



of Companies

FIRST QUARTERLY ACCOUNTS
2012 - 2013
(UN - AUDITED)

UMER GROUP OF COMPANIES

BHANERO TEXTILE MILLS LIMITED



BHANERO TEXTILE MILLS LIMITED

DIRECTORS REVIEW

On behalf of the board of directors of **Bhanero Textiles Mills Limited**, I am pleased to present, the un-audited condensed interim financial statements for First Quarter ended 30th September 2012.

Operating Results

During the first quarter ended 30th September 2012, the company's profit after tax came to PKR 71.885 million as compared to PKR 50.417 million for the quarter ended 30th September 2011.

The earning per share (EPS) for the first quarter ended 30th September 2012 is PKR 23.96 (30th September 2011: PKR 16.81).

The company's financial position continues to remain robust reflecting good fundamentals supported by strong capital and revenue reserves. Break up value of shares is PKR 830.74 as at September 30, 2012 (June 30, 2012 PKR 806.78).

Future Outlook

Currently the price of cotton in local market is stable. The direction of cotton prices will be determined in November and December when the buying of cotton will be at peak. China and India is expecting a lower cotton crop during the current season as compared to previous year. Pakistan cotton production is estimated at 15.5 million bales. Based on above the prices of cotton is expected to be stable in subsequent quarter.

The reduction in discount rate by State Bank of Pakistan to 10% is appreciated. The State Bank of Pakistan should consider a further reduction in discount rate and it should be brought in single digit.

Interrupted power supply has significantly affected production efficiencies and resulted increases in per unit production cost. Plan of gas load shedding has been prepared by Energy Management Cell for winter season. Six hours a day gas load shedding has been finalized for textile industries. In the absence of gas supply, we have to operate machineries through power generation based on furnace oil. Generation of power based on furnace oil has resulted in extra fuel and power cost which have to be borne by the company.

In the present scenario the results are depend on the direction of cotton prices and recovery of world economic recession. Management expects favourable results in coming quarters unless there is any unusual event happens.

Acknowledgement

Yours directors record with appreciation, the efforts of the company's managers, technicians and workers who have worked vigorously to meet the target. Yours directors also extend their appreciation to the company's banker, buyers and suppliers for the cooperation extended by them.

On behalf of the Board
KHURRAM SALIM
Chief Executive / Director

Karachi: 24th October , 2012



BHANERO TEXTILE MILLS LIMITED

**Condensed Interim Balance Sheet (Un-Audited)
As At September 30, 2012**

	30 th September, 2012 Note	30 th June, 2012 Rupees
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital		
6,000,000 (2012: 6,000,000) ordinary shares of Rs.10 each	<u>60,000,000</u>	<u>60,000,000</u>
Issued, subscribed and paid up capital	<u>30,000,000</u>	30,000,000
Reserves	<u>2,300,000,000</u>	2,300,000,000
Unappropriated profit	<u>162,226,494</u>	90,340,988
	<u>2,492,226,494</u>	2,420,340,988
NON CURRENT LIABILITIES		
Liabilities against assets subject to finance lease	<u>1,057,678</u>	1,681,992
Deferred liabilities	<u>170,010,404</u>	165,341,045
	<u>171,068,082</u>	167,023,037
CURRENT LIABILITIES		
Trade and other payables	<u>427,996,728</u>	337,281,505
Mark-up accrued on loans and other payables	<u>3,566,643</u>	4,666,326
Short term borrowings - secured	<u>395,555,208</u>	696,500,000
Current portion of long term borrowings	<u>4,474,869</u>	5,042,375
	<u>831,593,448</u>	1,043,490,206
CONTINGENCIES AND COMMITMENTS	3	-
	<u>3,494,888,024</u>	<u>3,630,854,231</u>

The annexed notes form an integral part of these financial statements.

