,537,807
Financial liabilities							
Long-term financing	836,471,112	3,001,008,680	3,837,479,792	-	-	-	3,837,479,792
Trade Creditors	-	-	-	1,550,449,324	-	1,550,449,324	1,550,449,324
Accrued liabilities	-	-	-	705,227,591	-	705,227,591	705,227,591
Unclaimed dividend	-	-	-	1,831,650	-	1,831,650	1,831,650
Other payables	62,489,535	-	62,489,535	109,175,863	-	109,175,863	171,665,398
Accrued mark-up / interest	-	-	-	123,763,711	-	123,763,711	123,763,711
							0.75 to 6 and KIBOR + 0.4 to 1.5
Short-term borrowings	4,377,044,433	-	4,377,044,433	-	-	-	4,377,044,433
	5,276,005,080	3,001,008,680	8,277,013,760	2,490,448,139	-	2,490,448,139	10,767,461,899
On Statement of financial statement Gap	(4,892,154,873)	(3,001,008,680)	(7,893,163,553)	2,480,803,069	51,436,392	2,532,239,461	(5,360,924,092)
Contingencies and commitments							
Post dated cheques							3,921,549,775
Bill discounted							3,460,338,955
Bank guarantees							581,353,162
Letters of credit							4,095,444,804
2025							
Interest / Markup bearing			Non Interest / Markup bearing			Total	Effective Interest Rate %
Maturity Upto	Maturity After	Subtotal	Maturity Upto	Maturity After	Subtotal		
One year	One year		One year	One year			
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees		
Financial assets							
Trade debts	-	-	-	3,635,024,902	-	3,635,024,902	3,635,024,902
Loans and advances	-	-	-	8,083,235	-	8,083,235	8,083,235
Trade deposits & prepayments	896,944,861	-	896,944,861	-	-	-	896,944,861
Other receivables	-	-	-	67,621,057	-	67,621,057	67,621,057
Bank balances	-	-	-	171,836,812	-	171,836,812	171,836,812
Long-term deposits	-	-	-	-	65,237,929	65,237,929	65,237,929
	896,944,861	-	896,944,861	3,882,566,006	65,237,929	3,947,803,935	4,844,748,796
Financial liabilities							
Long-term financing	719,587,215	2,988,011,357	3,707,598,572	-	-	-	3,707,598,572
Trade Creditors	-	-	-	1,452,560,522	-	1,452,560,522	1,452,560,522
Accrued liabilities	-	-	-	652,019,483	-	652,019,483	652,019,483
Unclaimed dividend	-	-	-	1,831,650	-	1,831,650	1,831,650
Other payables	23,042,222	-	23,042,222	64,528,435	-	64,528,435	87,570,657
Accrued mark-up / interest	-	-	-	82,354,892	-	82,354,892	82,354,892
							0.75 to 6 and KIBOR + 0.4 to 1.5
Short-term borrowings	7,908,084,420	-	7,908,084,420	-	-	-	7,908,084,420
	8,650,713,857	2,988,011,357	11,638,725,214	2,253,294,982	-	2,253,294,982	13,892,020,196
On Statement of financial statement Gap	(7,753,768,996)	(2,988,011,357)	(10,741,780,353)	1,629,271,024	65,237,929	1,694,508,953	(9,047,271,400)
Contingencies and commitments							
Post dated cheques							3,169,305,780
Bill discounted							2,903,624,332
Bank guarantees							1,469,447,817
Letters of credit							1,705,489,514

45.1 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.

45.2 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 Rs. 5,406.54 million (2025: Rs. 4,844.75 million), unsecured local trade debts, advances to suppliers, and other receivables amounting in aggregate to Rs. 4,030.39 million (2025: Rs. 3,710.73 million) are subject to credit risk. The Company manages its credit risk by; limiting significant exposure to any individual customers and obtaining advance against sales.

45.3 Liquidity risk

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

45.4 Foreign exchange risk management

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. As at June 30, 2026, the total foreign currency risk exposure was Rs. 387.85 million (2025: Rs. 559.24 million) in respect of foreign trade debts and foreign currency banks.

Notes to the Financial Statements
For The Year Ended June 30, 2026

45.5 Credit risk

45.5.1 Maximum credit exposure

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

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Trade debts		3,804,384,930	3,635,024,902
Loans and advances		8,551,094	6,734,594
Trade deposits and prepayments		21,873,007	896,944,861
Other receivables		215,050,150	67,621,057
Bank balances		907,540,440	171,836,812
Long term deposits		51,436,392	65,237,929
		<u>5,008,836,013</u>	<u>4,843,400,155</u>

45.5.2 Concentration of credit risk

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

Domestic	3,306,953,010	3,156,330,497
Europe	244,345,439	202,825,365
Asia and Middle East	318,226,920	338,346,458
	<u>3,869,525,369</u>	<u>3,697,502,320</u>
Impairment	<u>(65,140,439)</u>	<u>(62,477,418)</u>
	<u>3,804,384,930</u>	<u>3,635,024,902</u>

45.5.3 Aging and movement in Impairment losses

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

Not past due	2,338,684,041	2,354,531,286
Past due less than one year	1,428,378,361	1,210,301,830
Past due more than one year but less than three years	32,495,187	61,980,774
Past due more than three years	69,967,780	70,688,430
	<u>3,869,525,369</u>	<u>3,697,502,320</u>
Allowance for expected credit losses	<u>(65,140,439)</u>	<u>(62,477,418)</u>
	<u>3,804,384,930</u>	<u>3,635,024,902</u>

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

As at beginning of the year	62,477,418	65,651,619
Impairment loss recognized	4,277,082	1,614,061
Impairment loss reversed	(1,614,061)	(4,788,262)
As at end of the year	<u>65,140,439</u>	<u>62,477,418</u>

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

45.5.4 Collateral held

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

45.6 Liquidity risk

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

	As at June 30, 2026				
	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	3,837,479,792	4,976,121,477	964,873,138	3,949,905,263	61,343,075
Short term borrowings	4,377,044,433	4,728,083,397	4,728,083,397	-	-
Accrued mark-up / interest	123,763,711	123,763,711	123,763,711	-	-
Trade creditors	1,550,449,324	1,550,449,324	1,550,449,324	-	-
Accrued liabilities	705,227,591	705,227,591	705,227,591	-	-
Unclaimed dividend	1,831,650	1,831,650	1,831,650	-	-
Other payables	184,350,195	184,350,195	184,350,195	-	-
	<u>10,780,146,696</u>	<u>12,269,827,345</u>	<u>8,258,579,006</u>	<u>3,949,905,263</u>	<u>61,343,075</u>

**Notes to the Financial Statements
For The Year Ended June 30, 2026**

	As at June 30, 2025				
	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	3,707,598,572	5,067,881,079	890,004,194	3,852,577,263	325,299,622
Short term borrowings	7,908,084,420	8,542,312,790	8,542,312,790	-	-
Accrued mark-up / interest	82,354,892	82,354,892	82,354,892	-	-
Trade creditors	1,452,560,522	1,452,560,522	1,452,560,522	-	-
Accrued liabilities	652,019,483	652,019,483	652,019,483	-	-
Unclaimed dividend	1,831,650	1,831,650	1,831,650	-	-
Other payables	97,896,667	97,896,667	97,896,667	-	-
	13,902,346,206	15,896,857,083	11,718,980,198	3,852,577,263	325,299,622

45.7 Market risk
45.7.1 Currency risk

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

Trade receivables	562,572,359	541,171,823
Cash and cash equivalents	6,937,650	18,073,090
Short term borrowings	(181,656,338)	-
Total exposure	387,853,671	559,244,913

b) Exchange rates applied as at the reporting date.

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

	2026		2025	
	Assets Rupees	Liabilities Rupees	Assets Rupees	Liabilities Rupees
CHF	343.670	344.290	354.870	355.500
JPY	1.715	1.718	1.967	1.970
Euro	316.950	317.520	332.250	332.830
CNY	40.910	40.990	39.590	39.660
USD	278.050	278.550	283.600	284.100

A ten percent appreciation in Rupee would have decreased profit or increased loss by Rs. 38.79 million (2025: Rs. -55.92 million). 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.

45.7.2 Interest rate risk

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

Fixed rate instruments

Financial assets	8,850,207	896,944,861
Financial liabilities	3,287,859,470	3,094,635,127

Variable rate instruments

Financial assets	375,000,000	-
Financial liabilities	4,926,664,755	8,521,047,865

The Company is not exposed to interest rate risk in respect of its fixed rate instruments. A 100 basis points increase in variable interest rates would have increased loss or decreased profit by Rs. 49.27 million (2025: Rs. 85.21 million). A 100 basis points increase in variable interest rate would have had an equal but opposite impact on profit or loss.

45.7.3 Other Price Risk

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

Notes to the Financial Statements

For The Year Ended June 30, 2026

45.8 Fair value of financial assets and liabilities

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

Carrying amount			Carrying amount		
2026			2025		
At amortized cost	Fair value through profit or loss	Fair value through other comprehensive income	At amortized cost	Fair value through profit or loss	Fair value through other comprehensive income
-----Rupees-----					
Financial assets					
Long term deposits	51,436,392	-	65,237,929	-	-
Trade debts	3,804,384,930	-	3,635,024,902	-	-
Advances to employees	8,551,094	-	6,734,594	-	-
Refundable trade deposits	21,873,007	-	896,944,861	-	-
Other receivables	215,050,150	-	67,621,057	-	-
Short term investments	-	389,501,100	-	-	-
Bank balances	907,540,440	-	171,836,812	-	-
	5,008,836,013	389,501,100	4,843,400,155	-	-
Financial Liabilities					
Long term financing	3,837,479,792	-	3,707,598,572	-	-
Short term borrowings	4,377,044,433	-	7,908,084,420	-	-
Accrued mark-up / interest	123,763,711	-	82,354,892	-	-
Trade creditors	1,550,449,324	-	1,452,560,522	-	-
Accrued liabilities	705,227,591	-	652,019,483	-	-
Unclaimed dividend	1,831,650	-	1,831,650	-	-
Other payables	184,350,195	-	97,896,667	-	-
	10,780,146,696	-	13,902,346,206	-	-

The basis for determining fair values is as follows:

Interest rates used for determining fair value

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

46 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 43 are as follow:

Name	Basis of relationship	Percentage of shareholding		
Faisal Spinning Mills Limited	Common directorship	N/A		
Blessed Textiles Limited	Common directorship	N/A		
Bhanero Energy Limited	Common directorship	N/A		
Admiral (Private) Limited	Directors' close family member	16.46%		
Yasmin Begum	Directors' close family member	1.00%		
Khurram Salim	Director	2.06%		
Farrukh Salim	Directors' close family member	2.02%		
Yousuf Salim	Directors' close family member	1.67%		
Saqib Salim	Directors' close family member	1.71%		
Amna Khurram	Directors' close family member	2.44%		
Muhammad Umer	Directors' close family member	0.02%		
Yahyaa Farrukh	Directors' close family member	2.44%		
Saba Yousaf	Director	2.72%		
Saba Saqib	Directors' close family member	2.76%		
Samia Bilal	Directors' close family member	11.06%		
Nature of relationship	Nature of transactions		June 30, 2026 Rupees	June 30, 2025 Rupees
Associated undertaking	Sales of fabric		529,511,497	241,003,082
	Sales of Cotton		22,484,084	64,586,798
	Sales of yarn		1,081,523,011	753,478,968
	Purchase of yarn		431,980,426	547,587,905
	Purchase of cotton		23,203,508	14,900,199
	Purchase of fabric		59,999,366	138,106,391
	Services received		618,000	618,000
	Electricity purchased		1,613,088	10,387,053
	Loan received from directors and sponsors		-	2,500,000
Retirement benefits	Provision for gratuity		122,770,029	117,870,142

46.1 Detail of compensation to key management personnel comprising of chief executive officer, director and executives is disclosed in note 43.

47 Accounting Estimates and Judgments**47.1 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.

47.2 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.

47.3 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 effect on the depreciation charge and impairment.

47.4 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 effect on the impairment. Net realizable value is determined with respect to estimated selling price less estimated expenditures to make the sales.

47.5 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.

48 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and level of dividends to ordinary shareholders. The Company seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. The Company monitors capital using the gearing ratio which is debt divided by total capital employed. Debt comprises long term finances including current maturity. Total capital employed includes total equity as shown in the statement of financial position plus debt. The Company's strategy is to maintain an optimal capital structure in order to minimize cost of capital. Gearing ratio of the Company as at the reporting date is as follows:

Total debt	4,395,755,220	3,880,840,323
Total equity	11,670,919,895	10,962,155,477
	16,066,675,115	14,842,995,800
Gearing	27.36%	26.15%

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

49 Fair Value Measurements**49.1 Financial Instruments**

The Company has short-term investments measured at fair value as at the reporting date. The fair value of these investments is determined based on quoted market prices. Other than these, the management considers that the carrying amounts of all other financial instruments approximate their fair values.

49.2 Assets and liabilities other than financial instruments.

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

50 PLANT CAPACITY AND ACTUAL PRODUCTION

	June 30, 2026	June 30, 2025
Spinning & Weaving		
Number of spindles installed	99,696	99,696
Number of looms installed	162	162
Installed capacity of yarn converted in 20/1 (kgs.)	36,059,042	36,059,042
Actual production of yarn (Kgs.)	27,569,468	27,214,319
Installed capacity of fabric based on 50 picks- meters	35,351,345	35,351,345
Actual production of fabric- meters	23,281,695	24,200,352

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.

51 NUMBER OF EMPLOYEES

As at the reporting date	1,660	1,625
Average for the year	1,655	1,629

52 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on September 29, 2026.

53 CORRESPONDING FIGURES

Corresponding figures have been re-arranged where necessary to facilitate comparison.

54 GENERAL

The figures have been rounded off to the nearest Rupee.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

Bhanero Textile Mills Limited

Spinning | Weaving



Sustainability Report

ESG Environment, Social, Governance
Annual Report 2026

Bhanero Textile Mills Ltd

FY2026

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A Word from the Chair of the Board Sustainability Committee

Dear Partners and Stakeholders,

It gives me great pleasure to introduce Bhanero Textile Mills Limited's very first sustainability framework. This milestone reflects our firm commitment to operating with integrity, accountability and openness, and to building lasting value for our business, our investors and the communities in which we operate.

The global textile sector is changing fast. Buyers, investors and regulators increasingly expect solid, verifiable evidence of environmental care and people-centred governance. At Bhanero Textile Mills Limited, we do not treat sustainability as a compliance obligation to be endured, but as a genuine source of competitive advantage and market distinction.

The Pillars That Guide Our Strategy:

- **Lower Carbon, Greater Resilience:** Cutting emissions faster through wider use of renewable energy, disciplined resource management, closed-loop water practices, waste reduction, and circular-economy thinking.
- **Investing in Our People:** Raising workplace safety standards (ISO 45001), promoting diversity, maintaining fair employment practices, and supporting our employees' career growth.
- **Sound Governance:** Upholding ethical leadership, transparent corporate reporting, and robust risk-management practices aligned with both global benchmarks and local requirements.

This approach is built around recognised international benchmarks, including the Global Reporting Initiative (GRI), the IFRS Sustainability Disclosure Standards (IFRS S1 and S2), the UN Sustainable Development Goals, SASB Standards, SECP ESG Guidelines, and our ISO 14001 and ISO 45001 certifications.

1. Overview and Coverage

This marks Bhanero Textile Mills Limited's (BTM) inaugural Sustainability Report, covering fiscal year 2026 (1 July 2025 to 30 June 2026). It sets out the Company's environmental, social and governance (ESG) performance, key initiatives, achievements and forward-looking priorities across Units 01–04, spanning spinning and weaving operations.

2. Report Snapshot

Coverage Period	Reference Year	Scope of Coverage
FY2026 1 Jul 2025–30 Jun 2026	FY2023 1 Jul 2022–30 Jun 2023	BTM Units 01–04

3. Frameworks and Standards Applied

This report draws on internationally recognised ESG standards, frameworks and management systems to support transparency, accountability, comparability and informed stakeholder decision-making.

Key references used include:

- **Global Reporting Initiative (GRI) Standards**, for broad-based sustainability disclosure and stakeholder communication.
- **IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information)**, issued by the International Sustainability Standards Board (ISSB), which guides the identification and disclosure of sustainability-related risks and opportunities.
- **IFRS S2 (Climate-related Disclosures)**, which supports clear reporting on climate governance, strategy, risk management, and climate metrics and targets.
- **The United Nations Sustainable Development Goals (SDGs)**, used to show how the Company contributes to global development priorities.
- **The SECP's ESG Guidelines**, which support responsible governance and sustainability reporting practice in Pakistan.
- **The SASB Textiles, Apparel & Footwear Standard**, providing sector-specific ESG metrics relevant to textile manufacturing.
- **ISO 14001:2015 Environmental Management System**, guiding structured environmental management and ongoing improvement.
- **ISO 45001:2018 Occupational Health and Safety Management System**, supporting sound management of workplace health, safety and employee wellbeing.

