



*of Companies*

FIRST QUARTERLY ACCOUNTS  
2013 - 2014  
(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 30<sup>th</sup> September 2013.

#### Operating Results

During the first quarter ended 30<sup>th</sup> September 2013, the company's profit after tax came to Rs. 151,012,182 as compared to Rs.71,885,506 for the quarter ended 30<sup>th</sup> September 2012.

During the quarter under review, the economy of Pakistan remained under pressure due to overall law and order situation in Pakistan. However, by the Grace of Al-Mighty Allah, your company maintained the profitability track despite these tough business condition. The earning per share (EPS) for the first quarter ended 30<sup>th</sup> September 2013 is Rs.50.34 (30<sup>th</sup> September 2012: Rs.23.96).

The company's financial position continues to remain robust reflecting good fundamentals supported by strong capital and revenue reserves. Breakup value of shares is Rs.1032.79 as at September 30, 2013 (June 30, 2013 Rs.982.45).

#### Year under Review

World and local trading of cotton is currently full of volatile posture fluctuating cotton rates in ready every now and then. Currently cotton rate has touched all time high of Rs.7,300 per maund.

The extra ordinary increase in labor cost, electricity rates and oil prices in current quarter will have much negative effect on cost of production. China has been main importer of cotton yarn for last three years but due to slump in international market, China's demand for yarn is very slow and the export sales price of yarn may be the lowest in future. Due to low prices of yarn and substantial increase in cost of production, the future outlook is very bleak and depressing.

Further interrupted power supply has significantly affected production efficiencies and resulted increase in per unit production cost.

Instead of reducing discount rate, the State Bank of Pakistan has increased discount rate by 0.50 which will increase borrowing cost and consequently affects the profitability of company.

The company has opened Letter of Credit for import of ring frames as part of Balancing Moderation Plan.

In the present scenario the results are likely to be adverse in coming quarters. However the management of the company is doing its best efforts to maintain the profitability margin.

#### Acknowledgement

Yours directors record with appreciation, the efforts of the company's managers, technicians and workers who have worked vigorously to meet the target. Your 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: October 28<sup>th</sup>, 2013



## BHANERO TEXTILE MILLS LIMITED

### Condensed Interim Balance Sheet (Un-Audited) As At September 30, 2013

	Note	September 30, 2013 Rupees	June 30, 2013 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized capital</b>			
6,000,000 (June 2013: 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>	<u>30,000,000</u>
Reserves		<u>2,800,000,000</u>	<u>2,800,000,000</u>
Unappropriated profits		<u>268,369,519</u>	<u>117,357,337</u>
		<u>3,098,369,519</u>	<u>2,947,357,337</u>
<b>NON CURRENT LIABILITIES</b>			
Deferred liabilities		158,339,331	154,958,307
<b>CURRENT LIABILITIES</b>			
Trade and other payables		540,710,091	467,076,899
Mark-up accrued on loans		4,268,414	5,980,563
Short term borrowings - secured		824,160,951	828,550,000
Current portion of long term loan		1,104,356	1,699,570
		<u>1,370,243,812</u>	<u>1,303,307,032</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	3	-	-
		<u>4,626,952,662</u>	<u>4,405,622,676</u>

The annexed notes form an integral part of these financial statements

Karachi: October 28<sup>th</sup>, 2013

**KHURRAM SALIM**  
Chief Executive



## BHANERO TEXTILE MILLS LIMITED

### Condensed Interim Balance Sheet (Un-Audited) As At September 30, 2013

	Note	September 30, 2013 Rupees	June 30, 2013 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	4	1,538,074,888	1,531,890,987
Capital work in progress	5	58,288,360	40,293,004
Long term investment		320,000	320,000
Long term deposits		10,642,796	10,642,796
		<b>1,607,326,044</b>	1,583,146,787
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		66,101,181	53,122,008
Stock in trade		2,205,511,134	2,127,754,269
Trade debts		435,705,928	414,889,160
Loans and advances		31,998,104	29,973,488
Trade deposits and short term prepayments		32,310,591	28,912,184
Other receivables		10,131,327	3,949,932
Advance income tax		56,728,167	60,077,776
Sales tax refundable		75,012,589	50,613,456
Cash and bank balances		106,127,597	53,183,616
		<b>3,019,626,618</b>	2,822,475,889
		<b>4,626,952,662</b>	<b>4,405,622,676</b>

MOHAMMAD SHAKEEL  
Director



## BHANERO TEXTILE MILLS LIMITED

### Condensed Interim Profit and Loss Account (Un-Audited) For The First Quarter Ended 30<sup>th</sup> September, 2013

	September 30 2013 Rupees	September 30 2012 Rupees
Sales	1,834,923,151	1,677,288,406
Cost of goods sold	<u>1,562,064,498</u>	<u>1,495,945,677</u>
<b>Gross profit</b>	<b>272,858,653</b>	181,342,729
Other operating income	<u>1,392,321</u>	<u>1,649,397</u>
	<b>274,250,974</b>	182,992,126
Distribution cost	<u>45,904,762</u>	<u>44,530,339</u>
Administrative expenses	<u>28,218,507</u>	<u>25,022,924</u>
Other operating expenses	<u>8,912,288</u>	<u>3,010,148</u>
Finance cost	<u>21,881,922</u>	<u>22,122,772</u>
	<b>104,917,479</b>	94,686,183
<b>Profit before tax</b>	<b>169,333,495</b>	88,305,943
Provision for taxation	<u>18,321,313</u>	<u>16,420,437</u>
<b>Profit after Tax</b>	<b>151,012,182</b>	<b>71,885,506</b>
Earnings per Share - basic and diluted	<u>50.34</u>	<u>23.96</u>

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

**KHURRAM SALIM**  
Chief Executive

**MOHAMMAD SHAKEEL**  
Director

Karachi: October 28<sup>th</sup>, 2013



## BHANERO TEXTILE MILLS LIMITED

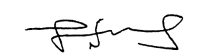
### Condensed Interim Cash Flow Statement (Un-Audited) For The First Quarter Ended 30<sup>th</sup> September, 2013

	September 30, 2013 Rupees	September 30, 2012 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	169,333,495	88,305,943
<b>Adjustments for:</b>		
Depreciation on property, plant and equipment	35,439,290	38,250,000
Provision for employees' benefits	8,580,000	7,275,000
Infrastructure Fees	1,975,838	514,584
(Gain) on disposal of property, plant and equipment	(329,173)	(549,038)
Finance cost	21,881,922	22,122,772
<b>Operating cash flows before changes in working capital (Increase)/decrease in current assets</b>	236,881,372	155,919,261
Inventories	(90,736,038)	196,506,663
Trade debts	(20,816,768)	30,441,255
Loans and advances	(2,024,616)	(23,356,175)
Trade deposits & short term prepayments	(3,398,407)	606,854
Other receivables	(6,181,395)	483,033
Sales tax refundable	(24,399,133)	5,048,407
	(147,556,357)	209,730,037
Increase in trade and other payables	73,633,192	90,715,223
<b>Cash generated from operations</b>	162,958,207	456,364,521
Finance cost paid	(23,594,071)	(23,222,455)
Employees' benefits paid	(7,174,814)	(3,120,225)
Income taxes paid	(14,971,704)	(12,311,820)
Long term loans	-	-
	(45,740,589)	(38,654,500)
<b>Net cash generated from in operating activities</b>	117,217,618	417,710,021
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceed from disposal of property, plant and equipment	2,287,712	1,200,000
Purchase of property, plant and equipment	(61,577,086)	(4,307,660)
<b>Net cash used in investing activities</b>	(59,289,374)	(3,107,660)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of liability against assets subject to finance lease	(595,214)	(1,191,820)
Short term bank borrowings	(4,389,049)	(300,944,792)
<b>Net cash used in financing activities</b>	(4,984,263)	(302,136,612)
<b>Net increase in cash and cash equivalents</b>	52,943,981	112,465,749
<b>Cash and cash equivalents at the beginning of the year</b>	53,183,616	32,753,514
<b>Cash and cash equivalents at the end of the year</b>	106,127,597	145,219,263

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

Karachi: October 28<sup>th</sup>, 2013

  
**KHURRAM SALIM**  
 Chief Executive

  
**MOHAMMAD SHAKEEL**  
 Director



## BHANERO TEXTILE MILLS LIMITED

### Condensed Interim Statement of Changes in Equity (Un-Audited) For The First Quarter Ended 30<sup>th</sup> September, 2013

	Share Capital	General Reserves	Available for sale financial assets	Unappropriated Profit	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
<b>Balance as at 30th June, 2012</b>	30,000,000	2,300,200,000	(200,000)	90,340,988	2,420,340,988
Profit for the quarter ended 30th September 2012	-	-	-	71,885,506	71,885,506
<b>Balance as at 30th September, 2012</b>	30,000,000	2,300,200,000	(200,000)	162,226,494	2,492,226,494
Other Comprehensive income for the year ended June 30, 2013			20,000	-	20,000
Final dividend for the year ended June 30, 2012 PKR. 20.0 per share	-	-	-	(60,000,000)	(60,000,000)
Profit for the remaining period	-	-	-	515,110,843	515,110,843
Transferred to general reserve	-	499,980,000	-	(499,980,000)	-
<b>Balance as at 30th June, 2013</b>	30,000,000	2,800,180,000	(180,000)	117,357,337	2,947,357,337
Profit for the quarter ended 30th September 2013	-	-	-	151,012,182	151,012,182
<b>Balance as at 30th September, 2013</b>	<b>30,000,000</b>	<b>2,800,180,000</b>	<b>(180,000)</b>	<b>268,369,519</b>	<b>3,098,369,519</b>

**KHURRAM SALIM**  
Chief Executive

Karachi: October 28<sup>th</sup>, 2013

**MOHAMMAD SHAKEEL**  
Director



**BHANERO TEXTILE MILLS LIMITED**

**Condensed Interim Statement of Comprehensive Income  
For The First Quarter Ended 30<sup>th</sup> September, 2013**

	30 <sup>th</sup> September, 2013 Rupees	30 <sup>th</sup> September, 2012 Rupees
Profit for the period after taxation	151,012,182	71,885,506
Other comprehensive income after taxation	-	-
<b>Total comprehensive Income for the Quarter</b>	<b>151,012,182</b>	<b>71,885,506</b>

The annexed notes form an integral part of these financial statements

**KHURRAM SALIM**  
Chief Executive

**MOHAMMAD SHAKEEL**  
Director

Karachi: October 28<sup>th</sup>, 2013





## BHANERO TEXTILE MILLS LIMITED

### Condensed Interim Notes To Financial Statement (Un-audited) For The First Quarter Ended September 30, 2013

#### 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, 2013.

#### 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, 2013.

	September 30, 2013 Rupees	June 30, 2013 Rupees
<b>4 ACQUISITION AND DISPOSAL OF FIXED ASSETS</b>		
Written down value of assets - opening	1,531,890,987	1,530,549,070
Additions during the period	43,581,730	153,718,946
Disposal during the period - written down value	(1,958,539)	(4,586,507)
Depreciation charged during the period	(35,439,290)	(147,790,522)
Written down value of assets - closing	<u>1,538,074,888</u>	<u>1,531,890,987</u>
<b>5 CAPITAL WORK IN PROGRESS</b>		
Factory Building	755,750	-
Plant & Machinery	16,700,656	-
Others	40,831,954	40,293,004
	<u>58,288,360</u>	<u>40,293,004</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:

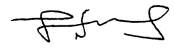
	September 30, 2013 Rupees	September 30, 2012 Rupees
Services received	75,000	
Services rendered	15,000	3,080,508
Electricity purchased	193,235,543	112,295,535
Purchase of yarn, fabric and stores	22,142,802	65,491,691
Purchase of cotton	-	105,635,096
Sales of cotton	21,019,995	53,680,985
Sales of yarn and fabric	196,829,655	146,945,970
Purchase of machinery	-	2,760,800

#### 7 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 Account has been compared with corresponding figures of last year quarter.

Karachi: October 28<sup>th</sup>, 2013

  
KHURRAM SALIM  
Chief Executive

  
MOHAMMAD SHAKEEL  
Director

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**BHANERO TEXTILE MILLS LIMITED**

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

Phone : 021 - 35115177 - 80

FaxNo. : 021 - 35063002 - 3

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

Website: <http://www.umergroup.com>