



of Companies

FIRST QUARTERLY ACCOUNTS
2024-2025
(UN - AUDITED)

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.

Directors' Review

On behalf of the board of directors of Bhanero Textile Mills Limited, I am pleased to present the unaudited condensed interim financial statements for the first quarter ended September 30, 2024.

Significant Financial Performance for the First Quarter Ended September 30, 2024

Profit after tax for the first quarter ended September 30, 2024 is PKR 24.552 million as compared to PKR 102.787 million in the corresponding period ending September 30, 2023.

Earnings per share-basic for the first quarter ended September 30, 2024 is PKR 8.07 (September 30, 2023: PKR 33.90).

Break-up value of the share as on September 30, 2024 is PKR 3,581.16 (June 30, 2024: PKR 3,572.26).

The current ratio as on September 30, 2024 is PKR 1.66 (June 30, 2024: PKR 1.54).

Outlook of Cotton

The Pakistan Cotton Ginners Association (PCGA) reveals a massive decline of around 60 percent in the cotton arrival as September 30, 2024 as compared to corresponding period. The PCGA reported total cotton arrival in Pakistan at 2.04 million bales compared to 5.025 million bales recorded on September 30, 2023, a decrease of 2.985 million bales. However, in October fortnight, there has been an unexpected increase by 9.4 percent in cotton supply which was higher than the corresponding period.

Given the existing circumstances like unfavourable weather conditions, government policies towards agriculture sector including subsidies, support programs and prevailing economic conditions, the experts predicts that cotton production will stay under 6.0 million bales during the year 2024-25.

The significant shortfall in cotton output is attributed to several factors, including a decline in early sowing, prolonged heatwaves, heavy rains, pest infestations, reduced acreage, the absence of an intervention price, market manipulation, decreasing profitability and a lack of government support for research and development.

The textile industry, a crucial sector of Pakistan's economy relies heavily on cotton as a raw material and shortage leads to decline in the output of the textile sector. In the given situation the sector has to recourse towards import of cotton which will impact the foreign exchange or bear the premium in the mode of higher prices to procure domestically produced cotton. However, in either case it will lead to increase in cost of production for the textile sector which is already struggling amid prevailing high policy rate and energy prices

The global side of the cotton market is impacted by a complex interplay of factors, the fluctuations in the cotton and yarn prices last year influenced by the factors such as supply and demand imbalances, geopolitical events and macroeconomic conditions also impacted the profitability of the textile sector.

The economic hardships caused by cotton shortages has far-reaching implications for the country's economy, social inference and political stability. The government should immediately address the root causes of this shortage and promote sustainable cotton production which is crucial for the long-term development of Pakistan's textile industry and economy.

Acknowledgement

The board expresses its gratitude towards employees and financial institutions for their continued support.