BTM intends to keep refining its sustainability reporting as international standards, regulatory expectations and stakeholder priorities continue to evolve.

4. Reporting Basis

This report has been prepared in support of BTM's adoption of IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures).

Organised around the four core pillars of governance, strategy, risk management, and metrics and targets, the report sets out the sustainability- and climate-related risks and opportunities that could reasonably be expected to affect BTM's prospects.

In identifying these risks and opportunities and deciding on appropriate disclosures, BTM also had regard to the SASB Standards and other relevant industry-specific guidance, to the extent applicable to its activities and circumstances.

As this is BTM's first reporting period under the IFRS Sustainability Disclosure Standards, the Company has made use of the transitional reliefs available under IFRS S1, IFRS S2 and the SECP adoption order, including:

- Disclosing climate-related risks and opportunities only, with other sustainability-related risks and opportunities excluded from this report.
- Omitting comparative information for the prior reporting period, except for the climate-related disclosures on greenhouse gas emissions and water consumption.
- Scope 3 greenhouse gas emissions are not disclosed in this report.

Going forward, the Company intends to progressively broaden the scope, detail and maturity of its sustainability-related financial disclosures as data availability, governance processes and reporting systems continue to mature.

5. Time Horizons Used

To assess the potential effects of climate-related risks and opportunities on operations, strategy and financial planning, the Company applies the following defined time horizons:

- **Near term (up to 3 years)**
This period matches the Company's operational planning cycle and covers developments likely to affect near-term performance, such as regulatory changes, climate-related disruptions to operations, and immediate efficiency initiatives at production sites.
- **Mid term (4-7 years)**
This period reflects the timeframe over which strategic investments, process improvements and technology upgrades typically take effect in textile manufacturing, and may involve shifting climate policy, changes in energy markets, efficiency gains, and rising expectations around emissions and environmental performance.
- **Extended term (beyond 8 years)**
This period reflects the long working lives of manufacturing assets and the structural shifts expected in energy systems and industrial production as the wider transition unfolds, including large-scale technology shifts, carbon-pricing mechanisms and broader policy measures that could shape industry competitiveness, investment decisions and the Company's long-term strategy.

6. Judgement and Estimation Uncertainty

Preparing sustainability-related financial disclosures requires management to exercise judgement in a number of key areas.

Considerable judgement has gone into defining the scope of disclosure and identifying the relevant sustainability-related risks and opportunities.

Estimates and judgements are used where information cannot be directly measured, is limited by data constraints, or depends on forward-looking assumptions. These judgements and estimates reflect management's view of how relevant sustainability factors could affect the Company's strategy, business model and cash flows over the near, medium and long term.

6.1. Areas of Significant Judgement

The main areas involving judgement and estimation uncertainty are outlined below, with further detail in the referenced disclosures.

6.1.1. Assessing Sustainability-Related Risk

Management applied judgement in identifying corporate- and business-level sustainability risks and opportunities and in deciding what should be disclosed. The assessment focused on issues that could reasonably be expected to affect the Company's prospects or influence the decisions of the report's primary users.

Judgement is likewise applied when assessing which metrics are relevant, including the industry-based guidance on implementing IFRS S2.

6.1.2. Approach to Measuring Emissions

The Company consolidates its greenhouse gas emissions using the operational-control approach set out in the GHG Protocol Corporate Standard. This method captures emissions from operations under the Company's control and is considered the most suitable basis for its GHG reporting.

6.2. Key Areas of Measurement Uncertainty

The metrics below carry a degree of measurement uncertainty.

6.2.1. Greenhouse Gas Emissions Data

The Company measures its GHG emissions in line with the GHG Protocol. Because these figures rely on activity data, emission factors and assumptions about combustion efficiency, they carry inherent estimation uncertainty. Where activity data is incomplete or unavailable, management uses estimation techniques, which can introduce a further degree of uncertainty. Fugitive and process-related emissions carry more uncertainty than other Scope 1 sources. The Company intends to keep improving its measurement techniques in future reporting cycles.

The Company has not reported Scope 3 emissions in this cycle; estimating them would in any case involve additional uncertainty due to data limitations.

7. Assessing Materiality

7.1. How Materiality Was Assessed

BTM carried out a structured materiality assessment to identify the sustainability and climate-related risks and opportunities that could reasonably be expected to affect its prospects over the near, medium and long term. The assessment took into account BTM's business activities, operating context, value-chain exposures, sector-specific sustainability issues, and stakeholder views.

Environmental and social impacts, together with stakeholder perspectives, were used as supplementary inputs to broaden the context and bring an impact-materiality lens alongside the

financial-materiality assessment. These inputs supplemented, rather than replaced, the financial materiality assessment used to determine what information is material.

The process began by identifying 14 sustainability topics spanning environmental, social and governance considerations. These topics formed the starting point for identifying potential sustainability and climate-related risks and opportunities across BTM's operations and value chain.

These matters were then assessed to determine whether the associated risks and opportunities could reasonably be expected to affect BTM's prospects over the near, medium or long term, which in turn shaped the material information presented in this report.

7.2. Initial Screening of Topics

The assessment started with a review of the sustainability topics reported in the previous period, to maintain continuity with BTM's established priorities. This was supplemented by matters flagged in the applicable SASB guidance for the textile and apparel sector and the industry-based guidance accompanying IFRS S2, assessed for their relevance to BTM's activities, context and value chain.

Staff from the relevant functions and operating areas carried out the initial evaluation, drawing on their first-hand knowledge of BTM's activities, processes, workforce, resource needs, supply chain, customers and operating environment. This operational input formed the basis for the subsequent management review, stakeholder engagement and prioritisation.

7.3. Engaging Stakeholders and Management

Following the initial assessment, departmental and functional heads reviewed the topics identified, drawing on their management experience and understanding of BTM's operations. Engagement with internal and external stakeholders added further perspective on the relevance and significance of each topic, forming the basis for the prioritisation and materiality assessment that followed.

7.4. Prioritisation

A structured prioritisation exercise weighed the relative significance of each topic against its potential financial implications, operational relevance, stakeholder views, and environmental and social impact. The results were used to refine and rank the topics for the materiality assessment.

7.5. Management Review and Board Sign-off

The Board Sustainability Committee (BSC) reviewed the prioritised topics to provide Board-level oversight of the process, and the list was further refined based on strategic significance, operational relevance and management input.

The materiality assessment will be reviewed annually, or sooner if significant events or material changes occur, to keep the identified topics relevant to BTM's business and operating context.

Through this process, the Company arrived at 14 material sustainability topics, grouped as follows:

No.	Material Topic	Pillar
1.	Energy and Water	Environmental
2.	Carbon Emissions	Environmental
3.	Material Consumption	Environmental
4.	Human Rights	Social
5.	Health and Safety	Social
6.	Training and Education	Social
7.	Supply Chain Management	Social
8.	Business Ethics	Governance
9.	Compliance	Governance
10.	Data Privacy and Cybersecurity	Governance
11.	Marketing Communications	Governance
12.	Economic Performance	Governance
13.	Market Presence	Governance
14.	Materials Sourcing and Efficiency	Governance

These material topics underpin the sustainability and climate-related disclosures in this report and are further examined through the risk and opportunity assessment, including their possible implications for, and interaction with, environmental and social systems.

8. Governance Framework

BTM's sustainability governance framework sets out clear accountability for overseeing, managing, implementing and reporting on sustainability and climate matters. During FY2026, the Company strengthened this framework by introducing dedicated Board-level oversight and a management coordination structure linking sustainability priorities to strategy, risk management, operations and performance monitoring.

8.1. How Governance Is Structured

BTM's governance framework works through connected layers at Board, committee, management and operational level. Ultimate accountability rests with the Board of Directors, while the Board Sustainability Committee (BSC) provides dedicated oversight on the Board's behalf. The Core Working Group on Sustainability coordinates implementation and reporting at management level, and

relevant functions and sites carry out approved actions, maintain supporting records and track performance.

8.2. Board Oversight

Ultimate accountability for sustainability and climate matters rests with the Board, including oversight of how material risks and opportunities are identified, assessed and managed, and how they feed into strategy, enterprise risk management and major business decisions. While detailed review is delegated to the BSC, the Board retains responsibility for strategic direction, long-term resilience and the integrity of sustainability reporting.

The Board is kept informed of the BSC's key discussions, findings, recommendations and decisions, and matters with significant implications for BTM's strategy, operations, financial position or stakeholder relationships may be escalated to it directly.

8.3. Board Skills and Capability

BTM's broader corporate governance framework builds Board capability through director training, formal evaluations, and access to specialist expertise. The BSC can bring in external experts or commission independent assessments where extra technical knowledge is needed to fulfil its oversight role.

BTM continues to build sustainability and climate capability throughout its governance structure. A governance target has been set to raise ESG awareness across the Board through director training programs, formal evaluations, and access to functional leaders, technical specialists and external advisers as needed, supporting the ongoing development of Board-level sustainability competence.

8.4. Roles of the Board Committees

The Board Sustainability Committee reviews and recommends sustainability strategy; oversees key sustainability policies; monitors climate-related physical and transition risks and opportunities; reviews environmental and social performance; supports integration with enterprise risk management; and oversees stakeholder engagement, targets, disclosure integrity and consideration of external assurance.

The Board Audit Committee complements the BSC's oversight in areas such as risk management, sustainability reporting controls, data integrity, internal audit and assurance readiness, and also oversees internal control, risk management arrangements and whistleblowing mechanisms.

The Human Resource and Remuneration Committee oversees workforce matters, including diversity, employee development, succession planning, remuneration and related people-governance processes.

Sustainability oversight is coordinated across Board committees wherever responsibilities overlap. The BSC holds the dedicated mandate for sustainability and climate oversight, while the Audit Committee and the Human Resource and Remuneration Committee support matters within their own remits.

Under its terms of reference, the BSC oversees sustainability strategy and key policies; climate-related risks and opportunities; environmental performance relating to water, energy, waste, greenhouse gas emissions, biodiversity and legal compliance; workforce, health and safety, community and supply-chain matters; integration with enterprise risk management; stakeholder

engagement; disclosure integrity; diversity-related information; and consideration of external assurance.

As part of this role, the BSC reviewed and approved the material sustainability- and climate-related risks and opportunities, together with the related disclosures, and confirmed the final list of material topics.

8.5. Reporting Lines and Oversight

The governance framework allows information to flow both ways. Strategic direction, policies and approved actions cascade from the Board and BSC, through the Core Working Group, to the relevant functions and sites, while performance data, emerging risks and opportunities, progress updates, incidents and matters needing attention are reported upward through the same structure.

The Core Working Group reports to the BSC every quarter, or more often if needed, covering progress against sustainability priorities and targets; ESG performance trends; environmental and occupational health and safety performance; workforce and human-rights matters; sustainable sourcing; customer and supplier management; regulatory developments; climate-related risks and opportunities; stakeholder concerns; and significant investment needs.

8.6. Links to Risk Management and Decision-Making

The Company's governance framework connects sustainability oversight with strategic planning, financial planning and enterprise risk management. Relevant functions and teams assess material exposures and their possible operational and financial impact, including costs, capital needs, business continuity, market access and supply-chain resilience, and the Core Working Group consolidates these assessments for management review and BSC consideration.

Where relevant, sustainability and climate considerations feed into operating and capital-expenditure decisions, major investments, sourcing and operational choices, product and market development, and changes to business processes.

8.7. Supporting Policies and Codes

The Company's policy framework sets out the standards, responsibilities and controls needed to implement its sustainability priorities effectively. Relevant management functions are accountable for rolling out and communicating these policies and monitoring compliance, while the BSC oversees the development and periodic review of key sustainability policies.

Ethical conduct, transparency and accountability are underpinned by the Code of Conduct, the Related Party Transactions Policy, the Whistleblowing Policy and the Anti-Harassment Policy.

Environmental and social responsibilities are governed by the Environmental, Sustainability and Corporate Social Responsibility (CSR) Policy.

Risk identification, management and organisational resilience are governed by the Risk Management Policy.

People management and responsible leadership are governed by the Remuneration Policy for Directors and Senior Management, together with the Human Resource Management Policy.

Stakeholder engagement, responsiveness and grievance handling are governed by the Stakeholder Engagement Policy and the Shareholder Grievance Policy.

8.8. Targets, Monitoring and Incentives

Management sets sustainability priorities, targets and key performance indicators with reference to material risks and opportunities, strategic objectives, regulatory requirements, operational capability and data maturity. The BSC reviews management's proposals and checks that approved targets stay measurable, well-supported and aligned with the Company's strategy and risk profile.

The Core Working Group turns approved priorities into departmental objectives and action plans, assigns responsibility for implementation, and tracks progress. Performance reporting covers progress against targets, implementation challenges, material incidents, data limitations and corrective actions.

The Company is gradually strengthening the link between sustainability priorities, performance monitoring and management accountability. As measurable key performance indicators and supporting governance processes develop further, they will provide a stronger basis for factoring sustainability performance into remuneration and incentives. No sustainability-linked remuneration metric was applied in this reporting cycle.

8.9. Controls and Assurance Oversight

The BSC oversees the integrity of sustainability disclosures, while management remains responsible for the underlying reporting processes and controls. The Core Working Group coordinates data ownership, methodology, supporting evidence, validation, consolidation and management review, and escalates any material data gaps, inconsistencies or control weaknesses that could possibly affect the reliability of reported information.

The Company's internal-audit function provides an additional, independent layer of control. Internal Audit reports functionally to the Board Audit Committee and may review sustainability governance, risk management and reporting controls where these are included in the approved audit plan, and it also maintains the enterprise risk register. As assurance readiness matures, the BSC may recommend external assurance where appropriate.

8.10. Governance Maturity and Ongoing Improvement

FY2026 was an important milestone in the development of the Company's sustainability governance. The BSC was formed during the period and operates under defined Terms of Reference covering strategy and policy oversight, climate-risk management, environmental and social performance, risk integration, disclosure, stakeholder engagement and assurance considerations.

Following its formation, the BSC held one meeting during FY2026. Its Terms of Reference set a recurring meeting schedule for sustainability oversight and allow for additional meetings when specific matters need attention. The Core Working Group meets at least quarterly and may draw in functional leaders, technical specialists and external advisers as needed.

The BSC's Terms of Reference also call for an annual self-assessment of the Committee's performance and effectiveness, reporting of key discussions and recommendations to the Board through the BSC Chair, and access to external specialist support where extra expertise is required.

The Company's governance priorities include building sustainability and climate knowledge, improving information quality, strengthening internal controls and action tracking, and building assurance readiness. These improvements are being pursued alongside the Company's strategy, risk-management processes and metrics and targets, so that governance maturity develops as an integrated part of the wider sustainability-reporting framework.

9. Strategic Approach

9.1. Our Approach to Sustainability and Climate

The Company's strategy brings together business growth, operational efficiency, responsible resource use, environmental and social performance, ethical conduct and long-term resilience. Its corporate strategy places particular emphasis on sales growth and market expansion, operational efficiency, business and product diversification, continued investment in advanced technology, high ethical and professional standards, and sustainable manufacturing.

Sustainability and climate considerations are increasingly being built into the Company's strategic planning and decision-making, including decisions on resource allocation, operational improvements, sourcing, product and market development, and major investments.

The Company's climate approach is being advanced through a range of operational and investment initiatives, including renewable energy, energy efficiency, water-resilience measures, and sourcing and procurement responses for climate-sensitive raw materials. These initiatives provide a practical starting point for embedding climate considerations more deeply into strategic planning as the Company's sustainability and climate-reporting capabilities mature.

9.2. Material Risks and Opportunities

The Company's assessment identified material sustainability and climate-related risks and opportunities that may affect its prospects over the near, medium and long term. Once the assessment was completed and validated, the selected matters were set out below. The underlying materiality assessment is described in the Materiality Assessment section, and the identification, assessment and prioritisation process is set out in the Risk Management section.

9.3. Selected Sustainability Risks and Opportunities

The sustainability-related matters selected span ethical conduct, workforce capability and inclusion, sustainability claims, certification-based market positioning, data protection, environmental compliance, responsible supply-chain practices, certified sustainable cotton and yarn, recycled-fibre and low-carbon product development, product innovation, and market diversification. The linkages shown in the table below are based on the description of each matter and the information available for this report.

