



of Companies

FIRST QUARTERLY ACCOUNTS
2009 - 2010
(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 financial statements for First Quarter ended 30th September 2009.

Operating Results

During the first quarter ended 30th September 2009, the company's profit after tax came to PKR 40.217 million as compared to **PKR 30.152** million for the quarter ended 30th September 2008. 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, yours company maintained the profitability track despite these though business conditions.

The earning per share (EPS) for the first quarter ended 30th September 2009 is PKR 13.41 (30th September 2008: 10.05).

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 341.64 as at September 30, 2009 (June 30, 2009 PKR 328.23).

The title "balance sheet" has been replaced by "Statement of Financial Position" and title "Profit and loss account" has been replaced by "Statement of Comprehensive Income" in compliance with the requirements of IAS - 1, Presentation of Financial Statement.

Year under Review

Unlike world cotton, local trading of cotton is currently fully of volatile posture fluctuating cotton rates in ready every now and then. Currently cotton rate has gone above PKR 3,800 per maund.

Rising trend in finance cost has so far been controlled through monetary policy but it is still at higher side. Government should make efforts to bring KIBOR in single digit.

Interrupted power supply has significantly affected production efficiencies and resulted increases in per unit production cost. Besides the load shedding of electricity massive load shedding of gas in Punjab has been scheduled during December 2009 to February 2010 because export oriented textile sector has been placed on fourth priority level. In the absence of gas supply, we have to operate machinery through power generation based on furnace oil because currently WAPDA is not reliable source of electricity due to interrupted supply of electricity. If the machineries have to be operated on furnace oil than extra cost will have to be bear which will be a massive increase in power and fuel cost of company.

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. 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
MOHAMMAD SALIM
CHIEF EXECUTIVE / DIRECTOR

Karachi: October 28th, 2009



BHANERO TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT SEPTEMBER 30, 2009

		September 30, 2009	June 30, 2009
	Note	Rupees	Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
6,000,000 (June 2009: 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		900,000,000	900,000,000
Unappropriated profits		<u>94,934,252</u>	<u>54,716,498</u>
		1,024,934,252	984,716,498
Loan from Sponsors		91,964,286	89,285,715
NON CURRENT LIABILITIES			
Long term financing - secured		432,625,930	509,066,345
Liabilities against assets subject to finance lease		7,324,870	8,266,315
Long term payables		25,794,645	24,134,372
Deferred liabilities		<u>182,273,429</u>	<u>179,431,170</u>
		648,018,874	720,898,202
CURRENT LIABILITIES			
Trade and other payables		233,270,738	189,338,230
Mark-up accrued on loans		23,878,778	45,511,678
Short term borrowings - secured		751,695,406	891,074,535
Current portion of long term financing		<u>258,164,019</u>	<u>213,224,878</u>
		1,267,008,941	1,339,149,321
CONTINGENCIES AND COMMITMENTS			
	3	-	-
		<u>3,031,926,353</u>	<u>3,134,049,736</u>

The annexed notes form an integral part of these financial statements

Karachi: October 28th, 2009


MOHAMMAD SALIM
Chief Executive / Director



BHANERO TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT SEPTEMBER 30, 2009

ASSETS	Note	September 30, 2009 Rupees	June 30, 2009 Rupees
FIXED ASSETS			
Property, plant and equipment	4	1,683,724,879	1,724,335,447
Capital work in progress	5	7,737,858	2,578,358
Long term investments		375,000	375,000
Long term loans		11,783,511	10,245,254
Long term deposits		31,048,996	30,128,996
		1,734,670,244	1,767,663,055
CURRENT ASSETS			
Stores, spares and loose tools		43,859,356	39,555,782
Stock in trade		628,722,729	799,754,468
Trade debts		470,609,700	443,988,669
Loans and advances		6,925,396	5,500,802
Trade deposits and short term prepayments		26,944,389	23,522,470
Other receivables		2,011,460	5,055,824
Taxation		16,047,416	19,063,451
Sales Tax Refundable		9,406,444	7,279,625
Cash and bank balances		92,729,219	22,665,590
		1,297,256,109	1,366,386,681
		3,031,926,353	3,134,049,736


MOHAMMAD SHARIF
DIRECTOR




BHANERO TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2009

	September 30, 2009	September 30, 2008
	Rupees	Rupees
Sales	968,578,887	952,593,550
Cost of goods sold	<u>(835,517,016)</u>	<u>(814,727,002)</u>
Gross profit	133,061,871	137,866,548
Other operating income	<u>35,846</u>	<u>176,246</u>
	133,097,717	138,042,794
Distribution cost	<u>(9,815,347)</u>	<u>(13,776,791)</u>
Administrative expenses	<u>(15,613,615)</u>	<u>(16,149,755)</u>
Other operating expenses	<u>(2,787,304)</u>	<u>(2,253,486)</u>
Finance cost	<u>(51,922,683)</u>	<u>(63,046,553)</u>
	<u>(80,138,949)</u>	<u>(95,226,585)</u>
Profit before tax	52,958,768	42,816,209
Provision for taxation	<u>(12,741,014)</u>	<u>(12,664,091)</u>
Profit after tax	40,217,754	30,152,118
Other comprehensive income	-	-
Total comprehensive income	<u>40,217,754</u>	<u>30,152,118</u>
Earnings per Share - basic and diluted	<u>13.41</u>	<u>10.05</u>