Karachi: 24th October , 2012


KHURRAM SALIM
Chief Executive



BHANERO TEXTILE MILLS LIMITED

**Condensed Interim Balance Sheet (Un-Audited)
As At September 30, 2012**

	Note	30 th September, 2012 Rupees	30 th June, 2012 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	1,492,535,421	1,530,549,070
Capital work in progress	5	121,526,205	118,105,858
Long term investments		300,000	300,000
Long term deposit		11,340,096	11,340,096
		1,625,701,722	1,660,295,024
CURRENT ASSETS			
Stores, spares and loose tools		68,782,494	50,432,501
Stock in trade		1,158,077,770	1,372,934,426
Trade debts		350,907,214	381,348,469
Loans and advances		45,197,086	21,840,911
Trade deposits and short term prepayments		20,271,290	20,878,144
Other receivables		979,883	1,462,916
Income tax refundable		34,984,736	39,093,353
Sales tax refundable		44,766,566	49,814,973
Cash and bank balances		145,219,263	32,753,514
		1,869,186,302	1,970,559,207
		3,494,888,024	3,630,854,231

MOHAMMAD SHAKEEL
Director



BHANERO TEXTILE MILLS LIMITED

**Condensed Interim Profit and Loss Account (Un-Audited)
For The First Quarter Ended 30th September, 2012**

	30 th September, 2012 Rupees	30 th September, 2011 Rupees
Sales	1,677,288,406	1,466,193,646
Cost of goods sold	(1,495,945,677)	(1,302,653,254)
Gross profit	181,342,729	163,540,392
Other operating income	1,649,397	1,373,978
	182,992,126	164,914,370
Distribution cost	(44,530,339)	(35,840,377)
Administrative expenses	(25,022,924)	(21,684,554)
Other operating expenses	(3,010,148)	(3,927,465)
Finance cost	(22,122,772)	(38,439,689)
	(94,686,183)	(99,892,085)
Profit before tax	88,305,943	65,022,285
Provision for taxation	(16,420,437)	(14,604,809)
Profit after tax	71,885,506	50,417,476
Earnings per share - basic and diluted	23.96	16.81

The annexed notes form an integral part of these financial statements.

KHURRAM SALIM
Chief Executive

MOHAMMAD SHAKEEL
Director

Karachi: 24th October , 2012



BHANERO TEXTILE MILLS LIMITED

**Condensed Interim Cash Flow Statement
For The First Quarter Ended 30th September, 2012**

	30 th September, 2012	30 th September, 2011
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	88,305,943	65,022,285
Adjustments for:		
Depreciation on property, plant and equipment	38,250,000	36,780,000
Provision for employees' benefits	7,275,000	7,470,000
Infrastructure fee	514,584	439,521
(Gain) on disposal of property, plant and equipment	549,038	-
Finance cost	22,122,772	38,439,689
Operating cash flows before changes in working capital (Increase)/decrease in current assets	155,919,261	148,151,495
Inventories	196,506,663	498,213,285
Trade debts	30,441,255	56,642,642
Loans and advances	(23,356,175)	(8,483,848)
Trade deposits	606,854	(11,310,608)
Other receivables	483,033	(652,037)
Sales tax refundable	5,048,407	6,588,213
	209,730,037	540,997,647
Increase in trade and other payables	90,715,223	(4,572,428)
Cash generated by operations	456,364,521	684,576,714
Finance cost paid	(23,222,455)	(40,346,711)
Employees' benefits paid	(3,120,225)	(2,229,467)
Income taxes paid	(12,311,820)	(11,730,667)
	(38,654,500)	(54,306,845)
Net cash generated from operating activities	417,710,021	630,269,869
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	1,200,000	-
Purchase of property, plant and equipment	(4,307,660)	(47,815,153)
Net cash used in investing activities	(3,107,660)	(47,815,153)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of long term financing	-	(62,145,737)
Payment of liability against assets subject to finance lease	(1,191,820)	(2,182,277)
Short term bank borrowings	(300,944,792)	(475,738,787)
Net cash from financing activities	(302,136,612)	(540,066,801)
Net increase / (decrease) in cash and cash equivalents	112,465,749	42,387,915
Cash and cash equivalents at the beginning of the year	32,753,514	53,236,681
Cash and cash equivalents at the end of period	145,219,263	95,624,596

The annexed notes form an integral part of these financial statements.

KHURRAM SALIM
Chief Executive

MOHAMMAD SHAKEEL
Director

Karachi: 24th October, 2012



of Companies

BHANERO TEXTILE MILLS LIMITED

**Condensed Interim Statement of Changes in Equity (Un-Audited)
For The First Quarter Ended 30th September, 2012**

	Share capital	General reserve	Available for sale financial assets	Unappropriated profits	Total
Rupees					
Balance as at June 30, 2011	30,000,000	2,000,000,000	-	173,752,076	2,203,752,076
Profit for the quarter ended 30 September, 2011.	-	-	-	50,417,476	50,417,476
Balance as at September 30, 2011	30,000,000	2,000,000,000	-	224,169,552	2,254,169,552
Profit for the remaining period ended 30 th June 2012	-	-	-	256,071,436	256,071,436
Transfer of loss at fair value of available for sale financial assets	-	-	(300,000)	300,000	-
Transfer to general reserve	-	300,200,000	-	(300,200,000)	-
Other comprehensive income for the year ended 30 th June 2012	-	-	100,000	-	100,000
Final dividend paid for the year ended June 30, 2011 at the rate of PKR 30.00 per share	-	-	-	(90,000,000)	(90,000,000)
Balance as at June 30, 2012	30,000,000	2,300,200,000	(200,000)	90,340,988	2,420,340,988
Profit for the quarter ended September 30, 2012.	-	-	-	71,885,506	71,885,506
Balance as at September 30, 2012	30,000,000	2,300,200,000	(200,000)	162,226,494	2,492,226,494

The annexed notes form an integral part of these financial statements.

KHURRAM SALIM
Chief Executive

MOHAMMAD SHAKEEL
Director

Karachi: 24th October , 2012



BHANERO TEXTILE MILLS LIMITED

**Condensed Interim Statement of Comprehensive Income
For The First Quarter Ended 30th September, 2012**

	30 th September, 2012 Rupees	30 th September, 2011 Rupees
Profit for the quarter after taxation	71,885,506	50,417,476
Other comprehensive income	-	-
Total comprehensive Income for the quarter	<u>71,885,506</u>	<u>50,417,476</u>

The annexed notes form an integral part of these financial statements

KHURRAM SALIM
Chief Executive

MOHAMMAD SHAKEEL
Director

Karachi: 24th October , 2012



BHANERO TEXTILE MILLS LIMITED

**Condensed Interim Notes To Financial Statement (Un-audited)
For The First Quarter Ended 30th September, 2012**

1 NATURE AND SCOPE OF THE BUSINESS

The company was incorporated in Pakistan as a Public limited company on March 30, 1980. Its shares are quoted on the Karachi, Lahore and Islamabad Stock Exchanges. The company is principally engaged in manufacturing and sale of yarn and fabrics. The registered office is located at Umer House, 23/1, Sector 23, S.M Farooq Road, Korangi Industrial Area, Karachi.

2 ACCOUNTING POLICIES

All accounting policies adopted for the preparation of these quarterly accounts are the same as applied in preparation of the preceding annual published accounts of the company for the year ended June 30, 2012.

3 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There is no material change in contingencies and commitments as disclosed in annual financial statements for the year ended June 30, 2012.

	September 30, 2012 Rupees	June 30, 2012 Rupees
4 ACQUISITION AND DISPOSAL OF FIXED ASSETS		
Written down value of asset - opening	1,530,549,070	1,534,156,375
Addition during the period	887,313	147,914,883
Disposal during the period - written down value	(650,962)	(1,473,628)
Depreciation charged during the period	(38,250,000)	(150,048,560)
Written down value of asset - closing	<u>1,492,535,421</u>	<u>1,530,549,070</u>
5 CAPITAL WORK IN PROGRESS		
Factory Building	4,209,239	3,269,584
Plant & Machinery	77,587,912	75,107,220
Others	39,729,054	39,729,054
	<u>121,526,205</u>	<u>118,105,858</u>

6 TRANSACTIONS WITH ASSOCIATED UNDERTAKING

The Company enters into transactions with the related parties in normal course of business at arm's length determined in accordance with "comparable Uncontrolled Price Method". Transactions with related parties other than remuneration and benefits to key management personnel under the terms of employment are as follows:

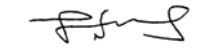
	Sep 2012	Sep 2011
Services received	-	30,000
Services rendered	3,080,508	1,179,000
Electricity purchased	112,295,535	86,241,737
Purchase of yarn, fabric and stores	65,491,691	100,384,114
Purchase of cotton	105,635,096	80,940,798
Sales of cotton	53,680,985	10,430,891
Sales of yarn and fabric	146,945,970	166,647,880
Purchase of machinery	2,760,800	-

COMPARATIVE FIGURES

In order to comply with the requirements of international Accounting Standards 34 "Interim Financial Reporting", Balance Sheet has been compared with the balances of annual financial statements while profit & Loss Accounts has been compared with corresponding figures of last year quarter.

Karachi: 24th October , 2012


KHURRAM SALIM
Chief Executive


MOHAMMAD SHAKEEL
Director

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