Sustainability-Related Risks

No.	Material Matter	Overview	Possible Financial Impact
1.	Business Ethics – corruption and unethical practices, retaliation against whistleblowers, ethical-reporting failures and workplace harassment	Ethical conduct, anti-corruption controls, whistleblowing, workplace fairness and harassment.	Revenue concentration, working-capital and receivables/credit risk
2.	Training and Education – gaps in leadership development and succession readiness, and inadequate employee training and skills development	Leadership and succession readiness; sustainability, health and safety, code-of-conduct, anti-harassment, regulatory-compliance and technical training.	Higher operating costs
3.	Compliance & Marketing Communications – greenwashing and unsubstantiated sustainability or quality claims	Substantiating certified sustainability attributes and product-quality claims; traceability and claims verification.	Revenue (lost orders), regulatory/legal penalties and brand value
4.	Data Privacy and Cyber Security – gaps in cybersecurity and data-protection controls	Security monitoring, data-loss prevention, incident response, protection of customer/company data, and operational continuity.	Operational disruption and business continuity
5.	Material Consumption – hazardous wet-processing effluent discharge	Heavy metals and synthetic chemical finishes affecting aquatic biodiversity, nearby agricultural land, and final discharge water quality.	Regulatory fines and penalties, legal/defence costs, and possible revenue loss from a shutdown

Sustainability-Related Opportunities

No.	Material Matter	Overview	Possible Financial Impact
1.	Economic Performance – revenue growth through certified sustainable cotton and yarn	Certified sustainable cotton and yarn, traceability credentials, customer demand and product positioning.	Revenue growth, premium pricing and margin improvement
2.	Marketing Communications – credible sustainability positioning through existing certifications	Existing certifications and traceability credentials supporting credible sustainability positioning and customer communication	Revenue (premium pricing), customer retention and brand value
3.	Health and Safety – stronger OH&S management and workforce wellness	Occupational health and safety management, hazard elimination, preventive health and wellness, incident reduction and workforce wellbeing.	Lower compensation/insurance costs, productivity gains and avoidance regulatory fines
4.	Materials Sourcing & Efficiency – recycled-fibre and low-carbon product lines	Recycled-fibre and low-carbon product development, product innovation and product mix.	Shift in revenue mix

These matters could affect the Company's prospects through ethical and regulatory exposure, workforce capability and continuity, data protection and business interruption, environmental compliance, supplier and stakeholder relationships, customer acquisition and market diversification. The Company's strategic responses to these themes are set out later in this report.

9.4. Climate-Related Risks and Opportunities

The climate-related matters selected comprise transition risks and opportunities and physical risks. To avoid repetition, the detail is presented only in the two sub-sections below. Transition-related matters stem from energy and carbon exposure, changing customer and regulatory expectations, technology, and access to finance.

Climate-Related Risks

No.	Climate Factor	Driver	Possible Financial Impact
1.	Energy and Water – rising energy costs and energy-supply insecurity	Market	Higher operating costs (electricity, gas and water tariffs); capital spending on efficiency upgrades
2.	Economic Performance – market-access risk and cost inflation from the climate transition	Policy and Legal, Reputational, Market	Production assets and machinery, impairment/write-downs, decarbonisation capital expenditure, and revenue loss
3.	Economic Performance – risk to access to sustainable finance	Reputational / Market	Higher operating costs
4.	Carbon Emissions – carbon pricing and climate-transition cost exposure	Policy and Legal	Compliance and carbon-tax costs, exposure to the Carbon Border Adjustment Mechanism (CBAM) on European Union (EU) exports, and capital expenditure for low-emission technology

Climate-Related Opportunities

No.	Climate Factor	Driver	Possible Financial Impact
1.	Energy and Water – energy-efficient spinning, weaving and processing equipment	Technology	Higher productivity and lower energy costs
2.	Carbon Emissions – renewable energy, decarbonisation and carbon offsets	Technology	Lower energy costs, avoided carbon costs and improved competitiveness with international buyers

These transition-related matters connect to the Company's energy-intensive operations, decarbonisation requirements, changing customer and regulatory expectations, technology investment and exposure to sustainable finance. Existing renewable-energy and efficiency initiatives give the Company a base to respond, though further investment and capability building may be needed as expectations evolve.

9.5. Physical Climate Risks

The physical climate risks selected comprise two chronic, long-term risks relating to critical inputs: water and raw cotton.

No.	Physical Climate Risk	Driver	Possible Financial Impact
1.	Energy and Water – water scarcity, water stress and abstraction limits	Chronic	Production disruption and lost-output costs; cost of alternative energy/water sourcing
2.	Supply Chain Management – climate-driven disruption to raw cotton supply	Chronic	Higher procurement costs and production disruption

The Company's main physical climate exposures therefore relate to the availability of water and climate-sensitive raw materials, which could affect procurement, production planning, working capital and operational continuity over longer time horizons.

9.6. Strategic Focus Areas

The sustainability- and climate-related risks and opportunities identified reinforce and extend the Company's existing strategic objectives. For this report, the main strategic implications are grouped into five connected focus areas.

No.	Focus Area	Key Driver	Strategic Response
1.	Resource Efficiency and Climate Resilience	Energy security and cost, water scarcity, carbon-transition exposure, and climate-driven disruption to cotton supply.	Renewable energy, energy-efficient equipment, water resilience, resource efficiency, and resilience of critical operating inputs.
2.	Environmental Compliance and Responsible Sourcing	Exposure from hazardous wet-processing effluent, and human-rights considerations across operations and the supply chain.	Effluent treatment and discharge-quality controls, responsible supply-chain practices, supplier engagement, and stronger value-chain resilience.
3.	Ethics, Digital Resilience and Finance	Ethical conduct, whistleblowing, data protection, cybersecurity and access to sustainable finance	Ethical controls, reporting channels, digital resilience, credible sustainability information, and

			engagement with financing institutions
4.	People, Health and Organisational Capability	Leadership and succession readiness, workforce capability, occupational health and safety, and diversity and inclusion.	Structured capability development, leadership readiness, occupational health and safety management, workforce wellness, and equal opportunity.
5.	Products, Markets and Communication	Exposure on sustainability claims, certification-based positioning, certified sustainable cotton and yarn, product innovation, and market diversification.	Credible certification and claims management, product innovation, certified and recycled/low-carbon product development, customer diversification and market expansion.

9.7. Turning Risks and Opportunities into Strategic Action

The risks and opportunities identified inform strategic decisions across operations, sourcing, products, markets, people and finance. Oversight and escalation arrangements are described elsewhere in this report, and the related risk-management processes are set out in the Risk Management section. This section sets out the strategic actions that follow.

- Energy and climate transition: BTM manages energy costs, supply security and carbon-transition exposure through investment in renewable energy, on-site generation, energy efficiency, advanced machinery and operational improvements.
- Water, effluent and raw materials: BTM manages water scarcity, climate-sensitive cotton supply and hazardous effluent exposure through reverse-osmosis systems, effluent-treatment infrastructure, water treatment, sourcing and procurement measures, and initiatives to strengthen the resilience of critical inputs.
- Products, markets and communication: matters relating to sustainability claims, certification-based positioning, certified sustainable cotton and yarn, recycled-fibre and low-carbon products, product innovation and market expansion are addressed through certification management, product development and customer diversification.
- People and responsible supply chain: ethical conduct, leadership development, training, occupational health and safety, diversity and responsible supply-chain practices are supported through employee development, workforce wellbeing, equal opportunity, human-rights principles and management controls.

- Finance and digital resilience: sustainable finance, data protection and cybersecurity are supported by stronger sustainability information, robust reporting controls, enhanced digital resilience and engagement with financing institutions.

BTM's decision-making also has to balance immediate resource needs against longer-term operational, market and resilience goals — for example, upfront capital spending on renewable energy to cut costs and reliance on conventional power; spending on water treatment and recycling to strengthen resource resilience; sustainable-material and certification costs to build customer trust and market access; and investment in technology and workforce capability to boost productivity, product diversification and long-term competitiveness.

9.8. Sustainability and Climate in Financial Planning

Sustainability and climate considerations are increasingly being factored into budgeting, capital expenditure, operating expenditure and major investment decisions. BTM's current financial planning is reflected in the capital allocated to renewable energy, wastewater treatment and advanced machinery.

BTM's current-period financial information shows continued capital allocation to renewable energy, wastewater treatment and efficiency initiatives.

9.9. Financial Information Still Under Development

BTM continues to improve how it reconciles and attributes sustainability- and climate-related capital expenditure across projects and reporting categories. This report therefore presents current-period amounts only where the related investment can be reliably identified, while the quantification and allocation of certain other financial effects remain a work in progress.

9.10. Strategic Resilience

BTM's current resilience rests on operational adaptation, product and market diversification, investment in renewable energy, resource-management infrastructure, supply-chain management, access to finance, and established business-continuity practices. Existing measures include on-site and renewable power generation, advanced machinery, four principal manufacturing sites, sustainability certifications, effluent treatment and reverse-osmosis infrastructure, sourcing and procurement measures, and established financing relationships. The assessment also flags continuing vulnerabilities, including dependence on cotton and other critical inputs, high energy and water intensity, exposure to climate-sensitive raw-material supply, evolving customer and regulatory expectations, cybersecurity and data risks, and the need for ongoing investment as sustainability and climate requirements evolve.

9.11. Building the Climate Resilience Assessment

BTM is steadily strengthening its climate resilience and scenario-analysis work through ongoing data collection, refinement of climate risk information, and closer integration with strategic and financial planning. During this reporting cycle, the Company focused on improving the data, risk information and analytical capability that underpin this assessment. As these capabilities mature, they are

expected to support a more structured evaluation of resilience under different climate scenarios. The related risk inputs and monitoring arrangements are described in the Risk Management section.

9.12. Wider Sustainability Strategy

Beyond climate-specific matters, BTM's wider sustainability strategy covers ethical conduct, leadership and workforce capability, occupational health and safety, diversity and inclusion, data protection, sustainability claims, hazardous-effluent compliance, responsible supply-chain practices, certification-based sustainability positioning, certified sustainable cotton and yarn, sustainable finance, recycled-fibre and low-carbon product development, product innovation, and market diversification. These priorities support BTM's aim of maintaining high ethical, professional and environmental standards while sustaining long-term business performance.

9.12.1. Environmental Compliance and Supply Chain

BTM's wider sustainability response includes environmental compliance measures for wet-processing effluent and responsible supply-chain practices. Effluent-treatment and reverse-osmosis infrastructure, together with sampling of final discharge water quality, help manage effluent exposure, while responsible supply-chain initiatives strengthen human-rights practice, supplier relationships, customer and investor confidence, and sustainable growth. Related metrics are presented in the Metrics and Targets section.

9.12.2. Markets, Innovation and Communication

BTM's wider priorities for markets and products include substantiating sustainability and quality claims, strengthening credible sustainability positioning through existing certifications, growing revenue from certified sustainable yarns, developing recycled-fibre and low-carbon product lines, advancing product innovation, winning new customers, and expanding into underserved niche and international markets. Better access to sustainable finance is also part of this opportunity set. Existing certifications and traceability credentials support market positioning, and related monitoring is presented in the Metrics and Targets section.

9.12.3. Workforce Capability, Health and Inclusion

BTM's wider priorities include leadership and succession readiness, employee capability, occupational health and safety management, workforce wellbeing, and diversity and inclusion, addressed through employee development, health and safety systems, wellness initiatives, equal-opportunity measures and management controls. Related performance measures are presented in the Metrics and Targets section.

9.12.4. Ethics and Digital Resilience

BTM's wider priorities also cover corruption and unethical practices, whistleblowing and ethical-reporting failures, workplace harassment, cybersecurity and gaps in data-protection controls. BTM's Code of Conduct, whistleblowing arrangements, internal controls and information-security measures provide the supporting governance framework, and related monitoring is presented in the Metrics and Targets section.

9.13. Our Climate Response

BTM's current climate strategy is delivered through operational and investment initiatives addressing energy and carbon exposure, water resilience, and the security of climate-sensitive raw materials, giving the Company a practical foundation for strengthening its climate-transition planning and embedding climate considerations into strategic and financial decisions.

9.13.1. Managing Energy and Emissions

Energy is a central strategic consideration, since BTM's spinning, weaving and processing operations are energy-intensive. The assessment of material risks and opportunities identified rising energy costs, supply insecurity and climate-transition costs as significant exposures.

BTM is addressing these exposures through investment in renewable energy, on-site generation, energy-efficiency measures and technology upgrades.

BTM continues to expand its renewable-energy capacity and improve energy efficiency through solar generation, waste-heat recovery, efficient generation equipment, LED lighting, energy-monitoring technology and energy-efficient production equipment, with current capacity and expansion status shown in the Metrics and Targets section.

The financial implications of the solar expansion under development are presented under Investment Plans and Sources of Funding, and the related capacity metric is disclosed in the Metrics and Targets section.

9.13.2. Building Water and Raw-Material Resilience

Water scarcity, water stress and abstraction constraints are relevant to BTM's wet-processing operations, while recurring floods, droughts and shifting monsoon patterns pose a long-term physical risk to domestic raw-cotton supply. BTM manages these exposures through water treatment and resilience measures, along with sourcing and procurement actions to support continuity of critical inputs. The Company's water strategy is backed by investment in treatment and reuse infrastructure. Detailed water performance indicators appear in the Metrics and Targets section, while quantitative cotton-resilience indicators remain under development as part of the evolving measurement framework.

9.13.3. Opportunities in the Climate Transition

BTM's selected climate-transition opportunities focus on energy-efficient spinning, weaving and processing equipment, renewable energy, decarbonisation and carbon offsets, supported by the energy and emissions initiatives described above and monitored through the metrics in the Metrics and Targets section.

9.14. Approach to Strategic Planning

BTM factors in the expected timing of sustainability and climate effects when assessing, prioritising and planning its responses to material matters. This helps align management actions, investment

decisions and performance monitoring with how the identified risks and opportunities evolve. The relevant assessment parameters are described earlier in this report.

9.15. How Material Matters Could Affect Our Finances

The information currently available points to several financial channels through which material sustainability and climate matters may affect BTM, including operating, energy, raw-material, procurement, regulatory and compliance costs; capital expenditure; working-capital requirements; revenue and market access; financing conditions; asset values; and cash flows.

Energy, raw materials, water and capital investment are the main channels through which these matters may affect BTM's business model and financial performance. Current-period information shows renewable-energy deployment contributing to lower power costs, while cotton-supply, water and transition-related risks may raise procurement costs, working-capital requirements, operating expenses, market-access risk and capital needs.

9.15.1. Expected Financial Effects, by Time Horizon

No.	Topic	Time Horizon	Financial Effect Identified So Far
1.	Energy and Climate Transition	Medium and Long Term	Higher energy and compliance costs; capital expenditure on efficiency and lower-emission technology; and potential savings from renewable energy and efficiency measures.
2.	Water and Physical Resource Constraints	Long Term	Possible production disruption, alternative sourcing and treatment costs, and expenditure on resilience measures.
3.	Raw Cotton Supply	Long Term	Possible increases in procurement costs, greater reliance on imported cotton, and pressure on working capital.
4.	Markets, Products and Communication	Short, Medium and Long Term	Possible effects on orders and revenue, opportunities for premium positioning, product and market diversification, and

			certification and compliance costs.
5.	Financing and Capital Allocation	Medium Term	Possible changes in access to sustainable finance, the cost of capital, and capital allocation for clean technology.

Current financial performance and cash-flow effects are discussed under Expected Performance and Cash Flow Effects. Anticipated effects include continued capital needs for renewable-energy and efficiency initiatives, possible reductions in conventional energy costs and related cash outflows, and possible cost or revenue effects arising from the climate and sustainability matters identified.

Further investment in renewable energy is expected to require additional capital while reducing reliance on conventional fuel and its associated cash outflows. Effluent-treatment and reverse-osmosis infrastructure is expected to lower external water and wastewater management costs and reduce exposure to environmental penalties. The current solar investment plan and related funding arrangements are set out under Investment Plans and Sources of Funding.

9.15.2. Potential Adjustments to Assets and Liabilities

The information available for this report does not yet include a completed assessment of whether any identified sustainability or climate risk or opportunity could lead to a material adjustment to the carrying amount of an asset or liability within the next annual reporting period. This assessment remains in progress as the supporting information and evaluation processes mature.

9.15.3. Anticipated Changes in Financial Position

BTM's financial position already reflects investment in renewable energy, wastewater treatment and efficiency-related assets, with further capital expenditure expected as these projects progress. The effects on asset balances, depreciation, financing and other financial-statement line items have not yet been quantified at the individual project level.

9.15.4. Funding Our Investment Plans

BTM's strategy is backed by continued capital allocation to renewable energy, advanced machinery, wastewater treatment and resource-efficiency infrastructure. Sustainability- and climate-related capital expenditure is funded through a mix of long-term and short-term borrowing within BTM's broader financing and liquidity-management framework.

9.15.5. Expected Performance and Cash-Flow Effects

To date, we have identified financial effects in five areas: energy and procurement costs, operating efficiency, regulatory exposure, product and market access, and financing. Following the shift to wind and solar energy, power costs have reportedly fallen by approximately PKR 265.866 million, a current effect on financial performance. Separately, reported capital expenditure on wind and solar of approximately PKR 1.062 billion since the launch of our

renewable energy initiative represents a cash-flow effect. We are still developing a full quantification of anticipated future effects.

10. Risk Management

The Company follows an integrated approach to managing sustainability- and climate-related risks and opportunities, designed to support the timely identification, assessment, prioritisation, monitoring and escalation of matters that could reasonably be expected to affect its prospects over the near, medium or long term.

Sustainability and climate considerations are built into the Company's broader risk-management arrangements, supported by departmental risk ownership, coordination through the Core Working Group, and oversight by the BSC.