The annexed notes form an integral part of these financial statements


MOHAMMAD SALIM
CHIEF EXECUTIVE / DIRECTOR


MOHAMMAD SHARIF
DIRECTOR

Karachi: October 28th, 2009

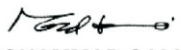


BHANERO TEXTILE MILLS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2009

	September 30, 2009	September 30, 2008
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	52,958,768	42,816,209
Adjustments for:		
Depreciation on property, plant and equipment	41,475,000	43,305,000
Provision for employees' benefits	4,840,000	1,830,000
Provision for bad debts	-	1,354,597
Infra structure fee	1,660,273	-
(Gain) on disposal of property, plant and equipment	-	(57,250)
Finance cost	51,922,683	63,046,553
Operating cash flows before changes in working capital	152,856,724	152,295,109
(Increase)/decrease in current assets		
Inventories	166,728,165	(22,091,930)
Trade debts	(26,621,031)	23,369,899
Loans and advances	(1,424,594)	(829,983)
Trade deposits	(3,421,919)	(1,167,576)
Other receivables	3,044,364	(5,417,631)
Sales tax refundable	(2,126,819)	(794,349)
	136,178,166	(6,931,570)
Increase in trade and other payables	43,932,508	23,086,307
Cash generated by operations	332,967,398	168,449,846
Finance cost paid	(70,877,012)	(72,693,358)
Employees' benefits paid	(1,997,741)	(3,479,311)
Income taxes paid	(9,724,979)	(3,853,178)
Long term loans	(1,538,257)	709,443
Long term deposits	(920,000)	-
	(85,057,989)	(79,316,404)
Net cash used in operating activities	247,909,409	89,133,442
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	63,000
Purchase of property, plant and equipment	(6,023,932)	(14,848,747)
Net cash used in investing activities	(6,023,932)	(14,785,747)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of long term financing	(31,647,507)	(82,142,858)
Payment of liability against assets subject to finance lease	(795,212)	(4,409,090)
Short term bank borrowings	(139,379,129)	66,425,970
Net cash from financing activities	(171,821,848)	(20,125,978)
Net increase / (decrease) in cash and cash equivalents	70,063,629	54,221,717
Cash and cash equivalents at the beginning of the quarter	22,665,590	18,529,277
Cash and cash equivalents at the end of the quarter	92,729,219	72,750,994


MOHAMMAD SALIM
 CHIEF EXECUTIVE / DIRECTOR

Karachi: October 28th, 2009


MOHAMMAD SHARIF
 DIRECTOR



BHANERO TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2009

	SHARE CAPITAL	GENERAL RESERVE	PROFIT FOR THE PERIOD AND APPROPRIATION	TOTAL RUPEES
Balance as at June 30, 2008	30,000,000	850,000,000	29,841,969	909,841,969
Profit for the first quarter	-	-	30,152,118	30,152,118
Balance as at September 30, 2008	30,000,000	850,000,000	59,994,087	939,994,087
Profit for the remaining period			50,722,411	50,722,411
Transferred to general reserve	-	50,000,000	(50,000,000)	-
Final dividend for the year ended June 30, 2008 Rs. 2 per share			(6,000,000)	(6,000,000)
Balance as at June 30, 2009	30,000,000	900,000,000	54,716,498	984,716,498
Profit for the first quarter	-	-	40,217,754	40,217,754
Balance as at September 30, 2009	30,000,000	900,000,000	94,934,252	1,024,934,252

MOHAMMAD SALIM
Chief Executive / Director

MOHAMMAD SHARIF
DIRECTOR

Karachi: October 28th, 2009



BHANERO TEXTILE MILLS LIMITED

CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2009

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, 2009.

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, 2009.

4 ACQUISITION AND DISPOSAL OF FIXED ASSETS	September 30,	June 30,
	2009	2009
	Rupees	Rupees
Written down value of asset - opening	1,724,335,447	1,841,843,191
Addition during the period	864,432	60,124,825
disposal during the period - written down value	-	(651,284)
depreciation charged during the period	(41,475,000)	(176,981,285)
Written down value of asset - closing	<u>1,683,724,879</u>	<u>1,724,335,447</u>

5 CAPITAL WORK IN PROGRESS

Factory Building	4,112,015	2,257,683
Plant & Machinery	3,576,698	320,675
Others	49,145	
	<u>7,737,858</u>	<u>2,578,358</u>



BHANERO TEXTILE MILLS LIMITED

CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2009

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, 2009	September 30, 2008
	Rupees	Rupees
Services received	1,030,000	30,000
Services rendered	3,288,895	4,821,460
Electricity purchased	34,385,690	31,755,174
Purchase of yarn, fabric and stores	6,367,600	11,966,120
Purchase of cotton	-	8,227,700
Sales of cotton	868,074	-
Sales of yarn and fabric	53,687,862	62,558,057

7 COMPARATIVE FIGURES

In order to comply with the requirements of international Accounting Standards 34 "Interim Financial Reporting", statement of financial position has been compared with the balances of annual financial statements while statement of comprehensive has been compared with corresponding figures of last year quarter.

MOHAMMAD SALIM
Chief Executive / Director

Karachi: October 28th, 2009

MOHAMMAD SHARIF
Director

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