



*of Companies*

**THIRD QUARTERLY ACCOUNTS  
2012-2013  
(UN - AUDITED)**

**UMER GROUP OF COMPANIES**

**BHANERO TEXTILE MILLS LIMITED**



**BHANERO TEXTILE MILLS LIMITED**

---

## **Vision**

---

A premier quality company,  
Providing quality products  
And maintaining an  
Excellent level of  
Ethical and professional standard





**BHANERO TEXTILE MILLS LIMITED**

---

## Mission Statement

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



## 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 nine months ended 31<sup>st</sup> March 2013.

#### Operating Results

During the nine months ended 31<sup>st</sup> March 2013, the company's profit after tax came to PKR 355.082 million as compared to PKR 182.053 million for the nine months ended 31<sup>st</sup> March 2012.

The earnings per share (EPS) for the nine months ended 31<sup>st</sup> March 2013 is PKR 118.36 (31<sup>st</sup> March 2012: PKR 60.68).

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 905.14 as at 31<sup>st</sup> March 2013 (30<sup>th</sup> June 2012: PKR 806.78).

#### Future Outlook

During the nine months under review the demand of yarn was satisfactory but the demand of fabric was suppressed due to European economic recession. Sudden levy of sales tax on local supply of textile products has affected the sales for the month of March 2013.

Cotton prices are now going upward slowly as compared to the prices during cotton season. Currently the price of cotton in local market is around PKR 6,600 per maund whereas during the cotton season it was around PKR 5,500 to 5,800 per maund.

Energy shortage is one of the biggest problems for industrialist. In Punjab gas outage during the nine months ended 31<sup>st</sup> March 2013 has increased as compare to previous nine months ended 31<sup>st</sup> March 2012. The cost of production is increasing due to un-availability of gas.

In the present scenario the results are likely to be positive in coming quarters. 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. Yours directors also extent their appreciation to the company's banker, buyers and suppliers for the cooperation extended by them.

For and on behalf of the Board

**Khurram Salim**  
Chief Executive

Karachi : 30<sup>th</sup> April, 2013



## BHANERO TEXTILE MILLS LIMITED

### Condensed Interim Balance Sheet (Un-audited) As At 31<sup>st</sup> March , 2013

	Note	March 31, 2013 Rupees	June 30, 2012 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized capital</b>			
6,000,000 (June 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		30,000,000	30,000,000
Reserves		2,300,000,000	2,300,000,000
Unappropriated profit		<u>385,423,615</u>	<u>90,340,988</u>
		2,715,423,615	2,420,340,988
<b>NON CURRENT LIABILITIES</b>			
Liabilities against assets subject to finance lease		-	1,681,992
Deferred liabilities		180,522,647	165,341,045
		180,522,647	167,023,037
<b>CURRENT LIABILITIES</b>			
Trade and other payables		497,618,066	337,281,505
Mark-up accrued on loans		22,511,994	4,666,326
Short term borrowings - secured		1,240,768,881	696,500,000
Current portion of long term loan		2,838,683	5,042,375
		1,763,737,624	1,043,490,206
<b>CONTINGENCIES AND COMMITMENTS</b>	5	-	-
		<u>4,659,683,886</u>	<u>3,630,854,231</u>

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

**Khurram Salim**  
Chief Executive

Karachi : 30<sup>th</sup> April, 2013

**BHANERO TEXTILE MILLS LIMITED**

**Condensed Interim Balance Sheet (Un-audited)  
As At 31<sup>st</sup> March , 2013**

	Note	March 31, 2013 Rupees	June 30, 2012 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	6	1,421,004,624	1,530,549,070
Capital work in progress	7	128,450,111	118,105,858
Long term investment		300,000	300,000
Long term deposits		11,340,096	11,340,096
		1,561,094,831	1,660,295,024
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		62,241,739	50,432,501
Stock in trade		2,291,009,468	1,372,934,426
Trade debts		442,996,751	381,348,469
Loans and advances		54,092,917	21,840,911
Trade deposits and short term prepayments		25,635,081	20,878,144
Other receivables		2,818,350	1,462,916
Advance income tax		43,050,570	39,093,353
Sales tax refundable		42,194,023	49,814,973
Cash and bank balances		134,550,156	32,753,514
		<b>3,098,589,055</b>	1,970,559,207
		<u><b>4,659,683,886</b></u>	<u>3,630,854,231</u>