Climate-related matters are addressed within the overall sustainability risk process, with additional attention to their physical and transition characteristics.

10.1. Risk and Opportunity Management Framework

The Company follows an integrated process to identify, assess, manage, monitor and report sustainability- and climate-related risks and opportunities across its operations and relevant parts of the value chain. This process sits within the Company's broader risk-management framework and is supported by the Risk Management Policy, coordination at management level through the Core Working Group, and oversight at Board level through the BSC, alongside relevant policies and procedures.

Departmental heads act as risk owners, responsible for identifying and managing risks within their functions, maintaining appropriate controls, and reporting changes in risk exposure. Sustainability-related matters are identified through departmental assessments, management review, stakeholder input, regulatory and industry developments, and consideration of relevant SASB and IFRS S2 industry-based guidance.

Climate-related risks are further classified as physical or transition risks, and the climate-related opportunities selected comprise energy-efficient spinning, weaving and processing equipment, and renewable energy, decarbonisation and carbon offsets.

10.2. Assessment Inputs and Parameters

Identifying and assessing sustainability and climate risks and opportunities draws on the Company's operational and sustainability performance, departmental risk assessments, existing controls and management insight, together with regulatory requirements, industry guidance, stakeholder perspectives, customer expectations and developments in the textile sector.

The assessment covers the Company's own operations and, where relevant, upstream and downstream value-chain exposures, including raw materials, energy and water dependencies, suppliers, workforce, customers and markets. How far the value chain is considered varies by topic, depending on relevance, influence and the availability of reasonable, supportable information.

The Company assesses each risk and opportunity across the near, medium and long term, considering its nature, likelihood, scope and potential financial, operational, environmental and social effects.

Climate-related risks are further classified as physical or transition, with physical risks distinguished as acute or chronic where relevant, and the assessment also considers velocity along with scoring factors such as irremediability for risks and benefit durability for opportunities.

The assessment combines qualitative management judgement with defined scoring criteria to keep evaluation and prioritisation consistent. Quantifying the current and anticipated financial effects of individual sustainability and climate risks and opportunities is being developed progressively as the Company strengthens its underlying data and assessment capability.

The Company's current climate-resilience work is focused on strengthening the supporting data, risk information and analytical capability, as described under Strategic Resilience.

10.3. Prioritising Sustainability and Climate Matters

Sustainability and climate matters are prioritised based on their likelihood, potential impact and relevance to the Company's business and prospects. Material matters are entered into the sustainability risk and opportunity register and are subject to management review and BSC oversight.

Sustainability and climate matters are considered within the Company's broader risk-management framework and prioritised alongside other principal risks where they could affect business objectives, while opportunities are assessed on their potential strategic, operational, financial, environmental and social benefits.

The Company continues to align its sustainability and climate assessment processes more closely with its broader risk-management framework, to support consistent prioritisation, monitoring and management of material matters.

10.4. Developments and Monitoring During the Period

Sustainability and climate risks and opportunities are monitored through the Company's sustainability governance and broader risk-management processes, supported by relevant operational controls and available performance indicators. The Core Working Group coordinates monitoring at management level, including changes in exposure, implementation of management responses and progress against targets where available, and escalates material developments or matters needing further attention to the BSC.

Monitoring takes into account changes in risk exposure, relevant environmental, social and operational performance, and progress against applicable initiatives and targets, allowing emerging or changing sustainability and climate matters to be identified and addressed through the appropriate management and governance channels as the monitoring framework matures.

The Company continues to strengthen the link between its sustainability risk and opportunity assessment and its broader risk-management processes, to support more consistent monitoring, ownership and action tracking.

10.5. Integration with Enterprise Risk Management

Building sustainability and climate considerations into the Company's risk-management framework allows these matters to be assessed within its overall risk profile. Departmental heads remain responsible for risks within their functions, supported by the Core Working Group's coordination of

sustainability and climate risks and opportunities. Internal Audit's role in enterprise risk governance is described under Internal Controls and Assurance, and material matters are escalated through the BSC to the Board.

The outputs of the sustainability and climate risk assessment feed into risk prioritisation, control design, management responses, operational planning and escalation, allowing matters such as energy and water availability, environmental compliance, workforce practices, supply-chain continuity, customer requirements, and physical and transition climate developments to be weighed alongside financial, operational, compliance and reputational risks.

This integration will keep maturing as the Company further aligns its sustainability and enterprise risk registers, rating scales, monitoring thresholds and reporting protocols. Because sustainability and climate matters are managed through a connected framework, the related disclosures are presented together, with climate-specific information separated out only where necessary for context and to avoid repetition.

10.6. Risk Management, Strategy and Performance

The Company's assessment of sustainability and climate risks and opportunities supports its governance, strategic planning and performance management, with material matters factored in when setting operational priorities, allocating resources and evaluating resilience over the near, medium and long term.

This is reflected in initiatives covering renewable energy, energy efficiency, heat recovery, water reuse, wastewater treatment, materials recovery, occupational health and safety, employee development, and responsible supply-chain practices. Where priorities compete, the Company weighs near-term costs and operational needs against longer-term financial, environmental and social outcomes.

Available ESG indicators, where established, are used to monitor implementation and support assessment of management's responses, and the Company continues to strengthen the links between each material risk or opportunity, its accountable owner, related actions, performance indicators, targets and potential financial implications.

11. Metrics and Targets

The Company's metrics and targets framework provides the monitoring layer for the material risks and opportunities described earlier in this report. The indicators below reflect information currently available and sufficiently supportable for this reporting cycle; where the underlying data is incomplete, not yet reconciled or not aligned to the reporting period, the metric is identified as under development or under validation rather than presented as an unsupported figure. The broader basis for measurement uncertainty and related limitations is described in the earlier sections on judgement and estimation uncertainty.

11.1. Climate-Related Metrics

Climate-related monitoring reflects the transition and physical risks and opportunities selected, including energy and carbon exposure, and water and raw-material physical risks. The strongest quantitative information available relates to renewable energy, emissions reduction and water indicators, while broader energy-efficiency and climate-resilience measures continue to develop.

11.1.1. Energy Consumption and Energy Mix

Compared with the FY2023 baseline, BTM has made significant progress in shifting its energy mix towards lower-carbon and renewable sources. Total energy consumption rose 15.27%, from 324,045 GJ in FY2023 to 382,473 GJ in FY2026, reflecting higher operational energy needs from increased production. Despite this rise, the share of non-renewable electricity fell sharply from 57.32% to 4.40%, a reduction of 52.92 percentage points in its share of the mix. At the same time, solar-generated renewable electricity grew from 4,245 GJ (1.31%) to 58,634 GJ (15.33%), while purchased electricity rose from 41.37% to 80.27%, pointing to greater reliance on externally sourced power. Overall, the FY2026 energy profile shows a substantial shift away from non-renewable energy and towards renewable electricity, supporting the Company's broader decarbonisation objectives.



Total Electricity Consumption		Non-Renewable Electricity		Renewable Electricity		Purchased Electricity	
324,044 GJ	382,473 GJ	185,742 GJ	16,823 GJ	4,245 GJ	58,634 GJ	134,057 GJ	307,016 GJ
FY2023 Baseline	FY2026 Current	FY2023 Baseline	FY2026 Current	FY2023 Baseline	FY2026 Current	FY2023 Baseline	FY2026 Current

Solar Installations at Bhanero Textile Mills Ltd

Unit-wise and Year-wise Progress

RENEWABLE ENERGY FOR A CLEANER TOMORROW



Consolidated GHG Emissions (Scope 1 and Scope 2) — tCO2e

Fiscal Year	Scope 1 (tCO2e)			Total Scope 1 (tCO2e)		Scope 2 (tCO2e)	Total Scope 1+2 (tCO2e)
	(A) On-site Electricity Generation		(B) On-site Steam Generation	On-site Electricity Generation	On-site Steam Generation	Purchased Grid Electricity	
	Natural Gas	Furnace Oil	Natural Gas				
FY2023 (Jul22-Jun23)	10,296.20	170.99	0	10,467.18	0	16,384.80	26,851.98
FY2024 (Jul23-Jun24)	17,902.12	547.95	0	18,450.07	0	6,348.42	24,798.49
FY2025 (Jul24-Jun25)	12,272.04	59.14	0	12,331.17	0	16,893.62	29,224.80
FY2026 (Jul25-Jun26)	935.38	11.54	647.31	946.92	647.31	37,524.18	39,118.40

Scope 1 and Scope 2 Emissions

GHG emissions are calculated under the GHG Protocol, using the IPCC 2006 Guidelines and the Pakistan national grid (NTDC) emission factors.

Scope 1 – Direct Emissions:

Scope 1 emissions come from the direct combustion of fuels in stationary sources owned or controlled by the Company, and fall into two categories:

- **On-site electricity generation – covering the combustion of natural gas, diesel and furnace oil in power-generation equipment; and**
- **On-site thermal energy and steam generation – covering the combustion of coal and biomass in boilers for steam generation.**

Scope 2 – Indirect Emissions

Covers indirect emissions from the national

By adopting solar energy for on-site electricity generation, the Company has reduced its reliance on fossil fuels and is estimated to have avoided 6,952.46 tCO₂e of emissions linked to natural gas and furnace oil use – 5,505.09 tCO₂e from natural gas and 1,447.38 tCO₂e from furnace oil – illustrating the positive climate impact of its shift towards renewable energy.

Scope 1 Natural Gas (tCO ₂ e)	Scope 1 Furnace Oil (tCO ₂ e)	
5,505.09	1,447.38	6,952.46 tCO ₂ e



Energy Improvement Plan

Goal	Principal Actions	2030 Target / Indicator	Target Date	Accountable Owner	Aligned With	
					GRI Reference	UN SDG Alignment
Lower energy intensity	Implement ISO 50001	Certified energy management system	2028	Engineering Manager	GRI 302	
Cut energy consumption	Annual energy audits	100% completed	Annual	Engineering Manager	GRI 302	
Improve equipment efficiency	Replace inefficient motors with IE3/IE4 units	100% replaced	2030	Engineering Manager	GRI 302	
Improve compressed-air efficiency	Leak-detection programme	Quarterly inspections	Quarterly	Engineering	GRI 302	
Upgrade lighting	Switch to LED lighting	100% LED lighting	2028	Engineering	GRI 302	

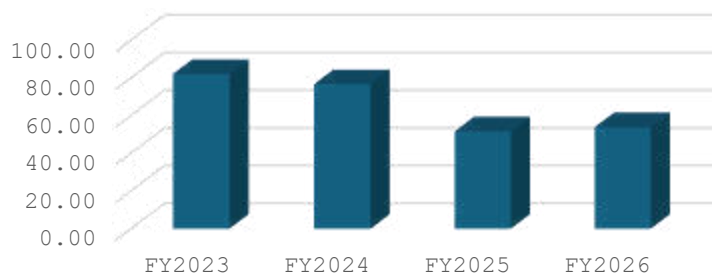
11.1.2. Managing Water

BTM remains committed to reducing freshwater consumption, improving water-use efficiency, strengthening water resilience, and supporting the needs of surrounding communities. During FY2026, the Company's total water usage was 44,726 m³, drawn mainly from municipal supply: 44,249 m³ for production, 477 m³ for domestic purposes, with total treated wastewater discharge of 41,365 m³. BTM assessed its water risk using the WRI Aqueduct Water Risk Atlas, covering the facility at E-2, SITE, Kotri, Sindh, Pakistan, which the applicable Aqueduct indicator classified as High Risk. BTM purchased the full 44,726 m³ of its water for FY2026 from this location, representing 100% of total usage. Against the FY2023 baseline, BTM reduced water intensity from 82.10 L/kg (July 2022–June 2023) to 53.90 L/kg by June 2026, a reduction of approximately 28.19%. Water intensity is calculated as total water consumption divided by total production output (kg), using a consistent methodology and reporting boundary covering the Unit 01 wet-processing operations.

This improvement has been driven by process optimisation, water recovery and water-efficient technologies, with recovered water reused within the relevant processes to reduce demand for fresh water.

Wastewater is treated at the on-site ETP before discharge, and effluent quality is monitored through both internal and independent third-party testing – monthly against the requirements of the Sindh Environmental Protection Agency (SEPA), and twice a year against international requirements (ZDHC parameters and STeP by OEKO-TEX guidelines), covering pH, COD, BOD, TSS, temperature and ZDHC parameters.

Water Intensity (L/Kg)



Water Management Improvement Plan

Goal	Principal Actions	2030 Target / Indicator	Target Date	Accountable Owner	Aligned With	
					GRI Reference	UN SDG Alignment
Cut water consumption	Water-conservation projects	10% reduction versus FY2025	2030	Utility Manager	GRI 303	
Increase water reuse	Water recycling	20% recycled water	2030	Utility Manager	GRI 303	
Reduce freshwater withdrawal	Rainwater harvesting	System operational	2027	Engineering	GRI 303	
Reduce leaks	Water-leak monitoring	Monthly inspections	Monthly	Maintenance Manager	GRI 303	

11.1.3. Wastewater, Sludge and Effluent Quality

Our Treatment Infrastructure

BTM has invested in a 1,630 m³-capacity Effluent Treatment Plant (ETP), supported by a full treatment train comprising:

- Preliminary Treatment
- Primary Treatment
- Sludge Handling

This infrastructure allows BTM to treat an average of 68 m³ per hour of wastewater to meet ZDHC discharge standards before direct release, and to manage 100% of generated sludge through offsite incineration above 1,000°C — the highest-tier disposal route recognised under ZDHC guidelines — minimising the risk of soil or groundwater contamination.

Sludge Management

Sludge generated from effluent treatment plants is handed over to a Sindh Environmental Protection Agency (SEPA) approved supplier for incineration.



Wastewater Improvement Plan

Goal	Principal Actions	2030 Target / Indicator	Target Date	Accountable Owner	Aligned With	
					GRI Reference	UN SDG Alignment
Reduce landfill disposal	Waste segregation	100% segregated	2028	Utilities Manager	GRI 306	
Eliminate landfill disposal	Zero Waste to Landfill programme	0% sent to landfill	2030	Sustainability Manager	GRI 306	

11.1.4. Managing Chemicals Responsibly



BTM is committed to establishing, implementing and continually improving a robust chemicals management system, ensuring that all chemicals, formulations and process inputs used in its manufacturing operations are sourced, stored, handled, used and disposed of in full compliance with the ZDHC Manufacturing Restricted Substances List (MRSL) and the ZDHC Restricted Substances List (RSL). This eliminates hazardous chemicals from the supply chain, protects worker health and safety, safeguards the environment, and ensures finished products are safe for consumers, while maintaining the facility's certifications under ZDHC Supplier to Zero, OEKO-TEX STANDARD 100, STeP by OEKO-TEX (Level 3) and the Higg Facility Environmental Module (FEM).

Impact: safer workers, cleaner discharge, safer products, stronger buyer trust



Chemicals Improvement Plan

Goal	Principal Actions	2030 Target / Indicator	Target Date	Accountable Owner	Aligned With	
					GRI Reference	UN SDG Alignment
Reduce hazardous chemicals	Replace hazardous substances	100% MRSL compliance	2030	Chemical Manager	GRI 306	 
Increase approved-chemical use	Purchase ZDHC-approved chemicals	100% approved inventory	2030	Purchase Manager	GRI 306	
Improve chemical safety	Digital chemical inventory	100% of inventory recorded	2027	Chemical Manager	GRI 306	
Build worker competence	Chemical-safety training	100% of employees trained	Annual	HR Manager	GRI 403	

12. Human Capital Management

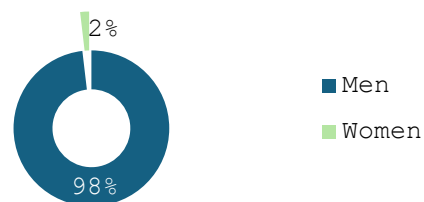
At BTM, we view our people as a fundamental driver of sustainable performance, operational excellence, innovation and long-term growth. Our Human Capital Management (HCM) approach treats people management as a strategic business function that strengthens organisational capability, fosters an inclusive, high-performing culture, and supports the Company's long-term competitiveness. Our HCM priorities are:

Our HCM priorities are:

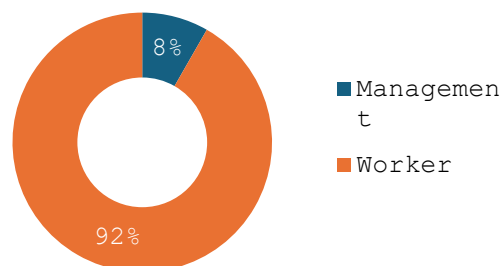
- Attracting, Developing and Retaining Talent
- Fostering an Inclusive, High-Performing Culture
- Strengthening Organisational Capability
- Employee Engagement and Wellbeing
- Effective HCM Governance and Services

BTM believes that effective policies, continuous capability development, employee wellbeing and technology-enabled HCM practices together strengthen both organisational performance and the Company's long-term human capital value.