On behalf of the Board



Khurram Salim - CEO

Dated: 29th October, 2024



Mohammad Salim - Director

Bhanero Textile Mills Limited

Condensed Interim Statement of Financial Position

As at September 30, 2024

		September 30, 2024	Jun 30, 2024			September 30, 2024	Jun 30, 2024
	Note	Un-Audited Rupees	Audited Rupees		Note	Un-Audited Rupees	Audited Rupees
EQUITY AND LIABILITIES				ASSETS			
SHARE CAPITAL AND RESERVES				NON CURRENT ASSETS			
Authorized capital				Property, plant and equipment	6	8,835,327,679	9,051,463,926
6,000,000 (June 30, 2024: 6,000,000) ordinary shares of Rs.10 each		60,000,000	60,000,000	Long term deposits		65,237,929	65,237,929
						8,900,565,608	9,116,701,855
Issued, subscribed and paid up capital		30,409,640	30,409,640				
Share premium		108,598,461	108,598,461				
Reserves		9,000,000,000	9,000,000,000				
Loan from directors and sponsors	4	183,118,200	180,618,200				
Unappropriated profit		1,568,039,379	1,543,487,381				
		10,890,165,680	10,863,113,682				
NON CURRENT LIABILITIES				CURRENT ASSETS			
Long term financing - secured		3,173,895,710	3,300,067,962	Stores, spares and loose tools		320,445,838	308,372,617
Staff retirement benefits		369,809,860	342,151,723	Stock in trade		9,647,578,202	11,747,332,888
Deferred government grant		686,332,004	731,949,939	Trade debts		3,627,658,873	3,594,593,076
		4,230,037,574	4,374,169,624	Loans and advances		49,533,507	76,922,215
				Trade deposits and short term prepayments		729,807,810	306,470,627
				Other receivables		67,232,332	32,820,322
CURRENT LIABILITIES				Advance income tax		286,682,590	287,118,358
Trade and other payables		2,935,447,869	2,462,664,394	Sales tax refundable		505,163,077	458,236,921
Unclaimed dividend		1,831,650	1,831,650	Cash and bank balances		473,516,865	736,372,277
Accrued interest/markup		253,081,230	331,423,890			15,707,619,094	17,548,239,301
Short term borrowings - secured		5,416,677,619	7,770,606,030				
Current portion of non current liabilities		880,943,080	861,131,886				
		9,487,981,448	11,427,657,850				
CONTINGENCIES AND COMMITMENTS							
	5	-	-				
TOTAL EQUITY AND LIABILITIES		24,608,184,702	26,664,941,156	TOTAL ASSETS		24,608,184,702	26,664,941,156

The annexed notes form an integral part of these condensed interim financial information.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

Bhanero Textile Mills Limited

Condensed Interim Statement of Profit or Loss (Un-Audited) For The Three Months Period Ended September 30, 2024

	Note	Three Months Ended	
		September 30, 2024	September 30, 2023
		Rupees	Rupees (Restated)
Sales		8,681,202,254	8,367,474,044
Cost of sales		(7,925,387,949)	(7,320,107,287)
Gross profit		755,814,305	1,047,366,757
Distribution cost		(207,514,639)	(184,240,464)
Administrative expenses		(97,890,029)	(72,179,301)
		(305,404,668)	(256,419,765)
Other income		31,649,334	37,772,970
		482,058,971	828,719,962
Other operating expenses		(10,168,444)	(16,757,422)
Finance cost		(335,873,555)	(588,670,839)
		(346,041,999)	(605,428,261)
Profit before levies & taxation		136,016,972	223,291,701
Levies - Revenue taxes	7	(111,464,974)	(120,504,447)
Profit before taxation		24,551,998	102,787,254
Taxation		-	-
Profit after taxation		24,551,998	102,787,254
Earning per share - basic		8.07	33.90
Earning per share - diluted		8.07	33.80

The annexed notes form an integral part of these condensed interim financial information.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

Bhanero Textile Mills Limited

Condensed Interim Statement of Comprehensive Income (Un-Audited) For The Three Months Period Ended September 30, 2024

	Three Months Ended	
	September 30, 2024	September 30, 2023
	Rupees	Rupees
Profit for the period after taxation	24,551,998	102,787,254
Other comprehensive income	-	-
Total comprehensive Income for the period	24,551,998	102,787,254

The annexed notes form an integral part of these condensed interim financial information.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Bhanero Textile Mills Limited

Condensed Interim Statement of Changes in Equity (Un-Audited) For The Three Months Period Ended September 30, 2024