**Mohammad Shakeel**  
Director



## BHANERO TEXTILE MILLS LIMITED

### Condensed Interim Profit And Loss Account (Un-audited) For The Nine Months Ended 31<sup>st</sup> March , 2013

	NINE MONTHS ENDED		QUARTER ENDED	
	March 31, 2013 Rupees	March 31, 2012 Rupees	March 31, 2013 Rupees	March 31, 2012 Rupees
Sales	5,116,165,264	4,602,076,107	1,769,416,650	1,587,046,018
Cost of goods sold	4,391,447,945	4,048,192,021	1,473,801,880	1,368,718,363
Gross profit	724,717,319	553,884,086	295,614,770	218,327,655
Other operating income	3,234,813	9,588,575	714,530	6,911,678
	<u>727,952,132</u>	<u>563,472,661</u>	<u>296,329,300</u>	<u>225,239,333</u>
Distribution cost	128,370,027	140,214,874	44,446,865	59,012,368
Administrative expenses	76,457,772	70,129,757	26,685,307	25,332,506
Other operating expenses	21,654,145	12,541,857	17,725,623	4,747,380
Finance cost	95,209,567	112,955,893	38,407,024	45,946,827
	<u>321,691,511</u>	<u>335,842,381</u>	<u>127,264,819</u>	<u>135,039,081</u>
Profit before tax	406,260,621	227,630,280	169,064,481	90,200,252
Provision for taxation				
Current period	51,177,994	45,941,024	17,691,911	15,900,760
Prior period	-	(364,597)	-	(364,597)
Deferred taxation	-	-	-	-
	<u>51,177,994</u>	<u>45,576,427</u>	<u>17,691,911</u>	<u>15,536,163</u>
Profit after tax	<u>355,082,627</u>	<u>182,053,853</u>	<u>151,372,570</u>	<u>74,664,089</u>
Earnings per Share - basic and diluted	<u>118.36</u>	<u>60.68</u>	<u>50.46</u>	<u>24.89</u>

The annexed notes form an integral part of these financial statements

**Khurram Salim**  
Chief Executive

**Mohammad Shakeel**  
Director

Karachi : 30<sup>th</sup> April, 2013



## BHANERO TEXTILE MILLS LIMITED

### Condensed Interim Cash Flow Statement (Un-audited) For The Nine Months Ended 31<sup>st</sup> March , 2013

	March 31, 2013 Rupees	March 31, 2012 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	406,260,621	227,630,280
<b>Adjustments for:</b>		
Depreciation on property, plant and equipment	114,806,546	110,406,676
Provision for employees' benefits	21,825,000	22,410,000
Infrastructure fee	4,621,972	3,431,753
(Gain) on disposal of property, plant and equipment	(1,168,006)	(62,521)
Finance cost	95,209,567	112,955,893
<b>Operating cash flows before changes in working capital</b>	<b>641,555,700</b>	<b>476,772,081</b>
<b>(Increase)/decrease in current assets</b>		
Inventories	(929,884,280)	(310,161,216)
Trade debts	(61,648,282)	73,668,168
Loans and advances	(32,252,006)	(7,260,022)
Trade deposits	(4,756,937)	1,973,383
Other receivables	(1,355,434)	(2,459,393)
Sales tax refundable	7,620,950	(9,162,480)
	(1,022,275,989)	(253,401,560)
Increase in trade and other payables	160,239,883	19,699,494
<b>Cash generated by operations</b>	<b>(220,480,406)</b>	<b>243,070,015</b>
Finance cost paid	(77,363,899)	(97,459,065)
Employees' benefits paid	(11,265,370)	(6,872,713)
Income taxes paid	(55,135,211)	(51,181,111)
Long term loans	-	-
Long term deposits	-	(20,000)
	(143,764,480)	(155,532,889)
<b>Net cash used in operating activities</b>	<b>(364,244,886)</b>	<b>87,537,126</b>



**BHANERO TEXTILE MILLS LIMITED**

**Condensed Interim Cash Flow Statement (Un-audited)  
For The Nine Months Ended 31<sup>st</sup> March , 2013**

	March 31, 2013 Rupees	March 31, 2012 Rupees
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceed from disposal of property plant and equipment	5,255,000	925,000
Purchase of property, plant and equipment	<u>(19,693,352)</u>	<u>(110,337,758)</u>
<b>Net cash used in investing activities</b>	<u>(14,438,352)</u>	<u>(109,412,758)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of long term financing	-	(167,610,737)
Payment of liability against assets subject to finance lease	(3,885,679)	(7,143,821)
Short term bank borrowings	544,268,881	347,893,485
Dividend paid	<u>(59,903,322)</u>	<u>(89,913,684)</u>
<b>Net cash from financing activities</b>	<u>480,479,880</u>	<u>83,225,243</u>
<b>Net increase in cash and cash equivalents</b>	101,796,642	61,349,611
<b>Cash and cash equivalents at the beginning of the year</b>	32,753,514	53,236,681
<b>Cash and cash equivalents at the end of the year</b>	<u>134,550,156</u>	<u>114,586,292</u>

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



**Khurrum Salim**  
Chief Executive



**Mohammad Shakeel**  
Director

Karachi : 30<sup>th</sup> April, 2013

## BHANERO TEXTILE MILLS LIMITED

### Condensed Interim Statement of Changes in Equity (Unaudited) For The Nine Months Ended 31<sup>st</sup> March 2013

	Share Capital	General Reserves	Available for sale financial assets	Unappropriated Profit	Total
	Rupees	Rupees		Rupees	Rupees
<b>Balance as at 30<sup>th</sup> June, 2011</b>	30,000,000	2,000,000,000	-	173,752,076	2,203,752,076
Profit for the nine months ended 31 <sup>st</sup> March 2012	-	-		182,053,853	182,053,853
Final dividend for the year ended June 30, 2011 PKR. 20.0 per share	-	-		(90,000,000)	(90,000,000)
<b>Balance as at 31<sup>st</sup> March, 2012</b>	30,000,000	2,000,000,000		265,805,929	2,295,805,929
Profit for the remaining period	-	-		124,435,059	124,435,059
Transfer loss of fair value of available for sale financial assets			(300,000)	300,000	-
Transferred to general reserve	-	300,200,000		(300,200,000)	-
Other comprehensive income for the year ended 30 <sup>th</sup> June 2012			100,000		100,000
<b>Balance as at 30<sup>th</sup> June, 2012</b>	30,000,000	2,300,200,000	(300,000)	90,340,988	2,420,240,988
Transfer loss of fair value of available for sale financial assets			(125,000)		(125,000)
Profit for the nine months ended 31 <sup>st</sup> March 2013	-	-		355,082,627	355,082,627
Final dividend for the year ended 30 <sup>th</sup> June, 2012				(60,000,000)	(60,000,000)
<b>Balance as at 31<sup>st</sup> March, 2013</b>	<b>30,000,000</b>	<b>2,300,200,000</b>	<b>(425,000)</b>	<b>385,423,615</b>	<b>2,715,198,615</b>

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



**Khurrum Salim**  
Chief Executive



**Mohammad Shakeel**  
Director

Karachi : 30<sup>th</sup> April, 2013

**BHANERO TEXTILE MILLS LIMITED**

**Condensed Interim Statement of Comprehensive Income (Unaudited)  
For The Nine Months Ended 31<sup>st</sup> March 2013**

	Nine Month Ended		Quarter Ended	
	31 <sup>st</sup> March 2013 Rupees	31 <sup>st</sup> March 2012 Rupees	31 <sup>st</sup> March 2013 Rupees	31 <sup>st</sup> March 2012 Rupees
Profit for the nine months after taxation	355,082,627	182,053,853	151,372,570	74,664,089
Other comprehensive income for the nine months ended	-	-	-	-
<b>Total comprehensive Income for the nine months ended</b>	<u>355,082,627</u>	<u>182,053,853</u>	<u>151,372,570</u>	<u>74,664,089</u>

The annexed notes form an integral part of these financial statements



**Khurram Salim**  
Chief Executive



**Mohammad Shakeel**  
Director

Karachi : 30<sup>th</sup> April, 2013

## BHANERO TEXTILE MILLS LIMITED

### Condensed Interim Notes To Financial Statement (Un-audited) For The Nine Months Ended 31<sup>st</sup> March , 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 BASIS OF PREPARATION

##### 2.1 Statement of compliance

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Finance Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as applicable in Pakistan. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended 30<sup>th</sup> June, 2012.

This condensed interim financial information is being submitted to the shareholders as required by the Listing regulations of Karachi, Lahore and Islamabad Stock Exchanges and section 245 of the Companies Ordinance, 1984.

#### 3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended 30 June, 2012.

#### 4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

4.1 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

4.2 Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended 30 June, 2012.

4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2012.

#### 5 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.

#### 6 PROPERTY, PLANT AND EQUIPMENT

	March 31, 2013	June 30, 2012
	Rupees	Rupees
Written down value of asset - opening	1,530,549,070	1,534,156,375
Addition during the period	9,349,094	147,914,883
Disposal during the period - written down value	(4,086,994)	(1,473,628)
Depreciation charged during the period	(114,806,546)	(150,048,560)
Written down value of asset - closing	<u>1,421,004,624</u>	<u>1,530,549,070</u>

## BHANERO TEXTILE MILLS LIMITED

### Condensed Interim Notes To Financial Statement (Un-audited) For The Nine Months Ended 31<sup>st</sup> March , 2013

7 CAPITAL WORK IN PROGRESS	March 31, 2013 Rupees	June 30, 2012 Rupees
Factory Building	11,048,060	3,269,584
Plant & Machinery	77,672,997	75,107,220
Others	39,729,054	39,729,054
	<u>128,450,111</u>	<u>118,105,858</u>

#### 8 TRANSACTIONS WITH ASSOCIATED UNDERTAKING

The Company enters into transactions with the related parties in normal course of business at arm's length price 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:

	Nine Months Ended		Quarter Ended	
	March 31, 2013 Rupees	March 31, 2012 Rupees	March 31, 2013 Rupees	March 31, 2012 Rupees
Services received	3,266,259	5,403,391	2,271,351	5,343,391
Services rendered	6,877,986	5,828,400	1,393,878	3,080,400
Electricity purchased	407,835,278	314,554,072	147,357,530	132,776,737
Purchase of yarn, fabric and machinery	304,632,162	366,145,978	32,760,713	34,947,873
Sales of cotton, yarn and fabric	408,684,472	497,767,346	16,511,887	190,139,925

#### 9 DATE OF AUTHORIZATION FOR ISSUE

These nine months period financial statements were authorized for issue on 30<sup>th</sup> April 2013 by the Board of Directors of the Company.

#### 10 DIVIDEND

The Company has paid cash dividend at the rate of 200% (i.e. Rs. 20.0 per share) on the ordinary shares as approved in 33<sup>rd</sup> Annual General Meeting held on October 24, 2012.

#### 11 OTHERS

There are no other significant activity since June 30, 2012 affecting the financial statements.

#### 12 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 half year and quarter.



**Khurrum Salim**  
Chief Executive



**Mohammad Shakeel**  
Director

Karachi : 30<sup>th</sup> April, 2013

*Book Post*  
PRINT MATTER

*If undelivered please return to:*

**BHANERO TEXTILE MILLS LIMITED**

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

Phone : 021 - 35115177 - 80

Fax no. : 021 - 35063002 - 3

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

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