Total Number of Employees



Employees by Cadre %



Gender	Total Employees
Men	1,630
Women	30

Table 1: Employees by Gender – FY26

Table 1: Number of Employees as per FY26

Age Group	Total Employees	Percentage
Under 30	792	48%
30–50 Years	735	44%
Above 50	133	8%

Table 2: Employees by Age Group

12.1. Training and Capacity Building

BTM runs a structured training and capacity-building programme to build employee competencies, promote responsible labour and human-rights practices, boost workplace engagement, and support continual improvement. Training needs are identified based on job requirements, organisational priorities, compliance obligations and individual development needs.

Key training areas include:

Through these initiatives, BTM aims to build a skilled, responsible, engaged and resilient workforce, while strengthening compliance, operational performance, employee participation and continual improvement across the organisation.

Average Training Hours per Year
Per Employee

22 hours

12.2. Occupational Health and Safety Training

Training overview: the OSH department delivers mandatory and role-specific health and safety training at the time of hiring, with refresher courses on a quarterly, bi-annual or annual basis. Course content is aligned with legal requirements, operational risks and OSH procedures, and training effectiveness and coverage are tracked through attendance records and training logs.

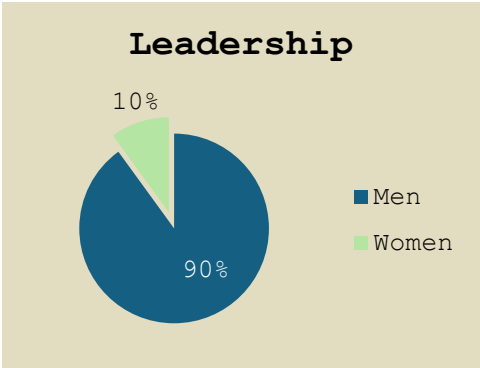
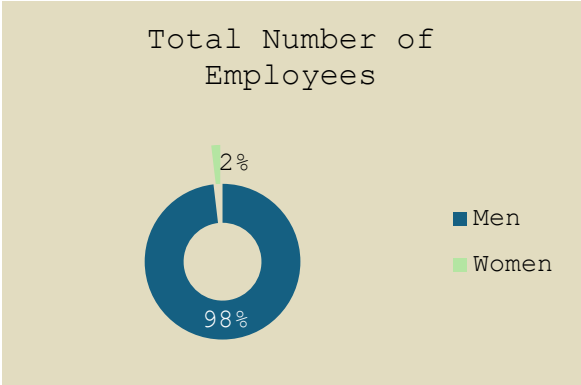
No.	Topic	Frequency
1	Emergency evacuation drill	Bi-annually
2	Fire-fighting	Quarterly
3	CPR and first aid	Quarterly
4	Use of workplace PPE	Quarterly
5	Machine safety	Quarterly
6	Chemical safety (RSL and MRSL)	Quarterly
7	Waste handling	Quarterly
8	Ergonomics	Quarterly
9	Heat-stress management	Quarterly
10	Electrical safety	Quarterly
11	Bloodborne pathogens	Quarterly

12.3. Work-Related Injuries

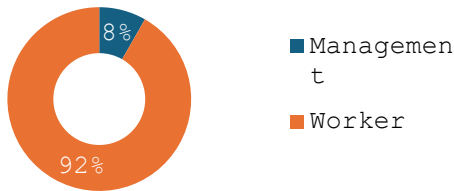
Financial Year	TRIR @200,000	ROHC WRIs @200,000	Ill-Health Cases
FY23	0.76	0.04	0
FY24	0.71	0.09	0
FY25	0.52	0.02	0
FY26	0.40	0.01	0

13. Equal Opportunity, Diversity and Inclusion

BTM is committed to a diverse, inclusive and respectful workplace where employees are treated fairly and with dignity regardless of background. The Company promotes equal access to employment, development, career progression and other opportunities based on merit, skills and performance, and embeds inclusion and non-discrimination principles in its organisational values, leadership practices and people-management processes.

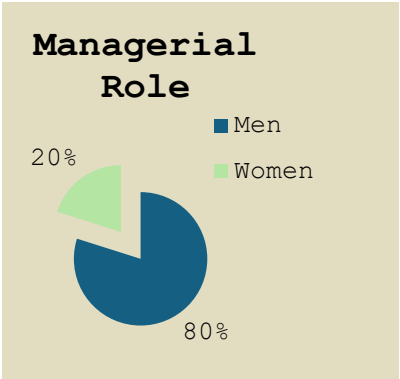


Employees by Cadre %



Policy Commitment

BTM is committed to equal opportunity, fair treatment and an inclusive workplace for all employees. The Company's policies on Diversity, Equity and Inclusion (#SMS 03) and Retention and Support of Persons with Disabilities (#SMS 13) reinforce its commitment to equitable opportunity and an accessible work environment, supported by fair, unbiased performance evaluation, merit-based career development, and zero tolerance for discrimination, harassment or unfair treatment (#SMS 02).



14. Events After the Reporting Period

No transactions, events or conditions requiring further disclosure have occurred after the reporting period and up to the date this disclosure was presented.

15. Restatements and Errors

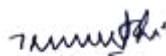
No restatements or changes arising from material errors were required in this reporting cycle.

16. Approval and Authorisation for Issue

This report has been approved by the Board of Directors in the manner prescribed under Section 232 of the Companies Act, 2017, as required by the Securities and Exchange Commission of Pakistan (SECP).



Chairman, Sustainability Committee



Chief Executive Officer



Chief Financial Officer

Bhanero Textile Mills Limited

Gender Diversity and Pay Gaps as required under circular 10 of 2024 dated April 17, 2024

We encourage an inclusive workplace by assuring equitable and fair representation at all organizational levels irrespective of gender discrimination. At the head office of Karachi and Lahore, women currently make up approximately 26 percent of the company's total staff. There is 6.40 percent and 5.66 percent mean and median gender pay gap however, the variation in pay is due to individual performance over time, employment tenure and specific set of skill.

Bhanero Textile Mills Limited



Khurrum Salim
(Chief Executive Officer)

Bhanero Textile Mills Limited

Historical Data for the Year Ended June 30, 2026

Year-Wise Operating Data

2026	2025	2024	2023	2022	2021
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Spinning Unit

Spindle installed	99,696	99,696	99,696	99,696	80,112	80,112
Spindles worked	99,696	99,696	99,696	99,696	80,112	80,112
Installed capacity after conversion into 20/s count - Kg	36,059,042	36,059,042	36,059,042	22,185,705	14,810,385	14,810,385
Actual production - Kg	27,569,468	27,214,319	26,188,158	13,426,536	13,001,202	12,223,351

Weaving Unit

Air jet looms installed	162	162	162	162	162	162
Air jet looms worked	162	162	162	162	162	162
Installed capacity after conversion into 50 picks - Meter	35,351,345	35,351,345	35,351,345	34,016,175	34,016,175	26,566,890
Actual production - Meter	23,281,695	24,200,352	22,709,366	22,335,314	24,019,600	21,117,435

Year-Wise Financial Data

2026	2025	2024	2023	2022	2021
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Rupees in Thousands

Profit and loss account

Turnover (Net)	33,721,522	32,907,547	33,057,245	18,545,108	17,252,509	12,158,113
Gross profit	2,972,355	2,588,140	3,033,812	2,990,228	4,074,380	2,731,698
Operating profit	1,742,891	1,272,230	1,677,967	2,289,771	3,321,097	2,243,984
Financial expenses	980,934	1,160,308	1,866,240	745,266	137,883	83,005
Profit/(Loss) before tax	761,958	111,922	(188,273)	1,544,505	3,183,214	2,160,979
Profit/(Loss) after tax	700,269	114,229	(131,761)	1,581,480	2,758,155	1,850,706
Cash dividend	-	-	-	106,434	214,500	214,500

Balance Sheet

Share Capital	30,410	30,410	30,410	30,000	30,000	30,000
Reserves	9,108,598	9,108,598	9,108,598	9,109,008	8,000,000	6,300,000
Shareholder equity	11,670,920	10,962,155	10,863,114	11,102,912	9,500,474	6,763,064
Long term loans	3,001,009	2,988,011	3,300,068	3,602,309	2,816,944	1,077,029
Short term loan	4,377,044	7,908,084	7,770,606	7,321,871	-	-
Current liabilities	8,154,428	12,002,815	11,427,658	10,318,683	2,308,655	1,082,598
Current portion of long term loans	1,134,542	892,829	861,132	664,200	336,848	212,470
Operating Fixed assets	8,671,550	8,457,907	8,755,049	8,855,092	4,607,486	2,911,960
Current assets	15,361,985	18,002,690	17,548,239	17,009,355	8,726,406	6,372,300

Ratios	2026	2025	2024	2023	2022	2021
Performance						
Sales growth percentage - Year to Year basis	2.47%	-0.45%	78.25%	7.49%	41.90%	36.25%
Gross profit (%)	8.81%	7.86%	9.18%	16.12%	23.62%	22.47%
Profit before tax (%)	2.26%	0.34%	-0.57%	8.33%	18.45%	17.77%
Profit after tax (%)	2.08%	0.35%	-0.40%	8.53%	15.99%	15.22%
Breakup value per share - Rupees per share	3,837.90	3,408.83	3,572.22	3,700.97	3,166.82	2,254.35
Market value of share - at the year end - Rupees per share	862.52	989.00	1,050.00	948.33	1,465.00	1,050.00
Earnings/(Loss) per share - Rupees per share	230.28	37.56	(43.36)	468.11	919.38	616.90
Price earning ratio	3.75	26.33	(24.22)	2.03	1.59	1.70
Leverage						
Gearing ratio	0.76	1.13	1.23	1.21	0.48	0.19
Debt to equity (%)	25.71%	27.26%	30.38%	32.44%	29.65%	15.93%
Interest covering ratio	1.78	1.10	0.90	3.07	24.09	27.03
Liquidity ratio						
Current ratio	1.88	1.50	1.54	1.65	3.78	5.89

BHANERO TEXTILE MILLS LIMITED
CATEGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2026

SR #	CATEGORIES OF SHAREHOLDERS	NUMBERS OF SHAREHOLDERS	SHARES HELD	PERCENTAGE %
1	Directors, Chief Executive Officer, and their spouse and minor children.	28	1,277,125	42.00
2	Associated Companies, Undertaking and Related Parties	25	1,115,715	36.69
3	Insurance Company	-	-	-
4	Share holders holding 10%	1	500,600	16.46
5	General Public			
	Local	497	147,522	4.85
	Foreign	-	-	-
6	Other Companies	2	2	0.00
7	Joint Stock Companies	-	-	-
		553	3,040,964	100.00

**DETAIL OF PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2026
INFORMATION REQUIRED UNDER THE CODE OF CORPORATE GOVERNANCE**

SR #	CATEGORIES OF SHAREHOLDERS	PERCENTAGE	NUMBER OF SHARES HELD
1	ASSOCIATED COMPANIES UNDERTAKINGS AND RELATED PARTIES		
	ADMIRAL (PVT) LTD	16.46	500,600
	MR. MOHAMMAD SHAKEEL	0.73	22,227
	MR. ADIL SHAKEEL	4.92	149,487
	MR. ALI BILAL	2.00	60,745
	MR. FARRUKH SALEEM	2.02	61,431
	MR. SAQIB SALEEM	1.71	52,020
	MR. MUHAMMAD QASIM	8.65	263,181
	MR. FAISAL SHAKEEL	4.94	150,237
	MR. ABDULLAH BILAL	2.03	61,758
	MR. YAHYAA FURRUKH	2.44	74,182
	MR. MOHAMMAD UMAR	0.02	520
	MRS. NAZLI BEGUM	4.21	127,960
	MRS. SABA SAQIB	2.76	83,891
	MRS. SUMBUL QASIM	0.23	6,868
	MRS. MARIUM ADIL	0.04	1,208
2	DIRECTORS, CHIEF EXECUTIVE AND THEIR SPOUSE AND MINOR CHILDREN		
	MR. MUHAMMAD SALEEM	0.73	22,048
	MR. MUHAMMAD SHAHEEN	1.46	44,475
	MR. HAMZA SHAKEEL	4.94	150,147
	MR. KHURRAM SALEEM	2.06	62,666
	MR. YOUSUF SALEEM	1.67	50,674
	MR. BILAL SHARIF	2.49	75,689
	MR. MUHAMMAD AMIN	3.18	96,808
	MR. MUSTAFA TANVIR	0.02	500
	MR. ASIF ELAHI	0.02	500
	MR. TAUQEER AHMED SHEIKH	0.02	500
	MRS. YASMIN BEGUM	1.00	30,410
	MRS. SEEMA BEGUM	0.51	15,542
	MRS. AMNA KHURRAM	2.44	74,247
	MRS. SAMIA BILAL	11.06	336,228
	MRS. FATIMA AMIN	5.70	173,245
	MRS. SABA YOUSUF	2.72	82,700
	MASTER AZAAN BILAL	2.00	60,746
3	BANKS DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS AND INSURANCE COMPANIES	0.000	-

4	JOINT STOCK COMPANIES	0.00	-
5	OTHER COMPANIES	0.00	2
6	GENERAL PUBLIC		
	A. Local	4.85	147,522
	B. Foreign	0.00	-
	TOTAL	100.00	3,040,964
7	DETAIL OF TRADING IN THE SHARES BY THE DIRECTORS, CEO COMPANY SECRETARY AND THEIR SPOUSES AND MINOR CHILDREN	Nil	Nil
8	SHAREHOLDERS HOLDING 10% OR MORE VOTING INTEREST		
	ADMIRAL (PVT) LTD	16.46	500,600

BHANERO TEXTILE MILLS LIMITED
PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2026

NUMBERS OF SHAREHOLDERS	SHARE HOLDING		TOTAL SHARES HELD	Percentage
	FROM	TO		
429	1	100	8,811	0.29
45	101	500	13,653	0.45
20	501	1000	16,740	0.55
28	1001	5000	62,472	2.05
3	5001	10000	22,962	0.76
2	15001	20000	33,868	1.11
2	20001	25000	43,984	1.45
1	25001	30000	29,872	0.98
1	40001	45000	42,780	1.41
3	50001	55000	153,164	5.04
3	55001	60000	176,142	5.79
2	60001	65000	121,100	3.98
3	70001	75000	220,400	7.25
2	80001	85000	165,600	5.45
1	90001	95000	94,622	3.11
1	125001	130000	125,579	4.13
3	145001	150000	442,904	14.56
1	170001	175000	170,400	5.60
1	260001	265000	261,028	8.58
1	330001	335000	334,283	10.99
1	500001	505000	500,600	16.46
553			3,040,964	100.00

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



Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event
notifications, corporate and
regulatory actions)
-  Jamapunji application for
mobile device
-  Online Quizzes



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

 jamapunji.pk

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*Mobile apps are also available for download for android and ios devices

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

ڈائریکٹرز رپورٹ

بھانیرو ٹیکسٹائل ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کی سالانہ رپورٹ، آڈٹ شدہ مالیاتی گوشواروں اور ان پر آڈیٹرز کی رپورٹ کے ہمراہ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

مالیاتی جائزہ

بورڈ آف ڈائریکٹرز 30 جون 2026 کو ختم ہونے والے سال کے مالیاتی نتائج درج ذیل پیش کرتا ہے:

نفع یا نقصان کا گوشوارہ برائے سال مختتمہ 30 جون 2026

30 جون 2025	30 جون 2026	
روپے	روپے	
32,907,546,738	33,721,521,532	فروخت - خالص
(30,319,406,416)	(30,749,166,204)	فروخت کی لاگت
2,588,140,322	2,972,355,328	مجموعی منافع
193,598,624	442,136,929	دیگر آمدنی
2,781,738,946	3,414,492,257	
(691,835,314)	(764,539,402)	تقسیم کے اخراجات
(381,672,868)	(392,336,161)	انتظامی اخراجات
(24,656,283)	(86,370,640)	دیگر آپریٹنگ اخراجات
(1,160,308,271)	(980,933,765)	مالیاتی لاگت
(2,258,472,736)	(2,224,179,968)	
523,266,210	1,190,312,289	لیویز اور ٹیکس سے قبل منافع
(411,344,334)	(428,354,575)	لیویز
111,921,876	761,957,714	ٹیکس سے قبل منافع
2,307,177	(61,688,263)	ٹیکس
114,229,053	700,269,451	بعد از ٹیکس منافع
37.56	230.28	فی حصص آمدنی - بنیادی اور تحلیل شدہ (روپے)

کمپنی نے 30 جون 2026 کو ختم ہونے والے سال میں 700.269 ملین روپے کا بعد از ٹیکس منافع حاصل کیا، جو 30 جون 2025 کو ختم ہونے والے گزشتہ سال کے 114.230 ملین روپے کے بعد از ٹیکس منافع کے مقابلے میں نمایاں بہتری کا مظہر ہے۔ سال کے دوران فروخت کی آمدنی میں محض 2.47 فیصد اضافے کے باوجود، کمپنی نے بہتر آپریشنل کارکردگی اور لاگت کے مؤثر انتظام کے ذریعے منافع میں قابل ذکر اضافہ حاصل کیا۔

مجموعی منافع کا مارجن گزشتہ سال کے 7.86 فیصد سے بڑھ کر رواں سال 8.81 فیصد ہو گیا، جو آپریشنز میں بہتر استعداد کا ثبوت ہے۔ اسی طرح خالص منافع کا مارجن 0.35 فیصد سے بڑھ کر 2.08 فیصد ہو گیا، جو سال کے دوران کمپنی کی مستحکم مالیاتی کارکردگی اور آمدنی میں بہتری کی عکاسی کرتا ہے۔

30 جون 2026 کو ختم ہونے والے رواں سال کے دوران کمپنی نے اپنے قلیل مدتی قرضوں میں 44 فیصد سے زائد اور اپنے انوینٹری کی سطح میں 32 فیصد کمی کامیابی سے کی۔ قرضوں میں یہ کمی بنیادی طور پر کیش فلو کے بہتر انتظام، ورکنگ کیپیٹل کے مؤثر استعمال اور لیکویڈیٹی کی مضبوط پوزیشن کی بدولت ممکن ہوئی، جس کے نتیجے میں قلیل مدتی مالیاتی سہولیات پر انحصار کم ہوا۔ اس کے ساتھ ساتھ کمپنی نے آپریشنل ضروریات کی مؤثر تکمیل اور پیداوار و کاروباری سرگرمیوں کے بلا تعطل تسلسل کو یقینی بنانے کے لیے انوینٹری کو موزوں سطح پر برقرار رکھا۔

اگرچہ توانائی کی لاگت منافع پر مسلسل دباؤ کا باعث بنی رہی، تاہم فروخت کی لاگت کے تناسب سے توانائی کے اخراجات گزشتہ سال کے 11 فیصد سے کم ہو کر رواں سال 10 فیصد رہ گئے۔ بورڈ پُر امید ہے کہ توانائی کے شعبے میں مسلسل بہتری سے ٹیکسٹائل سیکٹر کی مسابقت مزید مضبوط ہوگی، اور رواں سال کے دوران کمپنی کے منافع میں بہتری سے حوصلہ افزائی محسوس کرتا ہے۔

منافع منقسمہ اور ذخائر کی تخصیص

کمپنی نے مضبوط بحالی کا مظاہرہ کیا اور 30 جون 2026 کو ختم ہونے والے مالی سال کے دوران 700.269 ملین روپے کا بعد از ٹیکس منافع ظاہر کیا، جبکہ 30 جون 2025 کو ختم ہونے والے گزشتہ سال میں بعد از ٹیکس منافع 114.229 ملین روپے تھا۔

چنانچہ آڈٹ کمیٹی کی سفارش پر بورڈ آف ڈائریکٹرز نے 30 جون 2026 کو ختم ہونے والے سال کے لیے کسی حتمی منافع منقسمہ کی سفارش نہ کرنے اور موجودہ معاشی غیر یقینی صورتحال کے پیش نظر کمپنی کی مالیاتی پوزیشن مستحکم کرنے، مستقبل کے ترقیاتی اقدامات میں معاونت اور مالیاتی لچک برقرار رکھنے کے لیے آمدنی کو محفوظ رکھنے کا فیصلہ کیا ہے۔

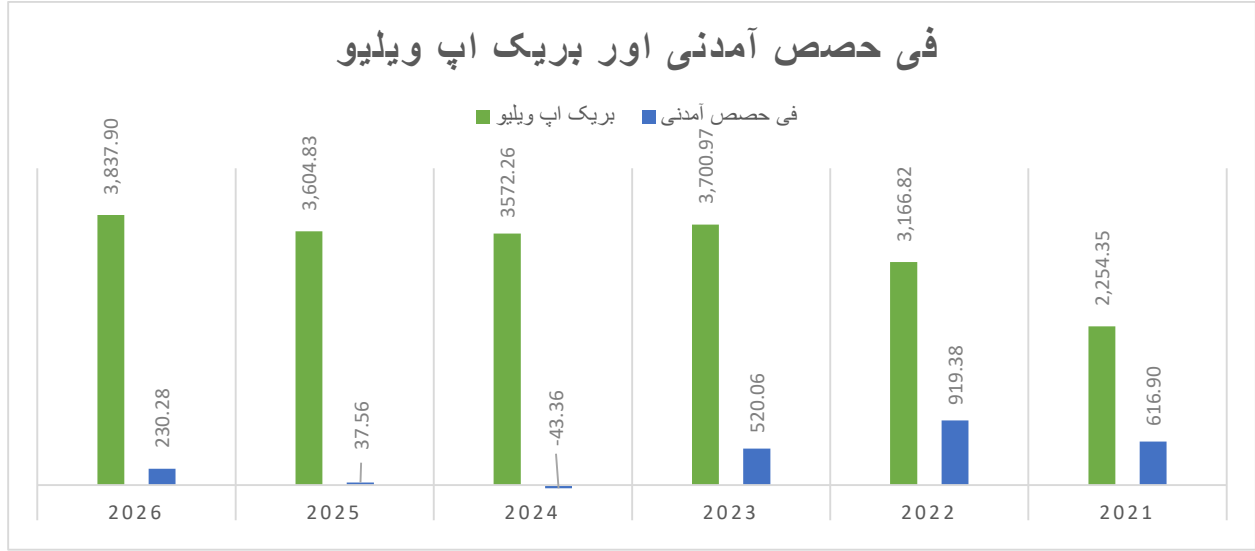
تاہم بورڈ اس معاملے کو زیر غور رکھے گا اور کمپنی کے منافع، کیش فلو، ورکنگ کیپیٹل کی ضروریات اور مجموعی معاشی حالات کو مدنظر رکھتے ہوئے سال کے دوران عبوری منافع منقسمہ کے اعلان پر غور کر سکتا ہے۔

فی حصص آمدنی (EPS) اور فی حصص بریک اپ ویلیو (BVS)

فی حصص آمدنی (EPS) اور فی حصص بک ویلیو (BVS) حصص یافتگان کی قدر کے اہم اشارے ہیں۔ EPS ہر عام حصص سے منسوب منافع کو ظاہر کرتی ہے اور کمپنی کے منافع کا پیمانہ ہے، جبکہ BVS ہر حصص سے منسوب خالص اثاثہ جاتی قدر کو ظاہر کرتی ہے، جس سے کمپنی کی بنیادی مالیاتی مضبوطی اور اثاثوں کی پشت پناہی کا اندازہ ہوتا ہے۔

30 جون 2026 کو ختم ہونے والے رواں سال کے دوران بنیادی اور تحلیل شدہ فی حصص آمدنی 230.28 روپے رہی، جبکہ گزشتہ سال 2025 میں بنیادی اور تحلیل شدہ فی حصص آمدنی 37.56 روپے تھی۔

30 جون 2026 کو ختم ہونے والے رواں سال کے دوران فی حصص بریک اپ ویلیو 3,837.90 روپے رہی (سال 2025: 3,604.83 روپے)۔



ورکنگ کیپیٹل کا انتظام

کمپنی نے ورکنگ کیپیٹل کے مؤثر انتظام کے لیے نگرانی کا ایک چوکس نظام نافذ کیا ہے تاکہ قلیل مدتی وسائل کا بہتر استعمال، لیکویڈیٹی کا تحفظ اور پائیدار منافع یقینی بنایا جا سکے، جس سے حصص یافتگان کی قدر میں اضافہ ہوتا ہے۔

30 جون 2026 کو ختم ہونے والے سال کے دوران طویل مدتی قرضوں اور قرض کی ادائیگی (ڈیٹ سروسنگ) کی مد میں بالترتیب 719.587 ملین روپے اور 939.525 ملین روپے کی ادائیگیاں کی گئیں۔ سال کے دوران کمپنی کی قلیل مدتی لیکویڈیٹی پوزیشن میں بہتری آئی، اور کرنٹ ریشو جون 2025 کے 1.50 کے مقابلے میں جون 2026 میں بڑھ کر 1.88 ہو گیا۔ یہ بہتری کمپنی کی مضبوط ورکنگ کیپیٹل پوزیشن اور اپنے موجودہ اثاثوں کے ذریعے قلیل مدتی ذمہ داریاں بآسانی پوری کرنے کی مسلسل صلاحیت کی عکاسی کرتی ہے۔

سرمائے کا ڈھانچہ

کمپنی قرض اور ایکویٹی کے ذریعے مالی معاونت میں متوازن حکمت عملی اپناتی ہے، تاکہ آپریشنز اور مستقبل کے ترقیاتی مواقع کے لیے مناسب فنڈنگ یقینی بنائی جا سکے۔ یہ حکمت عملی مالیاتی استحکام، محتاط رسک مینجمنٹ اور حصص یافتگان کے لیے پائیدار قدر کی تخلیق کو فروغ دیتی ہے۔

30 جون 2026 کو ختم ہونے والے مالی سال کے دوران حصص یافتگان کی ایکویٹی 11,670.920 ملین روپے رہی (2025: 10,962.155 ملین روپے)، جو کمپنی کی مالیاتی مضبوطی اور طویل مدتی استحکام کے عزم کی عکاسی کرتی ہے۔

30 جون 2026 کو ختم ہونے والے سال کے دوران کمپنی کا گیٹرننگ ریشو 1.13 سے کم ہو کر 0.76 رہ گیا، جو کم مالیاتی لیوریج کی نشاندہی کرتا ہے۔ یہ سطح معقول تصور کی جاتی ہے اور ایک مالی طور پر مستحکم کمپنی کے لیے کم خطرے کی عکاسی کرتی ہے۔

قابل تجدید توانائی کے اقدامات

اب تک کمپنی نے قابل تجدید توانائی کے اقدامات کے تحت کراچی اور پنجاب یونٹس میں تقریباً 13.67 میگاواٹ شمسی توانائی کی تنصیب کی ہے۔

کریڈٹ ریٹنگ

میسرز VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ کی جانب سے 20 مئی 2025 کو کیے گئے جائزے کی بنیاد پر ادارے کی ریٹنگ 1-A+/A (سنگل اے پلس / سنگل اے ون) پر برقرار رکھی گئی ہے، اور دی گئی ریٹنگز پر آؤٹ لک 'مستحکم' ہے۔

مالیاتی گوشوارے

چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر نے 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی گوشوارے، اپنے اپنے دستخطوں سے باقاعدہ توثیق شدہ، کمپنیز ایکٹ 2017، پاکستان اسٹاک ایکسچینج (PSX) کے لسٹنگ ریگولیشنز اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جاری کردہ ہدایات کے مطابق اجرا و تقسیم کے لیے بورڈ آف ڈائریکٹرز کے غور، منظوری اور اجازت کے لیے پیش کیے۔

کمپنی کے آڈیٹرز، مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، نے مالیاتی گوشواروں کا باقاعدہ آڈٹ کیا ہے اور 30 جون 2026 کو ختم ہونے والے سال کے مالیاتی گوشواروں پر غیر مشروط (کلین) آڈٹ رپورٹ، نیز کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 ("کوڈ") کی تعمیل کے بیان پر غیر مشروط ریویو رپورٹ جاری کی ہے۔ مالیاتی گوشوارے ان رپورٹس کے ساتھ منسلک ہیں۔

اکاؤنٹنگ معیارات

کمپنی کی اکاؤنٹنگ پالیسیاں کمپنیز ایکٹ 2017 کے تقاضوں اور اس ایکٹ کے تحت نیز سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جاری کردہ ہدایات کے ذریعے نوٹیفائی کیے گئے منظور شدہ بین الاقوامی اکاؤنٹنگ معیارات (ASI) اور بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS) کی مکمل عکاسی کرتی ہیں۔

ٹیکسٹائل سیکٹر کا منظرنامہ

عالمی اور ملکی ٹیکسٹائل صنعت بدستور ایک مشکل معاشی دور سے گزر رہی ہے، جس کی نمایاں خصوصیات منافع کے مارجن میں کمی، اجناس کی قیمتوں میں اتار چڑھاؤ اور بدلنے ہوئے ریگولیٹری فریم ورک ہیں۔

دنیا بھر میں کپاس کے زیر کاشت رقبے میں 1 فیصد کمی کے باعث عالمی کپاس کی پیداوار میں 2 فیصد کمی متوقع ہے۔ رسد میں یہ کمی خام مال کی قیمتوں میں اتار چڑھاؤ کو ہوا دے رہی ہے اور مینوفیکچرنگ سپلائی چینز کو متاثر کر رہی ہے، جس کا براہ راست اثر ان ٹیکسٹائل اور ملبوسات تیار کنندگان پر پڑے گا جو مستحکم پیداواری لاگت پر انحصار کرتے ہیں۔ درآمدی کپاس پر بھاری انحصار کے باعث اس کمی کے ہمارے لیے سنگین نتائج ہیں، کیونکہ گزشتہ دہائیوں میں ملکی کپاس کی پیداوار پہلے ہی شدید حد تک گر چکی ہے۔

مشرق وسطیٰ کا تنازع عالمی سپلائی چینز کو متاثر کر رہا ہے، جبکہ بڑے مراکز پر تاخیر سے شپنگ کے التوا میں مزید اضافہ ہو رہا ہے۔ ان مشکلات سے پاکستان کے لیے مال برداری کے اخراجات بڑھ رہے ہیں اور درآمدی کپاس اور درآمدی ٹیکسٹائل دونوں کی ترسیل میں تاخیر ہو رہی ہے۔ زیادہ خطرے والے علاقوں سے گزرنے والے کارگو پر انشورنس پریمیم میں تیزی سے اضافہ ہو رہا ہے، جس سے یورپ اور شمالی امریکہ میں پاکستان کی ٹیکسٹائل برآمدات کی مسابقت کمزور ہو رہی ہے۔

خلیجی خطے میں رکاوٹوں کے باعث توانائی کی قیمتوں میں اتار چڑھاؤ پیداواری لاگت میں نمایاں اضافہ کر رہا ہے، خصوصاً ان توانائی پر مبنی ٹیکسٹائل ملز کے لیے جو درآمدی ایندھن پر انحصار کرتی ہیں۔ یہ دوبہرا دباؤ، یعنی لاجسٹکس کی بڑھتی لاگت اور پیداواری اخراجات میں اضافہ، عالمی منڈیوں میں ترسیل کے وعدے پورے کرنے اور قیمتوں کی مسابقت برقرار رکھنے کی پاکستان کی صلاحیت کو کمزور کر رہا ہے۔

پاکستان میں کپاس کی پیداوار کی تباہی اب محض ایک زرعی مسئلہ نہیں رہی بلکہ ایک بار بار عائد ہونے والا معاشی جرمانہ بن چکی ہے۔ رپورٹس کے مطابق 2025-26 کے سیزن میں کپاس کی پیداوار 5.6 ملین گانٹھیں رہی، جو اس سال کے سیزن کے لیے مقرر کردہ سرکاری پیداواری ہدف کے مقابلے میں 45 فیصد کم ہے۔ یہ صورتحال ظاہر کرتی ہے کہ یہ بحران اب محض فصل کی پیداوار میں کمی کی داستان نہیں بلکہ ملک کی پوری کپاس ویلیو چین کی بتدریج کمزوری کی عکاسی کرتا ہے، جس میں ادارہ جاتی صلاحیت، معاشی قابل عملیت، تکنیکی ترقی اور پالیسی کی ہم آہنگی سب شامل ہیں۔

پاکستان بیورو آف شماریات (PBS) کے جاری کردہ اعداد و شمار کے مطابق جولائی تا جون 2025-26 کے دوران ملک کی ٹیکسٹائل برآمدات میں 0.26 فیصد کا معمولی اضافہ ہوا اور یہ 2024-25 کے 17.88 ارب امریکی ڈالر کے مقابلے میں 17.93 ارب امریکی ڈالر تک پہنچ گئیں۔

پاکستان کی ٹیکسٹائل برآمدات کی مسابقت مالیاتی، ساختی اور بیرونی دباؤ کے امتزاج کے باعث بتدریج محدود ہوتی جا رہی ہے۔ پیچیدہ ٹیکس نظام اور پالیسی کی غیر یقینی صورتحال، بشمول ایڈوانس ٹیکس، ٹرن اوور لیویز اور ریفرنڈز میں تاخیر، ورکنگ کیپیٹل کو منجمد کر دیتی ہے، قرض لینے کی لاگت بڑھاتی ہے اور سرمایہ کاروں کے اعتماد کو مجروح کرتی ہے۔

کپاس کی پیداوار میں کمی کے ساتھ توانائی کی بلند اور غیر مستحکم لاگت اور کمزور عالمی طلب نے ٹیکسٹائل برآمدات میں ترقی برقرار رکھنے کی پاکستان کی صلاحیت کو متاثر کیا ہے۔ ان مشکلات میں کپاس ویلیو چین کی گہری ساختی کمزوریاں مزید اضافہ کرتی ہیں، جن میں مسلسل کم فی ایکڑ پیداوار، ٹیکنالوجی کا محدود استعمال اور منتشر پالیسی فریم ورک شامل ہیں، جنہوں نے پیداواری لاگت میں اضافہ کیا ہے۔

چنانچہ عالمی سطح پر تسلیم شدہ ٹیکسٹائل مرکز ہونے کے باوجود ہمارے برآمد کنندگان بین الاقوامی منڈیوں میں ترسیل کے وعدے پورے کرنے اور قیمتوں کی مسابقت برقرار رکھنے میں مشکلات کا شکار ہیں، جس کے باعث یہ شعبہ علاقائی حریفوں کے مقابلے میں اپنی پوزیشن کھونے کے خطرے سے دوچار ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

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

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک سے متعلق بیان:

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

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ یہ مالیاتی گوشوارے کمپنی کے معاملات کی صورتحال، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کی منصفانہ عکاسی کرتے ہیں۔
- کمپنی کے کھاتوں کی باقاعدہ کتب رکھی گئی ہیں۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا تسلسل کے ساتھ اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینے معقول اور محتاط فیصلوں پر مبنی ہیں۔
- مالیاتی گوشواروں کی تیاری میں پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات کی پیروی کی گئی ہے۔
- اندرونی کنٹرول کا نظام اپنے ڈیزائن کے لحاظ سے مضبوط ہے اور اسے مؤثر طریقے سے نافذ کیا گیا ہے اور اس کی نگرانی کی جاتی ہے۔
- کمپنی کے بطور جاری ادارہ (گوئنگ کنسرن) کام جاری رکھنے کی صلاحیت پر کوئی نمایاں شبہات نہیں ہیں۔
- لسٹنگ ریگولیشنز میں بیان کردہ کارپوریٹ گورننس کے بہترین طریقوں سے کوئی قابل ذکر انحراف نہیں کیا گیا۔
- ہم نے ضابطہ اخلاق اور کاروباری حکمت عملی تیار کر کے ڈائریکٹرز اور ملازمین میں تقسیم کی ہے۔
- بورڈ آف ڈائریکٹرز نے وژن اور مشن اسٹیٹمنٹ اور مجموعی کارپوریٹ حکمت عملی کا بیان منظور کیا ہے۔
- تمام ڈائریکٹرز نے بورڈ اور جنرل اجلاسوں میں بالمشافہ یا ویڈیو کانفرنس کے ذریعے شرکت کی، سوائے اس کے کہ کسی معقول وجہ سے ایسا ممکن نہ ہوا ہو۔
- تمام ڈائریکٹرز کو ان کی مدت کے آغاز پر کوڈ آف کارپوریٹ گورننس، کمپنیز ایکٹ اور آرٹیکلز آف ایسوسی ایشن کے مطابق ان کی ذمہ داریاں، کردار، مشاہرہ، اختیارات اور فرائض تفویض کیے گئے ہیں۔
- کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 کے تقاضے کے مطابق کمپنی کے تمام ڈائریکٹرز ڈائریکٹرز ٹریننگ پروگرام (DTP) کے تحت سند یافتہ / مستثنیٰ ہیں۔

- بورڈ آف ڈائریکٹرز کی جانب سے باقاعدہ منظور شدہ اہم پالیسیوں کا مناسب اور تازہ ترین ریکارڈ موجود ہے، جن میں انسانی وسائل، وسل بلوئر، خریداری، اسٹیک ہولڈرز سے رابطے کا طریقہ کار، متعلقہ فریقین، ماحول، صحت و حفاظت، ڈائریکٹرز کا مشاہرہ، انسدادِ منی لانڈرنگ اور رسک مینجمنٹ، ماحولیاتی، سماجی و گورننس، اور ملازمین کے لیے انسدادِ ہراسانی کی پالیسیاں شامل ہیں، جنہیں کام کی جگہ پر خواتین کو ہراسانی سے تحفظ کے ایکٹ 2010 وغیرہ کے تحت مقرر کردہ طریقہ کار شامل کر کے باقاعدہ اپ ڈیٹ کیا گیا ہے۔
- کمپنی نے 17 اپریل 2024 کے سرکر نمبر 10 بابت 2024 کے تقاضے کے مطابق 30 جون 2026 کو ختم ہونے والے سال کی پائیداری رپورٹ میں صنفی تنخواہ کے فرق کا انکشاف کیا ہے۔
- کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 اور کمپنیز ایکٹ 2017 (ایکٹ) کے تقاضے کے مطابق ہم نے اس رپورٹ میں درج ذیل معلومات شامل کی ہیں:
 - حصص داری کے پیٹرن کا بیان علیحدہ سے دیا گیا ہے۔
 - ایسوسی ایٹڈ اداروں اور متعلقہ افراد کے پاس موجود حصص کا بیان۔
 - سال کے دوران منعقدہ بورڈ اجلاسوں اور سالانہ اجلاس عام اور ہر ڈائریکٹر کی حاضری کا بیان علیحدہ سے دیا گیا ہے۔
 - ایکٹ کی دفعہ 192(4) کی دفعات کے تحت چیئرمین کی جائزہ رپورٹ۔
 - کوڈ کے ریگولیشن 36 کے تحت چیئرمین کا باقاعدہ دستخط شدہ تعمیل کا بیان۔
- گزشتہ چھ سال کے کلیدی آپریشنل اور مالیاتی اعداد و شمار، ٹیکسوں اور محصولات کی معلومات کے ساتھ، منسلک آڈٹ شدہ مالیاتی گوشواروں میں مناسب طور پر ظاہر کئے گئے ہیں۔
- کمپنی لسٹڈ کمپنیز میں اندرونی معلومات کی بنیاد پر تجارت (انسائیڈر ٹریڈنگ) کی ممانعت سے متعلق ECPS کی جاری کردہ ہدایات پر سختی سے عمل کرتی ہے، اور حصص داری کے پیٹرن میں ظاہر کردہ کے سوا کمپنی کے ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری، سربراہ اندرونی آڈٹ اور ان کے شریک حیات اور نابالغ بچوں نے کمپنی کے حصص میں کوئی لین دین نہیں کیا۔

حصص داری کا پیٹرن

حصص داری کا پیٹرن اور اس سے متعلق معلومات منسلک ہیں۔

متعلقہ فریقین کے ساتھ لین دین

کمپنی متعلقہ فریقین کے ساتھ لین دین (RPT) کے لیے IAS 24 کے تحت انکشاف کے تقاضوں پر عمل کرتی ہے، اور ان کی صورتحال کمپنی کے مالیاتی گوشواروں میں مناسب طور پر ظاہر کی گئی ہے۔ مزید برآں، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ نوٹیفکیشن 2019(1) SRO 768 کے تحت ایک مضبوط پالیسی نافذ ہے، اور لین دین اور ریکارڈ کی دیکھ بھال سے متعلق ہدایات کو کمپنی کی پالیسی میں باقاعدہ شامل کیا گیا ہے۔

متعلقہ فریقین کے ساتھ لین دین کی پہلے اندرونی آڈٹ اور پھر آڈٹ کمیٹی نے باقاعدہ منظوری دی، جس کے بعد انہیں بورڈ اجلاس میں پیش کیا گیا، تاکہ یقینی بنایا جا سکے کہ کاروباری سرگرمیوں کے معمول کے دوران تمام لین دین منصفانہ بنیاد (آرمز لینتھ) پر ہوں۔

30 جون 2026 کو ختم ہونے والے رواں مالی سال کے دوران متعلقہ فریقین کے ساتھ تمام لین دین ممبران کی منظوری کے لیے کمپنی کے اجلاس عام میں پیش کیے جائیں گے۔ اسی طرح بورڈ نے 30 جون 2027 کو ختم ہونے والے مالی سال کے دوران کیے جانے والے لین دین کے لیے بھی کمپنی کے اجلاس عام میں ممبران کی منظوری حاصل کرنے کا فیصلہ کیا ہے، اور انہیں باقاعدہ توثیق / منظوری کے لیے آئندہ سالانہ اجلاس عام میں حصص یافتگان کے سامنے پیش کیا جائے گا۔

بورڈ کی کارکردگی کا جائزہ

کوڈ آف کارپوریٹ گورننس کے ریگولیشن 10(3)(v) کے مطابق کمپنی ایک منظم اندرونی جائزہ عمل کے ذریعے بورڈ، اس کی کمیٹیوں اور انفرادی ڈائریکٹرز کی سالانہ کارکردگی کا جائزہ لیتی ہے۔ یہ جائزہ بورڈ کی نگرانی اور گورننس کے طریقوں کی تاثیر کے بارے میں قیمتی بصیرت فراہم کرتا ہے، مسلسل بہتری کے مواقع کی نشاندہی کرتا ہے اور ڈائریکٹرز کے درمیان تعمیری روابط کو فروغ دیتا ہے۔

یہ عمل بورڈ کو مزید ترغیب دیتا ہے کہ وہ اپنے اراکین کی متنوع مہارت، تجربے اور نقطہ نظر سے استفادہ کرتے ہوئے بورڈ کی مجموعی تاثیر میں اضافہ کرے اور کمپنی کے اسٹریٹجک مقاصد کے حصول میں معاونت کرے۔

بورڈ کی تشکیل

کوڈ کے ریگولیشن 34 کے تقاضے کے مطابق دس (10) ڈائریکٹرز پر مشتمل بورڈ کی تشکیل درج ذیل ہے:

نمبر	زمرہ	جنس		کل
		مرد	خواتین	
(i)	خودمختار ڈائریکٹرز	3	0	3
(ii)	ایگزیکٹو ڈائریکٹرز	2	0	2
(iii)	نان ایگزیکٹو ڈائریکٹرز	4	1	5

بورڈ اور آڈٹ کمیٹی کے اجلاس

- کوڈ کے ریگولیشن 10(6) کے تحت اجلاس میں شرکت کے اہل تمام ڈائریکٹرز نے کمپنی کے اجلاس عام میں بالمشافہ / ورجوئل طور پر شرکت کی، سوائے اس کے کہ کسی معقول وجہ سے ایسا ممکن نہ ہوا ہو۔

- 2025-26 کے دوران بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی اور ہیومن ریسورس اینڈ ریمونریشن کمیٹی کے منعقدہ اجلاسوں اور ان میں حاضری کی تعداد درج ذیل ہے:

نم بر	ڈائریکٹرز کے نام	بورڈ آف ڈائریکٹرز		آڈٹ		کمیٹیاں	
		شرکت کے اہل		شرکت کی		ہیومن ریسورس اینڈ ریمونریشن	
		شرکت کے اہل	شرکت کی	شرکت کے اہل	شرکت کی	شرکت کے اہل	شرکت کی
1.	جناب محمد سلیم	5	5	-	-	-	-
2.	جناب محمد شاہین	5	5	-	-	-	-
3.	جناب خرم سلیم	5	5	-	-	-	-
4.	جناب بلال شریف	5	5	6	6	-	-
5.	جناب محمد امین	5	5	-	-	1	1
6.	جناب حمزہ شکیل	5	5	6	6	1	1
7.	جناب توقیر احمد شیخ	5	5	6	6	1	1
8.	جناب آصف الہی	5	5	-	-	-	-
9.	جناب مصطفیٰ تنویر	5	5	-	-	-	-
10.	محترمہ صبا یوسف	5	5	-	-	-	-

آڈٹ کمیٹی

نمبر	نام	عہدہ	زمرہ
i	توقیر احمد شیخ	چیئرمین	خودمختار ڈائریکٹر
ii	حمزہ شکیل	رکن	نان ایگزیکٹو ڈائریکٹر
iii	بلال شریف	رکن	نان ایگزیکٹو ڈائریکٹر

آڈٹ کمیٹی ("AC") تین اراکین پر مشتمل ہے، جن میں بطور چیئرمین خدمات انجام دینے والا ایک خودمختار ڈائریکٹر اور دو نان ایگزیکٹو ڈائریکٹرز شامل ہیں۔ کمیٹی بورڈ کی منظور شدہ ٹرمز آف ریفرنس کے تحت کام کرتی ہے اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے ریگولیشن 27 کے مطابق اپنی ذمہ داریاں انجام دیتی ہے۔

ریگولیشن 27(1)(iii) کی تعمیل میں کمیٹی میں مطلوبہ مالیاتی خواندگی اور مہارت رکھنے والا ایک رکن شامل ہے۔ آڈٹ کمیٹی نے سال بھر باقاعدگی سے اجلاس منعقد کیے تاکہ سہ ماہی، ششماہی اور سالانہ مالیاتی گوشواروں کا بورڈ کو منظوری کے لیے پیش کیے جانے سے قبل جائزہ لیا جا سکے۔ ریگولیشن 27(2) کے مطابق کمیٹی نے چیف فنانشل آفیسر کی غیر موجودگی میں بیرونی آڈیٹرز کے ساتھ ایک علیحدہ اجلاس، اور چیف فنانشل آفیسر اور بیرونی آڈیٹرز کی غیر موجودگی میں اندرونی آڈیٹرز کے ساتھ ایک علیحدہ اجلاس بھی منعقد کیا۔

آڈٹ کمیٹی کمپنی کے مالیاتی رپورٹنگ کے عمل، اندرونی کنٹرول کے فریم ورک اور قابل اطلاق قوانین، ضوابط اور رپورٹنگ معیارات کی تعمیل کی آزادانہ نگرانی کرتی ہے۔ اپنی ذمہ داریوں کی انجام دہی میں کمیٹی انتظامیہ، اندرونی آڈیٹرز اور بیرونی آڈیٹرز کے ساتھ قریبی تعاون کرتی ہے تاکہ اندرونی کنٹرولز، اکاؤنٹنگ پالیسیوں، رسک مینجمنٹ کے طریقوں اور گورننس کے عمل کی موزونیت اور تاثیر کا جائزہ لیا جا سکے۔

کمیٹی کمپنی کے فراڈ رسک مینجمنٹ فریم ورک کی بھی نگرانی کرتی ہے اور اس بات کو یقینی بناتی ہے کہ مالیاتی گوشواروں میں دھوکہ دہی، اثاثوں کے غلط استعمال اور غیر اخلاقی طرز عمل کی روک تھام، نشاندہی اور تدارک کے لیے مناسب پالیسیاں، طریقہ کار اور کنٹرولز موجود ہوں۔ مزید برآں، یہ دیانت داری اور جوابدہی کی ثقافت کو فروغ دیتی ہے، اہم تعمیلی معاملات کی نگرانی کرتی ہے اور تحقیقات، اصلاحی اقدامات اور کمپنی کے کنٹرول ماحول اور مجموعی گورننس فریم ورک سے متعلق دیگر امور سے باخبر رہتی ہے۔

ہیومن ریسورس اینڈ ریمونریشن کمیٹی

نمبر	نام	عہدہ	زمرہ
i	توقیر احمد شیخ	چیئرمین	خودمختار ڈائریکٹر
ii	محمد امین	رکن	نان ایگزیکٹو ڈائریکٹر
iii	حمزہ شکیل	رکن	نان ایگزیکٹو ڈائریکٹر

ہیومن ریسورس اینڈ ریمونریشن کمیٹی تین نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے، جن میں بطور چیئرمین خدمات انجام دینے والا ایک خودمختار ڈائریکٹر بھی شامل ہے۔ کمیٹی کمپنی کے انسانی سرمائے کے انتظام کے فریم ورک کی نگرانی میں بورڈ

کی معاونت کرتی ہے اور چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر اور کمپنی سیکرٹری کی تقرری، کارکردگی کے جائزے، مشاہیرے، مراعات اور جانشینی کی منصوبہ بندی سے متعلق اہم امور پر سفارشات پیش کرتی ہے۔

اس کے علاوہ کمیٹی پورے ادارے میں ٹیلنٹ کے حصول، قیادت کی نشوونما، ملازمین کی تربیت، کارکردگی کے انتظام اور جانشینی کی منصوبہ بندی سے متعلق پالیسیوں اور طریقوں کا جائزہ لیتی اور ان پر مشورہ دیتی ہے۔ اپنے نگرانی کے کردار کے ذریعے کمیٹی اس بات کو یقینی بنانے کی کوشش کرتی ہے کہ کمپنی کے مشاہیرے اور انسانی وسائل کے طریقے اس کے اسٹریٹجک مقاصد سے ہم آہنگ ہوں، انسانی سرمائے کے مؤثر استعمال کو فروغ دیں اور پائیدار ادارہ جاتی کارکردگی اور مضبوط کارپوریٹ گورننس میں معاون ہوں۔

پائیداری کمیٹی - SC

نمبر	نام	عہدہ	زمرہ
i	آصف الہی	چیئرمین	خودمختار ڈائریکٹر
ii	محمد امین	رکن	نان ایگزیکٹو ڈائریکٹر
iii	بلال شریف	رکن	نان ایگزیکٹو ڈائریکٹر

پائیداری کمیٹی تین نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے، جن میں بطور چیئرمین خدمات انجام دینے والا ایک خودمختار ڈائریکٹر شامل ہے۔ یہ کمیٹی ادارے کے اندر ایک مخصوص گورننس باڈی کے طور پر قائم کی گئی ہے، جس کا کام ماحولیاتی، سماجی اور گورننس (ESG) ترجیحات کو کارپوریٹ حکمت عملی اور آپریشنز کا حصہ بنانا ہے۔

اس کا کردار اس بات کو یقینی بنانا ہے کہ پائیداری کو ایک ثانوی اقدام کے طور پر نہ لیا جائے بلکہ ہر سطح پر فیصلہ سازی میں شامل کیا جائے۔ یہ ESG خطرات کی فعال نگرانی، واضح اسٹریٹجک مقاصد کے تعین اور طریقہ کار کو بدلتے ہوئے ریگولیٹری تعمیلی فریم ورک سے ہم آہنگ کر کے یہ کردار ادا کرتی ہے۔

کمیٹی طویل مدتی لچک کے تحفظ کی ذمہ دار ہے تاکہ سرمایہ کاروں کا اعتماد مضبوط ہو، اسٹیک ہولڈرز کے سامنے جوابدہی میں اضافہ ہو اور ادارہ عالمی منڈیوں میں مسابقت برقرار رکھتے ہوئے موسمیاتی، سماجی اور گورننس سے متعلق چیلنجز سے مؤثر طور پر نمٹنے کے قابل ہو۔

کارپوریٹ سماجی ذمہ داری کی پالیسی - CSR

کمپنی اپنا کاروبار سماجی طور پر ذمہ دارانہ اور پائیدار انداز میں چلانے کے لیے پُر عزم ہے۔ اپنی کارپوریٹ سماجی ذمہ داری (CSR) پالیسی کے ذریعے کمپنی ان برادریوں کی سماجی، معاشی اور ماحولیاتی بہبود میں حصہ ڈال کر اسٹیک ہولڈرز کے لیے مثبت اور دیرپا قدر پیدا کرنا چاہتی ہے جن میں وہ کام کرتی ہے۔

یہ پالیسی تعلیم، صحت، کمیونٹی کی ترقی، ماحولیاتی پائیداری، ملازمین کی بہبود اور خیراتی سرگرمیوں جیسے شعبوں میں اقدامات کے لیے ایک فریم ورک فراہم کرتی ہے۔

بورڈ اور انتظامیہ اس بات کو یقینی بنانے کے لیے پُر عزم ہیں کہ CSR کے پہلوؤں کو کمپنی کے کاروباری طریقوں میں شامل کیا جائے، جو اخلاقی طرز عمل، ذمہ دار کارپوریٹ شہریت اور پائیدار ترقی کے ساتھ اس کی وابستگی کی عکاسی کرتا ہے اور معاشرے اور حصص یافتگان کے لیے طویل مدتی قدر کی تخلیق کو فروغ دیتا ہے۔

کمپنی اپنے CSR اقدامات کے ذریعے پسماندہ طبقات کی فلاح و بہبود میں معاونت کے لیے پُر عزم ہے۔ اس عزم کے تحت کراچی میں ان افراد کے لیے مفت طبی مشاورت اور صحت کی خدمات فراہم کی جاتی ہیں جنہیں بنیادی طبی سہولیات تک محدود رسائی حاصل ہے۔ یہ اقدام کمیونٹی کی بہبود اور ذمہ دار کارپوریٹ شہریت کے ساتھ کمپنی کی لگن کو اجاگر کرتا ہے۔

صحت، حفاظت اور ماحولیات کی پالیسی - HSE

کمپنی اپنی صحت، حفاظت اور ماحولیات (HSE) پالیسی کے مؤثر نفاذ کے ذریعے ایک محفوظ، صحت مند اور ماحول دوست کام کی جگہ برقرار رکھنے کے لیے پُر عزم ہے۔ اس پالیسی کا مقصد ان خطرات کی نشاندہی اور تخفیف ہے جو ملازمین، برادریوں اور ماحول کو متاثر کر سکتے ہیں۔

ملازمین کی بہبود کے لیے کمپنی اپنے ملازمین کے لیے گروپ لائف انشورنس پالیسی برقرار رکھتی ہے اور اہل انتظامی عملے کو طبی سہولت فراہم کرتی ہے۔ ماحولیاتی نگہداشت ایک کلیدی ترجیح ہے، جس میں آلودگی کی روک تھام، وسائل کے تحفظ، پانی کے معیار اور ماحولیاتی تحفظ پر توجہ دی جاتی ہے۔ کمپنی پائیدار آپریشنز اور طویل مدتی قدر کی تخلیق کے لیے اپنے HSE طریقوں کو مسلسل مضبوط بنا رہی ہے۔

پائیداری رپورٹ (ماحولیاتی، سماجی اور گورننس - ESG)

IFRS S1، IFRS S2 اور SECP کی ESG ہدایات کے مطابق تیار کردہ پائیداری رپورٹ کمپنی کی سالانہ رپورٹ میں شامل ہے۔

پائیداری سے متعلق خطرات سے نمٹنا

کمپنی تسلیم کرتی ہے کہ پائیداری سے متعلق خطرات کا مؤثر انتظام طویل مدتی کاروباری لچک اور قدر کی تخلیق کے لیے ناگزیر ہے۔ اپنے رسک مینجمنٹ فریم ورک کے تحت کمپنی ان ماحولیاتی، سماجی اور گورننس (SGE) عوامل کا مسلسل جائزہ اور نگرانی کرتی ہے جو اس کے آپریشنز، ساکھ اور اسٹریٹجک مقاصد پر اثر انداز ہو سکتے ہیں۔

ابھرتے ہوئے خطرات سے نمٹنے، آپریشنل استعداد میں اضافے اور قابلِ اطلاق ریگولیٹری تقاضوں کی تعمیل یقینی بنانے کے لیے مناسب پالیسیاں، کنٹرولز اور تخفیفی اقدامات نافذ کیے جاتے ہیں۔ کمپنی ذمہ دارانہ کاروباری طریقوں، وسائل کے محتاط استعمال اور اسٹیک ہولڈرز سے روابط کے لیے پُر عزم ہے اور اپنے تمام آپریشنز میں پائیداری کی ثقافت کو فروغ دیتی ہے۔ فعال رسک مینجمنٹ اور مسلسل بہتری کے اقدامات کے ذریعے کمپنی اپنی طویل مدتی پائیداری کو مضبوط بنانے اور تمام اسٹیک ہولڈرز کے مفاد میں پائیدار ترقی کی معاونت کی کوشش کرتی ہے۔

کمپنی کے پائیداری کے اقدامات، خطرات، گورننس کے طریقوں اور کارکردگی کا جامع جائزہ سالانہ رپورٹ میں منسلک پائیداری رپورٹ میں فراہم کیا گیا ہے۔

تنوع، مساوات اور شمولیت کی معاونت - DEI

کمپنی کام کی جگہ پر ایسی ثقافت کو فروغ دینے کے لیے پُر عزم ہے جو تنوع کی قدر کرے، مساوات کو فروغ دے اور شمولیت کو پائیدار کاروباری کامیابی کے کلیدی محرکات کے طور پر اپنائے۔ کمپنی تمام افراد کو ملازمت کے یکساں مواقع فراہم کرتی ہے اور جنس، عمر، نسل، مذہب، معذوری یا دیگر محفوظ خصوصیات کی بنیاد پر کسی امتیاز کے بغیر میرٹ، قابلیت، کارکردگی اور کاروباری ضروریات کی بنیاد پر ملازمت سے متعلق فیصلے کرتی ہے۔

کمپنی ایسا کام کا ماحول برقرار رکھنے کی کوشش کرتی ہے جو انفرادی اختلافات کا احترام کرے، باہمی تعاون کی حوصلہ افزائی کرے اور باہمی احترام اور پیشہ ورانہ ترقی کو فروغ دے۔ منصفانہ بھرتی، تربیت، کارکردگی کے انتظام اور کیریئر میں ترقی کے طریقوں کے ذریعے کمپنی ایک متنوع اور باصلاحیت افرادی قوت کو راغب کرنے، اس کی نشوونما کرنے اور اسے برقرار رکھنے کی کوشش کرتی ہے۔

بورڈ اور انتظامیہ ایک ایسی جامع ثقافت کی تشکیل کے لیے پُر عزم ہیں جہاں ملازمین خود کو قابلِ قدر اور بااختیار محسوس کریں اور اپنے منفرد نقطہ نظر سے حصہ ڈال سکیں۔ یہ عزم ملازمین کی وابستگی میں اضافہ کرتا ہے، ادارہ جاتی تاثیر کو مضبوط بناتا ہے، جدت کی معاونت کرتا ہے اور کمپنی کی طویل مدتی ترقی اور قدر کی تخلیق کے مقاصد میں کردار ادا کرتا ہے۔

کمپنی DEI کی حوصلہ افزائی کس طرح کرتی ہے، اس کا جامع جائزہ سالانہ رپورٹ میں منسلک پائیداری رپورٹ میں دیا گیا ہے۔

ڈائریکٹرز کے مشاہرے کی پالیسی

کمپنی کی ڈائریکٹرز کے مشاہرے کی پالیسی منصفانہ، مسابقتی اور کارکردگی پر مبنی مشاہرہ فراہم کرنے کے لیے وضع کی گئی ہے، جو ڈائریکٹرز کے مفادات کو حصص یافتگان اور دیگر اسٹیک ہولڈرز کے مفادات سے ہم آہنگ کرتا ہے۔ اس پالیسی کا مقصد مطلوبہ مہارت، تجربہ اور قابلیت رکھنے والے افراد کو راغب کرنا، ان کی حوصلہ افزائی کرنا اور انہیں برقرار رکھنا ہے، اور ساتھ ہی یہ یقینی بنانا ہے کہ مشاہرہ اسٹریٹجک مقاصد کے حصول اور پائیدار طویل مدتی قدر کی تخلیق سے منسلک ہو۔

مشاہرے کا فریم ورک انفرادی کارکردگی اور کردار کا مناسب صلہ دینے کے ساتھ جوابدہی، درست فیصلہ سازی اور محتاط رسک مینجمنٹ کو فروغ دیتا ہے۔ یہ پالیسی کمپنی کی طویل مدتی کامیابی کی معاونت اور ایسے حد سے زیادہ خطرات مول لینے کی حوصلہ شکنی کے لیے ترتیب دی گئی ہے جو کمپنی کی کاروباری حکمت عملی، خطرہ قبول کرنے کی حد اور گورننس کے معیارات سے مطابقت نہ رکھتے ہوں۔

یہ پالیسی ہیومن ریسورس اینڈ ریمونریشن کمیٹی ("HRRC") کی سفارشات کی بنیاد پر وضع کی گئی ہے اور کمپنیز ایکٹ، 2017، کمپنی کے آرٹیکلز آف ایسوسی ایشن اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی دفعات کے مطابق بورڈ سے منظور شدہ ہے۔

ایگزیکٹو ڈائریکٹرز HRRC کی سفارش اور بورڈ کی منظوری کے مطابق مقررہ ماہانہ مشاہرہ اور دیگر مراعات حاصل کرنے کے حقدار ہیں۔ جہاں قابلِ اطلاق قوانین اور ریگولیٹری تقاضوں کے تحت ضروری ہو، ایسے مشاہرے کے انتظامات اجلاس عام میں حصص یافتگان کی منظوری کے لیے پیش کیے جاتے ہیں۔

ایکٹ کی دفعہ 227(1)(a) کی پیروی میں، رواں مالی سال کے دوران کمپنی کے ڈائریکٹرز کو درج ذیل مشاہرہ ادا کیا گیا، جیسا کہ مالیاتی گوشواروں کے نوٹس میں ظاہر کیا گیا ہے:

(a) جناب خرم سلیم (چیف ایگزیکٹو آفیسر) - 800,000 روپے ماہانہ۔

(b) جناب محمد سلیم (ایگزیکٹو ڈائریکٹر) - 1,000,000 روپے ماہانہ۔

اس کے علاوہ مذکورہ بالا ڈائریکٹرز کی دیگر ضمنی مراعات میں ایندھن کے ساتھ کمپنی کی فراہم کردہ گاڑی، کاروباری سفر اور مواصلات کے اخراجات شامل ہیں۔

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

قانونی آڈیٹرز

موجودہ آڈیٹرز میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، 27 اکتوبر 2026 کو منعقد ہونے والے سالانہ اجلاس عام کے اختتام پر سبکدوش ہو جائیں گے، تاہم اہل ہونے کی بنا پر انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ آڈٹ کمیٹی نے 30 جون 2027 کو ختم ہونے والے سال کے لیے میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو بیرونی آڈیٹر مقرر کرنے کی تجویز دی ہے۔ بیرونی آڈیٹر میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کے کوالٹی کنٹرول ریویو پروگرام کے تحت تسلی بخش ریٹنگ دی گئی ہے۔ فرم اور اس کے تمام شراکت دار انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کی جانب سے اختیار کردہ انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس کی ضابطہ اخلاق سے متعلق ہدایات کی مکمل تعمیل کرتے ہیں، اور SECP ایکٹ، 1997 کی دفعہ 136 کے تحت آڈٹ اور سائٹ بورڈ کے ساتھ رجسٹرڈ ہیں۔

قانونی آڈیٹرز نے نہ تو فیصلہ سازی، اندرونی آڈٹ یا انتظامی امور میں سے کوئی کام انجام دیا اور نہ ہی ان کا کمپنی کے کسی ڈائریکٹر یا ایگزیکٹو کے ساتھ کسی قسم کا تعلق ہے۔ انگیجمنٹ پارٹنرز کو ہر پانچ سال کی تکمیل کے بعد تبدیل کیا گیا۔

بورڈ آف ڈائریکٹرز نے بھی 30 جون 2027 کو ختم ہونے والے سال کے لیے میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی بطور بیرونی آڈیٹر تقرری کی سفارش کی ہے، اور کوڈ کے ریگولیشن 32(3) کے تحت آڈٹ کمیٹی کی جانب سے بورڈ کو کی گئی سفارش کے مطابق سال 2026-27 کے لیے آڈیٹرز کا مشاہرہ 2,600,000 روپے (سال 2025-26: 2,600,000 روپے) مقرر کیا گیا ہے۔ ان ذمہ داریوں میں قانونی آڈٹ، ششماہی جائزہ اور کوڈ آف کارپوریٹ گورننس کا جائزہ شامل ہیں۔

اہم تبدیلیاں اور وعدے

کمپنی کے مالی سال کے اختتام، جس سے بیلنس شیٹ متعلق ہے، اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان کمپنی کی مالیاتی پوزیشن کو متاثر کرنے والی کوئی اہم تبدیلی یا وعدہ رونما نہیں ہوا۔

اظہارِ تشکر

میں گورننگ بورڈ، معزز حصص یافتگان، قابلِ قدر صارفین، قرض دہندگان، سپلائرز اور تمام اسٹیک ہولڈرز کا ان کی مسلسل حوصلہ افزائی، اعتماد اور غیر متزلزل تعاون پر تہ دل سے شکریہ ادا کرتا ہوں۔ میں ادارے کی خدمت اور اس کی کامیابی میں بامعنی کردار ادا کرنے پر ہر ملازم کی لگن، ثابت قدمی اور محنت کو بھی دل کی گہرائیوں سے سراہتا ہوں۔

منجانب و برائے بورڈ



خرم سلیم
(چیف ایگزیکٹو آفیسر)



محمد سلیم
(ڈائریکٹر)

کراچی: 29 ستمبر 2026

Bhanero Textile Mills Ltd

Shareholder 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 47th Annual General Meeting of the Company to be held on Tuesday, 27th October 2026 at 03:00 pm at Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. and/or at any adjournment thereof.

To be signed by the above-named shareholder and affix Rs.5 revenue stamp.



As witness my / our hand / on this _____ day of _____ 2026.

Signature of witness: _____

Name of the witness: _____

CNIC/ PP of the witness: _____

Address of the witness: _____

Notes:

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

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



BHANERO TEXTILE MILLS LIMITED

BALLOT PAPER FOR VOTING THROUGH POST

Ballot Paper for the Special Businesses at the Annual General Meeting to be held on Tuesday, 27th October, 2026 at **03:00 pm** at the Registered Office of the Company located at Umer House, 23/1, Sector 23, SM Farooq Road, Korangi Industrial Area, 74900, Karachi.

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

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

Email Address: **btm.corporate@umergroup.com**

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

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

Nature and Description of Resolutions	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
Agenda A(i) <i>“Resolved That Related Parties Transactions carried out during the year as disclosed in the financial statements for the year ended June 30, 2026, be and are hereby ratified, approved and confirmed.”</i>		

Agenda A(ii) <i>“Resolved That the Board of Directors of the Company be and are hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis during the financial year ending June 30, 2027.</i> <i>Further Resolved That that transactions approved by Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next general meeting for their formal ratification/approval.”</i>		
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Notes:

1. Duly filled postal ballot should be sent to the Chairman of **Bhanero Textile Mills Ltd** at above-mentioned postal or email address.
2. Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Postal ballot forms should reach the Chairman of the meeting within business hours on or before 26th October, 2026. Any postal ballot received after this date, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC/ Passport (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.
6. This postal Poll paper is also available for download from the website at <https://www.umergroup.com> Shareholders may download the ballot paper from website or use the same ballot paper published in newspapers.

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

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

Place: _____

Dated: _____