	Share capital	Share premium	Reserve for issue of shares	Revenue Reserves		Loan from directors and sponsors	Total
				General reserve	Unappropriated profits		
Rupees							
Balance as at July 01, 2023 - Audited <i>(Restated)</i>	30,000,000	-	109,008,101	9,000,000,000	1,814,285,256	149,618,200	11,102,911,557
Comprehensive income							
Profit after taxation	-	-	-	-	102,787,254	-	102,787,254
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	-	102,787,254	-	102,787,254
Issue of shares during the period	409,640	108,598,461	(109,008,101)				
Balance as at September 30, 2023 <i>(Restated)</i>	<u>30,409,640</u>	<u>108,598,461</u>	<u>-</u>	<u>9,000,000,000</u>	<u>1,917,072,510</u>	<u>149,618,200</u>	<u>11,205,698,811</u>
Balance as at July 01, 2024 - Audited	30,409,640	108,598,461	-	9,000,000,000	1,543,487,381	180,618,200	10,863,113,682
Final dividend paid for the year ended June 30, 2023 at the rate of PKR 35.00 per share	-	-	-	-	-	-	-
Comprehensive income							
Profit after taxation	-	-	-	-	24,551,998	-	24,551,998
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	-	24,551,998	-	24,551,998
Loan proceeds from directors and sponsors	-	-	-	-	-	2,500,000	2,500,000
Balance as at September 30, 2024	<u>30,409,640</u>	<u>108,598,461</u>	<u>-</u>	<u>9,000,000,000</u>	<u>1,568,039,379</u>	<u>183,118,200</u>	<u>10,890,165,680</u>

The annexed notes form an integral part of these condensed interim financial information.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

Bhanero Textile Mills Limited

Condensed Interim Statement of Cash Flows (Un-Audited) For The Three Months Period Ended September 30, 2024

	September 30, 2024	September 30, 2023
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	136,016,972	223,291,701
Adjustments for:		
Depreciation on property, plant and equipment	217,350,315	216,870,000
Provision for employees' benefits	34,455,000	29,145,000
Gain on disposal of property, plant and equipment	(490,877)	-
Finance cost	335,873,555	588,670,839
Operating cash flows before changes in working capital	723,204,965	1,057,977,540
Working capital changes		
Inventories	2,087,681,465	(1,172,763,246)
Trade debts	(33,065,797)	(756,398,475)
Loans and advances	27,388,708	(37,042,127)
Trade deposits & prepayments	(423,337,183)	(266,122,095)
Other receivables	(34,412,010)	44,205,347
Sales tax refundable	(46,926,156)	(43,301,340)
Trade and other payables	472,783,475	797,441,978
	2,050,112,502	(1,433,979,958)
Cash generated from / (used in) operations	2,773,317,467	(376,002,418)
Finance cost paid	(414,216,214)	(439,366,408)
Employees' benefits paid	(6,796,863)	(13,861,256)
Income taxes paid	(111,029,206)	(101,435,279)
Long term deposits	-	(600,000)
	(532,042,283)	(555,262,943)
Net cash generated from / (used in) operating activities	2,241,275,184	(931,265,361)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	500,000	-
Additions in property, plant and equipment	(1,223,191)	(15,190,012)
Net cash used in investing activities	(723,191)	(15,190,012)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(151,978,994)	(34,986,145)
Loans received from directors and sponsors	2,500,000	-
(Decrease) / Increase in short term borrowings	(2,353,928,411)	1,171,558,088
Net cash (used in) / generated from financing activities	(2,503,407,405)	1,136,571,943
Net (decrease) / increase in cash and cash equivalents	(262,855,412)	190,116,570
Cash and cash equivalents at the beginning of the period	736,372,277	348,929,291
Cash and cash equivalents at the end of the period	473,516,865	539,045,861

The annexed notes form an integral part of these condensed interim financial information.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

Bhanero Textile Mills Limited

Notes to the Condensed Interim Financial Information (Un-audited)

For The Three Months Period Ended September 30, 2024

1 REPORTING ENTITY

Bhanero Textile Mills Limited ('the Company') is incorporated in Pakistan as a Public Limited Company under the Repealed Companies Ordinance, 1984, now Companies Act, 2017 and is listed on Pakistan Stock Exchange Limited. The Company is primarily spinning and weaving units engaged in the manufacture and sale of yarn and woven fabric however, it is also engaged in the generation of electricity for self consumption. The registered office of the Company is situated at Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. The manufacturing facility is located at Kotri District Jamshoro in the Province of Sindh and District Sheikhpura in the Province of Punjab.

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 IAS 34 Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017 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 30th June, 2024.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for certain financial instruments at fair value, certain financial liabilities at amortized cost and employees retirement benefits at present value. In this financial information, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

2.3 Judgments, estimates and assumptions

The preparation of financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.4 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 2024.

2.5 Functional currency

This financial information is prepared in Pak Rupees which is the Company's functional currency.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these interim financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2024.

4 LOAN FROM DIRECTORS AND SPONSORS

Directors and sponsors entered into a contract with the Company to provide funds to the Company. As per the contract, the loans are unsecured, interest free and repayable at the discretion of the Company. The loans are presented under equity as per Technical Release-32 of The Institute of Chartered Accountants of Pakistan.

Note	<u>September 30, 2024</u>	<u>June 30, 2024</u>
	<i>Rupees</i>	<i>Rupees</i>
	<i>(Un-Audited)</i>	<i>(Audited)</i>

5 CONTINGENCIES AND COMMITMENTS

There is no material change in contingencies and commitments as disclosed in annual financial statements for the year ended June 30, 2024 except following:

5.1 Contingencies

Bills Discounted	<u>2,812,806,446</u>	<u>3,566,149,426</u>
------------------	----------------------	----------------------

5.2 Commitments

Letter of credit (for store, raw material and machinery)	<u>3,991,205,890</u>	<u>1,140,617,880</u>
--	----------------------	----------------------

5.3 Commitments under ijarah contracts

The aggregate amount of Ijarah payments for ijarah financing and the period in which these payments will become due are as follows:

Bhanero Textile Mills Limited
Notes to the Condensed Interim Financial Information (Un-audited)
For The Three Months Period Ended September 30, 2024

- payments not later than one year	105,122,207	98,638,269
- payments later than one year	239,685,542	255,468,182
	344,807,749	354,106,451

	<i>Note</i>	September 30, 2024	June 30, 2024
		<i>Rupees</i> <i>(Un-Audited)</i>	<i>Rupees</i> <i>(Audited)</i>
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	8,584,992,450	8,755,049,425
Capital work in progress		250,335,229	296,414,501
		8,835,327,679	9,051,463,926
6.1 Operating fixed assets			
Net book value at the beginning of the period/year		8,755,049,425	8,855,091,927
Additions / transfers during the period / year			
Factory buildings		-	-
Plant and machinery		47,302,463	361,565,183
Equipment and other assets		-	123,344,328
Electric installation		-	252,905,727
Factory Equipment		-	9,166,966
Furniture & Fixtures - Factory		-	6,979,183
Vehicles		-	27,770,608
		47,302,463	781,731,995
Net book value of assets disposed during the period/year		(9,123)	(14,614,638)
Depreciation for the period/year		(217,350,315)	(867,159,859)
Net book value at the end of the period / year		8,584,992,450	8,755,049,425

7 LEVIES & TAXES

7.1 No provision for deferred tax has been made as the impact of the same is considered immaterial and the provision for minimum tax has been recognized as levies in these condensed interim financial statements as per the requirements of IFRIC 21/IAS37 and guidance on IAS 12 issued by ICAP. Comparatives figures have been restated/re-arranged accordingly.

8 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise associated companies and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and include the Chief Executive and Directors of the Company.

Transactions with key management personnel are limited to payment of short term employee benefits only. The Company in the normal course of business carries out various transactions with associated companies and continues to have a policy whereby all such transactions are carried out on commercial terms and conditions which are equivalent to those prevailing in an arm's length

Names and details of transactions and balances with related parties are as follows:

Name	Nature of relationship	Shareholding
Faisal Spinning Mills Limited	Common directorship	N/A
Blessed Textiles Limited	Common directorship	N/A
Bhanero Energy Limited	Common directorship	N/A
Umer Farms (Private) Limited	Directorship of close family relative	N/A
Admiral (Private) Limited	Directorship of close family relative	N/A
Khurrum Salim	Chief executive officer / Director	2.02%
Yasmin Begum	Directorship of close family member	1.01%
Farrukh Salim	Directorship of close family member	2.02%
Yousuf Salim	Directorship of close family member	1.69%
Saqib Salim	Directorship of close family member	1.68%
Amna Khurrum	Directorship of close family member	2.45%
Muhammad Umer	Directorship of close family member	N/A
Yahya Farrukh	Directorship of close family member	2.42%
Saba Yousaf	Directorship of close family member	2.76%
Saba Saqib	Directorship of close family member	2.76%
Samia Bilal	Directorship of close family member	11.14%

Bhanero Textile Mills Limited**Notes to the Condensed Interim Financial Information (Un-audited)****For The Three Months Period Ended September 30, 2024**

Nature of transactions	Three Months Ended	
	September 30, 2024	September 30, 2023
	Rupees	Rupees
Purchases	181,428,726	108,455,424
Sales	269,121,287	398,769,745
Services received	154,500	154,500
Purchase of electricity	3,673,240	1,192,290
Remuneration to key management	5,400,000	5,400,000
Balance with related party	20,000	20,000
Loan received from directors & sponsors	2,500,000	149,618,200

9 SEGMENT REPORTING

The Company has two reportable segments, which offer different products and are managed separately. The following summary describes the operations in each of the company's reportable segments.

Reportable segment	Principal activity
Spinning	Manufacture and sale of yarn
Weaving	Manufacture and sale of woven fabric

Information about operating segments as at September 30, 2024 is as follows:

	Three Months Ended September 30, 2024		
	Spinning Rupees	Weaving Rupees	Total Rupees
Revenue from external customers	6,419,681,082	2,261,521,172	8,681,202,254
Inter-segment transfers	122,963,608	-	122,963,608
Segment results	337,074,652	113,334,985	450,409,637
Other operating income			31,649,334
Other operating expenses			(10,168,444)
Finance cost			(335,873,555)
			136,016,972

	Three Months Ended September 30, 2023		
	Spinning Rupees	Weaving Rupees	Total Rupees
Revenue from external customers	6,582,150,892	1,785,323,152	8,367,474,044
Inter-segment transfers	151,692,000	-	151,692,000
Segment results	512,879,177	278,067,815	790,946,992
Other operating income			37,772,970
Other operating expenses			(16,757,422)
Finance cost			(588,670,839)
			223,291,701

	As at September 30, 2024			
	Rupees	Weaving Rupees	Un-allocated Rupees	Total Rupees
Segment assets	18,779,168,012	4,242,125,284	1,586,891,406	24,608,184,702

	As at June 30, 2024			
	Spinning Rupees	Weaving Rupees	Un-allocated Rupees	Total Rupees
Segment assets	21,169,045,972	4,378,831,349	1,117,063,835	26,664,941,156

Bhanero Textile Mills Limited**Notes to the Condensed Interim Financial Information (Un-audited)****For The Three Months Period Ended September 30, 2024**

	As at September 30, 2024			
	Spinning Rupees	Weaving Rupees	Un-allocated Rupees	Total Rupees
Segment liabilities	10,585,911,429	3,130,275,943	1,831,650	13,718,019,022
As at June 30, 2024				
	Spinning Rupees	Weaving Rupees	Un-allocated Rupees	Total Rupees
Segment liabilities	12,298,685,956	2,882,218,896	620,922,622	15,801,827,474

10 EVENTS AFTER THE REPORTING PERIOD

10.1 There are no significant events after the reporting period that may require any adjustment or disclosure in this condensed interim financial report.

11 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these financial statements.

12 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been approved by the Board of Directors of the Company and authorized for issue on October 29, 2024.

13 GENERAL

13.1 There are no other significant activities since June 30, 2024 affecting the interim financial information.

13.2 Figures have been rounded off to the nearest Rupee.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER